

Semiannual Report

Thirty-first Fiscal Period

From December 1, 2018 to May 31, 2019



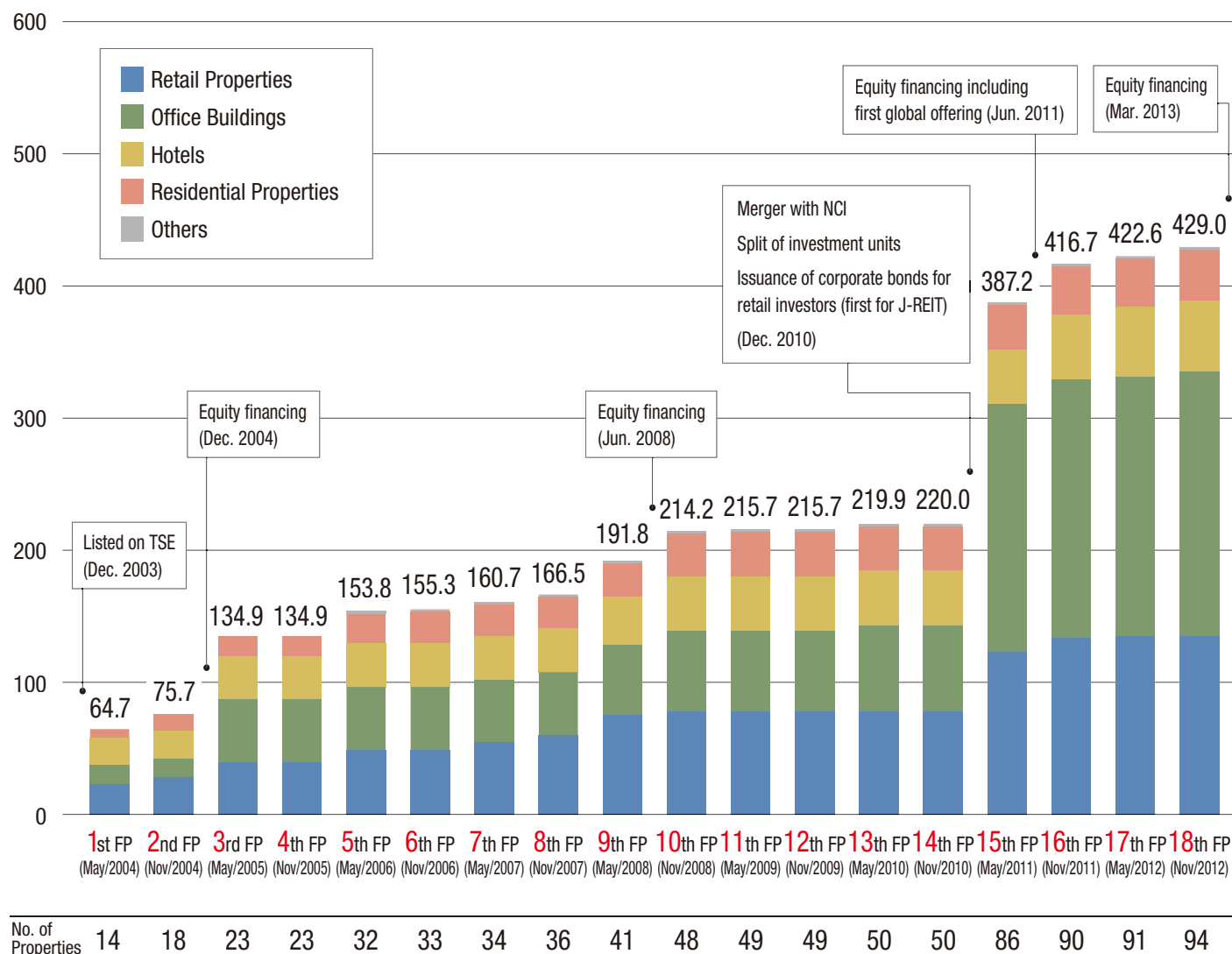
Profile

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 listing. In addition, through the merger with Nippon Commercial Investment Corporation (“NCI”) in December 2010, United Urban considerably expanded the size of 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 United Urban will conduct asset management aiming to both improve revenues and mitigate risk.

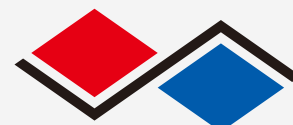
Growth of Assets ^(Note 1)

(Billions of yen)



Notes: 1. The total acquisition prices of properties owned by United Urban at the end of each fiscal period are shown above, and figures are rounded to the units stated.

2. Unless otherwise indicated, in principle, all figures in this report are rounded down to the nearest unit.



United Urban
Investment Corporation

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 further growth as a diversified J-REIT^(Note) by taking full advantage of the network and support provided by Marubeni and its affiliated companies.

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

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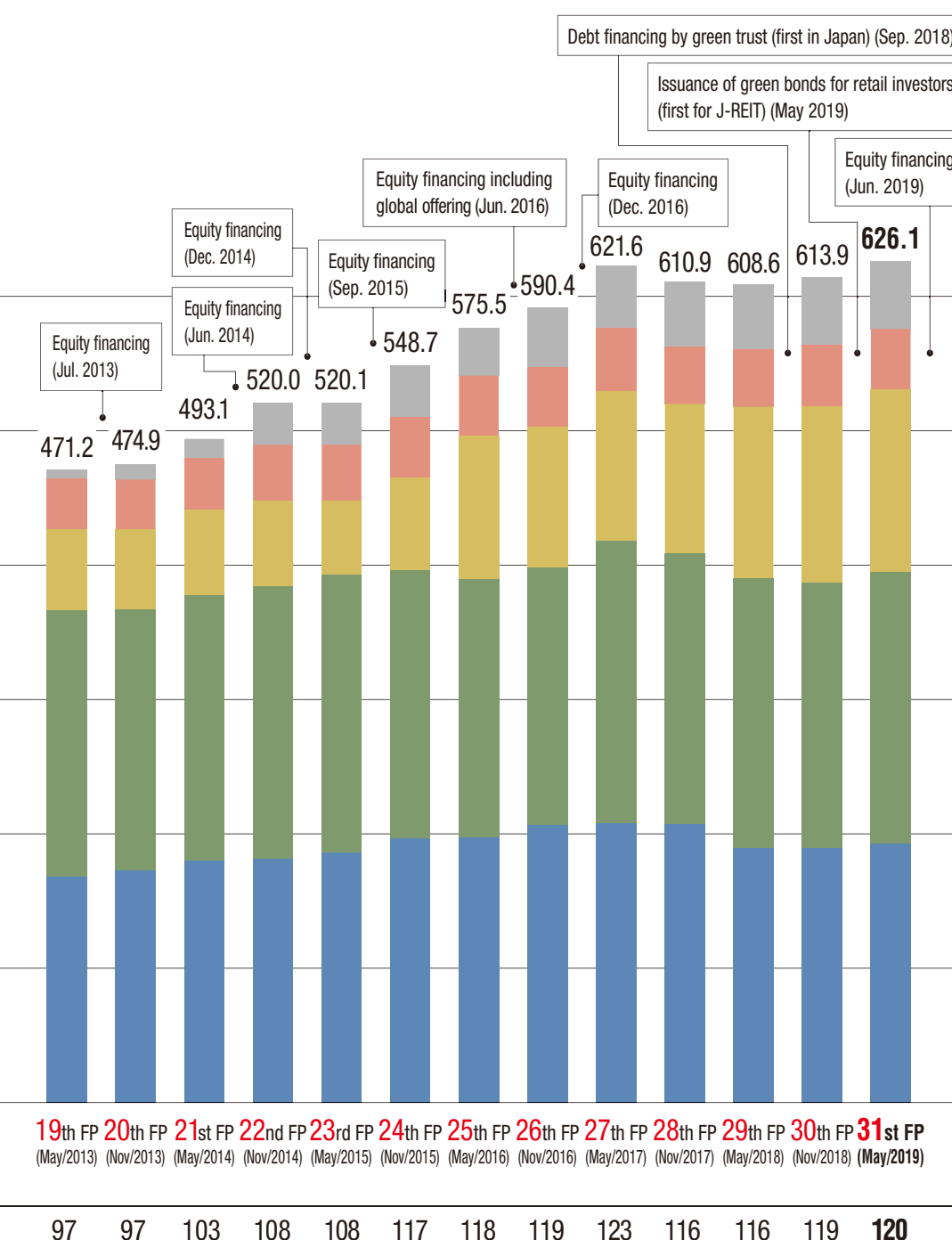
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Financial Section



Key Figures (As of May 31, 2019)

Cash Distribution per Unit for the 31st Fiscal Period

¥3,661

Occupancy Ratio

99.3%

Total Acquisition Price

¥626 billion

Number of Properties

120

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

34.5%

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 July 12,, 2019)



Long-term issuer rating

AA

Rating Outlook: Stable



Long-term issuer rating

A3

Rating Outlook: Stable

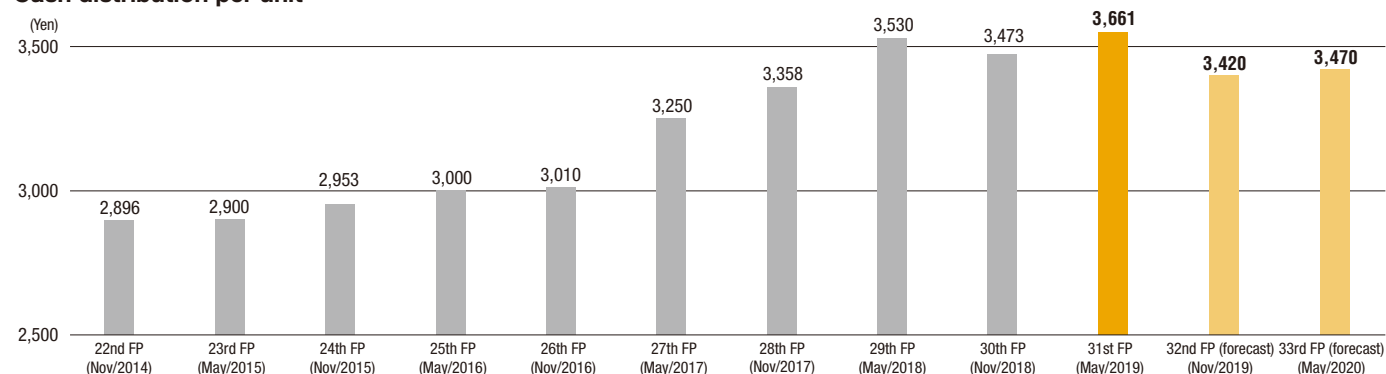
Financial Highlights

(Millions of yen, except per unit information)

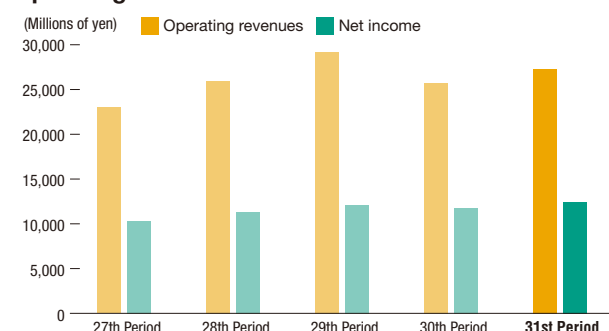
	27th Fiscal Period	28th Fiscal Period	29th Fiscal Period	30th Fiscal Period	31st Fiscal Period
	December 1, 2016- May 31, 2017	June 1, 2017- November 30, 2017	December 1, 2017- May 31, 2018	June 1, 2018- November 30, 2018	December 1, 2018- May 31, 2019
Operating revenues	¥ 22,982	¥ 25,926	¥ 29,166	¥ 25,733	¥ 27,261
Operating income	11,497	12,482	13,089	12,894	13,569
Ordinary income	10,286	11,320	11,974	11,789	12,413
Net income ^(Note)	10,285	11,319	11,973	11,788	12,413
Total cash distribution ^(Note)	9,929	10,258	10,784	10,610	11,184
Cash distribution per unit (Yen) ^(Note)	3,250	3,358	3,530	3,473	3,661
Total assets	675,885	663,531	648,503	651,242	680,901
Total net assets	351,801	353,258	355,017	356,029	357,789
Net assets per unit (Yen)	115,152	115,629	116,205	116,536	117,112

Notes: A portion of unappropriated retained earnings (27th fiscal period: ¥431 million, 28th fiscal period: ¥1,136 million, 29th fiscal period: ¥1,264 million, 30th fiscal period: ¥1,254 million, and 31st fiscal period: ¥1,305 million) was retained as voluntary retained earnings, and a reversal of reserve for temporary difference adjustments (27-29th fiscal period: ¥75 million and 30th and 31st fiscal period: ¥76 million) was added to cash distribution. Accordingly, the cash distribution per unit for the 27th fiscal period became ¥3,250, the 28th fiscal period became ¥3,358, the 29th fiscal period became ¥3,530, the 30th fiscal period became ¥3,473, and the 31st fiscal period became ¥3,661, respectively.

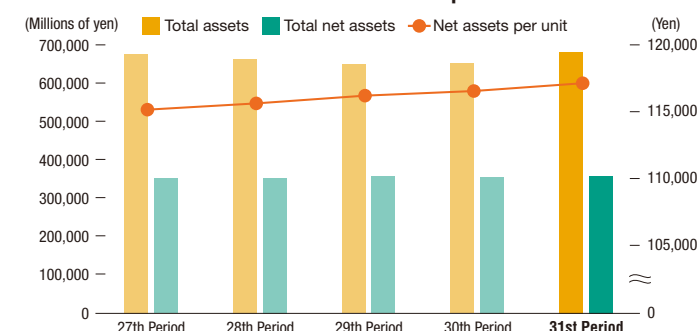
Cash distribution per unit



Operating revenues / Net income



Total assets / Total net assets / Net assets per unit



To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 31st fiscal period: the six-month period ended May 31, 2019.

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 by type of use and geographical location. Since listing, United Urban has been making efforts to maintain or improve revenues and reduce various risks to obtain stable earnings over the medium to long term. As of May 31, 2019 (the end of the 31st fiscal period), the asset size was ¥626 billion, making United Urban one of the largest among all J-REITs in terms of asset size.

In the 31st fiscal period, United Urban acquired the annex building of the b roppongi, a limited service hotel located in Minato-ku, Tokyo (acquisition price: ¥0.9 billion); Luz Musashikosugi, a retail facility located in Kawasaki, Kanagawa (acquisition price: ¥12.1 billion); GRAN FONTE, a family-type rental apartment located in Nerima-ku, Tokyo (acquisition price: ¥2.7 billion); and Henn na Hotel Tokyo Hamamatsucho, a limited service hotel located in Minato-ku, Tokyo (acquisition price: ¥4.4 billion). Moreover, United Urban has concluded an agreement to acquire Smile Hotel Premium Sapporo Susukino, a limited service hotel located in Sapporo, Hokkaido (acquisition price: ¥4.2 billion). On the other hand, United Urban conducted the transfer of 30% quasi co-ownership of a retail facility, Himonya Shopping Center (sale price: ¥8.2 billion) based on a concluded purchase-sale agreement (transfer in three installments) and sold Maison Ukima, a corporate housing building located in Kita-ku, Tokyo (sale price: ¥3.1 billion) with intention of improving the asset quality and portfolio profitability through the replacement of properties. Also, United Urban made renovations to enhance the value of offices and hotels, etc. while improving profitability through negotiations with tenants for increased rent revenues or cost reductions on property operations.

The environment for asset management of our existing properties has been good due to the firm earnings of Japanese corporations and increased demand from inbound tourists. Acquisition of new properties and the gains on property sales contributed to fiscal results despite an increase in rental business expenses from the intensive implementation of large-scale repair works. As a result, in the 31st fiscal period, United Urban was able to achieve operating revenues of ¥27,261 million, operating income of ¥13,569 million and net income of ¥12,413 million. A part of gains on sale was appropriated to cash distribution and ¥1,305 million was retained in order to strengthen the ability to cope with risk. (Corporate tax was not imposed for this retention.) In addition, United Urban reversed ¥76 million from the reserve for temporary difference adjustments and added this to the cash distribution under the provisions of laws and regulations, etc. Consequently, the cash distribution per unit for the 31st fiscal period became ¥3,661 (increased by approx. 3.1% or ¥111 per unit compared with the forecast) achieving a new record for our cash distribution per unit.

In finance, United Urban issued ¥10.0 billion of green bonds (called *Green Yu Yu Sai* in Japan) targeting the retail market, the first case among J-REITs, and continuously raised ¥4.5 billion from the previous period through a green trust. Accordingly, United Urban has intended to improve the presence in the green finance market. The balance of interest-bearing liabilities at the end of the 31st fiscal period increased to ¥282.8 billion from ¥257.3 billion as of the end of previous fiscal period with the new borrowings related to the acquisition of the new properties mentioned above.

In consideration of the recent focus on ESG (Environmental, Social, and Governance) investment, United Urban has promoted several ESG-related initiatives including acquisition of external environmental certifications and ESG assessments, the obtaining of ISO 14001 by the asset management company of United Urban, Japan REIT Advisors Co., Ltd. ("JRA"), and the introduction of the accumulative investment plan for United Urban's investment units by JRA employees, etc.

In the 32nd fiscal period ending November 30, 2019, United Urban conducted a public offering for the first time in two and a half years and procured ¥10.7 billion together with the third-party allotment. United Urban acquired Hotel Hewitt Koshien, a full-service hotel located in Nishinomiya, Hyogo (acquisition price: ¥13.5 billion) mainly with funds from the capital increase, and acquired Smile Hotel Premium Sapporo Susukino (acquisition price: ¥4.2 billion) based on the purchase agreement mentioned above. United Urban has also concluded an agreement to acquire the square hotel KANAZAWA, a limited service hotel located in Kanazawa, Ishikawa (scheduled acquisition price: ¥4.8 billion).



All of our officers and employees of United Urban and JRA shall have a firm awareness of ESG and make every effort to achieve the sustained growth of United Urban while coexisting with the society and environment. Your continuous support and kind attention are highly appreciated.

Ikuo Yoshida

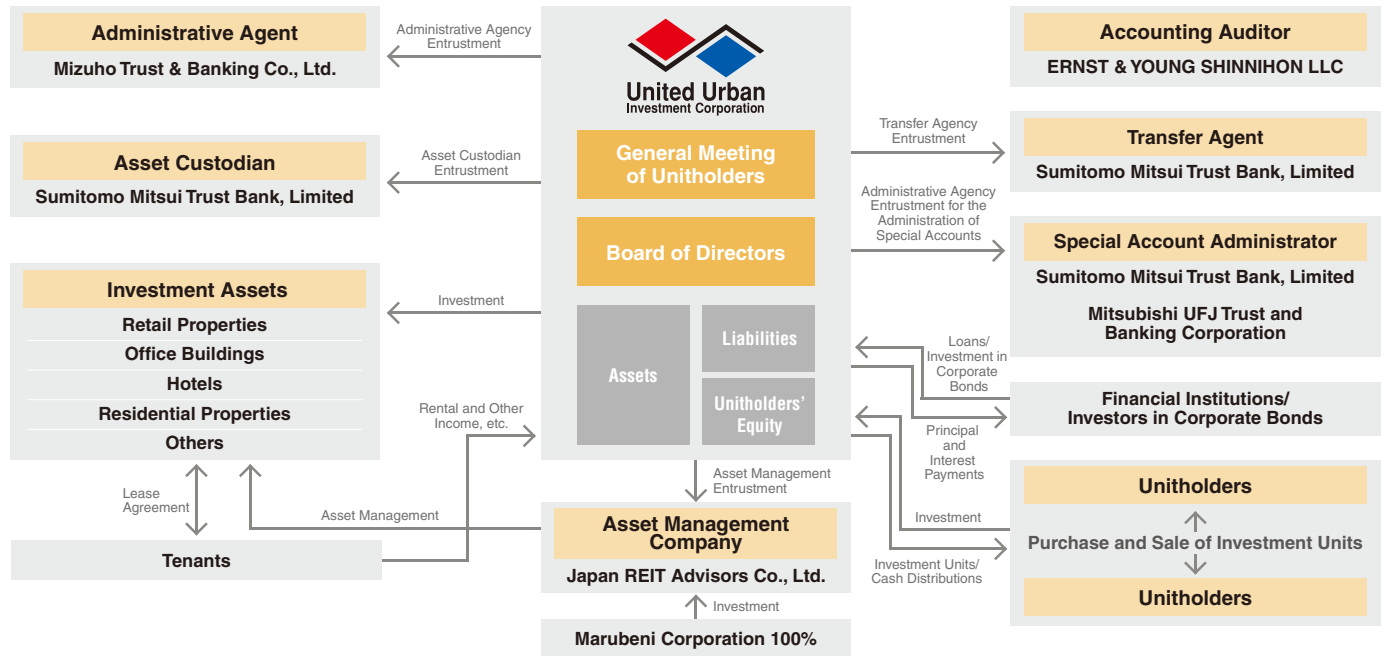
Executive Officer
United Urban Investment Corporation

Norimasa Gaun

President and CEO
Japan REIT Advisors Co., Ltd.

Structure of United Urban / Investment Unit Information

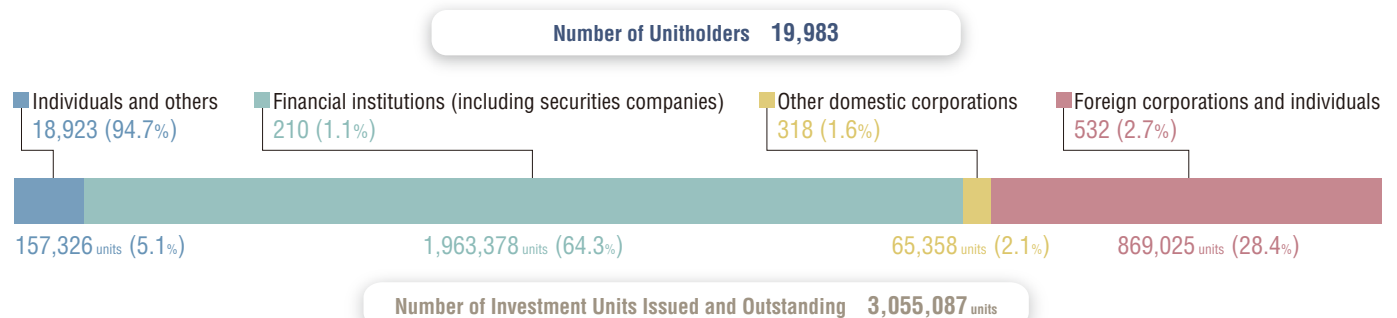
Corporate Structure



Unit Price and Trading Volume



Breakdown of Unitholders (As of May 31, 2019)

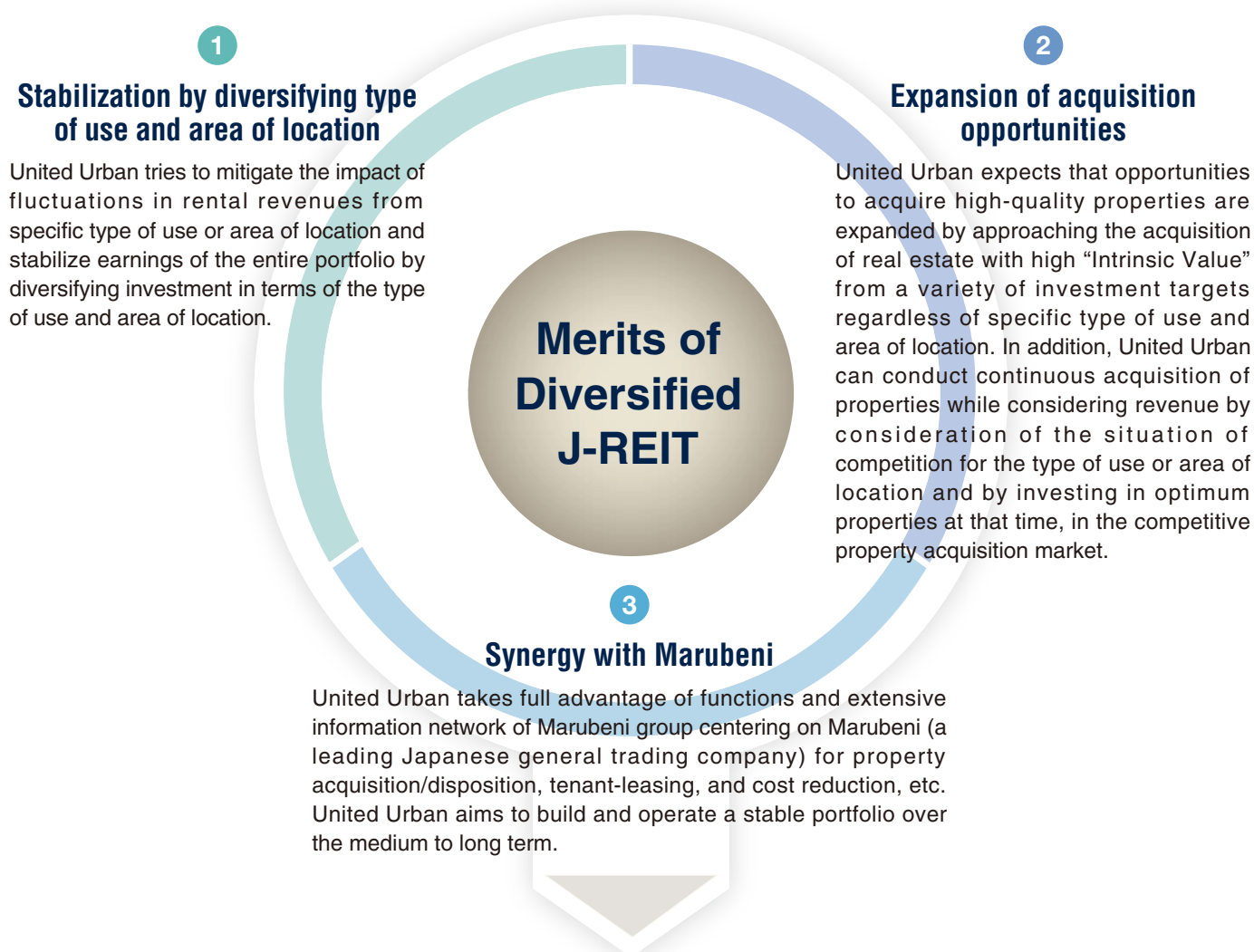


Note: Percentage figures are rounded to the nearest one decimal place. Therefore the sum of the figures does not always add up to the total.

Management Strategy of United Urban

Distinction of United Urban

United Urban expects to be able to reduce several risks and secure stable earnings over the medium to long term by investing in a wide variety of real estate without limiting 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 wide range of connections with industries and extensive networks. 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.



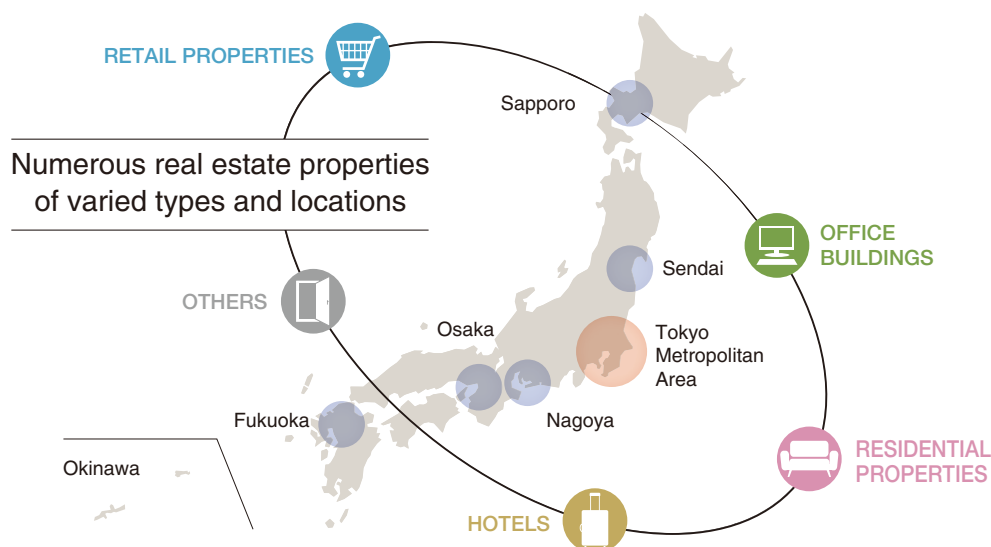
Management Policy of United Urban

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

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

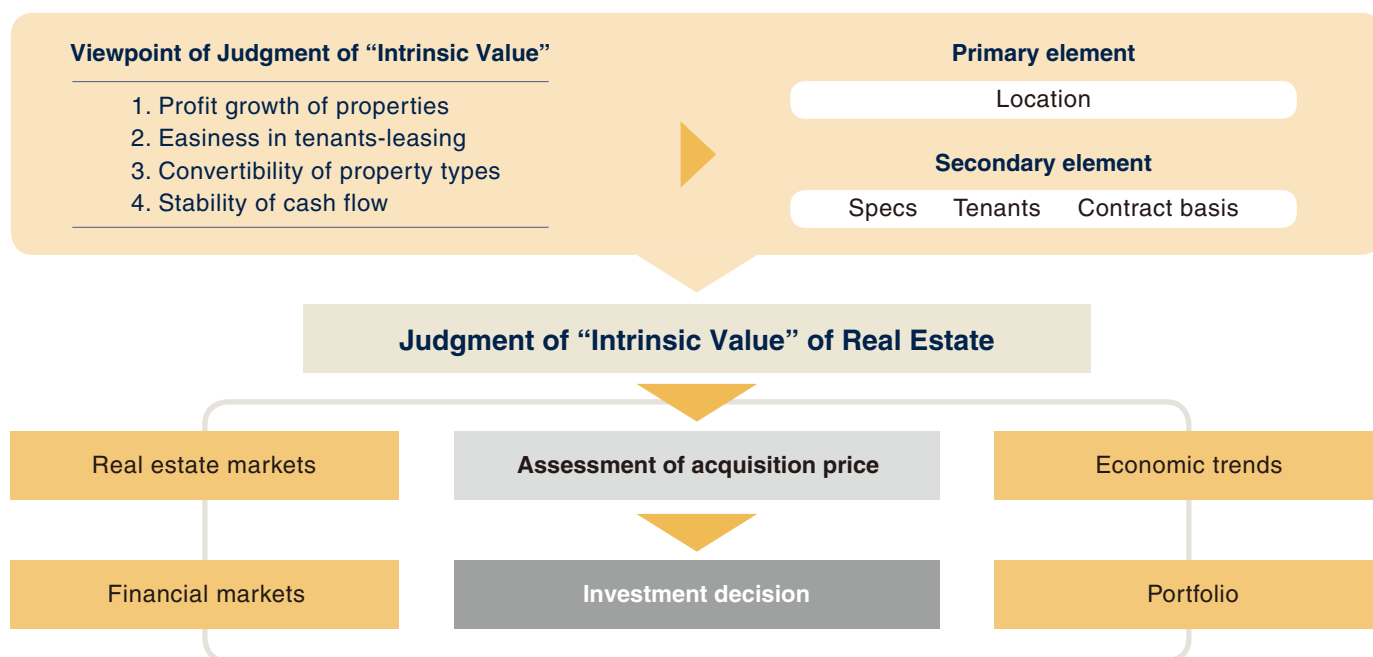
Building an Investment Portfolio by Taking Advantage of the Strengths of Diversified J-REIT

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.



Selective 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 acquired properties with several types of use such as retail properties, hotels, and residential properties by taking advantage of being a diversified J-REIT. Also, United Urban sold 30% quasi co-ownership of a retail property Himonya Shopping Center based on the concluded sale and purchase agreement (transfer in three installments) and a corporate housing Maison Ukima. United Urban seeks to improve asset quality and raise portfolio profitability by property replacement.

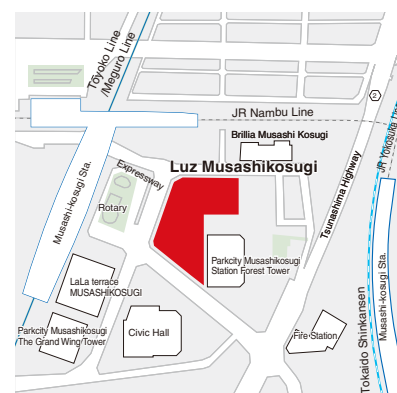
New Acquisitions during the 31st Fiscal Period

A42 Luz Musashikosugi

Retail Properties

- Two-minute walk from Musashikosugi Station (Tokyu Line and JR Line) with good access to central Tokyo and facing the traffic circle.
- Many high-rise apartment buildings have been developed in the vicinity; and further increases in population and households are expected.
- 1F: supermarket and café; 2F: medical mall, etc. 3F and 4F: sports club.

■ Acquisition Date	December 28, 2018
■ Acquisition Price	¥12,151 million
■ Location	Kawasaki, Kanagawa
■ Site Area	6,104.63 m ²
■ Total Floor Space	12,223.72 m ²
■ Construction	SRC/S/RC
■ Number of Floors	B1/5F
■ Completed	May 2008
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



C17 Henn na Hotel Tokyo Hamamatsucho

Hotels

- Located in an area where demand from business and inbound tourists is expected.
- Modern style hotel with state-of-the-art equipment and function.
- Stable revenue over the medium to long term can be expected due to the conclusion of long-term fixed-term lease agreement with the hotel operator.

■ Acquisition Date	May 15, 2019
■ Acquisition Price	¥4,456 million
■ Location	Minato-ku, Tokyo
■ Site Area	365.81 m ²
■ Total Floor Space	2,293.64 m ²
■ Construction	S
■ Number of Floors	14F
■ Completed	March 2018
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D30 GRAN FONTE

Residential Properties


- Located in favorable living environment with many facilities providing convenience of living.
- Most units are designed for families and the building has a seismic isolation structure.
- 1st floor is occupied by variety of commercial tenants.

■ Acquisition Date	April 1, 2019
■ Acquisition Price	¥2,700 million
■ Location	Nerima-ku, Tokyo
■ Site Area	4,132.97 m ²
■ Total Floor Space	6,983.30 m ²
■ Construction	RC (attached building: RC)
■ Number of Floors	11F (attached building: 1F)
■ Completed	October 1998
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership




Note: In addition to three properties mentioned above, United Urban acquired the annex building of the b ropongi on December 17, 2018 additionally (acquisition price: ¥988 million).

Sale of Property during the 31st Fiscal Period

Property Name	Type of Use	Location	Acquisition Price (Millions of yen)	Book Value (Millions of yen)	Appraisal Value (Millions of yen)	Sale Price (Millions of yen)	Gain on Sale of Properties (Millions of yen)	Date of Sale
 Himonya Shopping Center (30% quasi co-ownership)	Retail Properties	23 wards of Tokyo	4,590	5,165	6,780	8,250	2,975	Mar. 1, 2019

- (Reasons for sale)
- Current floor ratio was not compliant with stipulated floor ratio. Gross floor area was likely to be downsized upon reconstruction.
 - Only 53 parking spaces were secured on site, whereas about 600 spaces were required under the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment. Therefore, stable management was uncertain as the remainder of required parking space was largely secured by the tenant on leasehold land.

 Maison Ukima	Residential Properties	23 wards of Tokyo	3,530	3,072	3,110	3,190	25	Apr. 1, 2019
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- (Reasons for sale)
- A single tenant (Taiheiyo Cement) rented the property under a fixed-term building lease agreement due in October 25, 2019. And tenant's intention for recontracting was unclear.
 - Disposition was determined from medium- to long-term perspective after examining various options such as to rent to alternative tenants, to alter the specifications to a general apartment building for rent, etc.

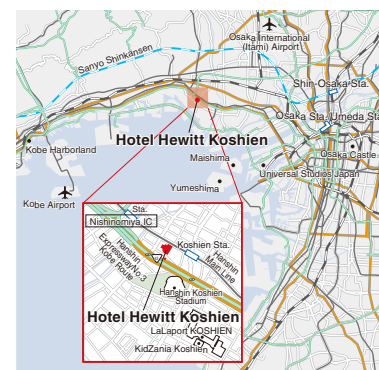
New Acquisition during the 32nd Fiscal Period

C18 Hotel Hewitt Koshien

Hotels

- Competitive facility with parking lot for sightseeing buses and spacious breakfast meeting venue close to Nishinomiya Interchange and suitable to accommodate groups of inbound tourists.
- Featured as one of the largest full-service hotels in Osaka/Kobe areas, with restaurants, banquet facilities, fitness gym, a chapel, etc. available for various customer/guest requirements.
- As one of the associate hotels of Universal Studio Japan, customers who visit there can be expected.
- Tourists/customers visiting large facilities, including Hanshin Koshien Stadium and KidZania Koshien can be expected.

■ Acquisition Date	June 25, 2019
■ Acquisition Price	¥13,520 million
■ Location	Nishinomiya, Hyogo
■ Site Area	14,997.27 m ²
■ Total Floor Space	Main building: 29,537.39 m ² New building: 6,543.65 m ²
■ Construction	Main building: SRC/S New building: S
■ Number of Floors	Main building: B1/14F New building: 8F
■ Completed	Main building: August 1992 New building: July 2018
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

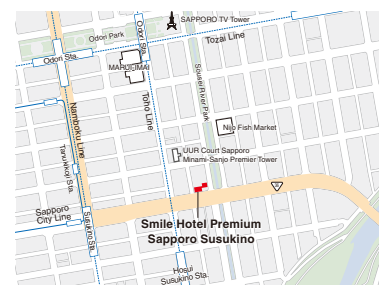


C19 Smile Hotel Premium Sapporo Susukino

Hotels

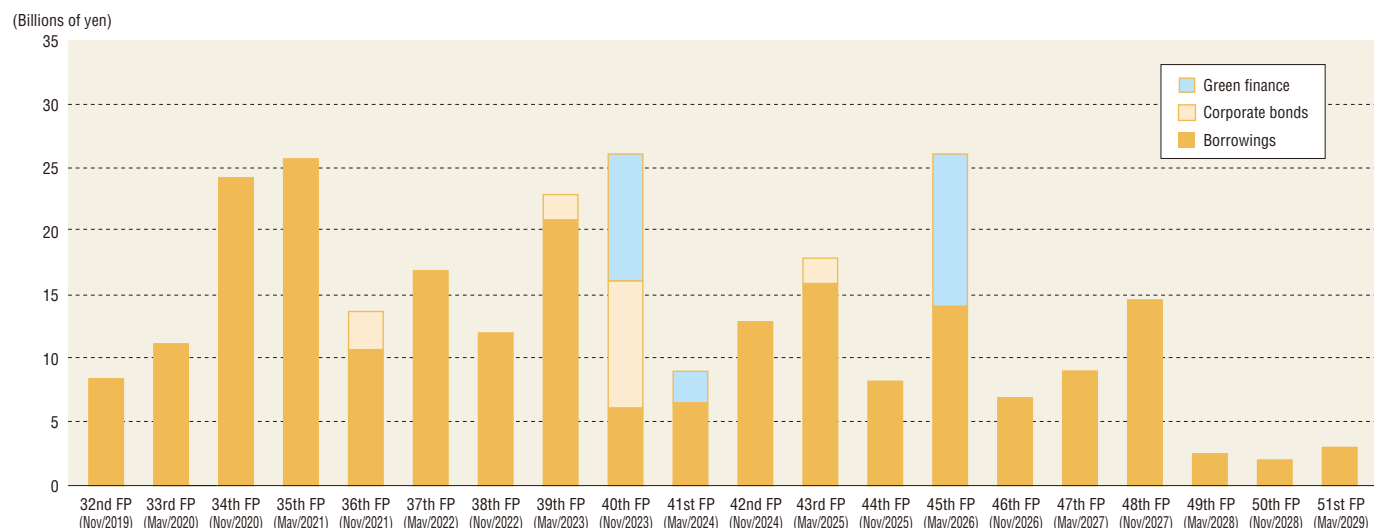
- Located in the Susukino area, one of the busiest amusement centers in Hokkaido.
- All guest rooms are designed to accommodate double occupancy, which is suitable for capturing the accommodation demand from inbound tourists, etc.
- Stable revenue over the medium to long term can be expected due to the conclusion of long-term fixed-term lease agreement with the hotel operator.

■ Acquisition Date	June 28, 2019
■ Acquisition Price	¥4,233 million
■ Location	Sapporo, Hokkaido
■ Site Area	958.37 m ²
■ Total Floor Space	7,762.50 m ²
■ Construction	S
■ Number of Floors	13F
■ Completed	December 2017
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

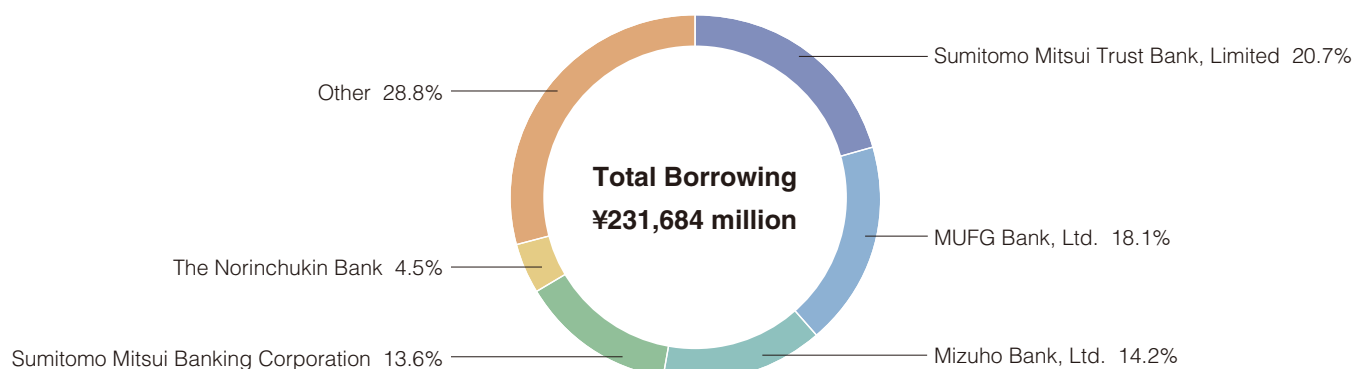


Financial Status

Diversification of Maturity Date (As of July 12, 2019)



Lenders and Borrowing Amount (As of July 12, 2019)



Lenders	Balance (Millions of yen)	Share (%) ^(Note)
Sumitomo Mitsui Trust Bank, Limited	47,983	20.7
MUFG Bank, Ltd.	41,996	18.1
Mizuho Bank, Ltd.	32,937	14.2
Sumitomo Mitsui Banking Corporation	31,459	13.6
The Norinchukin Bank	10,500	4.5
Development Bank of Japan Inc.	8,500	3.7
Shinsei Bank, Limited	6,000	2.6
Resona Bank, Limited	5,339	2.3
Mizuho Trust & Banking Co., Ltd.	4,800	2.1
Aozora Bank, Ltd.	4,770	2.1
The Bank of Fukuoka, Ltd.	3,900	1.7
Saitama Resona Bank, Limited	3,000	1.3
Shinkin Central Bank	3,000	1.3
The 77 Bank, Ltd.	2,000	0.9
Nippon Life Insurance Company	2,000	0.9
The Ashikaga Bank, Ltd.	2,000	0.9
The Nishi-Nippon City Bank, Ltd.	2,000	0.9





Lenders	Balance (Millions of yen)	Share (%) ^(Note)
The Nomura Trust and Banking Co., Ltd.	2,000	0.9
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	0.9
The Daishi Bank, Ltd.	2,000	0.9
Meiji Yasuda Life Insurance Company	2,000	0.9
The Shinkumi Federation Bank	2,000	0.9
The Hiroshima Bank, Ltd.	1,500	0.6
The Gunma Bank, Ltd.	1,500	0.6
Sompo Japan Nipponkoa Insurance Inc.	1,000	0.4
The Yamaguchi Bank, Ltd.	1,000	0.4
The Iyo Bank, Ltd.	1,000	0.4
Taiyo Life Insurance Company	1,000	0.4
The Bank of Kyoto, Ltd.	1,000	0.4
The Bank of Yokohama, Ltd.	500	0.2
Kiraboshi Bank, Ltd.	500	0.2
The Kagawa Bank, Ltd.	500	0.2
Total	231,684	100.0

Note: "Share" is rounded to one decimal place. Accordingly, they may not add up to the total.

Green Finance (Note 1)

Method	Overview	Conducted Period	Amount	Borrowing period/ Duration	Interest Rate	LIBOR against <small>(Note 2)</small>
Green Trust Loan (UUR Green Trust)	Green finance transaction with joint trust scheme the same as 30th FP	March 2019	¥2.5 billion	5 years	0.290% (Fixed)	+ 0.27%
			¥2.0 billion	7 years	0.390% (Fixed)	+ 0.33%
Retail Green Bonds (Green Yu Yu Sai)	Green bonds for retail investors, the first case among J-REIT	May 2019	¥10.0 billion	7 years	0.448% (Fixed)	+ 0.36%

Eligible green assets (Note 3): **45 properties** approx. **¥271.8 billion** (as of the end of May 2019)

Mallage Kashiwa	ARENA TOWER	Yodobashi Camera Multimedia Kichijoji	Yotsuya 213 Building
			
CASBEE ★★★★★	DBJ ★★★★★ BELS ★★	DBJ ★★★	BELS ★★★★★

Limit of green finance: Approx. **¥112.9 billion** (Remaining: approx. **¥88.4 billion**) (as of the end of May 2019)

$$\begin{array}{l} \text{Total book value of Eligible green assets} \\ \text{approx. } \mathbf{¥271.8 \text{ billion}} \end{array} \times \begin{array}{l} \text{LTV (Total assets)} \\ \mathbf{41.5 \%} \end{array}$$

Notes: 1. Loans and corporate bonds that will be appropriated for acquisition of the existing/new eligible green assets or refinancing of the existing debts or redemption of the corporate bonds that have already been allocated to the eligible green assets.
2. Estimated figure based on LIBOR Swap offered rate.
3. The new/existing properties that have or are expected to obtain DBJ Green Building Certification (three stars or better), CASBEE for Real Estate Certification (A rank or higher), or BELS Certification (two stars or better).

Strategic Utilization of Retained Earnings

(reserve for temporary difference adjustments, reserve retained for distribution, and reserve for reduction entry)

United Urban aims to enhance unitholders' value over medium to long term through the utilization of retained earnings, considering the stability of distribution per unit ("DPU").

► Policy for retained earnings

1

Promotion of external growth with the flexible equity-raise

United Urban will use retained earnings to mitigate the influence in such cases as the dilution of DPU arising from 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.

2

Portfolio management from a medium- to long-term perspective

United Urban will use retained earnings to maintain DPU levels in such cases as losses on the sale of properties or sudden decreases in revenues (major tenants' leaving, etc.). This will enable us to build the optimum portfolio and asset management from a medium- to long-term perspective.

3

Coping with difference between accounting and taxation

United Urban will mitigate the risk of large amount of corporate tax by adding the retained earnings to the cash distribution, when there are concerns over the difference between accounting and taxation such as impairment loss.

Financial Status

► Standing of retained earnings ^(Note)

(Millions of yen)

		As of end of 30th FP (November/2018)	As of end of 31st FP (May/2019)		
			Reserved in 31st FP	Reversed in 31st FP	
	Reserve for temporary difference adjustments	7,386	+63	-76	7,373
	Reserve retained for distribution	3,132	+72	—	3,204
	Reserve for reduction entry	2,228	+1,170	—	3,398
	Total retained earnings	12,747	+1,305	-76	13,976

Note: Each end of fiscal period amount shows amount after increasing or decreasing of reserve for temporary difference adjustments, reserve retained for distribution, and reserve for reduction entry based on "Statements of Cash Distribution" in the relevant fiscal period.

Retained earnings through utilizing reserve for reduction entry

	Amount of reserve for reduction entry	Applicable system	Subject asset of reduction, etc.
31st FP (May/2019) (Actual)	¥1,170 million	Replacement of the asset held for a long time	Disposition asset: Himonya Shopping Center (Land: 30% quasi co-ownership of the trust beneficial interest) Subject asset of reduction: Luz Musashikosugi (Land)

Reserve for Reduction Entry (Reduction Entry System)

Reserve for reduction entry is the reserve based on the "Reduction Entry System." Reduction entry is deferment of tax payment on the profits related to the government subsidy on newly acquired properties or the gains on real estate sale, etc. by the reduced book entry that meets certain requirement in taxation.

Outline of "Reduction Entry System" ^(Note)

	Replacement of assets held for a long time	Preceding land acquisition, etc.
Applicable conditions	In the case that the new land or building is to be acquired during the fiscal period or within one year after the fiscal period ends that the land or building held over 10 years is sold. (Asset(s) acquired within one year before the subject year of disposition starts can be applicable to the system if the acquisition(s) are filed to the district director of the tax office.)	i) The tax payer has the land acquired in 2009 or 2010. (Filing to the tax office on acquisition of land is required by the final due date of tax return for the business year when the land is acquired.) AND ii) In the case that gains on land sale arises within 10 years after the relevant fiscal period ends (the fiscal period when the land is acquired).
Subject asset of reduction	Acquired assets (land & building or land or building)	Land mentioned in i) above
Limit of reduction, reduction rate, etc.	Acquisition price for reduction entry ⁽¹⁾ x Profit ratio ⁽²⁾ x Ratio of Reduction (80% in principle) *1 Lower amount between "sale price" and "acquisition price (anticipated price)" *2 "gains on sale" / "sale price" Notes: 1. Aggregation of profit and loss on the property sale is not necessary even if these are multiple sales. 2. Selection of the subject gains is possible. The tax payer can choose from gains on "land and building," "land" only or "building" only. 3. These are certain requirements on the acquired assets.	Capital gain of land x Reduction ratio ⁽¹⁾ (No larger than total amount of i) above) * 80% is applicable to land(s) acquired in 2009 (mentioned in i) above); 60% in 2010. However, 80% is applicable if lands acquired in both 2009 and 2010 are to be included in the same fiscal year. Notes: 1. If capital gains are recorded for individual sale of land, such gains are applicable to this system, even in case that total disposition brings capital loss. 2. Aggregation of profit and loss is required in cases where there are multiple sale of land.
Allowable retained earnings	Whichever amount is the lower of A or B, can be retained and no corporate tax is levied in the relevant fiscal period.	
	A: Limit of reduction calculated based on the above system	B: Amount compliant with conduit requirement (≠ profit available for dividend x 10% or less)

Note: The simplified outline of each accounting system as of July 12, 2019 is stated solely for information purpose. Accordingly, the application of the system mentioned above may differ due to the status of United Urban as well as interpretations and handling of tax laws and others.

ESG Initiatives (Sustainability Management)

Engagement in ESG Initiatives

United Urban and JRA have participated in ESG initiatives and acquired high recognition/evaluations from third parties.



Acquisition of
ISO14001 certification



GRESB survey
Green Star rating for four
consecutive years



Initiatives for Environment

Environmental
certification coverage ^(Note)

As of the end of 29th Fiscal Period (May 2018)
23 properties
(27.7%)

As of the end of 31st Fiscal Period (May 2019)
49 properties
(55.3%)

Note: The ratio is based on the total floor space of properties that acquired each environmental certification mentioned in the table below owned by United Urban. ARENA TOWER has received both DBJ Green Building Certification and BELS Certification, but the portion of overlap is excluded from the total floor space.

Number of properties that obtained environment certification

DBJ Green Building Certification	12	CASBEE for Real Estate	24	BELS Certification	14
	★★★★★ 1		★★★★★ 3		★★★★★ 1
	★★★★ 7		★★★★ 21		★★★★ 6
	★★★ 3				★★★ 7
	★ 1				

Note: As of the end of May 2019, ARENA TOWER has received both DBJ Green Building Certification and BELS Certification.

Reacquisition of environmental certification

United Urban implemented energy saving diagnosis conducted by energy experts and has been introducing continuously energy-saving facilities including LED lighting system and highly efficient A/C to properties according to the characteristics of the properties. United Urban reacquires certifications of the properties where the certification period expired as necessary. In relation to properties certificated CASBEE for Real Estate, United Urban have reacquired these certifications for six properties in June 2019, and three of these properties acquired **five stars (S ranking)**, higher than the previous four stars (A ranking), following the installation of energy-saving facilities.

Pacific Marks Esaka	Pacific Marks Shinjuku Parkside	Pacific Marks Yokohama East

Initiatives for Society

United Urban and Marubeni group have been proactively taking broader actions on ESG.

- While United Urban and JRA have been J-REIT industry leaders on ESG initiatives, Marubeni, JRA's sponsor, has also received high recognition for their ESG initiatives such as being selected for major ESG indices ^(Note). In 2018, Marubeni set a goal of reducing their 50% by current net volume of coal fire power by 2030, the first as a power operator in Japan.
- Teruo Asada, Executive Advisor of Marubeni and Vice Chairman of Association for Real Estate Securitization (ARES), contributed an article to the ARES's news magazine on ESG. As an asset management company for J-REIT, JRA was chosen to be an interviewee on ESG from one of the major industry magazines.

Note: Dow Jones Sustainable Indices, FTSE4Good Global Index Series, FTSE Blossom Japan Index, MSCI Japan Empowering Women (WIN) Select Index

Initiatives for Governance

► Compensation of employees

Sharing interest with United Urban's unitholders

- Annual amount of bonus for all employees of JRA is fully linked to United Urban's EPU (earnings per unit).
- Accumulative investment scheme for JRA employees to acquire investment units of United Urban from their monthly salary was introduced.

Portfolio Properties

Portfolio Roster (As of May 31, 2019)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1) (Note 4)	Acquisition Date (Note 2)	
Retail Properties						
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A4	Luz Funabashi (Note 17)	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Kaden Sumairu-kan YAMADA Sakai Honten (Note 17)	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	Yokohama Aoba Shopping Center (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	Kaden Sumairu-kan YAMADA Matsudo Honten (Note 17)	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	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	
A42	Luz Musashikosugi	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Dec. 28, 2018	
Office Buildings						
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 Toyoko 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 6, 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 ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	6,770	1.1%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	5,200	0.8%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	6,500	1.0%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.5%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	0.8%	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	3.6%	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	1.1%	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	0.3%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	4.5%	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	1.0%	60,747.02	—	—	—	Proprietary Ownership	—
	1,800	0.3%	2,450.62	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
	12,151	1.9%	6,104.63	12,223.72	SRC/S/RC	B1/5F	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	0.3%	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	1.9%	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	1.1%	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	0.4%	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	1.5%	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%	1,940.15	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.5%	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	1.8%	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 May 31, 2019)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1) (Note 4)	Acquisition Date (Note 2)	
Hotels						
C1	Shinjuku Washington Hotel Honkan ^(Note 7)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) ^(Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C9	the b roppongi ^(Note 7)	Minato-ku, Tokyo	Trust beneficial interest in real estate	(1)Jan. 2001 (2)Dec. 2018	May 1, 2014	
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Sep. 2005	Aug. 31, 2015	
C11	Toyoko Inn Hiroshima Heiwa-odori	Hiroshima, Hiroshima	Trust beneficial interest in real estate	Mar. 2004	Aug. 31, 2015	
C12	Toyoko Inn Naha Kokusai-dori Miebashiki	Naha, Okinawa	Trust beneficial interest in real estate	Apr. 2002	Aug. 31, 2015	
C13	Loisir Hotel & Spa Tower Naha ^(Note 10)	Naha, Okinawa	Trust beneficial interest in real estate	(1)Oct. 1992 (2)Jun. 2009	Feb. 5, 2016	
C14	Royal Pines Hotel Urawa ^(Note 15)	Saitama, Saitama	Trust beneficial interest in real estate	Aug. 1999	Apr. 1, 2016	
(B44)	SS30 ^(Note 6, 8)	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
C15	RIHGA Royal Hotel Kokura・ARUARU City ^(Note 11)	Kitakyushu, Fukuoka	Trust beneficial interest in real estate	(1)Mar. 1993 (2)Mar. 1993 (3)Aug. 1992	Jan. 26, 2018	
C16	the b fukuoka tenjin	Fukuoka, Fukuoka	Trust beneficial interest in real estate	May 2017	Sep. 27, 2018	
C17	Henn na Hotel Tokyo Hamamatsucho	Minato-ku, Tokyo	Trust beneficial interest in real estate	Mar. 2018	May 15, 2019	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	UUR Court Shiba-Daimon ^(Note 16)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
D26	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
D27	UUR Court Shiki	Shiki, Saitama	Trust beneficial interest in real estate	Mar. 1999	Sep. 18, 2015	
D28	GRAND-ROUGE Tanimachi Rokuchome	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 2010	Dec. 1, 2016	
D29	Chatte Otemachi S・N ^(Note 12)	Kitakyushu, Fukuoka	Real estate	Aug. 2008	Jul. 3, 2018	
D30	GRAN FONTE	Nerima-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Apr. 1, 2019	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
E5	Logistics Higashi-Ohgishima ^(Note 13)	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
E6	MT Ariake Center Building I&II ^(Note 14)	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1)Apr. 1989 (2)Jun. 1992	Nov. 25, 2014	
E7	Quartz Tower	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 2015	Nov. 13, 2015	
E8	Shin-Narashino Logistics Center	Narashino, Chiba	Trust beneficial interest in real estate	Jun. 1991	Aug. 7, 2015	
E9	Kawagoe Logistics Center	Kawagoe, Saitama	Trust beneficial interest in real estate	Aug. 2007	Jun. 17, 2016	
E10	Asuto Nagamachi Dental Clinic	Sendai, Miyagi	Trust beneficial interest in real estate	Oct. 2014	Aug. 29, 2016	
E11	Shin-Narashino Logistics Center II	Narashino, Chiba	Trust beneficial interest in real estate	Jan. 1990	Jan. 31, 2017	
E12	Yoshikawa Logistics Center	Yoshikawa, Saitama	Trust beneficial interest in real estate	Apr. 1997	Jul. 27, 2017	
E13	Musashimurayama Logistics Center	Musashimurayama, Tokyo	Trust beneficial interest in real estate	Oct. 2001	Oct. 30, 2018	
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 Hamamatsucho 262 Building, Shinjuku Washington Hotel Honkan, and the b roppongi, the additional acquisitions were executed, respectively. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition. Furthermore, the "Acquisition Date" above is the initial acquisition date by United Urban.
8. The property comprises three buildings: an office building, a fitness club building, and a hotel building, and some of the information are shown for the office building as (1), fitness club building as (2), and hotel building as (3). In addition, because the completion date of the office building and hotel building disappears on the real estate register, the completion date of the fitness club building is described.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	21,140	3.4%	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	1.2%	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
	4,488	0.7%	551.39	4,154.72	SRC/S	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	3.2%	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	2.8%	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
	16,600	2.7%	22,799.65	114,117.54	(1)SRC/RC/S (2)SRC (3)SRC/RC	(1)B1/30F (2)B1/7F (3)B1/11F	Proprietary Ownership	Proprietary Ownership
	3,000	0.5%	496.79	3,567.22	S	10F	Proprietary Ownership	Proprietary Ownership
	4,456	0.7%	365.81	2,293.64	S	14F	Proprietary 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
	3,031	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	0.5%	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%	1,078.42	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
	3,398	0.5%	3,516.04	12,599.91	(1)SRC (2)SRC	(1)15F (2)15F	Proprietary Ownership	Proprietary Ownership
	2,700	0.4%	4,132.97	6,983.30	RC	11F	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
	1,800	0.3%	5,788.52	9,207.73	S	4F	Proprietary Ownership	Proprietary Ownership
	626,083	100.0%	658,179.66	1,646,398.95				

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

12. The property comprises two buildings: S Building and N Building, and some of the information are shown for S Building as (1) and N Building as (2).

13. 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).

14. 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.

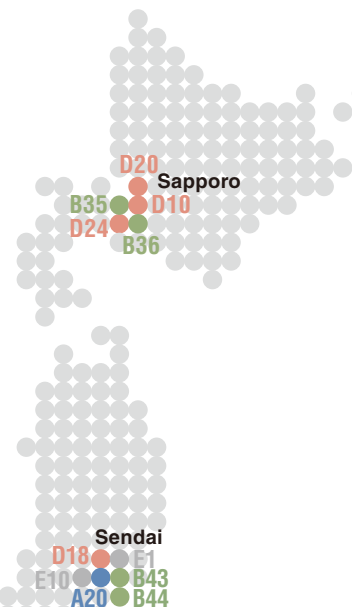
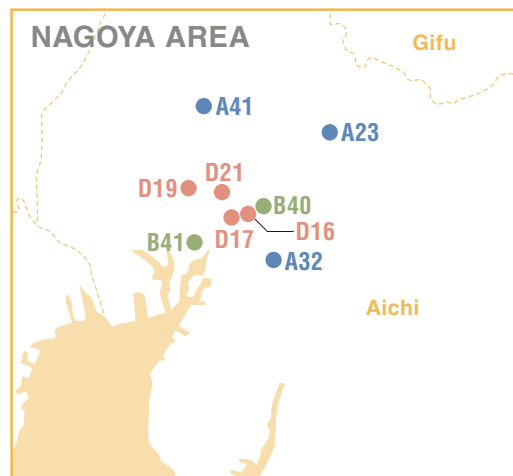
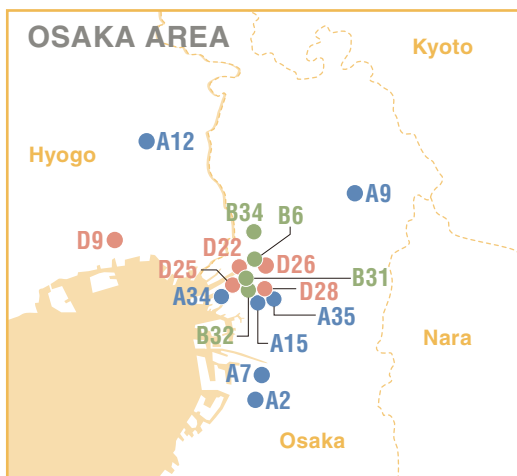
15. The property name was changed from Urawa Royal Pines Hotel to Royal Pines Hotel Urawa on January 1, 2019.

16. The property name was changed from Sky Court Shiba-Daimon to UUR Court Shiba-Daimon on October 19, 2018.

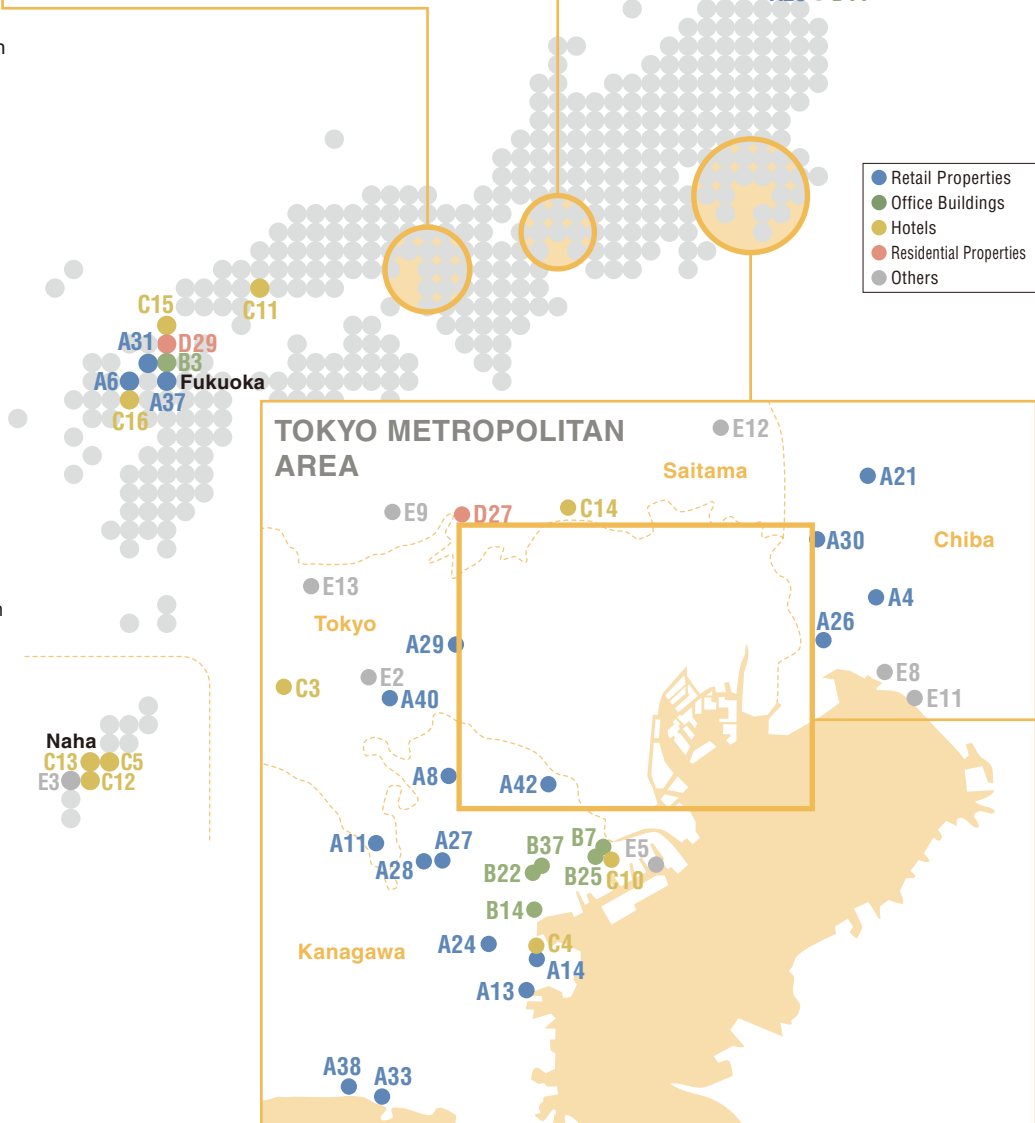
17. The property name was changed from Re-Land Shopping Center to Luz Funabashi, from Yamada Denki Tecc Land Sakai Honten to Kaden Sumairu-kan YAMADA Sakai Honten, and from Yamada Denki Tecc Land New Matsudo Honten to Kaden Sumairu-kan YAMADA Matsudo Honten on May 1, 2019, respectively.

Portfolio Properties

Portfolio Map

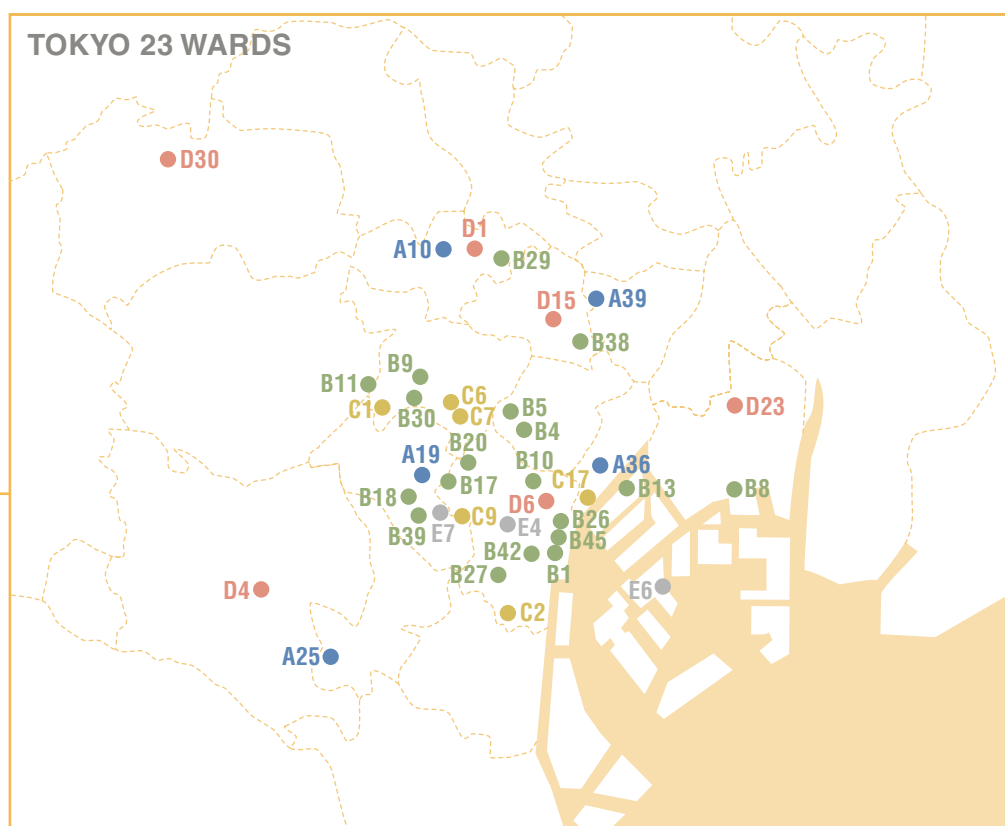


- A2 Joy Park Izumigaoka
- A4 Luz Funabashi
- A6 TENJIN LUCE
- A7 Kaden Sumairu-kan YAMADA Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (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 Yokohama Aoba Shopping Center (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Kaden Sumairu-kan YAMADA Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- A33 Plussing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- A36 Granbell Ginza Building
- A37 UUR Tenjin Nishi-dori Building
- A38 Luz Shonan Tsujido
- A39 ACTIOLE Ueno
- A40 KURURU
- A41 K's Denki Nagoya-kita
- A42 Luz Musashikosugi
- B1 T&G Hamamatsucho Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building
- B5 Rokubancho K Building
- B6 Shin-Osaka Central Tower (Note 2)



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

B7	Kawasaki Toshiba Building	B44	SS30 (Note 2)	D18	MA Sendai Building
B8	UUR Toyochō Building	B45	LOOP-X-M	D19	UUR Court Nagoya Meieki
B9	FOUR SEASONS BLDG	C1	Shinjuku Washington Hotel Honkan	D20	UUR Court Sapporo Shinoro Ichibankan
B10	Hitachi High-Tech Building	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D21	Park Site IZUMI
B11	Pacific Marks Shinjuku Parkside	C3	MZ BLD.	D22	UUR Court Osaka Jusō-honmachi
B13	Pacific Marks Tsukishima	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D23	UUR Court Kinshicho
B14	Pacific Marks Yokohama East	C5	Hotel JAL City Naha	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B17	Akasaka Hikawa Building	C6	UUR Yotsuya Sanchome Building	D25	GRAND-ROUGE Nakanoshima-minami
B18	Pacific Marks Shibuya Koen-dori	C7	Yotsuya 213 Building	D26	Glenpark Umeda-kita
B20	Pacific Marks Akasaka-mitsuke	C9	the b roppongi	D27	UUR Court Shiki
B22	Pacific Marks Shin-Yokohama	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	D28	GRAND-ROUGE Tanimachi Rokucho
B25	Pacific Marks Kawasaki	C11	Toyoko Inn Hiroshima Heiwa-odori	D29	Chatle Otemachi S-N
B26	Hamamatsucho 262 Building	C12	Toyoko Inn Naha Kokusai-dori Miebashiki	D30	GRAN FONTE
B27	Lila Hijirizaka	C13	Loisir Hotel & Spa Tower Naha	E1	Lilycolor Tohoku Branch
B29	Otsuka HT Building	C14	Royal Pines Hotel Urawa	E2	KDDI Fuchu Building
B30	Pacific Marks Shinjuku South-gate	C15	RIHGA Royal Hotel Kokura ARUARU City	E3	Tsubogawa Square Building
B31	Pacific Marks Nishi-Umeda	C16	the b fukuoka tenjin	E4	THE PLACE of TOKYO
B32	Pacific Marks Higobashi	C17	Henn na Hotel Tokyo Hamamatsucho	E5	Logistics Higashi-Ohgishima
B34	Pacific Marks Esaka	D1	T&G Higashi-ikebukuro Mansion	E6	MT Ariake Center Building I&II
B35	Pacific Marks Sapporo Kita-Ichijo	D4	Komazawa Court	E7	Quartz Tower
B36	Shin-Sapporo Center Building	D6	UUR Court Shiba-Daimon	E8	Shin-Narashino Logistics Center
B37	ARENA TOWER	D9	Aprile Shin-Ohgi Ichibankan	E9	Kawagoe Logistics Center
B38	Yushima First Building	D10	UUR Court Sapporo Kita-Sanjo	E10	Asuto Nagamachi Dental Clinic
B39	Dogenzaka Square	D15	CLIO Bunkyo Koishikawa	E11	Shin-Narashino Logistics Center II
B40	GRAND-SQUARE Shin-Sakae	D16	GRAND-ROUGE Sakae	E12	Yoshikawa Logistics Center
B41	GRAND-SQUARE Meieki-minami	D17	GRAND-ROUGE Sakae II	E13	Musashimurayama Logistics Center
B42	Shiba 520 Building				
B43	Hirose-dori SE Building				

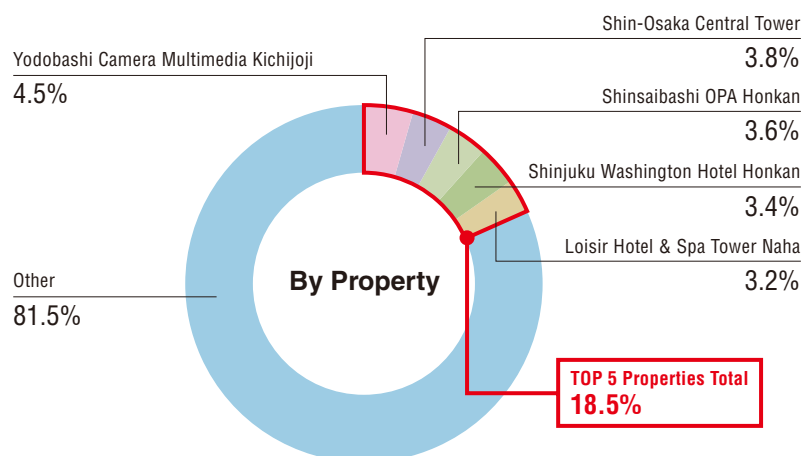
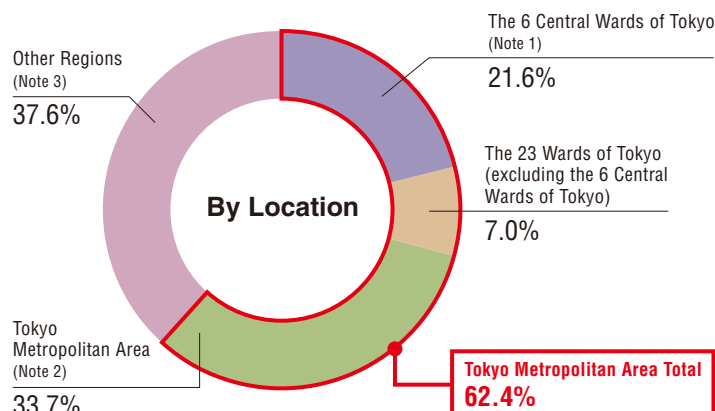
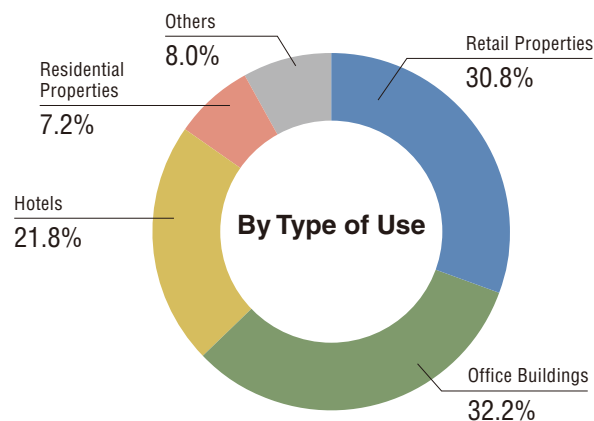


Notes: 1. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.
 2. Shin-Osaka Central Tower and SS30 include the office portion and the hotel portion.

Portfolio Properties

Portfolio Data

Portfolio Breakdown (Based on acquisition prices) (As of May 31, 2019)



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. 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: a general term for areas excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area."

Occupancy Ratio

	2018			2019		
	End of December	End of January	End of February	End of March	End of April	End of May
Retail Properties	99.4%	99.4%	99.6%	99.4%	99.5%	99.5%
Office Buildings	98.4%	98.4%	98.4%	98.6%	99.0%	99.0%
Hotels	99.8%	99.8%	99.8%	99.8%	99.9%	99.7%
Residential Properties	98.1%	98.4%	98.6%	98.7%	98.0%	97.5%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	99.2%	99.2%	99.4%	99.3%	99.4%	99.3%

Major Properties

Hotels

C1 Shinjuku Washington Hotel Honkan



Office Buildings/Hotels

B6 Shin-Osaka Central Tower



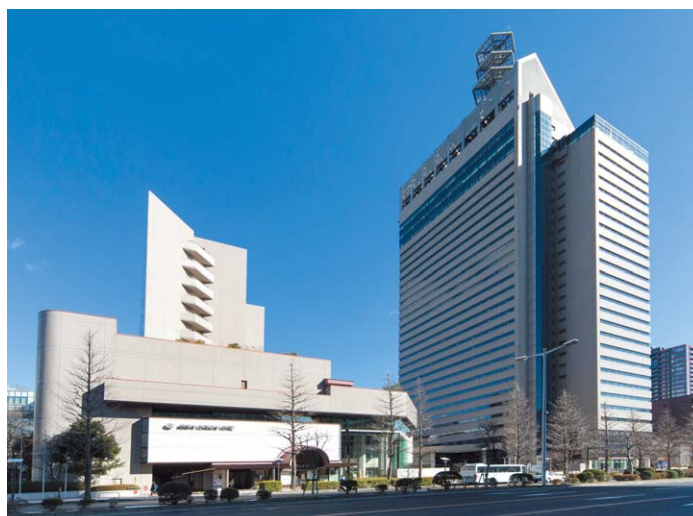
Retail Properties

A29 Yodobashi Camera Multimedia Kichijoji



Office Buildings/Hotels

B44 SS30



Hotels

C13 Loisir Hotel & Spa Tower Naha



Portfolio Properties

Others

E3 Tsubogawa Square Building



Residential Properties

D29 Chatle Otemachi S・N



Retail Properties

A25 Luz Jiyugaoka



Hotels

C15 RIHGA Royal Hotel Kokura・ARUARU City



Others

E9 Kawagoe Logistics Center



Office Buildings

B37 ARENA TOWER



Residential Properties

D26 Glenpark Umeda-kita



Hotels

C14 Royal Pines Hotel Urawa



Others

E7 Quartz Tower



Retail Properties

A15 Shinsaibashi OPA Honkan



Others

E4 THE PLACE of TOKYO

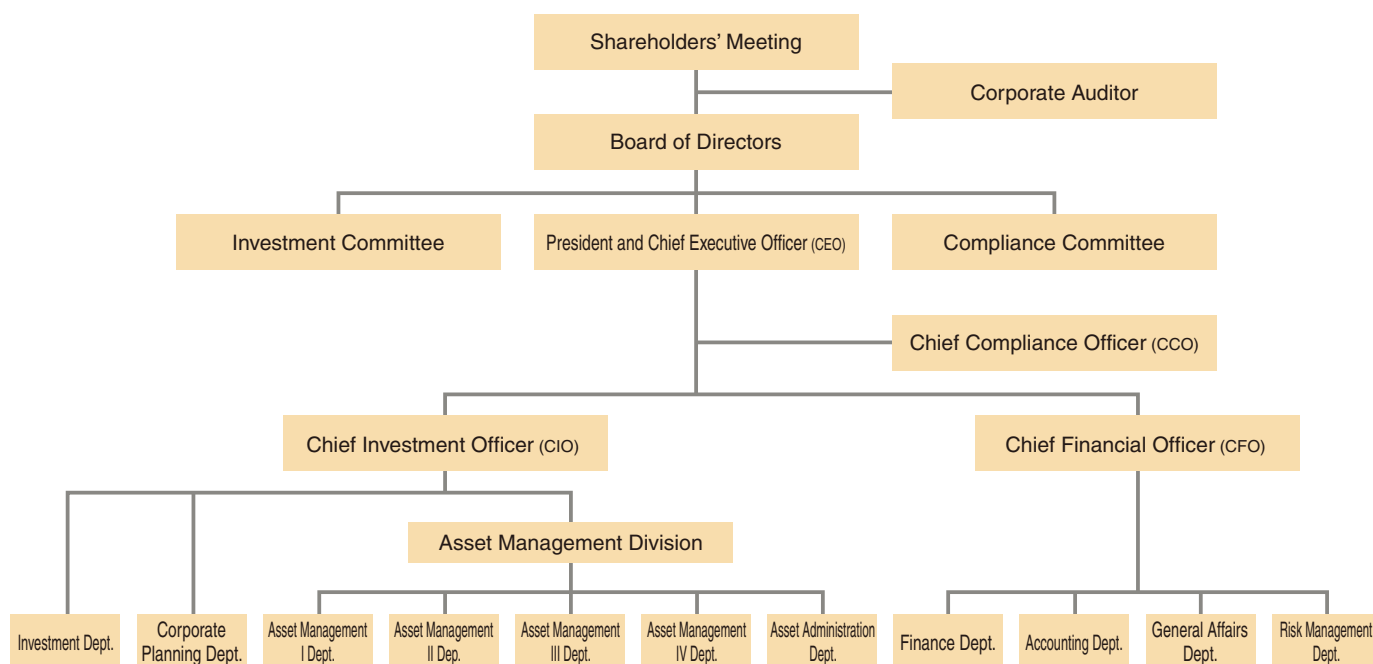


Profile of Asset Management Company

Overview (As of May 31, 2019)

Corporate Name	Japan REIT Advisors Co., Ltd. ("JRA")
Address	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo
Date of Foundation	December 4, 2001
Capital	¥425 million
Shareholder	Marubeni Corporation 100%
Representative	Norimasa Gaun, President and CEO
Description of Business	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act

Organization (As of May 31, 2019)



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 May 31, 2019, 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 May 31, 2019, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of the General Affairs Dept. and one external intellectual (external lawyer).

◆ PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

Fiscal Period (Calculation Period)		27th Fiscal Period (December 1, 2016- May 31, 2017)	28th Fiscal Period (June 1, 2017- November 30, 2017)	29th Fiscal Period (December 1, 2017- May 31, 2018)	30th Fiscal Period (June 1, 2018- November 30, 2018)	31st Fiscal Period (December 1, 2018- May 31, 2019)
Operating revenues	(Note 1) (Millions of yen)	22,982	25,926	29,166	25,733	27,261
(Rental revenues)	(Millions of yen)	(22,919)	(23,764)	(24,219)	(23,867)	(24,215)
Operating expenses	(Millions of yen)	11,484	13,443	16,077	12,838	13,691
(Property-related expenses)	(Millions of yen)	(9,382)	(10,360)	(10,328)	(10,663)	(11,506)
Operating income	(Millions of yen)	11,497	12,482	13,089	12,894	13,569
Ordinary income	(Millions of yen)	10,286	11,320	11,974	11,789	12,413
Net income	(a) (Millions of yen)	10,285	11,319	11,973	11,788	12,413
Total assets (compared with the previous period)	(b) (Millions of yen)	675,885 (+4.3%)	663,531 (△1.8%)	648,503 (△2.3%)	651,242 (+0.4%)	680,901 (+4.6%)
Total unitholders' equity (Net assets) (compared with the previous period)	(c) (Millions of yen)	351,801 (+5.5%)	353,258 (+0.4%)	355,017 (+0.5%)	356,029 (+0.3%)	357,789 (+0.5%)
Unitholders' capital (compared with the previous period)	(Millions of yen)	309,205 (+5.7%)	309,205 (-)	309,205 (-)	309,205 (-)	309,205 (-)
Total no. of investment units issued and outstanding	(d) (Units)	3,055,087	3,055,087	3,055,087	3,055,087	3,055,087
Net assets per unit	(c)/(d) (Yen)	115,152	115,629	116,205	116,536	117,112
Total cash distribution	(e) (Millions of yen)	9,929	10,258	10,784	10,610	11,184
Net income per unit	(Note 2) (Yen)	3,376	3,705	3,919	3,858	4,063
Cash distribution per unit	(e)/(d) (Yen)	3,250	3,358	3,530	3,473	3,661
(Distribution of earnings per unit)	(Yen)	(3,250)	(3,358)	(3,530)	(3,473)	(3,661)
(Distribution in excess of earnings per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Return on assets (Annualized)	(Note 3) (%)	1.6 (3.1)	1.7 (3.4)	1.8 (3.7)	1.8 (3.6)	1.9 (3.7)
Return on equity (Annualized)	(Note 3) (%)	3.0 (6.0)	3.2 (6.4)	3.4 (6.8)	3.3 (6.6)	3.5 (7.0)
Equity ratio (compared with the previous period)	(c)/(b) (%)	52.1 (+0.6%)	53.2 (+1.2%)	54.7 (+1.5%)	54.7 (△0.1%)	52.5 (△2.1%)
Payout ratio	(Note 3) (%)	96.2	90.6	90.0	90.0	90.1
Supplementary information						
No. of investment properties at end of period	(Properties)	123	116	116	119	120
Total leasable floor space at end of period	(m ²)	1,443,510.75	1,422,041.46	1,431,245.06	1,456,193.69	1,434,587.61
Total no. of tenants at end of period	(Tenants)	2,319	2,259	2,278	2,442	2,534
Occupancy ratio at end of period	(%)	99.2	98.4	99.3	99.1	99.3
Depreciation and amortization	(Millions of yen)	3,991	4,109	4,160	4,050	4,050
Capital expenditures	(Millions of yen)	1,584	1,575	1,903	1,406	2,870
NOI (Net Operating Income) from leasing	(Note 3) (Millions of yen)	17,528	17,514	18,051	17,253	16,759
FFO (Funds From Operations) per unit	(Note 3) (Yen)	4,652	4,629	4,835	4,574	4,406
FFO ratio	(Note 3) (Times)	17.5	17.3	17.2	19.8	20.3
Debt service coverage ratio	(Note 3) (Times)	13.2	14.5	15.8	15.9	16.9
Net income before interest, depreciation and amortization	(Note 3) (Millions of yen)	15,447	16,573	17,222	16,901	17,500
Interest expense and interest expenses on corporate bonds	(Millions of yen)	1,170	1,144	1,088	1,061	1,036
Interest-bearing liabilities	(Note 3) (Millions of yen)	285,857	271,607	255,884	257,384	282,884
Ratio of interest-bearing liabilities to total assets at end of period	(Note 3) (%)	42.2	40.9	39.4	39.5	41.5
No. of operating days	(Days)	182	183	182	183	182

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.

	27th FP	28th FP	29th FP	30th FP	31st FP
Average no. of investment units during the period	3,045,874 units	3,055,087 units	3,055,087 units	3,055,087 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, United Urban is one of the largest J-REITs in terms of asset size (on an acquisition price basis).

As a result of performance, a distribution has been made in each of 30 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 30th fiscal period (fiscal period ended November 30, 2018). For the current period (31st fiscal period: fiscal period ended May 31, 2019), United Urban decided to make cash distribution of ¥3,661 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 stable backed with the favorable corporate performance, while concerns on the slowdown of Chinese and global economy have been looming with US-China trade conflicts again intensifying. Financing environment has been also generally favorable in Japan on ground of low interest rate.

In the real estate investment market, rising transaction price continues based on the strong investment appetite from domestic and foreign investors amid the continuous favorable financing condition. Looking to the real estate leasing market, the sales of tenants in retail properties, particularly in urban retail, has been stable, and the leasing market for retail properties remains steady. As for office market, while there is new supply in the Tokyo area, there is favorable progress in contracts with tenants for the new large-scale buildings to be completed in 2019 by the strong corporate demand for expansion and consolidation for expansion of operations and improvement of operational efficiency. The vacancy rate in Yokohama, Nagoya, Fukuoka, etc., records the historical low, and it also has kept low in the Tokyo metropolitan area as well as major regional cities, and the asking rents in those cities have continued rising. In 2018, the number of inbound tourists has kept increasing with the 31.19 million recorded, up 8.7% year-on-year, even though there was a temporary slowdown seen due to typhoons, earthquakes, etc. The sales of hotels have been generally favorable mainly in the regional cities, however, attention is required in some of those regional cities, including Osaka and others due to intensive large new supply. As for residential market, while supply of new properties has remained limited, there

has been a steady demand for rental properties. Consequently, both occupancy ratio and rent levels remain stable.

(ii) New Acquisition and Sale of Properties

During the period, United Urban acquired the following three new properties and the Annex building of the b roppongi.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A42	Luz Musashikosugi	Store	Kawasaki, Kanagawa	12,151	December 28, 2018
D30	GRAN FONTE	Apartment	Nerima-ku, Tokyo	2,700	April 1, 2019
C17	Henn na Hotel Tokyo Hamamatsucho	Hotel	Minato-ku, Tokyo	4,456	May 15, 2019
Subtotal (three new properties)				19,307	
C9	the b roppongi (Annex) (additional acquisition) (Note 3)	Hotel	Minato-ku, Tokyo	988	December 17, 2018
Total				20,295	

On the other hand, the third transfer (last) of the sale of Himonya Shopping Center was executed on March 1, 2019 based on the sale and purchase agreement of the trust beneficial interest dated May 24, 2018. Moreover, United Urban sold Maison Ukima on April 1, 2019.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
A1	Himonya Shopping Center (Note 4)	Store	Meguro-ku, Tokyo	8,250 (Note 4)	March 1, 2019 (Note 4)
D7	Maison Ukima	Apartment	Kita-ku, Tokyo	3,190	April 1, 2019
Total				11,440	

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements, etc. concerning the acquisition or sale of each property. The acquisition price is rounded to the nearest whole unit. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.
3. United Urban acquired the adjacent site to the b roppongi on January 13, 2017 and constructed the Annex building on this site and the less utilized land of the property. Then United Urban additionally acquired the Annex building (acquisition price: ¥988 million (building: ¥528 million, land: ¥460 million) on December 17, 2018.
4. As for Himonya Shopping Center, the sale and purchase agreement of the trust beneficial interest was concluded on May 24, 2018, and United Urban sold its 51% quasi co-ownership as of the same date, 19 % quasi co-ownership on November 1, 2018, and 30% quasi co-ownership on March 1, 2019, respectively under such agreement.

(iii) Portfolio Overview

As a result of the acquisition and sales of properties mentioned above (ii), United Urban held a total of 120 properties, comprising 34 retail properties, 33 office buildings, 1 retail-office complex, 16 hotels, 2 office-hotel complexes, 21 residential properties and 13 others, with an aggregate acquisition price of ¥626,083 million at the end of the 31st fiscal period (as of May 31, 2019). In addition, the total leasable floor space was 1,434,587.61 sq. m. and the total numbers of tenants were 2,534.

United Urban has continued to focus on maintaining and improving occupancy ratios at a high level during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 99.2% and 99.4%, and stood at 99.3% at the end of the 31st fiscal period (as of May 31, 2019).

b. Financing Overview

During the period, United Urban acquired new specified assets and repaid the existing interest-bearing liabilities by using new debt financing and proceeds from the sale of properties. Moreover, United Urban issued retail green bonds (called *Green Yu Yu Sai* in Japan, total amount: ¥10 billion) for the first case among J-REITs on the back of growing ESG awareness among retail investors to expand financing methods.

The status of interest-bearing liabilities at the end of the previous period and the end of the 31st fiscal period are as follows.

(Millions of yen)

	Balance at End of 30th Fiscal Period (As of November 30, 2018)	Balance at End of 31st Fiscal Period (As of May 31, 2019)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	240,384	255,884	15,500
Total of borrowings	240,384	255,884	15,500
Corporate bonds	17,000	27,000	10,000
Total of interest-bearing liabilities	257,384	282,884	25,500

In addition, as of the end of the 31st fiscal period, the amount of borrowings due for repayment within one year was ¥29,251 million, and there is no corporate bonds that is to become due for maturity within one year.

Moreover, the details of ratings of United Urban as of June 30, 2019 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 ¥27,261 million (up by 5.9% from the previous period), profit from rental activities of ¥12,708 million (down by 3.7% from the previous period), operating income of ¥13,569 million (up by 5.2% from the previous period), ordinary income of ¥12,413 million (up by 5.3% from the previous period), and net income of ¥12,413 million (up by 5.3% from the previous period).

During the period under the review, ¥1,305 million, which accounts for the part of the gain on sale of properties in the net income, was reserved as a reserve for reduction entry, etc. 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 ¥76 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥11,184 million, and cash distribution per unit was ¥3,661. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the same shall apply hereinafter) 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	
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 1)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 2)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 3)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 4)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 5)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 6)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 7)

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 8)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 9)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 10)

Notes: 1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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				
	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Highest	182,400	167,800	173,900	181,900	185,400
Lowest	161,800	151,700	159,400	166,100	165,000

4. Distribution Information

With regard to the cash distribution in the period, ¥1,305 million, which accounts for the part of the gain on sale of properties in the net income, was reserved as a reserve for reduction entry, etc. 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 ¥76 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥11,184 million, and cash distribution per unit was ¥3,661. 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.

		27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Unappropriated retained earnings at end of period	Thousands of yen	10,285,440	11,319,585	11,973,610	11,788,602	12,413,047
Retained earnings (Note)	Thousands of yen	9,319,631	10,380,234	11,569,387	12,747,672	13,976,047
Total cash distribution	Thousands of yen	9,929,032	10,258,982	10,784,457	10,610,317	11,184,673
(Cash distribution per unit)	(Yen)	(3,250)	(3,358)	(3,530)	(3,473)	(3,661)
Total profit distribution	Thousands of yen	9,929,032	10,258,982	10,784,457	10,610,317	11,184,673
(Profit distribution per unit)	(Yen)	(3,250)	(3,358)	(3,530)	(3,473)	(3,661)
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 (Of refund of capital per unit, cash distribution per unit from provision for temporary difference adjustment)	Thousands of yen (Yen)	- (-)	- (-)	- (-)	- (-)	- (-)
Of total refund of capital, the total cash distribution from the distribution associated with investment decrease for tax purpose (Of refund of capital per unit, cash distribution per unit from the distribution associated with investment decrease for tax purpose)	Thousands of yen (Yen)	- (-)	- (-)	- (-)	- (-)	- (-)

Note: "Retained earnings" shows total amount of the balance of voluntary retained earnings such as reserve for temporary difference adjustments, reserve retained for distribution, and reserve for reduction entry, 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. In the real estate investment 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 group, cooperate with tenants, and work on several acquisition schemes in addition to its information channel for property acquisition of JRA, and make efforts for profitability and quality-conscious property acquisition by utilizing the characteristics of a diversified J-REIT. In addition, United Urban pursues the improvement of quality and profitability of its portfolio through a strategic property-replacement in view of present real estate investment market. Looking to internal growth, United Urban makes efforts to increase rents and revise the contract terms of tenants whose contracts come up for renewal for office buildings and hotels, and to maintain and improve asset value by the implementation of repair works.

United Urban and JRA will continue to implement its initiatives on ESG (Environmental, Social and Governance) issues including supply chain and would like to contribute to the realization of a sustainable society.

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 31st Fiscal Period and Other Material Events

a. Issuance of New Investment Units

In order to procure funds for the acquisition of new specified assets and restore the decreased cash on hand which was allocated to a part of acquisition of new specified assets, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on June 4, 2019. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of

United Urban held on June 12, 2019. Based on these resolutions, United Urban issued 55,000 new investment units by way of public offering and 8,250 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥10,767 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed.

As a result, United Urban's total capital increased to ¥319,973 million and United Urban's total number of investment units issued and outstanding increased to 3,118,337 units.

Issuance of new investment units by way of public offering

Number of new investment units issued	: 55,000 units
Issue price (offer price)	: ¥175,616 per unit
Total issue price (total offer price)	: ¥9,658,880 thousand
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥9,363,200 thousand
Payment date	: June 19, 2019 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)

Issuance of new investment units by way of third-party allotment

Number of new investment units issued	: 8,250 units
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥1,404,480 thousand
Payment date	: July 11, 2019 (Thursday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)
Allottee	: SMBC Nikko Securities Inc.

In addition, reference information are as follows:

b. Acquisition of Properties

United Urban acquired Hotel Hewitt Koshien on June 25, 2019 with proceeds from the issuance of new investment units by way of public offering mentioned above a. and cash on hand, and Smile Hotel Premium Sapporo Susukino on June 28, 2019 with proceeds of the retail green bonds, respectively. Moreover, United Urban has decided as of June 4, 2019 to acquire the square hotel KANAZAWA.

Property No.	Property Name	Type	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date
C18	Hotel Hewitt Koshien	Hotel	Nishinomiya, Hyogo	13,520	June 25, 2019
C19	Smile Hotel Premium Sapporo Susukino	Hotel	Sapporo, Hokkaido	4,233	June 28, 2019
C20	the square hotel KANAZAWA (Note)	Hotel	Kanazawa, Ishikawa	4,802	December 3, 2019
Total				22,555	

Note: As for the square hotel KANAZAWA, because the payment and transfer shall be made at least one month after the conclusion of the sale and purchase agreement of the quasi co-ownership of the trust beneficial interest (the "PSA") as of June 4, 2019, it falls into forward commitment, etc. defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by Financial Services Agency.

The PSA provides that either party may terminate the PSA if the other party materially breaches a provision thereof, in which case the party may request the other party in breach to pay an amount equivalent to 20% of the acquisition price as penalty charges.

However, this PSA is to be effective given the United Urban's completion of fund procurement for acquisition of the quasi co-ownership of the trust beneficial interest. Therefore, if United Urban cannot procure the fund on the scheduled acquisition date, it is stipulated that United Urban can cancel the PSA without paying any penalty charges to the seller.

In view of the current situation of the financial market and financial standings of United Urban, United Urban considers that material adverse effect on United Urban's financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisition of the quasi co-ownership of the trust beneficial interest.

c. New Committed Line of Credit Agreement

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

Outline of the new committed line of credit agreement

Participating financial institutions	: Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.
Maximum loan amount	: ¥24,000 million
Date of agreement	: June 26, 2019
Term of agreement	: From June 26, 2019 to June 26, 2020
Remarks	: Unsecured, unguaranteed

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

		27th Fiscal Period (As of May 31, 2017)	28th Fiscal Period (As of November 30, 2017)	29th Fiscal Period (As of May 31, 2018)	30th Fiscal Period (As of November 30, 2018)	31st Fiscal Period (As of May 31, 2019)
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)	3,055,087	3,055,087	3,055,087	3,055,087	3,055,087
Total unitholders' capital	(Millions of yen)	309,205	309,205	309,205	309,205	309,205
Number of unitholders		23,034	22,182	21,303	20,408	19,983

2. Major Unitholders

TOP 10 unitholders based on the number of investment units held at the end of the 31st fiscal period were as follows:

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held (%) (Note)
Japan Trustee Services Bank, Ltd. (trust account)	653,189	21.38
The Master Trust Bank of Japan, Ltd. (trust account)	483,406	15.82
The Nomura Trust and Banking Co., Ltd. (investment trust account)	116,784	3.82
STATE STREET BANK WEST CLIENT - TREATY 505234	108,833	3.56
Trust & Custody Services Bank, Ltd. (securities investment trust account)	64,745	2.12
SMBC Nikko Securities Inc.	54,204	1.77
JP MORGAN CHASE BANK 385771	40,321	1.32
STATE STREET BANK AND TRUST COMPANY 505103	38,999	1.28
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	30,413	1.00
NORTHERN TRUST CO. (AVFC) RE 10PCT TREATY ACCOUNT (LENDING)	29,860	0.98
Total	1,620,754	53.05

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	Ikuo Yoshida	-	6,000
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, Sekisui Chemical Co., Ltd.	2,100
Accounting Auditor	ERNST & YOUNG SHINNIHON LLC	-	20,300 (Note 3)
Total			30,500

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of corporate bonds (¥3,300 thousand).

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.

4. Advisors and Agents

Asset Management Company, Asset Custodian, and Administrative Agents at the end of the 31st 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 MUFG Bank, Ltd.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		30th Fiscal Period (As of November 30, 2018)		31st Fiscal Period (As of May 31, 2019)	
				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)	7,262,057	1.1	7,253,584	1.1
			Other regions (Note 6)	13,662,199	2.1	13,614,763	2.0
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,029,891	2.0	12,992,536	1.9
			The 23 wards of Tokyo	9,501,819	1.5	9,474,778	1.4
			Tokyo metropolitan area	9,013,890	1.4	8,951,984	1.3
			Other regions	-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	2,693,122	0.4	1,611,273	0.2
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,015,494	0.6	3,970,106	0.6
			Other regions	-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,851,734	0.4	2,854,674	0.4
			Tokyo metropolitan area	-	-	-	-
			Other regions	4,433,375	0.7	4,414,137	0.6
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
			Other regions	-	-	-	-
	Subtotal				66,463,585	10.2	65,137,837
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,264,962	0.7	4,257,886	0.6
			The 23 wards of Tokyo	16,881,098	2.6	11,674,442	1.7
			Tokyo metropolitan area	80,136,196	12.3	92,264,997	13.6
			Other regions	56,224,487	8.6	56,162,682	8.2
	Office Buildings	Capital region	The 6 central wards of Tokyo	65,568,841	10.1	65,432,292	9.6
			The 23 wards of Tokyo	2,041,369	0.3	2,033,558	0.3
			Tokyo metropolitan area	41,326,701	6.3	41,100,479	6.0
			Other regions	56,457,742	8.7	56,470,246	8.3
	Hotels	Capital region	The 6 central wards of Tokyo	35,253,066	5.4	40,909,298	6.0
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,251,283	3.6	23,325,460	3.4
			Other regions	67,666,016	10.4	67,508,381	9.9
	Residential Properties	Capital region	The 6 central wards of Tokyo	994,564	0.2	983,444	0.1
			The 23 wards of Tokyo	8,671,719	1.3	8,412,073	1.2
			Tokyo metropolitan area	2,852,700	0.4	2,839,245	0.4
			Other regions	21,183,815	3.3	20,974,243	3.1
	Others	Capital region	The 6 central wards of Tokyo	9,244,206	1.4	9,201,542	1.4
			The 23 wards of Tokyo	7,968,204	1.2	7,952,777	1.2
			Tokyo metropolitan area	25,764,209	4.0	25,727,055	3.8
			Other regions	6,549,591	1.0	6,495,991	1.0
	Subtotal				532,300,779	81.7	543,726,100
Preferred Equity Securities (Note 7)				93,905	0.0	-	-
Bank Deposits and Other Assets				52,383,882	8.0	72,037,915	10.6
Total Assets				651,242,153	100.0	680,901,853	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. "Other regions" refers to other major cities in Japan including government designated cities (excluding cities located in the Capital region) and surrounding areas thereof.
7. Preferred equity securities of Tenjin 123 Project TMK.

2. Major Properties

Major properties (top 10 properties based on book value) owned by United Urban as of May 31, 2019 were as follows:

Property Name	Book Value (Millions of yen)	Leasable Floor Space (m ²) (Note 1)	Leased Floor Space (m ²) (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	27,221	37,932.95	37,932.95	100.0	(Note 4)	Retail Properties	N/A
Shin-Osaka Central Tower	23,601	45,978.59	45,978.59	100.0	4.6	Office / Hotels	N/A
Shinjuku Washington Hotel Honkan	22,197	53,322.10	53,322.10	100.0	3.7	Hotels	N/A
Shinsaibashi OPA Honkan	21,916	27,025.42	27,025.42	100.0	3.3	Retail Properties	N/A
Loisir Hotel & Spa Tower Naha	20,401	45,731.16	45,731.16	100.0	1.7	Hotels	N/A
Kawasaki Toshiba Building	19,474	36,142.30	36,142.30	100.0	4.0	Office Buildings	N/A
SS30	18,867	67,688.30	67,401.03	99.6	4.4	Office / Hotels	N/A
Royal Pines Hotel Urawa (Note 5)	17,599	31,129.86	31,129.86	100.0	2.6	Hotels	N/A
RIHGA Royal Hotel Kokura • ARUARU City	17,287	81,385.06	81,273.93	99.9	3.0	Hotels	N/A
Hitachi High-Tech Building	14,391	15,781.64	15,781.64	100.0	1.9	Office Buildings	N/A
Total	202,959	442,117.38	441,718.98	99.9	(Note 4)		

- Notes: 1. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2019. "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".
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 May 31, 2019. In addition, it doesn't include variable rents.
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.
5. The property name was changed from "Urawa Royal Pines Hotel" to "Royal Pines Hotel Urawa" on January 1, 2019. The same shall apply hereinafter.

3. Details of Properties in the Portfolio

Details of properties owned by United Urban as of May 31, 2019 were as follows:

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Joy Park Izumigaoka	1-3 Miharadai 1-cho, Minami-ku, Sakai, Osaka	Trust beneficial interest	13,611.24	4,840	5,058

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Luz Funabashi (Note 6)	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest	12,952.88	5,970	4,368
TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,194.68	6,400	6,215
Kaden Sumairu-kan YAMADA Sakai Honten (Note 6)	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	8,637.63	3,860	2,721
Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest	10,487.92	5,230	4,992
KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest	8,627.58	2,010	1,519
ACTIOLE Minami-ikebukuro	2-26-10 Minami-ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,081.50	3,350	3,629
Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest	6,710.19	4,970	4,274
Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest	16,729.60	3,940	3,184 (Note 4)
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	1-1-1 Isogo, Isogo-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	52,668.38	11,500	12,460
ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	1,938.56	2,170	2,242
Shinsaibashi OPA Honkan	1-4-3 Nishi-Shinsaibashi, Chuo-ku, Osaka, Osaka	Trust beneficial interest	27,025.42	26,600	21,916
Albore Jingumae	5-27-7 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	931.14	2,360	1,554
Albore Sendai	2-4-5 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	3,151.71	3,600	2,353
Mallage Kashiwa	2-3-1 Oyamadai, Kashiwa, Chiba, etc.	Trust beneficial interest	41,738.82	8,950	6,682
Ito-Yokado Owariasahi	116-4 Ishihara, Minami-Harayama-cho, Owariasahi, Aichi, etc.	Real estate	54,606.34	4,870	4,043
Yokohama Kariba Shopping Center	164-1 Kariba-cho Hodogaya-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,345.09	2,100	2,148
Luz Jiyugaoka	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	Trust beneficial interest	2,283.47	5,940	4,872
ACTIOLE Ichikawa	1-4-17 Ichikawa, Ichikawa, Chiba	Trust beneficial interest	3,927.49	4,070	2,939
Yokohama Aoba Shopping Center (Site)	1-2 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	9,193.00	3,280	2,740
Yamada Denki Tecc Land Aoba (Site)	2-3 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	7,650.63	2,570	2,270
Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji-honcho, Musashino, Tokyo	Trust beneficial interest	37,932.95	34,400	27,221
Kaden Sumairu-kan YAMADA Matsudo Honten (Note 6)	2289-3 Matsudo Aza Iwase-sakai, Matsudo, Chiba, etc.	Trust beneficial interest	17,561.23	6,590	4,806
Tenjin Loft Building	4-9-25 Watanabe-dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	7,730.09	6,080	4,593
Narumi Shopping Center (Site)	3-2 Narumicho-aza Denjiyama, Midori-ku, Nagoya, Aichi, etc.	Real estate	60,419.26	7,410	6,850
Plussing Wave Enoshima	1-3-16 Kugenuma-Kaigan, Fujisawa, Kanagawa	Trust beneficial interest	3,090.12	1,990	1,921
Life Nishikujo (Site)	6-41-6 Nishikujo, Konohana-ku, Osaka, Osaka	Trust beneficial interest	3,252.76	2,090	1,842
Life Tamatsukuri (Site)	3-12-1 Nakamichi, Higashinari-ku, Osaka, Osaka	Trust beneficial interest	2,391.44	2,190	1,967
Granbell Ginza Building	2-8-18 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,352.35	3,010	2,703
UUR Tenjin Nishi-dori Building	2-5-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	1,564.70	6,280	5,674
Luz Shonan Tsujido	1-2-12 Tsujido-Kandai, Fujisawa, Kanagawa	Trust beneficial interest	10,454.22	4,620	3,925
ACTIOLE Ueno	4-5-5 Ueno, Taito-ku, Tokyo	Trust beneficial interest	1,163.44	3,150	3,172
KURURU	1-50 Miyamachi, Fuchu, Tokyo	Trust beneficial interest	13,292.33	9,950	9,530
K's Denki Nagoya-kita	3-1 Nagaregawa, Aza-Toyoba, Oaza-Toyoyamacho, Nishikasugai-gun, Aichi	Trust beneficial interest	4,733.74	1,890	1,836
Luz Musashikosugi	3-1100-4, Shinmarukohigashi, Nakahara-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	8,272.58	12,200	12,249
T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	2,382.25	3,230	2,108
Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,934.40	2,950	1,574
Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest	2,576.57	2,730	2,406

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	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	3,620	2,255
Shin-Osaka Central Tower	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	45,978.59	29,100	23,601
Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	36,142.30	33,700	19,474
UUR Toyochō Building	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	7,540.30	8,680	8,395
FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	5,000.54	6,560	4,122
Hitachi High-Tech Building	1-24-14 Nishi-Shinbashi, Minato-ku, Tokyo	Trust beneficial interest	15,781.64	17,600	14,391
Pacific Marks Shinjuku Parkside	4-15-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	10,947.34	12,800	11,806
Pacific Marks Tsukishima	1-15-7 Tsukishima, Chuo-ku, Tokyo	Real estate	9,335.19	6,820	5,762
Pacific Marks Yokohama East	3-4 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	10,744.60	7,930	6,680
Akasaka Hikawa Building	6-18-3 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,438.20	4,300	3,215
Pacific Marks Shibuya Koen-dori	1-6-3 Jinnan, Shibuya-ku, Tokyo	Trust beneficial interest	1,972.43	3,290	2,459
Pacific Marks Akasaka-mitsuke	3-20-6 Akasaka, Minato-ku, Tokyo	Real estate	1,675.13	2,550	2,132
Pacific Marks Shin-Yokohama	3-18-20 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	3,110.72	1,780	1,561
Pacific Marks Kawasaki	11-1 Ekimae-honcho, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Real estate	7,382.62	12,100	8,951
Hamamatsucho 262 Building	2-6-2 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	6,162.85	8,020	6,465
Lila Hijirizaka	3-4-9 Mita, Minato-ku, Tokyo, etc.	Real estate	4,255.02	3,300	2,605
Otsuka HT Building	3-43-1 Minami-otsuka, Toshima-ku, Tokyo	Real estate	1,774.56	1,270	1,079
Pacific Marks Shinjuku South-gate	4-2-16 Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,723.03	3,660	2,491
Pacific Marks Nishi-Umeda	2-6-20 Umeda, Kita-ku, Osaka, Osaka	Trust beneficial interest	11,039.51	8,110	6,564
Pacific Marks Higobashi	1-10-8 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	7,623.57	5,040	4,431
Pacific Marks Esaka	9-1 Toyotsu-cho, Suita, Osaka	Trust beneficial interest	19,963.32	10,300	9,650
Pacific Marks Sapporo Kita-Ichijo	7-4-4 Kita Ichi-jo Nishi, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	4,727.65	2,170	1,724
Shin-Sapporo Center Building	6-2-15 Atsubetsu Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido	Trust beneficial interest	2,797.02	1,100	851
ARENA TOWER	3-1-9 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	17,967.46	12,800	8,127
Yushima First Building	3-19-11 Yushima, Bunkyo-ku, Tokyo	Trust beneficial interest	4,558.77	3,030	2,033
Dogenzaka Square	5-18 Maruyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,233.57	3,080	2,258
GRAND-SQUARE Shin-Sakae	2-19-6 Shin-Sakae, Naka-ku, Nagoya, Aichi, etc.	Trust beneficial interest	4,578.93	1,860	1,329
GRAND-SQUARE Meieki-minami	1-12-9 Meieki-minami, Nakamura-ku, Nagoya, Aichi	Trust beneficial interest	4,003.05	2,190	1,112
Shiba 520 Building	5-20-6 Shiba, Minato-ku, Tokyo	Trust beneficial interest	2,831.94	3,150	2,153
Hirose-dori SE Building	205-1 Nagake-cho, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	8,235.87	4,970	3,238
SS 30	4-6-1 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	67,688.30	20,100	18,867
LOOP-X・M	3-9-15 Kaigan, Minato-ku, Tokyo, etc.	Trust beneficial interest	21,591.05	11,900	11,787
Shinjuku Washington Hotel Honkan	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	53,322.10	27,700	22,197
Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	3,088.85	2,600	1,611
MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest	6,660.20	3,870	3,065
HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Benten Dori, Naka-ku, Yokohama, Kanagawa	Real estate	7,139.44	5,150	3,970
Hotel JAL City Naha	1-3-70 Makishi, Naha, Okinawa	Trust beneficial interest	13,701.80	11,800	7,411
UUR Yotsuya Sanhome Building	3-14-1 Yotsuya, Shinjuku-ku, Tokyo, etc.	Trust beneficial interest	7,854.86	6,940	4,464
Yotsuya 213 Building	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,550.16	6,890	4,953

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
the b roppongi	3-9-8 Roppongi, Mitato-ku, Tokyo	Trust beneficial interest	3,714.06	5,260	4,796
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2-11-14 Isago, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	4,874.28	3,170	2,660
Toyoko Inn Hiroshima Heiwa-odori	5-15 Tanakamachi, Naka-ku, Hiroshima, Hiroshima	Trust beneficial interest	4,357.75	2,550	2,087
Toyoko Inn Naha Kokusai-dori Miehashi-eki	1-20-1 Makishi, Naha, Okinawa	Trust beneficial interest	1,529.47	848	733
Loisir Hotel & Spa Tower Naha	3-2-1 Nishi, Naha, Okinawa	Trust beneficial interest	45,731.16	23,300	20,401
Royal Pines Hotel Urawa	2-5-1 Nakachou, Urawa-ku, Saitama, Saitama	Trust beneficial interest	31,129.86	18,100	17,599
RIHGA Royal Hotel Kokura・ ARUARU City	2-14-2 Asano, Kokurakita-ku, Kitakyushu, Fukuoka, etc.	Trust beneficial interest	81,385.06	16,900	17,287
the b fukuoka tenjin	1-2-1 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	3,567.22	3,630	3,109
Henn na Hotel Tokyo Hamamatsucho	1-24-11 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	2,293.64	4,710	4,496
T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,603.22	2,420	1,415
Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	3,741.17	2,280	1,482
UUR Court Shiba-Daimon (Note 5)	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	1,486.38	1,460	983
Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest	12,700.44	3,600	2,434
UUR Court Sapporo Kita-Sanjo	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	4,790.50	1,620	947
CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest	4,097.51	3,460	2,634
GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	3,697.38	1,330	1,189
GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	2,579.89	1,370	1,000
MA Sendai Building	1-3-7 Kimachidori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	11,525.36	4,380	2,632
UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest	2,958.45	1,530	1,170
UUR Court Sapporo Shinoro Ichibankan	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	6,271.74	862	699
Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest	2,067.95	763	817
UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	3,650.00	1,660	1,277
UUR Court Kinshicho	1-7-5 Kameido, Koto-ku, Tokyo	Real estate	5,460.39	3,570	2,854
UUR Court Sapporo Minami-Sanjo Premier Tower	2-3 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	7,763.18	3,020	1,783
GRAND-ROUGE Nakanoshima-minami	1-25-27 Edohori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	3,090.36	1,600	1,280
Glenpark Umeda-kita	3-4-22 Nakazaki, Kita-ku, Osaka, Osaka	Trust beneficial interest	12,730.60	6,430	5,065
UUR Court Shiki	1-6-5 Saiwaicho, Shiki, Saitama	Trust beneficial interest	9,885.83	3,160	2,839
GRAND-ROUGE Tanimachi Rokuchome	3-22 Junikencho, Chuo-ku, Osaka, Osaka	Trust beneficial interest	2,792.81	1,510	1,376
Chatle Otemachi S・N	10-20 Otemachi, Kokurakita-ku, Kitakyushu, Fukuoka, etc.	Real estate	12,040.28	3,620	3,714
GRAN FONTE	6-49-2 Higashioizumi, Nerima-ku, Tokyo	Trust beneficial interest	6,268.24	3,280	2,878
Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	9,271.16	2,200	1,410
KDDI Fuchu Building	1-43 Nikkocho, Fuchu, Tokyo	Trust beneficial interest	14,490.92	5,210	4,773
Tsubogawa Square Building	3-3-5 Tsubogawa, Naha, Okinawa	Trust beneficial interest	10,570.98	6,160	3,859
THE PLACE of TOKYO	3-5-4 Shibakoen, Mitato-ku, Tokyo	Trust beneficial interest	3,212.21	4,510	3,376
Logistics Higashi-Ohgishima	6-4 Higashi-Ohgishima, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	42,113.83	5,253	4,088
MT Ariake Center Building I&II	1-2-41 Ariake, Koto-ku, Tokyo, etc.	Trust beneficial interest	23,995.01	14,000	7,952
Quartz Tower	2-10-10 Shibuya, Shibuya-ku, Tokyo	Trust beneficial interest	2,940.22	6,300	5,824
Shin-Narashino Logistics Center	2-3-6 Akanehama, Narashino, Chiba	Trust beneficial interest	12,909.90	2,850	2,620

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Kawagoe Logistics Center	1822-1 Aza-Obakeue, Oaza-Shimoakasaka, Kawagoe, Saitama	Trust beneficial interest	40,060.76	9,480	7,659
Asuto Nagamachi Dental Clinic	1-6-37 Asutonagamachi, Taihaku-ku, Sendai, Miyagi	Trust beneficial interest	1,554.09	1,310	1,225
Shin-Narashino Logistics Center II	2-5-2 Shibazono, Narashino, Chiba	Trust beneficial interest	12,598.46	2,660	2,732
Yoshikawa Logistics Center	1-1 Asahi, Yoshikawa, Saitama	Trust beneficial interest	11,096.70	2,020	1,983
Musashimurayama Logistics Center	2-93-1 Inadaira, Musashimurayama, Tokyo, etc.	Trust beneficial interest	9,237.87	1,910	1,867
Total			1,434,587.61	746,426	608,863

- 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 May 31, 2019, 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 ¥3,184 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. The property name was changed from Sky Court Shiba-Daimon to UUR Court Shiba-Daimon on October 19, 2018. The same shall apply hereinafter.
6. The property name was changed from Re-Land Shopping Center to Luz Funabashi, from Yamada Denki Tecc Land Sakai Honten to Kaden Sumairu-kan YAMADA Sakai Honten, and from Yamada Denki Tecc Land New Matsudo Honten to Kaden Sumairu-kan YAMADA Matsudo Honten on May 1, 2019, respectively. The same shall apply hereinafter.

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

Name of Property	30th Fiscal Period (June 1, 2018 to November 30, 2018)				31st Fiscal Period (December 1, 2018 to May 31, 2019)			
	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 (Note 4)	1	100.0	(Note 3)	(Note 3)	-	-	(Note 3)	(Note 3)
Joy Park Izumigaoka	22	100.0	262	1.1	21	100.0	257	1.1
Luz Funabashi	18	100.0	260	1.1	16	99.9	255	1.1
TENJIN LUCE	11	100.0	223	0.9	11	100.0	220	0.9
Kaden Sumairu-kan YAMADA Sakai Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	191	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	84	0.4	10	100.0	85	0.4
Tip's Machida Building	10	100.0	210	0.9	10	100.0	206	0.9
Daiei Takarazuka Nakayama	1	100.0	151	0.6	1	100.0	151	0.6
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.3	4	100.0	299	1.2
ACTIOLE Kannai	9	100.0	60	0.3	9	100.0	60	0.3
Shinsaibashi OPA Honkan	1	100.0	684	2.9	1	100.0	683	2.8
Albore Jingumae	4	100.0	49	0.2	4	100.0	50	0.2

Name of Property	30th Fiscal Period (June 1, 2018 to November 30, 2018)				31st Fiscal Period (December 1, 2018 to May 31, 2019)			
	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 (%)
Albore Sendai	5	100.0	115	0.5	6	84.4	131	0.5
Mallage Kashiwa	94	97.1	674	2.8	94	97.0	668	2.8
Ito-Yokado Owariasahi	1	100.0	223	0.9	1	100.0	223	0.9
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	19	95.6	157	0.7	20	100.0	159	0.7
ACTIOLE Ichikawa	13	100.0	148	0.6	12	95.7	158	0.7
Yokohama Aoba Shopping Center (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)
Kaden Sumairu-kan YAMADA Matsudo Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	6	100.0	268	1.1	6	100.0	300	1.2
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	5	56.4	54	0.2	6	91.5	56	0.2
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	11	100.0	79	0.3	11	100.0	76	0.3
UUR Tenjin Nishi-dori Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Shonan Tsujido	31	97.8	314	1.3	31	97.8	290	1.2
ACTIOLE Ueno	8	100.0	80	0.3	9	100.0	82	0.3
KURURU	27	100.0	388	1.6	27	100.0	470	1.9
K's Denki Nagoya-kita	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Musashikosugi					2	100.0	262	1.1
T&G Hamamatsucho Building	5	88.2	92	0.4	6	100.0	88	0.4
Fukuoka Eartheon Building	8	100.0	118	0.5	8	100.0	119	0.5
Marumasu Kojimachi Building	15	88.1	95	0.4	16	100.0	89	0.4
Rokubancho K Building	1	100.0	108	0.5	1	100.0	108	0.4
Shin-Osaka Central Tower	62	99.9	1,132	4.7	61	100.0	1,124	4.6
Kawasaki Toshiba Building	1	100.0	836	3.5	1	100.0	836	3.5
UUR Toyochō Building	1	100.0	279	1.2	1	100.0	276	1.1
FOUR SEASONS BLDG	1	100.0	188	0.8	1	100.0	190	0.8
Hitachi High-Tech Building	2	100.0	414	1.7	2	100.0	413	1.7
Pacific Marks Shinjuku Parkside	22	100.0	354	1.5	22	100.0	368	1.5
Pacific Marks Tsukishima	43	97.7	258	1.1	42	97.1	256	1.1
Pacific Marks Yokohama East	27	94.4	250	1.1	28	97.8	239	1.0
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	42	0.2
Pacific Marks Akasaka-mitsuke	8	100.0	67	0.3	8	100.0	69	0.3
Pacific Marks Shin-Yokohama	10	100.0	66	0.3	10	100.0	66	0.3
Pacific Marks Kawasaki	42	100.0	347	1.5	42	100.0	344	1.4
Hamamatsucho 262 Building	18	100.0	228	1.0	18	100.0	227	0.9
Lila Hijirizaka	14	97.5	120	0.5	14	97.5	118	0.5

Name of Property	30th Fiscal Period (June 1, 2018 to November 30, 2018)				31st Fiscal Period (December 1, 2018 to May 31, 2019)			
	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 (%)
Otsuka HT Building	7	100.0	59	0.2	7	100.0	57	0.2
Pacific Marks Shinjuku South-gate	9	100.0	96	0.4	8	90.1	88	0.4
Pacific Marks Nishi-Umeda	28	94.0	266	1.1	28	91.9	250	1.0
Pacific Marks Higobashi	21	79.9	136	0.6	23	91.5	139	0.6
Pacific Marks Esaka	44	100.0	440	1.8	44	100.0	438	1.8
Pacific Marks Sapporo Kita-Ichijo	11	100.0	97	0.4	11	100.0	100	0.4
Shin-Sapporo Center Building	20	96.2	58	0.2	21	100.0	64	0.3
ARENA TOWER	12	100.0	444	1.9	12	100.0	464	1.9
Yushima First Building	7	100.0	118	0.5	7	100.0	117	0.5
Dogenzaka Square	28	98.8	100	0.4	29	100.0	100	0.4
GRAND-SQUARE Shin-Sakae	7	70.2	79	0.3	8	100.0	71	0.3
GRAND-SQUARE Meieki-minami	13	100.0	85	0.4	13	100.0	88	0.4
Shiba 520 Building	5	100.0	102	0.4	5	100.0	105	0.4
Hirose-dori SE Building	10	100.0	218	0.9	10	100.0	218	0.9
SS30	84	97.7	1,077	4.5	84	99.6	1,072	4.4
LOOP-X・M	115	97.7	465	2.0	110	96.5	478	2.0
Shinjuku Washington Hotel Honkan	8	100.0	785	3.3	8	100.0	897	3.7
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.2	1	100.0	57	0.2
MZ BLD.	10	96.2	131	0.5	10	96.2	131	0.5
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	156	0.7	4	100.0	157	0.7
Hotel JAL City Naha	2	100.0	258	1.1	2	100.0	305	1.3
UUR Yotsuya Sanchome Building	3	100.0	167	0.7	3	100.0	185	0.8
Yotsuya 213 Building	4	100.0	188	0.8	3	91.8	184	0.8
the b roppongi	2	92.3	72	0.3	3	100.0	93	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	856	3.6	1	100.0	744	3.1
Royal Pines Hotel Urawa	10	100.0	572	2.4	10	100.0	610	2.5
RIHGA Royal Hotel Kokura・ARUARU City	31	99.9	983	4.1	31	99.9	923	3.8
the b fukuoka tenjin	2	100.0	45	0.2	2	100.0	121	0.5
Henn na Hotel Tokyo Hamamatsucho					1	100.0	(Note 3)	(Note 3)
T&G Higashi-ikebukuro Mansion	127	98.4	68	0.3	128	99.2	70	0.3
Komazawa Court	1	100.0	60	0.3	1	100.0	60	0.3
UUR Court Shiba-Daimon	1	100.0	32	0.1	1	100.0	33	0.1
Maison Ukima (Note 5)	1	100.0	124	0.5	-	-	82	0.3
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
CLIO Bunkyo Koishikawa	90	98.5	101	0.4	88	96.2	102	0.4

Name of Property	30th Fiscal Period (June 1, 2018 to November 30, 2018)				31st Fiscal Period (December 1, 2018 to May 31, 2019)			
	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 (%)
GRAND-ROUGE Sakae	83	85.3	42	0.2	90	93.4	47	0.2
GRAND-ROUGE Sakae II	1	100.0	36	0.2	1	100.0	36	0.2
MA Sendai Building	151	99.3	168	0.7	143	96.8	167	0.7
UUR Court Nagoya Meieki	1	100.0	45	0.2	1	100.0	46	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.1	3	100.0	33	0.1
Park Site IZUMI	36	91.2	25	0.1	37	93.4	27	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.2	1	100.0	52	0.2
UUR Court Kinshicho	194	96.1	119	0.5	198	97.2	119	0.5
UUR Court Sapporo Minami-Sanjo Premier Tower	126	89.3	109	0.5	125	90.1	112	0.5
GRAND-ROUGE Nakanoshima-minami	112	95.2	53	0.2	116	96.8	53	0.2
Glenpark Umeda-kita	179	97.1	186	0.8	172	93.4	187	0.8
UUR Court Shiki	1	100.0	93	0.4	1	100.0	93	0.4
GRAND-ROUGE Tanimachi Rokuchome	50	98.8	43	0.2	51	100.0	44	0.2
Chatte Otemachi S・N	150	97.4	100	0.4	151	97.8	125	0.5
GRAN FONTE					90	98.9	34	0.1
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	304	1.3	5	100.0	289	1.2
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)	3	100.0	(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)	1	100.0	(Note 3)	(Note 3)
Musashimurayama Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Total	2,442	99.1	23,867	100.0	2,534	99.3	24,215	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." 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. Though United Urban had held 30% quasi co-ownership for Himonya Shopping Center at the beginning of the 31st fiscal period, United Urban sold the quasi co-ownership on March 1, 2019.
5. United Urban sold Maison Ukima on April 1, 2019.

4. Amount of Contract and Fair Value of Specified Transactions

Overview of amount of contract and fair values of specified transactions as of May 31, 2019 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)	79,557,000	63,133,000	(541,694)
Total		79,557,000	63,133,000	(541,694)

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

5. Status of Other Assets

As of May 31, 2019, 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.

6. 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 May 31, 2019. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Location	Purpose	Scheduled Period	Amount Projected (Millions of yen)		
				Total amount	Amount payable in the 31st fiscal period	Amount already paid
Miyamae Shopping Center	Kawasaki, Kanagawa	Renewal of entire building (1st period)	From December 2019 to May 2020	105	-	-
LOOP-X・M	Minato-ku, Tokyo	Repair of exterior wall	From April 2019 to November 2019	121	-	-
Royal Pines Hotel Urawa	Saitama, Saitama	Repair of store (MICHELA)	From June 2019 to September 2019	141	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of public area	From June 2019 to August 2019	274	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms (in some floors)	From June 2019 to July 2019	133	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of exterior wall (2nd period)	From June 2019 to December 2019	331	-	-

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 31st fiscal period, which totaled ¥2,870 million. Together with ¥1,824 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥4,695 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	LED conversion inside or outside a building	From February 2019 to May 2019	31
Luz Funabashi	Funabashi, Chiba	Renewal for presenting environment inside the building (3rd period)	From December 2018 to May 2019	63
Luz Funabashi	Funabashi, Chiba	Floor waterproofing work of self-propelled parking lot	From March 2019 to April 2019	39
Tip's Machida Building	Machida, Tokyo	Repair of main pool and sub pool	From March 2019 to May 2019	64
Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Repair of toilets	From March 2019 to May 2019	33
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities (2nd period)	From December 2018 to January 2019	74
Shin-Osaka Central Tower	Osaka, Osaka	Repair of exterior wall tile (1st period)	From December 2018 to May 2019	32
Shin-Osaka Central Tower	Osaka, Osaka	Repair of exterior facility (3rd period)	From December 2018 to May 2019	38
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of panelboard breaker on each floor (3rd period)	From September 2018 to May 2019	58
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of cold water piping equipment of air conditioner	From April 2019 to May 2019	34
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of central monitor of the disaster prevention center	From July 2018 to April 2019	89
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of perimeter zone air conditioning of exclusive part (3rd period)	From March 2019 to May 2019	36
Pacific Marks Nishi-Umeda	Osaka, Osaka	Installation work for tenant	From March 2019 to May 2019	68
SS30	Sendai, Miyagi	Renewal of fan coil unit of guest rooms (Hotel building)	From January 2019 to March 2019	32

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
SS30	Sendai, Miyagi	Repair of exterior wall	From November 2016 to December 2018	238
MZ BLD.	Hachioji, Tokyo	Repair of exterior wall (1st period)	From March 2019 to May 2019	32
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Repair of exterior wall tile	From July 2018 to February 2019	59
the b roppongi	Minato-ku, Tokyo	Repair of the existing building	From November 2017 to March 2019	107
Royal Pines Hotel Urawa	Saitama, Saitama	Repair of exterior wall	From June 2018 to February 2019	171
RIHGA Royal Hotel Kokura-ARUARU City	Kitakyushu, Fukuoka	Renewal of audio server of private branch exchange (Hotel building)	From December 2018 to May 2019	39
RIHGA Royal Hotel Kokura-ARUARU City	Kitakyushu, Fukuoka	Improvement work of emergency generator (Retail building II)	From January 2019 to May 2019	63
Shin-Narashino Logistics Center II	Narashino, Chiba	Renewal of air-conditioning facilities (in some floors)	From April 2019 to May 2019	32
Other capital expenditures				1,427
Total				2,870

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				
	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Reserve balance at beginning of period	998	1,343	1,308	1,417	1,465
Addition to the reserve during the period (Note)	379	28	165	51	75
Reduction of reserve during the period	34	63	56	4	50
Reserve balance to be carried over to the next period	1,343	1,308	1,417	1,465	1,490

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	
	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Asset management fees (Note)	1,840,950	1,868,708
Asset custodian fees	17,545	17,549
Administrative agent fees	65,678	65,061
Directors' fees	9,200	10,200
Other expenses	241,538	223,479
Total	2,174,913	2,184,999

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 (30th fiscal period: ¥65,592 thousand, 31st fiscal period: ¥158,680 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (30th fiscal period: ¥41,809 thousand, 31st fiscal period: ¥91,520 thousand).

2. Borrowings

Borrowings from financial institutions as of May 31, 2019 were as follows:

		Drawdown Date	Balance at Beginning of 31st FP (Millions of yen) (Note 1)	Balance at End of 31st 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	Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	-	0.524 (Note 7)	Mar. 20, 2019	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	ORIX Bank Corporation	Nov. 1, 2013	1,000	-	0.753	Mar. 20, 2019		(Note 3)	
	The Norinchukin Bank	Feb. 28, 2014	1,600	-	0.620 (Note 7)	Mar. 20, 2019		(Note 3)	
	Resona Bank, Limited	Apr. 8, 2014	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)	
	MUFG Bank, 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					
	Aozora Bank, Ltd.		1,570	1,570					
	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	0.200	Mar. 23, 2020		(Note 3)	
	MUFG Bank, Ltd.	Mar. 15, 2013	-	4,000	0.800	Mar. 23, 2020		(Note 3)	
	MUFG Bank, Ltd.	Mar. 21, 2013	-	2,427	0.780	Mar. 23, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	-	1,209	0.617 (Note 7)	Mar. 23, 2020		(Note 4)	
	MUFG Bank, Ltd.		-	869					
	Resona Bank, Limited		-	339					
	MUFG Bank, Ltd.	Mar. 20, 2014	-	1,300	0.640 (Note 7)	Mar. 23, 2020		(Note 4)	
Subtotal			25,207	29,251					

		Drawdown Date	Balance at Beginning of 31st FP (Millions of yen) (Note 1)	Balance at End of 31st FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt	Mizuho Trust & Banking Co., Ltd.	Apr. 1, 2016	1,000	-	0.200	Mar. 23, 2020	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	Mar. 15, 2013	4,000	-	0.800	Mar. 23, 2020		(Note 3)	
	MUFG Bank, Ltd.	Mar. 21, 2013	2,427	-	0.780	Mar. 23, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	-	0.617 (Note 7)	Mar. 23, 2020		(Note 4)	
	MUFG Bank, Ltd.		869	-					
	Resona Bank, Limited		339	-					
	MUFG Bank, Ltd.	Mar. 20, 2014	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					
	Kiraboshi Bank, Ltd.		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)	
	MUFG Bank, 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)	
	MUFG Bank, 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)	
	MUFG Bank, 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	0.311	Jun. 21, 2021		(Note 4)	

	Lenders	Drawdown Date	Balance at Beginning of 31st FP (Millions of yen) (Note 1)	Balance at End of 31st FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Sumitomo Mitsui Banking Corporation	Apr. 1, 2016	2,000	2,000	0.311	Jun. 21, 2021	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	The Nomura Trust and Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.350	Jun. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jul. 4, 2017	1,000	1,000	0.261	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)	
	MUFG Bank, Ltd.	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	0.311	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)	
	MUFG Bank, Ltd.	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	0.311	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	1,000	0.261	Jun. 20, 2022		(Note 5)	
	The Hiroshima Bank, Ltd.	Jul. 8, 2015	500	500	0.685 (Note 7)	Sep. 20, 2022		(Note 5)	
	The 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	0.361	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)	
	THE NISHI-NIPPON CITY BANK, LTD.	Apr. 1, 2016	1,000	1,000	0.411	Jun. 20, 2023		(Note 3)	

	Lenders	Drawdown Date	Balance at Beginning of 31st FP (Millions of yen) (Note 1)	Balance at End of 31st FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Mizuho Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.749 (Note 7)	Sep. 20, 2023	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.780	Sep. 20, 2023		(Note 3)	
	The Ashikaga Bank, Ltd.	Nov. 16, 2018	1,000	1,000	0.306	Dec. 20, 2023		(Note 5)	
	MUFG Bank, Ltd.	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	0.341	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	0.411	Mar. 21, 2024		(Note 3)	
	Resona Bank, Limited	Mar. 20, 2019	-	1,000	0.191 (Note 7)	Mar. 21, 2024		(Note 4)	
	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	0.411	Jun. 20, 2024		(Note 3)	
	Resona Bank, Limited	Apr. 26, 2017	1,500	1,500	0.291	Jun. 20, 2024		(Note 3)	
	MUFG Bank, 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	0.411	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	0.361	Dec. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Jul. 4, 2017	3,000	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)	
	MUFG Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.430	Mar. 21, 2025		(Note 3)	
	MUFG Bank, Ltd.	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)	
	The Norinchukin Bank	Jun. 20, 2018	2,200	2,200	0.423	Jun. 20, 2025		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 1, 2016	3,000	3,000	0.401	Sep. 22, 2025		(Note 3)	
	Development Bank of Japan Inc.	Nov. 16, 2018	1,000	1,000	0.466	Sep. 22, 2025		(Note 5)	
	Shinkin Central Bank	Nov. 16, 2018	1,000	1,000	0.466	Sep. 22, 2025		(Note 5)	
	THE NISHI-NIPPON CITY BANK, LTD.	Nov. 16, 2018	1,000	1,000	0.466	Sep. 22, 2025		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Feb. 5, 2016	2,000	2,000	0.627	Dec. 22, 2025		(Note 3)	
	Mizuho Bank, Ltd.	Dec. 28, 2018	-	4,000	0.323	Dec. 22, 2025		(Note 3)	
	MUFG Bank, 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)	
	The Norinchukin Bank	Mar. 20, 2019	-	1,600	0.313	Mar. 23, 2026		(Note 4)	
	Mizuho Bank, Ltd.	Apr. 26, 2017	2,400	2,400	0.544	Jun. 22, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Jun. 20, 2018	3,000	3,000	0.474	Jun. 22, 2026		(Note 4)	
	MUFG Bank, Ltd.	Jul. 4, 2017	1,500	1,500	0.440	Sep. 24, 2026		(Note 5)	

		Drawdown Date	Balance at Beginning of 31st FP (Millions of yen) (Note 1)	Balance at End of 31st FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt	The Bank of Fukuoka, Ltd.	Nov. 16, 2018	1,000	1,000	0.495 (Note 7)	Dec. 21, 2026	Bullet Payment	(Note 5)	Unsecured Unguaranteed
	Saitama Resona Bank, Limited		1,000	1,000					
	The Nomura Trust and Banking Co., Ltd.		1,000	1,000					
	The Shinkumi Federation Bank		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited	Dec. 28, 2018	-	2,000	0.391 (Note 7)	Dec. 21, 2026		(Note 3)	
	The Shinkumi Federation Bank		-	1,000					
	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	0.371	Jun. 21, 2027		(Note 3)	
	MUFG Bank, Ltd.	Jun. 20, 2018	2,800	2,800	0.465	Jun. 21, 2027		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Dec. 28, 2018	-	2,000	0.311	Jun. 21, 2027		(Note 3)	
	MUFG Bank, Ltd.	Jul. 3, 2018	3,800	3,800	0.465	Sep. 21, 2027		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 20, 2019	-	3,500	0.426 (Note 7)	Sep. 21, 2027		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 26, 2017	2,500	2,500	0.401	Dec. 20, 2027		(Note 3)	
	MUFG Bank, Ltd.	Nov. 16, 2018	2,000	2,000	0.570	Sep. 20, 2028		(Note 5)	
	MUFG Bank, Ltd.	Dec. 28, 2018	-	3,000	0.470	Dec. 20, 2028		(Note 3)	
Long-term debt (Green Finance)	Sumitomo Mitsui Trust Bank, Limited (Trust account)	Sep. 28, 2018	10,000	10,000	0.250	Sep. 29, 2023	Bullet Payment	(Note 6)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Trust account)	Mar. 29, 2019	-	2,500	0.290	Mar. 29, 2024		(Note 6)	
	Sumitomo Mitsui Trust Bank, Limited (Trust account)	Mar. 29, 2019	-	2,000	0.390	Mar. 31, 2026		(Note 6)	
Subtotal			215,177	226,633					
Total			240,384	255,884					

- 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. The funds are used for the repayment of borrowings related to the "Eligible Green Assets" and acquisition of real estate or trust beneficial interest in real estate which are "Eligible Green Assets," and the related expenses.
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 May 31, 2019 were as follows :

Name	Issue Date	Balance at Beginning of 31st FP (Millions of yen)	Balance at End of 31st FP (Millions of yen)	Interest Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Series 15 of Unsecured Corporate Bonds	Oct. 30, 2014	3,000	3,000	0.525	Oct. 29, 2021	Bullet payment	(Note 1)	Unsecured (Note 5)
Series 16 of Unsecured Corporate Bonds	May 29, 2015	2,000	2,000	0.804	May 29, 2025	Bullet payment	(Note 2)	Unsecured (Note 5)
Series 17 of Unsecured Corporate Bonds	May 22, 2018	10,000	10,000	0.240	Nov. 22, 2023	Bullet payment	(Note 3)	Unsecured (Note 5)
Series 18 of Unsecured Corporate Bonds	May 22, 2018	2,000	2,000	0.230	May 22, 2023	Bullet payment	(Note 3)	Unsecured (Note 5)
Series 19 of Unsecured Corporate Bonds (Green Finance)	May 23, 2019	-	10,000	0.448	May 22, 2026	Bullet payment	(Note 4)	Unsecured (Note 5)
Total		17,000	27,000					

Notes: 1. The funds are used for the repayment of the existing borrowings.
2. The funds are used for the redemption of the corporate bonds.
3. The funds are used for the redemption of the corporate bonds and the working capital
4. The funds are used for the repayment of borrowings related to the "Eligible Green Assets" and acquisition of real estate or trust beneficial interest in real estate which are "Eligible Green Assets," and the related expenses.
5. 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 1)	Date of transfer	Sale price (Millions of yen) (Note 1)	Book value (Millions of yen)	Gain or loss on sale (Millions of yen)
Trust beneficial interest in real estate	the b roppongi (Annex)	Dec. 17, 2018	528	-	-	-	-
Trust beneficial interest in real estate	Luz Musashikosugi	Dec. 28, 2018	12,151	-	-	-	-
Trust beneficial interest in real estate	GRAN FONTE	Apr. 1, 2019	2,700	-	-	-	-
Trust beneficial interest in real estate	Henn na Hotel Tokyo Hamamatsucho	May 15, 2019	4,456	-	-	-	-
Trust beneficial interest in real estate	Himonya Shopping Center (Note 2)	-	-	Mar. 1, 2019	8,250	5,165	2,975
Trust beneficial interest in real estate	Maison Ukima	-	-	Apr. 1, 2019	3,190	3,072	25
Total		-	19,835	-	11,440	8,237	3,001

- Notes: 1. The "Acquisition price" and "Sale price" does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer.
2. As for Himonya Shopping Center, though United Urban had held its 30% quasi co-ownership of the trust beneficial interest at the beginning of the 31st fiscal period, United Urban sold the quasi co-ownership on March 1, 2019.

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	the b roppongi (Annex)	Dec. 17, 2018	528	559	Dec. 7, 2018	Japan Real Estate Institute
Acquisition	Trust beneficial interest in real estate	Luz Musashikosugi	Dec. 28, 2018	12,151	12,200	Dec. 1, 2018	The Tanizawa Sōgō Appraisal Co., Ltd.
Acquisition	Trust beneficial interest in real estate	GRAN FONTE	Apr. 1, 2019	2,700	3,280	Mar. 10, 2019	The Tanizawa Sōgō Appraisal Co., Ltd.
Acquisition	Trust beneficial interest in real estate	Henn na Hotel Tokyo Hamamatsucho	May 15, 2019	4,456	4,600	Dec. 1, 2018	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Himonya Shopping Center (30% quasi co-ownership)	Mar. 1, 2019	8,250	6,780	Feb. 1, 2019	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Maison Ukima	Apr. 1, 2019	3,190	3,110	Nov. 30, 2018	Japan Real Estate Institute

- 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.

b. Others

The agency and overview of research for transactions other than transactions stated in “a. Real Estates” were as follows:

(A) Name of research agency

ERNST & YOUNG SHINNIHON LLC

(B) Result and method of research

As for transactions conducted by United Urban that require research of value, etc. of specified assets pursuant to Article 201, Paragraph 2 of the Investment Trust Act, United Urban entrusted the research to ERNST & YOUNG SHINNIHON LLC. During the 31st fiscal period (from December 1, 2018 to May 31, 2019), three interest rate swap transactions were subject to the research, and United Urban has received the agreed report on the result of implementation of procedures from ERNST & YOUNG SHINNIHON LLC. As for the interest swap transaction, United Urban entrusted the research on name of the counterparty, contract value, the type of financial instruments or financial index, transaction period, and other matters related to the over-the-counter derivative transactions.

In addition, this research is not part of the audit of financial statements and will not provide a guarantee of the adequacy of prices and the internal control system.

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	182,050	Marubeni Real Estate Management Co., Ltd.	41,250	22.7
Property Management Fees	1,758,394	Marubeni Real Estate Management Co., Ltd.	565,871	32.2
Casualty Insurance	24,748	Marubeni Safenet Co., Ltd.	24,709	99.8
Construction Management Fees	62,832	Marubeni Real Estate Management Co., Ltd.	29,928	47.6
Other Rental Expenses	130,363	Marubeni Real Estate Management Co., Ltd.	1,650	1.3

Notes: 1. “Related Parties” means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. Among Related Parties, the companies have conducted business or have received payment of commissions during the 31st 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.: ¥54,094 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 31st 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)
22nd Fiscal Period (From Jun. 1, 2014 to Nov. 30, 2014)	4,901	934,620	190,700	0.20	2,512,246
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

	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)
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
29th Fiscal Period (From Dec. 1, 2017 to May 31, 2018)	4,901	817,486	166,800	0.16	3,055,087
30th Fiscal Period (From Jun. 1, 2018 to Nov. 30, 2018)	4,901	885,610	180,700	0.16	3,055,087
31st Fiscal Period (From Dec. 1, 2018 to May 31, 2019)	4,901	877,279	179,000	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

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 31st 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 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 49,652,711	¥ 68,619,522
Rent receivables	631,858	642,674
Other current assets	294,892	818,523
Total current assets	50,579,463	70,080,720
PROPERTY AND EQUIPMENT, AT COST:		
Land	389,905,599	401,502,887
Buildings and structures	256,771,800	258,120,495
Machinery and equipment	2,759,565	2,868,718
Tools, furniture and fixtures	1,063,246	1,266,363
Construction in progress	771,591	82,486
Subtotal	651,271,803	663,840,951
Less accumulated depreciation	(61,828,145)	(64,297,721)
Net property and equipment	589,443,657	599,543,230
INVESTMENTS AND OTHER ASSETS:		
Software	21,117	17,180
Leasehold	9,320,707	9,320,707
Other intangible assets	165,636	158,972
Investment securities	93,905	-
Security deposits paid	89,958	89,958
Long-term prepaid expenses	1,527,706	1,691,084
Total investments and other assets	11,219,032	11,277,902
TOTAL ASSETS	¥ 651,242,153	¥ 680,901,853

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 2,305,872	¥ 3,752,585
Long-term debt due for repayment within one year	25,207,000	29,251,000
Accrued expenses	289,756	324,055
Consumption taxes payable	389,329	274,380
Rent received in advance	3,520,759	3,664,785
Derivatives liabilities	12,497	6,576
Other current liabilities	49,893	47,710
Total current liabilities	31,775,109	37,321,094
LONG-TERM LIABILITIES:		
Corporate bonds	17,000,000	27,000,000
Long-term debt	215,177,000	226,633,000
Leasehold and security deposits received	31,190,639	32,039,703
Derivatives liabilities	70,221	118,626
Total long-term liabilities	263,437,860	285,791,329
Total liabilities	295,212,970	323,112,423
NET ASSETS		
UNITHOLDERS' EQUITY:		
Unitholders' Capital	309,205,625	309,205,625
Units authorized: 10,000,000 units as of November 30, 2018 and May 31, 2019		
Units issued and outstanding: 3,055,087 units as of November 30, 2018 and May 31, 2019		
Capital surplus	23,548,287	23,548,287
Reserve for temporary difference adjustments	7,386,945	7,386,911
Reserve retained for distribution	3,061,918	3,132,645
Reserve for reduction entry	1,120,523	2,228,115
Unappropriated retained earnings	11,788,602	12,413,047
VALUATION AND TRANSLATION ADJUSTMENTS:		
Deferred gains or losses on hedges	(82,719)	(125,202)
Total net assets	356,029,183	357,789,430
TOTAL LIABILITIES AND NET ASSETS	¥ 651,242,153	¥ 680,901,853

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

STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
OPERATING REVENUES		
Rental revenues	¥ 22,033,656	¥ 22,549,715
Other rental revenues	1,833,565	1,665,775
Gain on sales of real estate properties	1,864,267	3,001,011
Dividend income	2,206	44,634
	25,733,696	27,261,137
OPERATING EXPENSES		
Property-related expenses	10,663,855	11,506,906
Asset management fees	1,840,950	1,868,708
Administrative service fees	83,223	82,611
Other operating expenses	250,738	233,679
	12,838,768	13,691,905
OPERATING INCOME	12,894,928	13,569,232
NON-OPERATING REVENUES		
Interest income	242	117
Reversal of cash distributions payable	1,586	1,430
Insurance income	18,847	17,184
Subsidy income	-	1,270
Compensation income for damage or loss	5,000	-
Other non-operating revenues	653	386
	26,329	20,389
NON-OPERATING EXPENSES		
Interest expense	998,741	1,005,459
Interest expense on corporate bonds	63,254	31,291
Corporate bond issuance expenses	-	67,667
Investment unit issuance expenses	-	11,912
Loss on disposal of real estate	58,445	26,039
Other non-operating expenses	11,608	33,597
	1,132,050	1,175,968
ORDINARY INCOME	11,789,207	12,413,652
INCOME BEFORE INCOME TAXES	11,789,207	12,413,652
INCOME TAXES		
Current	605	605
	605	605
NET INCOME	11,788,602	12,413,047
RETAINED EARNINGS BROUGHT FORWARD	-	-
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	¥ 11,788,602	¥ 12,413,047

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 Temporary Difference Adjustments	Reserve Retained for Distribution	Reserve for Reduction Entry	
BALANCE AS OF MAY 31, 2018	3,055,087	¥309,205,625	¥ 23,548,287	¥ 7,395,460	¥ 2,984,773	-	¥10,380,234
Provision of reserve for temporary difference adjustments				66,949			66,949
Reversal of reserve for temporary difference adjustments				(75,463)			(75,463)
Provision of reserve retained for distribution					77,144		77,144
Provision of reserve for reduction entry						¥ 1,120,523	1,120,523
Cash distributions disbursed							-
Net income							-
Net changes of items other than unitholders' equity							-
BALANCE AS OF NOVEMBER 30, 2018	3,055,087	¥309,205,625	¥ 23,548,287	¥ 7,386,945	¥ 3,061,918	¥ 1,120,523	¥11,569,387
Provision of reserve for temporary difference adjustments				76,099			76,099
Reversal of reserve for temporary difference adjustments				(76,133)			(76,133)
Provision of reserve retained for distribution					70,726		70,726
Provision of reserve for reduction entry						1,107,592	1,107,592
Cash distributions disbursed							-
Net income							-
Net changes of items other than unitholders' equity							-
BALANCE AS OF MAY 31, 2019	3,055,087	¥309,205,625	¥ 23,548,287	¥ 7,386,911	¥ 3,132,645	¥ 2,228,115	¥12,747,672

	Thousands of yen					
	Unitholders' Equity			Valuation and Translation Adjustments		
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Net Assets
	Unappropriated Retained Earnings	Total Surplus				
BALANCE AS OF MAY 31, 2018	¥11,973,610	¥45,902,131	¥355,107,757	¥(89,847)	¥(89,847)	¥355,017,909
Provision of reserve for temporary difference adjustments	(66,949)	-	-		-	-
Reversal of reserve for temporary difference adjustments	75,463	-	-		-	-
Provision of reserve retained for distribution	(77,144)	-	-		-	-
Provision of reserve for reduction entry	(1,120,523)	-	-		-	-
Cash distributions disbursed	(10,784,457)	(10,784,457)	(10,784,457)		-	(10,784,457)
Net income	11,788,602	11,788,602	11,788,602		-	11,788,602
Net changes of items other than unitholders' equity	-	-	-	7,128	7,128	7,128
BALANCE AS OF NOVEMBER 30, 2018	¥11,788,602	¥46,906,277	¥356,111,902	¥(82,719)	¥(82,719)	¥356,029,183
Provision of reserve for temporary difference adjustments	(76,099)	-	-		-	-
Reversal of reserve for temporary difference adjustments	76,133	-	-		-	-
Provision of reserve retained for distribution	(70,726)	-	-		-	-
Provision of reserve for reduction entry	(1,107,592)	-	-		-	-
Cash distributions disbursed	(10,610,317)	(10,610,317)	(10,610,317)		-	(10,610,317)
Net income	12,413,047	12,413,047	12,413,047		-	12,413,047
Net changes of items other than unitholders' equity	-	-	-	(42,483)	(42,483)	(42,483)
BALANCE AS OF MAY 31, 2019	¥12,413,047	¥48,709,008	¥357,914,633	¥(125,202)	¥(125,202)	¥357,789,430

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

STATEMENT OF CASH FLOWS

	Thousands of yen	
	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 11,789,207	¥ 12,413,652
Depreciation and amortization	4,050,506	4,050,634
Gain on sales of real estate properties	(1,864,267)	(3,001,011)
Increase in allowance for doubtful accounts	1,815	-
Interest income and interest on securities	(242)	(117)
Interest expense and interest expense on corporate bonds	1,061,995	1,036,751
Corporate bond issuance expenses	-	67,667
Investment unit issuance expenses	-	11,912
Loss on disposal of real estate	58,445	26,039
Increase in rent receivables	(13,647)	(10,815)
Decrease (increase) in prepaid expenses	473,022	(561,411)
Decrease (increase) in long-term prepaid expenses	28,473	(112,666)
(Decrease) increase in trade accounts payable	(118,947)	948,483
(Decrease) increase in accrued expenses	(3,441)	3,484
Increase (decrease) in consumption taxes payable	316,052	(70,036)
(Decrease) increase in rent received in advance	(52,929)	144,025
Other, net	(273,712)	(26,214)
Subtotal	15,452,332	14,920,377
Interest received	242	117
Interest paid	(1,180,446)	(1,066,037)
Income taxes paid	(636)	(9,249)
Net cash provided by operating activities	14,271,490	13,845,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	4,957,885	10,842,374
Purchase of property and equipment	(10,164,532)	(21,978,200)
Purchase of intangible assets	(1,010)	-
Proceeds from refund of investment securities	50,000	74,850
Proceeds from collection of leasehold and security deposits	264	-
Proceeds from leasehold and security deposits received	546,588	1,592,232
Payments for leasehold and security deposits received	(390,270)	(236,632)
Net cash used in investing activities	(5,001,074)	(9,705,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	31,800,000	22,600,000
Repayment of long-term debt	(15,300,000)	(7,100,000)
Proceeds from issuance of corporate bonds	-	9,935,632
Repayment of corporate bonds	(15,000,000)	-
Distributions to unitholders	(10,783,040)	(10,608,651)
Net cash (used in) provided by financing activities	(9,283,040)	14,826,980
NET CHANGES IN CASH AND CASH EQUIVALENTS	(12,624)	18,966,811
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49,665,335	49,652,711
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 49,652,711	¥ 68,619,522

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

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

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 May 31, 2019, the end of its 31st fiscal period, United Urban had ownership of, or beneficial interests in, 34 retail properties, 33 office buildings, 16 hotels, 21 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 13 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 31st fiscal period began on December 1, 2018 and ended on May 31, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Buildings and structures	2 - 70 years	2 - 70 years
Machinery and equipment	2 - 24 years	2 - 24 years
Tools, furniture and fixtures	3 - 20 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.

Allowance for Doubtful Accounts

In order to provide for losses due to bad debt, United Urban recorded the estimated uncollectable amounts by considering the collectability of particular loans such as those with higher probability of default on an individual basis.

Corporate Bond Issuance Expenses

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

Investment Unit Issuance Expenses

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

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 ¥20,971 thousand and ¥9,447 thousand of such property taxes and city planning taxes capitalized for the fiscal periods ended November 30, 2018 and May 31, 2019, 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 May 31, 2019.

3. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2018 and May 31, 2019, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Land	¥ 2,089,982	¥ 2,089,982
Buildings and structures	1,517,009	1,485,373
Total	¥ 3,606,992	¥ 3,575,356

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Leasehold and security deposits received	¥ 408,171	¥ 408,171
Total	¥ 408,171	¥ 408,171

4. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
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 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Buildings in trust	¥ 56,666	¥ 39,608

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

(End of 30th Fiscal Period: As of November 30, 2018)

	(Thousands of yen)					
	Initial amount	Balance at beginning of period	Addition to the reserve during the period	Reversal during the period	Balance at end of period	Reasons for provision and reversal
Gains on negative goodwill (Note 1)	7,546,388	7,395,460	-	75,463	7,319,996	Appropriation for cash distribution
A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. (Note 2)	66,949	-	66,949	-	66,949	A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. was transferred to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended May 31, 2018.

- Notes: 1. It is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.
2. It is a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting from the fiscal period subsequent to the fiscal period in which the reserve was allocated.

(End of 31st Fiscal Period: As of May 31, 2019)

(Thousands of yen)

	Initial amount	Balance at beginning of period	Addition to the reserve during the period	Reversal during the period	Balance at end of period	Reasons for provision and reversal
Gains on negative goodwill (Note 1)	7,546,388	7,319,996	-	75,463	7,244,532	Appropriation for cash distribution
A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. (Note 2)	66,949	66,949	-	669	66,279	Appropriation for cash distribution
	76,099	-	76,099	-	76,099	A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. was transferred to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2018.

Notes: 1. It is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.

2. It is a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. United Urban will reverse an amount equivalent to more than 1% of the balance of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting from the fiscal period subsequent to the fiscal period in which the reserve was allocated.

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 November 30, 2018 and May 31, 2019 consisted of the following:

	End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
	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 March 20, 2019	¥ 3,500,000	0.524% (Note 2)	-	-
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	-	-
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.620% (Note 2)	-	-
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	-	-
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.693% (Note 2)	¥ 4,500,000	0.693% (Note 2)
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 2)	2,000,000	0.523% (Note 2)
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%

	End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from banks at floating interest rate, due September 20, 2019	6,207,000	0.555% (Note 2)	6,207,000	0.555% (Note 2)
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%
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 at floating interest rate, due March 23, 2020	2,417,000	0.617% (Note 2)	2,417,000	0.617% (Note 2)
Unsecured loan from a bank at floating interest rate, due March 23, 2020	1,300,000	0.640% (Note 2)	1,300,000	0.640% (Note 2)
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 2)	6,150,000	0.631% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 22, 2020	1,000,000	0.550% (Note 2)	1,000,000	0.550% (Note 2)
Unsecured loan from banks at floating interest rate, due September 23, 2020	2,000,000	0.527% (Note 2)	2,000,000	0.527% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 23, 2020	500,000	0.428% (Note 2)	500,000	0.428% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.668% (Note 2)	4,500,000	0.668% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.668% (Note 2)	3,283,000	0.668% (Note 2)
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 2)	1,000,000	0.509% (Note 2)
Unsecured loan from an insurance company at floating interest rate, due December 21, 2020	1,000,000	0.230% (Note 2)	1,000,000	0.230% (Note 2)
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 2)	1,000,000	0.217% (Note 2)
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 2)	5,800,000	0.850% (Note 2)
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 2)	2,000,000	0.619% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.308%	1,000,000	0.311%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	2,000,000	0.308%	2,000,000	0.311%
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	0.258%	1,000,000	0.261%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.737% (Note 2)	1,700,000	0.737% (Note 2)

	End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
	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 June 21, 2021	1,000,000	0.872% (Note 2)	1,000,000	0.872% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.770% (Note 2)	1,000,000	0.770% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	500,000	0.559% (Note 2)	500,000	0.559% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	1,500,000	0.308%	1,500,000	0.311%
Unsecured loan from a bank at floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 2)	2,900,000	0.612% (Note 2)
Unsecured loan from a bank at floating interest rate, due December 20, 2021	3,000,000	0.670% (Note 2)	3,000,000	0.670% (Note 2)
Unsecured loan from a bank at floating interest rate, due March 22, 2022	2,400,000	0.308%	2,400,000	0.311%
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 2)	3,000,000	0.661% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 20, 2022	2,000,000	0.672% (Note 2)	2,000,000	0.672% (Note 2)
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	0.258%	1,000,000	0.261%
Unsecured loan from a bank at floating interest rate, due September 20, 2022	500,000	0.685% (Note 2)	500,000	0.685% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 20, 2022	1,000,000	0.885% (Note 2)	1,000,000	0.885% (Note 2)
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 2)	1,500,000	0.370% (Note 2)
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	0.358%	1,000,000	0.361%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	2,000,000	0.490% (Note 2)	2,000,000	0.490% (Note 2)
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	0.408%	1,000,000	0.411%
Unsecured loan from a bank at floating interest rate, due September 20, 2023	1,300,000	0.749% (Note 2)	1,300,000	0.749% (Note 2)
Unsecured loan from a bank at fixed interest rate, due September 20, 2023	1,300,000	0.780%	1,300,000	0.780%

	End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
	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 December 20, 2023	1,000,000	0.306%	1,000,000	0.306%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	1,000,000	0.625% (Note 2)	1,000,000	0.625% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	1,000,000	0.338%	1,000,000	0.341%
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	0.408%	1,500,000	0.411%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	-	-	1,000,000	0.191% (Note 2)
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	0.408%	2,700,000	0.411%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	1,500,000	0.288%	1,500,000	0.291%
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% (Note 2)	1,000,000	0.633% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 20, 2024	1,500,000	0.408%	1,500,000	0.411%
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	0.358%	1,400,000	0.361%
Unsecured loan from a bank at fixed interest rate, due December 20, 2024	3,000,000	0.430%	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 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 fixed interest rate, due June 20, 2025	2,200,000	0.423%	2,200,000	0.423%
Unsecured loan from a trust bank at floating interest rate, due September 22, 2025	3,000,000	0.398%	3,000,000	0.401%
Unsecured loan from a bank at fixed interest rate, due September 22, 2025	1,000,000	0.466%	1,000,000	0.466%
Unsecured loan from a bank at fixed interest rate, due September 22, 2025	1,000,000	0.466%	1,000,000	0.466%
Unsecured loan from a bank at fixed interest rate, due September 22, 2025	1,000,000	0.466%	1,000,000	0.466%
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 December 22, 2025	-	-	4,000,000	0.323%
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 March 23, 2026	-	-	1,600,000	0.313%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	2,400,000	0.544%	2,400,000	0.544%

	End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
	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 22, 2026	3,000,000	0.474%	3,000,000	0.474%
Unsecured loan from a bank at fixed interest rate, due September 24, 2026	1,500,000	0.440%	1,500,000	0.440%
Unsecured loan from banks, a trust bank, and a federation at floating interest rate, due December 21, 2026	4,000,000	0.495% (Note 2)	4,000,000	0.495% (Note 2)
Unsecured loan from a trust bank and a federation at floating interest rate, due December 21, 2026	-	-	3,000,000	0.391% (Note 2)
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	0.368%	2,500,000	0.371%
Unsecured loan from a bank at fixed interest rate, due June 21, 2027	2,800,000	0.465%	2,800,000	0.465%
Unsecured loan from a bank at floating interest rate, due June 21, 2027	-	-	2,000,000	0.311%
Unsecured loan from a bank at fixed interest rate, due September 21, 2027	3,800,000	0.465%	3,800,000	0.465%
Unsecured loan from a bank at floating interest rate, due September 21, 2027	-	-	3,500,000	0.426% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2027	2,500,000	0.398%	2,500,000	0.401%
Unsecured loan from a bank at fixed interest rate, due September 20, 2028	2,000,000	0.570%	2,000,000	0.570%
Unsecured loan from a bank at fixed interest rate, due December 20, 2028	-	-	3,000,000	0.470%
Unsecured loan from a trust bank at fixed interest rate, due September 29, 2023 (Green finance)	10,000,000	0.250%	10,000,000	0.250%
Unsecured loan from a trust bank at fixed interest rate, due March 29, 2024 (Green finance)	-	-	2,500,000	0.290%
Unsecured loan from a trust bank at fixed interest rate, due March 31, 2026 (Green finance)	-	-	2,000,000	0.390%
Total	¥ 240,384,000		¥ 255,884,000	

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. 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 November 30, 2018 and May 31, 2019 consisted of the following:

	End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
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%
Series 17 unsecured bonds, due November 22, 2023	10,000,000	0.240%	10,000,000	0.240%
Series 18 unsecured bonds, due May 22, 2023	2,000,000	0.230%	2,000,000	0.230%
Series 19 unsecured bonds, due May 22, 2026 (Green finance)	-	-	10,000,000	0.448%
Total	¥ 17,000,000		¥ 27,000,000	

10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2018 and May 31, 2019 were as follows:

	30th Fiscal Period (June 1, 2018 - November 30, 2018)	Thousands of yen 31st Fiscal Period (December 1, 2018 - May 31, 2019)
Operating Revenues	¥ 23,867,222	¥ 24,215,491
Rental Revenues	22,033,656	22,549,715
Rental revenues	19,511,853	20,010,185
Common area charges	1,622,588	1,625,917
Parking revenues	739,519	755,828
Other	159,694	157,784
Other Rental Revenues	1,833,565	1,665,775
Incidental revenues	1,655,552	1,449,458
Temporary revenues (including cancellation charges)	79,360	116,886
Other miscellaneous revenues	98,653	99,430
Property-Related Expenses	10,663,855	11,506,906
Property and other taxes	1,885,536	1,892,698
Property management fees	1,735,777	1,758,394
Utilities	1,644,439	1,473,913
Casualty insurance	32,693	24,748
Repairs and maintenance	892,658	1,824,671
Depreciation and amortization	4,050,506	4,050,634
Other rental expenses	422,244	481,845
Profit from rental activities	¥ 13,203,367	¥ 12,708,585

11. GAIN ON SALES OF REAL ESTATE PROPERTIES

Gain on sales of real estate properties for the fiscal periods ended November 30, 2018 and May 31, 2019 were as follows:

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

Himonya Shopping Center (Note)	Thousands of yen
Revenue from sales of real estate properties	¥ 5,225,000
Cost of sales of real estate properties	3,289,238
Other sales expenses	71,493
Gain on sales of real estate properties	¥ 1,864,267

Note: As for Himonya Shopping Center, United Urban sold its 19% quasi co-ownership of the trust beneficial interest.

(31st Fiscal Period: December 1, 2018 – May 31, 2019)

Himonya Shopping Center (Note)	Thousands of yen
Revenue from sales of real estate properties	¥ 8,250,000
Cost of sales of real estate properties	5,165,275
Other sales expenses	109,289
Gain on sales of real estate properties	¥ 2,975,435

Note: As for Himonya Shopping Center, United Urban sold its 30% quasi co-ownership of the trust beneficial interest.

Maison Ukima	Thousands of yen
Revenue from sales of real estate properties	¥ 3,190,000
Cost of sales of real estate properties	3,072,693
Other sales expenses	91,730
Gain on sales of real estate properties	¥ 25,576

12. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at November 30, 2018 and May 31, 2019 were summarized as follows:

End of 30th Fiscal Period (As of November 30, 2018)		End of 31st Fiscal Period (As of May 31, 2019)	
Deferred tax assets		Deferred tax assets	
Difference in revenue recognition for tax purposes	¥ 2,866	Difference in revenue recognition for tax purposes	¥ 58
Difference in expense recognition for tax purposes	-	Difference in expense recognition for tax purposes	21,551
Valuation difference on assets acquired by merger	18,896,970	Valuation difference on assets acquired by merger	18,857,538
Excess allowance for doubtful accounts	572	Excess allowance for doubtful accounts	572
Other	328	Other	318
Subtotal	18,900,738	Subtotal	18,880,039
Valuation allowance	(18,900,738)	Valuation allowance	(18,880,039)
Total	-	Total	-
Net deferred tax assets	-	Net deferred tax assets	-

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended November 30, 2018 and May 31, 2019 were summarized as follows:

	30th Fiscal Period (As of November 30, 2018)	31st Fiscal Period (As of May 31, 2019)
Statutory tax rate	31.51%	31.51%
(Adjustment)		
Distributions of tax-deductible dividends	(28.35)%	(28.38)%
Changes in valuation allowance	(0.20)%	(0.17)%
Provision of reserve for reduction entry	(2.96)%	(2.97)%
Other	0.00%	0.01%
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 30th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥76,133 thousand to the unappropriated retained earnings of ¥11,788,602 thousand, and reserved ¥70,726 thousand as reserve retained for distribution, ¥76,099 thousand as reserve for temporary difference adjustments, and ¥1,107,592 thousand as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥10,610,317 thousand for the 30th fiscal period. For the 31st fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥76,894 thousand to the unappropriated retained earnings of ¥12,413,047 thousand, and reserved ¥72,136 thousand as reserve retained for distribution, ¥63,132 thousand as reserve for temporary difference adjustments, and ¥1,170,000 thousand as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥11,184,673 thousand for the 31st fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

13. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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 November 30, 2018 and May 31, 2019 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 30th Fiscal Period: As of November 30, 2018)

	(Thousands of yen)		
	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 21,853,605	¥ 21,853,605	-
(2) Cash and bank deposits in trust	27,799,105	27,799,105	-
Total assets	¥ 49,652,711	¥ 49,652,711	-
(3) Long-term debt due for repayment within one year	25,207,000	25,246,196	¥ 39,196
(4) Corporate bonds	17,000,000	17,024,500	24,500
(5) Long-term debt	215,177,000	216,752,579	1,575,579
Total liabilities	¥ 257,384,000	¥ 259,023,276	¥ 1,639,276
(6) Derivative transactions (*)	¥ (82,719)	¥ (82,719)	-
Total derivative transactions	¥ (82,719)	¥ (82,719)	-

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

(End of 31st Fiscal Period: As of May 31, 2019)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 40,017,152	¥ 40,017,152	-
(2) Cash and bank deposits in trust	28,602,370	28,602,370	-
Total assets	¥ 68,619,522	¥ 68,619,522	-
(3) Long-term debt due for repayment within one year	29,251,000	29,309,721	¥ 58,721
(4) Corporate bonds	27,000,000	27,055,300	55,300
(5) Long-term debt	226,633,000	228,784,189	2,151,189
Total liabilities	¥ 282,884,000	¥ 285,149,210	¥ 2,265,210
(6) Derivative transactions (*)	¥ (125,202)	¥ (125,202)	-
Total derivative transactions	¥ (125,202)	¥ (125,202)	-

(*) 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) Long-term debt due for repayment within one year / (5) 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 "21. 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.

(4) Corporate bonds

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

(6) Derivative transactions

Please refer to "21. DERIVATIVE TRANSACTIONS".

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

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Investment securities (*1)	¥ 93,905	-
Leasehold and security deposits received (*2)	2,989,408	¥ 2,980,731
Leasehold and security deposits received in trust (*2)	27,937,728	28,839,071

(*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 30th Fiscal Period: As of November 30, 2018)

(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	¥ 21,853,605	-	-	-	-	-
Cash and bank deposits in trust	27,799,105	-	-	-	-	-
Total	¥ 49,652,711	-	-	-	-	-

(End of 31st Fiscal Period: As of May 31, 2019)

(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	¥ 40,017,152	-	-	-	-	-
Cash and bank deposits in trust	28,602,370	-	-	-	-	-
Total	¥ 68,619,522	-	-	-	-	-

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

(End of 30th Fiscal Period: As of November 30, 2018)

(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	-	-	¥ 3,000,000	-	¥ 12,000,000	¥ 2,000,000
Long-term debt	¥ 25,207,000	¥ 35,377,000	36,400,000	¥ 28,900,000	37,000,000	77,500,000
Total	¥ 25,207,000	¥ 35,377,000	¥ 39,400,000	¥ 28,900,000	¥ 49,000,000	¥ 79,500,000

(End of 31st Fiscal Period: As of May 31, 2019)

(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	-	-	¥ 3,000,000	¥ 2,000,000	¥ 10,000,000	¥ 12,000,000
Long-term debt	¥ 29,251,000	¥ 49,933,000	27,600,000	32,900,000	25,100,000	91,100,000
Total	¥ 29,251,000	¥ 49,933,000	¥ 30,600,000	¥ 34,900,000	¥ 35,100,000	¥ 103,100,000

14. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of November 30, 2018 and May 31, 2019 are as follows:

(Thousands of yen)

Type of Use		30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 182,485,097	¥ 178,431,002
	Change during period (Note 2)	(4,054,095)	6,797,353
	Balance at end of period	¥ 178,431,002	¥ 185,228,356
	Fair value at end of period (Note 3)	¥ 209,812,000	¥ 215,579,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 197,783,304	¥ 196,940,256
	Change during period (Note 2)	(843,048)	(484,380)
	Balance at end of period	¥ 196,940,256	¥ 196,455,876
	Fair value at end of period (Note 3)	¥ 246,666,000	¥ 251,486,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 129,784,056	¥ 132,878,983
	Change during period (Note 2)	3,094,927	4,445,536
	Balance at end of period	¥ 132,878,983	¥ 137,324,520
	Fair value at end of period (Note 3)	¥ 156,439,000	¥ 162,573,000

(Thousands of yen)			
Type of Use		30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 37,655,988	¥ 40,987,910
	Change during period (Note 2)	3,331,921	(510,092)
	Balance at end of period	¥ 40,987,910	¥ 40,477,817
	Fair value at end of period (Note 3)	¥ 52,255,000	¥ 52,925,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 47,895,785	¥ 49,526,212
	Change during period (Note 2)	1,630,427	(148,845)
	Balance at end of period	¥ 49,526,212	¥ 49,377,367
	Fair value at end of period (Note 3)	¥ 60,773,000	¥ 63,863,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 595,604,232	¥ 598,764,365
	Change during period (Note 2)	3,160,132	10,099,572
	Balance at end of period	¥ 598,764,365	¥ 608,863,937
	Fair value at end of period (Note 3)	¥ 725,945,000	¥ 746,426,000

- Notes: 1. The carrying amount on the balance sheet is the acquisition cost (including the expenses incidental to the acquisition) less accumulated depreciation.
2. Of the "Change during the period" for the 30th fiscal period, the amount of the increase is primarily attributable to acquisition of three properties (total: ¥8,749 million) and capital expenditures (¥1,406 million). And the amount of the decrease is primarily attributable to the sale of one property (part of the ownership) (¥3,289 million) and the depreciation and amortization (¥4,042 million).
Of the "Change during the period" for the 31st fiscal period, the amount of the increase is primarily attributable to acquisition of three properties (total: ¥19,638 million), additional acquisition of the existing property (¥590 million), and capital expenditures (¥2,870 million). And the amount of the decrease is primarily attributable to the sale of two properties (for one of two properties, part of the ownership) (total: ¥8,237 million) and the depreciation and amortization (¥4,042 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."

15. TRANSACTIONS WITH RELATED PARTIES

1. Parent Company and Major Corporate Unitholders

(30th Fiscal Period: June 1, 2018 – November 30, 2018)
None

(31st Fiscal Period: December 1, 2018 – May 31, 2019)
None

2. Subsidiaries and Affiliates

(30th Fiscal Period: June 1, 2018 – November 30, 2018)
None

(31st Fiscal Period: December 1, 2018 – May 31, 2019)
None

3. Fellow Subsidiaries

(30th Fiscal Period: June 1, 2018 – November 30, 2018)
None

(31st Fiscal Period: December 1, 2018 – May 31, 2019)
None

4. Directors and Major Individual Unitholders

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

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)	¥ 309,335	Account payable	-

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Ikuo Yoshida retired from the position of the President and CEO of JRA on June 18, 2018, and Norimasa Gaun assumed the office as the President and CEO of JRA on the same date. Accordingly, the fees of the transaction which was conducted by Ikuo Yoshida as representative of a third party (JRA) during the period from June 1, 2018 to June 30, 2018 including the term of office is stated, and the fees are based on the conditions stipulated in the Articles of Incorporation of United Urban.

(31st Fiscal Period: December 1, 2018 – May 31, 2019)

None

16. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at November 30, 2018 and May 31, 2019 for the fiscal periods then ended are summarized as follows:

	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Net assets per unit	¥ 116,536	¥ 117,112
Net income per unit	¥ 3,858	¥ 4,063
Average number of investment units during the period (units)	3,055,087	3,055,087

17. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

(End of 30th Fiscal Period: As of November 30, 2018)

Reasons for provision and reversal	Amount of provision and reversal	Specific method for reversal
United Urban transferred the reserve for distribution, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016, and reversed the required amount in this system.	(Initial amount: ¥7,546,388,071) Reversal amount: ¥75,463,881	From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban will reverse more than 1% of the 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 and use for cash distribution.
United Urban transferred a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended May 31, 2018 and the fiscal period ended November	<ul style="list-style-type: none"> Fiscal period ended May 31, 2018 (Initial amount: ¥66,949,209) Reversal amount: ¥669,493 Fiscal period ended November 30, 2018 Provision amount: ¥76,099,699 	From the fiscal period ended November 30, 2018 and the fiscal period ending May 31, 2019, subsequent to the fiscal periods in which each reserve was allocated, United Urban will reverse more than 1% of the reserve balance at the time of provision (more than ¥669,493 for the provision of the fiscal period ended May 31,

30, 2018, respectively. As for the reserve for temporary difference adjustments reserved in the fiscal period ended May 31, 2018, United Urban reversed the required amount in this system.		2018 and more than ¥760,997 for the provision of the fiscal period ended November 30, 2018: amount equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution, respectively.
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(End of 31st Fiscal Period: As of May 31, 2019)

Reasons for provision and reversal	Amount of provision and reversal	Specific method for reversal
United Urban transferred the reserve for distribution, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016, and reversed the required amount in this system.	(Initial amount: ¥7,546,388,071) Reversal amount: ¥75,463,881	From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban will reverse more than 1% of the initial amount (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution.
United Urban transferred a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. to reserve for temporary difference adjustments in the "statement of cash distribution," and reversed the required amount in this system.	<ul style="list-style-type: none"> Fiscal period ended May 31, 2018 (Initial amount: ¥66,949,209) Reversal amount: ¥669,493 Fiscal period ended November 30, 2018 (Initial amount: ¥76,099,699) Reversal amount: ¥760,997 Fiscal period ended May 31, 2019 Provision amount: ¥63,132,400 (Amount to be reversed in the next fiscal period: ¥631,324) 	From the fiscal period subsequent to the fiscal period in which each reserve was allocated, United Urban will reverse more than 1% of the initial amount (amount equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution, respectively.

18. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at November 30, 2018 and May 31, 2019 were as follows:

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Cash and bank deposits	¥ 49,652,711	¥ 68,619,522
Cash and cash equivalents	¥ 49,652,711	¥ 68,619,522

19. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2018 and May 31, 2019, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Due within one year	¥ 13,875,335	¥ 13,248,269
Due over one year	70,835,988	71,877,041
Total	¥ 84,711,323	¥ 85,125,310

20. SECURITIES

(End of 30th Fiscal Period: As of November 30, 2018)

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 31st Fiscal Period: As of May 31, 2019)

There was no applicable information on other securities to be presented for the fiscal period ended May 31, 2019.

21. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended November 30, 2018: None

Fiscal period ended May 31, 2019: None

2. Derivative transactions subject to hedge accounting

(End of 30th Fiscal Period: As of November 30, 2018)

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	¥ 36,557,000	¥ 20,350,000	¥ (82,719)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	40,600,000	39,000,000	(Note 1)	-
Total			¥ 77,157,000	¥ 59,350,000	¥ (82,719)	

(End of 31st Fiscal Period: As of May 31, 2019)

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	¥ 40,557,000	¥ 25,433,000	¥ (125,202)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	39,000,000	37,700,000	(Note 1)	-
Total			¥ 79,557,000	¥ 63,133,000	¥ (125,202)	

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.

22. SEGMENT INFORMATION

[Segment Information]

Disclosure is omitted because the business of United Urban is comprised of a single segment engaged in the real estate leasing business.

[Related Information]

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

1. Information by product and service

Disclosure is omitted because the operating revenues for external customers in a single product/service category are excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

2. Information by region

(1) Operating revenues

Disclosure is omitted because the operating revenues for external customers in Japan are in excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan are in excess of 90% of property and equipment on Balance Sheet.

3. Information by major customers

Disclosure is omitted because the operating revenues for a single external customer are less than 10% of the operating revenues on Statement of Income and Retained Earnings.

(31st Fiscal Period: December 1, 2018 – May 31, 2019)

1. Information by product and service

Disclosure is omitted because the operating revenues for external customers in a single product/service category are excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

2. Information by region

(1) Operating revenues

Disclosure is omitted because the operating revenues for external customers in Japan are in excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan are in excess of 90% of property and equipment on Balance Sheet.

3. Information by major customers

(Thousands of yen)		
Name of customer	Operating revenues	Related segment
Undisclosed (Note)	¥ 3,069,993	Real estate leasing business

Note: The customer is a domestic corporation, but it is not disclosed as the customer's consent for disclosure of its name, etc. has not been obtained. The customer does not fall under the related parties.

23. UNAPPLIED ACCOUNTING STANDARD, etc.

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

(1) Overview

The International Accounting Standard Board ("IASB") and the Financial Accounting Standards Board ("FASB") have jointly developed the comprehensive accounting standard for revenue recognition, and have published "Revenue from Contracts with Customers" (IFRS 15 issued by IASB and Topic 606 issued by FASB) in May 2014. As IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and Topic 606 is effective for annual periods beginning after December 15, 2017, ASBJ has developed and published the comprehensive accounting standard and implementation guidance for revenue recognition accordingly.

As the basic policy of ASBJ for the development of accounting standard for revenue recognition, the accounting standard in Japan have been established while adopting the basic principal of IFRS 15 from the point of view of the comparability between the financial statements based on IFRS or U.S. GAAP and Japanese GAAP as a benefit for the consistency with IFRS 15. In addition, in the case that there is an item that the actual practice conducted in Japan is considered, the alternate treatments are added within the scope not to fail the comparability.

(2) Scheduled date of the application

United Urban will adopt the accounting standard, etc. from the beginning of the period ending November 30, 2021.

(3) Impact of the application of the respective accounting standard, etc.

United Urban is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Revenue Recognition", etc.

24. SUBSEQUENT EVENTS

Issuance of New Investment Units

In order to procure funds for the acquisition of new specified assets and restore the decreased cash on hand which was allocated to a part of acquisition of new specified assets, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on June 4, 2019. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on June 12, 2019. Based on these resolutions, United Urban issued 55,000 new investment units by way of a public offering and 8,250 new investment units by way of a third-party allotment to SMBC Nikko Securities Inc., and the payment of ¥10,767 million in connection with the issuance of new investment units by way of the public offering and third-party allotment was completed.

As a result, United Urban's total capital increased to ¥319,973 million and United Urban's total number of investment units issued and outstanding increased to 3,118,337 units.

Issuance of new investment units by way of public offering

Number of new investment units issued	: 55,000 units
Issue price (offer price)	: ¥175,616 per unit
Total issue price (total offer price)	: ¥9,658,880 thousand
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥9,363,200 thousand
Payment date	: June 19, 2019 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)

Issuance of new investment units by way of third-party allotment

Number of new investment units issued	: 8,250 units
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥1,404,480 thousand
Payment date	: July 11, 2019 (Thursday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)
Allottee	: SMBC Nikko Securities Inc.

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 May 31, 2019, 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 May 31, 2019, 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

August 29, 2019

Corporate Data

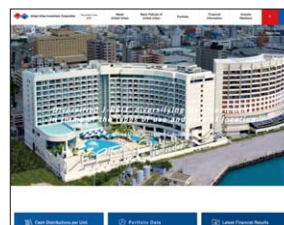
Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”) as of May 31, 2019:

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:	19,983
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 Tokyo Midtown Hibiya, Hibiya Mitsui Tower, 1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006, 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

<https://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 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.

United Urban, JRA, and any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors are not responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by United Urban, JRA or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors.

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

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

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



United Urban Investment Corporation

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<https://www.united-reit.co.jp/en/>