

Semiannual Report

The 37th Fiscal Period

(From December 1, 2021 to May 31, 2022)



United Urban Investment Corporation

◆ PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

Fiscal Period (Calculation Period)		33rd Fiscal Period (December 1, 2019- May 31, 2020)	34th Fiscal Period (June 1, 2020- November 30, 2020)	35th Fiscal Period (December 1, 2020- May 31, 2021)	36th Fiscal Period (June 1, 2021- November 30, 2021)	37th Fiscal Period (December 1, 2021- May 31, 2022)
Operating revenues (Note 1) (Millions of yen)		23,565	23,945	24,198	22,806	24,184
(Rental revenues) (Millions of yen)		(23,391)	(22,051)	(22,302)	(22,806)	(23,212)
Operating expenses (Millions of yen)		12,942	13,300	13,414	14,550	13,630
(Property-related expenses) (Millions of yen)		(10,686)	(10,959)	(11,122)	(11,032)	(11,244)
Operating income (Millions of yen)		10,622	10,644	10,784	8,256	10,553
Ordinary income (Millions of yen)		9,633	9,650	9,847	7,326	9,628
Net income (a) (Millions of yen)		9,633	9,650	9,847	7,326	9,628
Total assets (compared with the previous period) (b) (Millions of yen)		694,089 (+2.3%)	701,982 (+1.1%)	704,135 (+0.3%)	707,548 (+0.5%)	715,568 (+1.1%)
Total unitholders' equity (Net assets) (compared with the previous period) (c) (Millions of yen)		366,863 (-0.3%)	365,666 (-0.3%)	365,797 (+0.0%)	363,257 (-0.7%)	363,291 (+0.0%)
Unitholders' capital (compared with the previous period) (Millions of yen)		319,973 (-)	319,973 (-)	319,973 (-)	319,973 (-)	319,973 (-)
Total no. of investment units issued and outstanding (d) (Units)		3,118,337	3,118,337	3,118,337	3,118,337	3,118,337
Net assets per unit (c)/(d) (Yen)		117,647	117,263	117,305	116,490	116,501
Total cash distribution (e) (Millions of yen)		10,820	9,726	9,922	9,666	9,704
Net income per unit (Note 2) (Yen)		3,089	3,094	3,157	2,349	3,087
Cash distribution per unit (e)/(d) (Yen)		3,470	3,119	3,182	3,100	3,112
(Distribution of earnings per unit) (Yen)		(3,470)	(3,119)	(3,182)	(3,100)	(3,112)
(Distribution in excess of earnings per unit) (Yen)		(-)	(-)	(-)	(-)	(-)
Return on assets (Annualized) (Note 3) (%)		1.4 (2.8)	1.4 (2.8)	1.4 (2.8)	1.0 (2.1)	1.4 (2.7)
Return on equity (Annualized) (Note 3) (%)		2.6 (5.2)	2.6 (5.3)	2.7 (5.4)	2.0 (4.0)	2.7 (5.3)
Equity ratio (compared with the previous period) (c)/(b) (%)		52.9 (-1.4%)	52.1 (-0.8%)	51.9 (-0.1%)	51.3 (-0.6%)	50.8 (-0.6%)
Payout ratio (Note 3) (%)		112.3	100.8	100.7	131.9	100.8
Supplementary information						
No. of investment properties at end of period (Properties)		129	130	133	136	136
Total leasable floor space at end of period (m ²)		1,522,162.03	1,543,024.46	1,541,488.04	1,566,349.17	1,556,492.03
Total no. of tenants at end of period (Tenants)		2,691	2,674	2,725	2,772	2,803
Occupancy ratio at end of period (%)		97.1	97.6	97.3	97.8	98.6
Depreciation and amortization (Millions of yen)		4,174	4,100	4,130	4,098	4,102
Capital expenditures (Millions of yen)		1,361	1,339	1,746	2,450	2,184
NOI (Net Operating Income) from leasing (Note 3) (Millions of yen)		16,880	15,192	15,310	15,872	16,069
FFO (Funds From Operations) per unit (Note 3) (Yen)		4,372	3,803	3,875	4,033	4,115
FFO ratio (Note 3) (Times)		13.1	15.6	20.2	18.0	17.4
Debt service coverage ratio (Note 3) (Times)		14.8	14.9	16.0	14.4	15.7
Net income before interest, depreciation and amortization (Note 3) (Millions of yen)		14,810	14,743	14,916	13,505	14,742
Interest expense and interest expenses on corporate bonds (Millions of yen)		1,003	989	934	937	937
Interest-bearing liabilities (Note 3) (Millions of yen)		289,533	296,633	299,833	304,433	310,703
Ratio of interest-bearing liabilities to total assets at end of period (Note 3) (%)		41.7	42.2	42.5	43.0	43.4
No. of operating days (Days)		183	183	182	183	182

Notes: 1. Operating revenues does 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.

	33rd FP	34th FP	35th FP	36th FP	37th FP
Average no. of investment units during the period	3,118,337 units	3,118,337 units	3,118,337 units	3,118,337 units	3,118,337 units

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

Return on assets	Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2) × 100
Return on equity	Net income / ((Net assets at beginning of period + Net assets at end of period) / 2) × 100
Payout ratio	Cash distribution per unit / Net income per unit × 100 (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets - Gain or loss on sales of real estate properties + Impairment losses) / Total no. of investment units issued and outstanding
FFO ratio	Investment unit price at end of period / Annualized FFO per unit
Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds
Net income before interest, depreciation and amortization	Net income + Depreciation and amortization + Amortization of deferred assets + Interest expense and Interest expenses on corporate bonds + Impairment losses
Interest-bearing liabilities	Short-term borrowings + Current portion of corporate bonds + Long-term borrowings due for repayment within one year + Corporate bonds + Long-term borrowings
Ratio of interest-bearing liabilities to total assets at end of period	Interest-bearing liabilities at end of period / total assets at end of period × 100 (Fractions are rounded down to the nearest one decimal place.)

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

2. Performance Review for the Current Period

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

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with “Intrinsic Value” and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of “Intrinsic Value” as a diversified J-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 36 fiscal periods from the 1st fiscal period (fiscal period ended May 31, 2004) to the 36th fiscal period (fiscal period ended November 30, 2021). For the current period (37th fiscal period: fiscal period ended May 31, 2022), United Urban decided to make cash distribution of ¥3,112 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

The Japanese economy in this period was affected by the repeated infection spread of the COVID-19 from January to March 2022. And, due to the FRB (Federal Reserve Bank) tightening and the deteriorating world situation caused by Russia’s invasion of Ukraine, the prices of energy and raw materials have been escalating in Japan and many countries around the globe. While a close attention is needed to the accelerating inflation, a sign of recovery has started to be seen particularly in consumer spending thanks to the increasing flow of people owing to the decrease in the number of the COVID-19 cases and the resumption of tourism boosting measures in local governments nationwide and others. Currently, those industries that had been largely affected by the COVID-19 pandemic are in the process of revival.

While it has been even more clear that some major countries around the globe including the United States take a move to fiscal tightening, the Bank of Japan keeps its easing policy. Consequently, in the real estate investment market, an investment appetite of both domestic and foreign investors continues to be strong. Certain asset types (type of use, industries/business segments), including hotels, that had been experiencing a severe business environment due to sluggish sales during the COVID-19 pandemic have started to see changes in views of investors.

The real estate leasing market remained strong across almost all asset types in this period.

In retail facilities, a recovery has been confirmed not only among retailers but also service tenants because of the increasing number of people's outings.

For hotels, although the performance tends to be affected depending on the COVID-19 situation, it is observed that the guest room occupancy rates have been picking up due to the containment of infection spread from this spring.

Vacancy rates in office buildings are on the moderate rise in major cities nationwide due to poor business performance of companies, new workplace strategies taken and others. Declining rent trends are witnessed in the business districts in Tokyo and Osaka.

Demand of residential properties remains robust even amid the COVID-19 pandemic, and the occupancy ratios and rents have been kept stable across the country.

In logistics market, new supply continues to be monitored in the adjacent areas of major cities nationwide including the Tokyo Metropolitan Area. However, the situation remains unchanged as each market has more demand than supply overall.

(ii) New Acquisition and Sale of Property

During the period, United Urban acquired the following two properties (Note 1).

Property No.	Property Name	Type (Note 2)	Location	Acquisition Price (Millions of yen) (Note 3)	Acquisition Date
C5	Hotel JAL City Naha (additional acquisition of the site)	-	Naha, Okinawa	16	March 30, 2022
B49	IIDABASHI PLANO (Note 1) (Note 4)	Office	Chiyoda-ku, Tokyo	5,380	March 31, 2022
B49	IIDABASHI PLANO (additional acquisition) (Note 1) (Note 5)	Office	Chiyoda-ku, Tokyo	570	May 12, 2022
Total				5,966	

On the other hand, United Urban sold the following two properties.

Property No.	Property Name	Type (Note 2)	Location	Sale Price (Millions of yen) (Note 3)	Date of Sale
B5	Rokubancho K Building	Office	Chiyoda-ku, Tokyo	3,300	March 31, 2022
E2	Fuchu Building (Building) (Note 6) (Note 7)	Machine room	Fuchu, Tokyo	1,650	
Total				4,950	

Notes: 1. Although IIDABASHI PLANO was acquired in two times, it is counted as one property.

2. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.

3. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements, etc. concerning the acquisition or sale of each property. The acquisition price is rounded to the nearest whole unit. In addition, the amount of each price does not include expenses related to the acquisition or sale and consumption tax, etc. The same shall apply hereinafter.

4. United Urban acquired the compartmentalized ownership of the 11th to 15th floors of the office building of the property (10.06% co-ownership of the site).

5. United Urban acquired the compartmentalized ownership of a part of the 17th floor of the office building and a part of the 2nd floor of the retail building B (total of 1.02% co-ownership of the site).

6. The sale price of Fuchu Building shows the sale price of the building part of the property. As for the transfer of the property ("Transfer"), 50% co-ownership interest held by the co-owner is also planned to be transferred. The contract parties to the real estate etc. transfer agreement concerning the Transfer as of January 31, 2022 ("Transfer Agreement") are United Urban, the co-owner, and the buyer. After the acquisition, the building is planned to be demolished by the scheduled land transfer date and redeveloped by the buyer. Accordingly, United Urban entered into a leasehold right setting agreement with the buyer on January 31, 2022, with the lease period from the transfer date of the building to the scheduled land transfer date (from March 31, 2022 to January 31, 2024).

Overview of Sale	Scheduled Sale Price (Millions of yen)	Scheduled Date of Sale
(1st) Transfer of building	1,650	March 31, 2022
(2nd) Transfer of land	2,000	January 31, 2024
Total	3,650	

7. After the Transfer Agreement was entered into on January 31, 2022, the building was sold on March 31, 2022, and the land is planned to be sold on January 31, 2024, respectively. In addition, because the payment and transfer of the ownership shall be made not less than one month after the conclusion of the Transfer Agreement, this transaction falls into forward commitment defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." of Financial Services Agency. In the Transfer Agreement, if the conditions (stipulated as obligations) that each party (the seller (United Urban and the co-owner) and the buyer) must abide by on each scheduled transfer date are not satisfied, the other party(s) can cancel the Transfer Agreement. The party who canceled the Transfer Agreement can charge the other party(s) who is responsible for the nonsatisfaction of the conditions the following amount as

penalty:

(a-1) Before the start of physical demolition work of the building, the amount equivalent to 20% of the sales price (scheduled sale price of land and building including the co-ownership interest held by co-owner) (*1)

(a-2) After the start of physical demolition work of the building, the amount equivalent to the building sales price (scheduled sale price of the building including the co-ownership interest held by co-owner) (*2)

In addition to the above cancellation provisions, if the other party(s) has a serious breach of the Transfer Agreement, each party may notify the other party(s) of its execution or correction within a reasonable period of time, and may cancel the Transfer Agreement, if it is still not performed or corrected within the set notification period. And the party(s) who cancels the Transfer Agreement can charge the other party(s) who is responsible for the failure of execution or correction the following amount as a penalty:

(b-1) Before the start of physical demolition work of the building, the amount equivalent to 20% of the sales price (scheduled sale price of land and building including the co-ownership interest held by co-owner) (*3)

(b-2) After the start of physical demolition work of the building, the amount equivalent to the building sales price (scheduled sale price of the building including the co-ownership interest held by co-owner) (*4)

After the transfer of the building, if the conditions on the transfer of land (stipulated as obligations of each party) are not satisfied on the scheduled land transfer date, or if there are other serious breaches associated with the obligation of the Transfer Agreement, the other party(s) is entitled to cancel the entire agreement, including the building.

*1-4 If the seller (United Urban and the co-owner) is the party who cancels, the penalty that each seller can charge to the responsible buyer is half of the stated amount. If the buyer is the party who cancels and only one of the sellers is responsible, the penalty that the buyer can charge to the responsible seller is as stated. If the buyer is the party who cancels and each seller is responsible, the penalty that the buyer can charge to each seller is half of the stated amount.

(iii) Portfolio Overview

As a result of the acquisition and sale of properties mentioned above (ii), United Urban held a total of 136 properties, comprising 35 retail properties, 34 office buildings, 1 retail-office complex, 20 hotels, 2 office-hotel complexes, 25 residential properties and 19 others, with an aggregate acquisition price of ¥676,829 million at the end of the 37th fiscal period (as of May 31, 2022). In addition, the total leasable floor space was 1,556,492.03 sq. m. and the total numbers of tenants were 2,803.

United Urban has continued to focus on maintaining occupancy ratios during the period. Thereby, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 97.6% and 98.7%, and stood at 98.6% at the end of the 37th fiscal period (as of May 31, 2022).

(iv) Sustainability Initiatives

United Urban and JRA support the Sustainable Development Goals (SDGs), and aim to realize a sustainable, diverse, and inclusive society through our efforts to solve environmental, social, and economic problems and create new value ("Sustainability Activities").

United Urban and JRA have reformed the Environmental Policy established in May 2012, and newly established the Sustainability Policy and Sustainability Regulations in March 2022 as guidelines for implementing the Sustainability Activities. In April 2022, JRA reformed the Sustainability Committee, which has been operating since May 2013, as a standing committee, and newly established the Sustainability Strategy Office as a dedicated team to carry out our Sustainability Activities in a more practical and strategic way.

As initiatives for climate change, United Urban and JRA have set a medium-term target for the environment certification coverage rate for the portfolio of United Urban and greenhouse gas (GHG) emission at our office portfolio, respectively, as follows:

Environment certification coverage rate: 80% (based on gross floor area, excluding land) by 2024 (for your reference, 69.8% as of May 2022)

GHG emission at office portfolio: 40% reduction on an intensity (based on gross floor area) by 2030 compared with the 2014 level (for your reference, 29.4% reduction as of December 2021)

As a result of the Sustainability Activities, in the 2021 survey of the GRESB Real Estate Assessment which is an international benchmark for measuring ESG integration of real estate companies and funds, United Urban received a "4 Stars" in five-level GRESB Rating (second from the highest level). Moreover, in the results of GRESB Public Disclosure Level Assessment, United Urban received the highest "A" level.

JRA expressed our support for the TCFD (Task Force on Climate-related Financial Disclosures) Recommendations in January 2022. The cross-organizational team of members representing various departments of JRA conducted scenario analysis of climate risks and opportunities for United Urban's portfolio in accordance with the TCFD's recommendations and disclosed the result of the analysis on our new sustainability website which was opened in May 2022 (<https://uur-jra-sustainability.com/en/sustainability/>).

b. Financing Overview

During the period, United Urban procured debt financing to support the payment for acquiring specified assets and the repayment of interest-bearing liabilities.

The status of interest-bearing liabilities at the end of the previous period and the end of the 37th fiscal period are as follows.

(Millions of yen)

		Balance at the end of the 36th Fiscal Period (As of November 30, 2021)	Balance at the end of the 37th Fiscal Period (As of May 31, 2022)	Changes
	Short-term borrowings	-	-	-
	Long-term borrowings (borrowings due for repayment within one year)	267,933 (28,900)	274,203 (32,900)	+6,270 (+4,000)
	Total of borrowings	267,933	274,203	+6,270
	Corporate bonds (corporate bonds that is to become due for maturity within one year)	36,500 (-)	36,500 (2,000)	- (+2,000)
	Total of interest-bearing liabilities	304,433	310,703	+6,270

Moreover, the details of ratings of United Urban as of June 30, 2022 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating: AA	Rating Outlook: Stable

c. Overview of Financial Results and Distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥24,184 million (up by 6.0% from the previous period), profit from rental activities of ¥11,967 million (up by 1.6% from the previous period), operating income of ¥10,553 million (up by 27.8% from the previous period), ordinary income of ¥9,628 million (up by 31.4% from the previous period), and net income of ¥9,628 million (up by 31.4% from the previous period). As for UUR Court Sapporo Shinoro Ichibankan which was sold on July 4, 2022, the book value was reduced to the recoverable amount in accordance with Accounting Standard for Impairment of Fixed Assets, and the reduced amount was recorded as impairment losses (¥68 million) in the classification of operating expenses.

During the period under the review, United Urban added ¥77 million, which is a reversal of the reserve for temporary difference adjustments in accordance with "Ordinance on Accountings of Investment Corporations" and "Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" stipulated by the Investment Trusts Association, Japan to ¥9,628 million of unappropriated retained earnings to distribute. As a result, United Urban decided to distribute ¥9,704 million, and cash distribution per unit was ¥3,112. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) is satisfied during the fiscal period, and the corporate tax is not imposed.

3. Issuance of New Investment Units

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

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
June 19, 2019	Additional issue of new investment units through public offering	55,000	3,110,087	9,363	318,568	(Note 1)
July 11, 2019	Additional issue of new investment units through third-party allotment	8,250	3,118,337	1,404	319,973	(Note 2)

- Notes: 1. New investment units were issued through public offering at the offer price of ¥175,616 per unit (issue price (underwriter price) ¥170,240), for the purpose of procuring funds for property acquisitions.
2. New investment units were issued through third-party allotment at the issue price of ¥170,240 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.

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				
	33rd Fiscal Period (December 1, 2019 - May 31, 2020)	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
Highest	212,900	138,000	167,600	169,200	149,000
Lowest	79,100	98,200	118,800	135,800	123,700

4. Distribution Information

During the fiscal period, United Urban added ¥77 million, which is the reversal of the reserve for temporary difference adjustments in accordance with “Ordinance on Accountings of Investment Corporations” and “Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations” stipulated by the Investment Trusts Association, Japan to ¥9,628 million of unappropriated retained earnings to distribute. As a result, United Urban decided to distribute ¥9,704 million, and cash distribution per unit was ¥3,112. 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.

		33rd Fiscal Period (December 1, 2019 - May 31, 2020)	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
Unappropriated retained earnings at end of period	Thousands of yen	9,633,226	9,650,149	9,847,056	7,326,291	9,628,227
Retained earnings (Note)	Thousands of yen	12,620,658	12,544,715	12,469,222	10,128,669	10,052,632
Total cash distribution	Thousands of yen	10,820,629	9,726,093	9,922,548	9,666,844	9,704,264
(Cash distribution per unit)	(Yen)	(3,470)	(3,119)	(3,182)	(3,100)	(3,112)
Total profit distribution	Thousands of yen	10,820,629	9,726,093	9,922,548	9,666,844	9,704,264
(Profit distribution per unit)	(Yen)	(3,470)	(3,119)	(3,182)	(3,100)	(3,112)
Total refund of capital	Thousands of yen	-	-	-	-	-
(Refund of capital per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from provision for temporary difference adjustment	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from provision for temporary difference adjustment)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from the distribution associated with investment decrease for tax purpose	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from the distribution associated with investment decrease for tax purpose)	(Yen)	(-)	(-)	(-)	(-)	(-)

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

5. Future Policies and Challenges

Certain concerns that the accelerating inflation slows the economic activities in Japan have emerged. Those include global shifts of fiscal policy in some major countries including the United States, price hikes of energy and raw materials due to the deteriorating situation in Ukraine and others. While the Bank of Japan emphasizes the continuance of monetary easing policy, upward pressure toward long-term interest rates has been increasing in the bond market. Japanese government has aimed to compile a large amount of extra budget for additional measures in response to price hikes and others. It is expected that the government will take further actions for a full-fledged normalization in the country's economy including tourism revival measures and propelling tapering of restrictions on foreign visitors while controlling the infection spread of the COVID-19.

Although the unsettled political and economic situations around the country continue, it is foreseen that both real estate investment and leasing markets will remain healthy. It is recognized that a stable real estate management which can adapt to changes in society derived by the COVID-19 and others will be required.

United Urban's portfolio is almost fully diversified. Asset types which had been continuously affected by the behavior restrictions by COVID-19 have started to draw a promising road map toward recovery. Next challenges are to make the overall performance of the portfolio even more stable.

Under these understandings of the business environment, watching the future trend of the real estate sales and purchase market, and with a proactive investment approach towards a wide variety of real estate in mind, United Urban continues selective investment through various methods as well as asset replacement which are effective for a quality improvement of the portfolio. For existing properties, United Urban continuously focuses on a stable management by keeping or improving occupancy ratios, renewing terms and conditions with an aim to raise rents and profitability, reducing business costs and others. Furthermore, United Urban strives to stabilize cash distribution by utilizing retained earnings.

Regarding financial management, United Urban makes continued efforts to create a robust and stable financial standing by controlling the LTV level, reducing financial costs, extending and diversifying the maturities for interest-bearing liabilities, and ensuring enough liquidity.

Having an eye on a sustainable growth of United Urban, i.e. maximization of unitholder value, engagement with stakeholders, and coexistence with the environment and society, United Urban is dedicated not only to improvement in the financial aspects but also to resolution of non-financial issues associated with ESG (Environment, Society, and Governance) and SDGs (Sustainable Development Goals).

6. Material Facts Arising after the End of the 37th Fiscal Period and Other Material Events

There are no material facts arising after the end of the 37th fiscal period (May 31, 2022). In addition, the reference information is as follows:

a. Sale of Property

United Urban sold the following two properties.

Property No.	Property Name	Type	Location	Sale Price (Millions of yen)	Date of Sale
E10	Asuto Nagamachi Dental Clinic	Clinic	Sendai, Miyagi	1,650	June 1, 2022
D20	UUR Court Sapporo Shinoro Ichibankan	Apartment	Sapporo, Hokkaido	600	July 4, 2022
Total				2,250	

b. New Borrowing for Repayment

United Urban procured debt financing of a total of ¥5,200 million on June 20, 2022 for the repayment of the existing borrowings (total: ¥5,200 million) upon their maturity on June 20, 2022, as set forth below.

Title	Lender	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 51C	Sumitomo Mitsui Trust Bank, Limited	1,000	0.98375%	June 20, 2022	June 21, 2032	Unsecured Unguaranteed
Term Loan 52C	Mizuho Bank, Ltd.	2,000	Basic Interest Rate (JBA 3 month JPY TIBOR) + 0.25%		June 21, 2027	
Term Loan 53C	Development Bank of Japan Inc.	1,200	0.83934%		June 20, 2029	
Term Loan 54C	Shinkin Central Bank	1,000	0.65684%		June 22, 2026	
Total		5,200				

c. Acquisition of Property and Debt Financing

(i) United Urban acquired the following two properties.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
A44	Gulliver Hachioji Minamino	Retail	Hachioji, Tokyo	1,500	June 30, 2022
E21	KIC Sayama Hidaka Distribution Center	Warehouse	Hidaka, Saitama	4,450	
Total				5,950	

(ii) United Urban procured debt financing to support part of the payment for acquiring Gulliver Hachioji Minamino mentioned above (i), as set forth below. Further, the outstanding of funds for such acquisition and funds for acquisition of KIC Sayama Hidaka Distribution Center was appropriated by own funds.

Title	Lender	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 55C	The Bank of Yokohama, Ltd.	1,000	Basic Interest Rate (JBA 3 month JPY TIBOR) + 0.25%	June 30, 2022	June 21, 2027	Unsecured Unguaranteed

d. New Committed Line of Credit Agreement

United Urban concluded a new committed line of credit agreement on June 27, 2022, 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 27, 2022

Term of agreement : From June 27, 2022 to June 26, 2023

Remarks : Unsecured, unguaranteed

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

		33rd Fiscal Period (As of May 31, 2020)	34th Fiscal Period (As of November 30, 2020)	35th Fiscal Period (As of May 31, 2021)	36th Fiscal Period (As of November 30, 2021)	37th Fiscal Period (As of May 31, 2022)
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)	3,118,337	3,118,337	3,118,337	3,118,337	3,118,337
Total unitholders' capital	(Millions of yen)	319,973	319,973	319,973	319,973	319,973
Number of unitholders		21,160	21,233	21,376	21,366	21,182

2. Major Unitholders

TOP 10 unitholders based on the number of investment units held at the end of the 37th fiscal period were as follows:

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held (%) (Note)
Custody Bank of Japan, Ltd. (trust account)	926,360	29.71
The Master Trust Bank of Japan, Ltd. (trust account)	557,169	17.87
The Nomura Trust and Banking Co., Ltd. (investment trust account)	142,198	4.56
SMBC Nikko Securities Inc.	84,046	2.70
SSBTC CLIENT OMNIBUS ACCOUNT	63,115	2.02
STATE STREET BANK WEST CLIENT - TREATY 505234	44,755	1.44
Mizuho Securities Co., Ltd.	42,933	1.38
THE BANK OF NEW YORK 133969	35,111	1.13
JAPAN SECURITIES FINANCE CO., LTD.	34,692	1.11
STATE STREET BANK AND TRUST COMPANY 505103	31,684	1.02
Total	1,962,063	62.92

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	Toshiaki Emon	-	6,000
Supervisory Officer	Kenichiro Okamura	Chief Executive Officer, Kaede Accounting Advisory, Inc. Representative Partner, Kaede Tax Corporation Outside Corporate Auditor, CYBERDYNE, INC. Outside Corporate Auditor, SG Holdings Co., Ltd. Outside Director (auditing committee member), Kanematsu Sustech Corporation	2,100
	Kumiko Sekine	Partner, Tanabe & Partners	2,100
Accounting Auditor	ERNST & YOUNG SHINNIHON LLC	-	18,000
Total			28,200

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.

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

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

c. Matters concerning compensation agreement between directors, etc. and Investment Corporation

Not Applicable

4. Matters concerning Directors and Officers Liability Insurance Agreement

United Urban has entered into the directors and officers liability insurance agreement as follows:

Scope of the insured	Overview of agreement
All Executive Officer and Supervisory Officers	<p>(Overview of insured event covered by the insurance) United Urban has concluded a directors and officers liability insurance agreement to cover loss, such as compensation payment and dispute costs, etc. to be borne by the insured to a certain extent when they receive a claim for compensation for the actions they have taken as an officer of United Urban.</p> <p>(Burden ratio of insurance premium) This insurance agreement contains the special provision concerning the unitholder lawsuit. Executive Officer and Supervisory Officers shall bear the insurance premium in relation to special provision (10% of all insurance premium), and United Urban shall bear other insurance premium (90%).</p> <p>(Measures to ensure the appropriateness of the execution of duties) When the insured suffer damages by actions which they executed with knowledge that it may constitute criminal act or violate the laws and regulations, the loss is not subject of the protection.</p>

5. Advisors and Agents

Asset Management Company, Asset Custodian, and Administrative Agents at the end of the 37th 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		36th Fiscal Period (As of November 30, 2021)		37th Fiscal Period (As of May 31, 2022)	
				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)	6 central wards of Tokyo (Note 3)	-	-	-	-
			23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,197,276	1.0	7,185,737	1.0
		Other regions (Note 6)		13,352,127	1.9	13,299,132	1.9
	Office Buildings	Capital region	6 central wards of Tokyo	23,021,311	3.3	22,939,608	3.2
			23 wards of Tokyo	9,392,073	1.3	9,352,129	1.3
			Tokyo metropolitan area	8,728,991	1.2	8,729,023	1.2
		Other regions		-	-	-	-
	Hotels	Capital region	6 central wards of Tokyo	1,578,281	0.2	1,571,683	0.2
			23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	3,745,612	0.5	3,700,143	0.5
		Other regions		-	-	-	-
	Residential Properties	Capital region	6 central wards of Tokyo	-	-	-	-
			23 wards of Tokyo	4,793,306	0.7	4,764,843	0.7
			Tokyo metropolitan area	-	-	-	-
		Other regions		4,267,935	0.6	4,181,762	0.6
	Others	Capital region	6 central wards of Tokyo	-	-	-	-
			23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	6,934,188	1.0	6,934,188	1.0
		Other regions		398,076	0.1	555,299	0.1
	Subtotal				83,409,180	11.8	83,213,551
Real Estate in Trust	Retail Properties	Capital region	6 central wards of Tokyo	4,231,762	0.6	4,223,940	0.6
			23 wards of Tokyo	11,481,361	1.6	11,437,577	1.6
			Tokyo metropolitan area	94,277,266	13.3	94,169,301	13.2
		Other regions		55,844,871	7.9	56,069,529	7.8
	Office Buildings	Capital region	6 central wards of Tokyo	61,626,401	8.7	65,563,272	9.2
			23 wards of Tokyo	1,984,931	0.3	1,970,643	0.3
			Tokyo metropolitan area	39,557,197	5.6	39,186,561	5.5
		Other regions		45,893,081	6.5	45,638,162	6.4
	Hotels	Capital region	6 central wards of Tokyo	40,360,737	5.7	40,256,676	5.6
			23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,109,596	3.3	23,095,381	3.2
		Other regions		91,468,174	12.9	91,086,767	12.7
	Residential Properties	Capital region	6 central wards of Tokyo	2,302,680	0.3	2,299,097	0.3
			23 wards of Tokyo	9,719,776	1.4	9,691,483	1.4
			Tokyo metropolitan area	2,824,792	0.4	2,808,726	0.4
		Other regions		21,626,836	3.1	21,403,586	3.0
	Others	Capital region	6 central wards of Tokyo	3,250,957	0.5	3,224,908	0.5
			23 wards of Tokyo	7,862,213	1.1	7,854,388	1.1
			Tokyo metropolitan area	35,188,346	5.0	33,499,973	4.7
		Other regions		12,147,603	1.7	12,044,884	1.7
	Subtotal				564,758,589	79.8	565,524,862
Bank Deposits and Other Assets				59,380,973	8.4	66,830,368	9.3
Total Assets				707,548,743	100.0	715,568,783	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. The “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.

2. Major Properties

Major properties (top 10 properties based on book value) owned by United Urban as of May 31, 2022 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	26,279	37,932.95	37,932.95	100.0	(Note 4)	Retail Properties	No
Shin-Osaka Central Tower	23,193	45,951.31	43,368.86	94.4	4.4	Office / Hotels	No
Shinjuku Washington Hotel Honkan	21,777	53,315.02	53,315.02	100.0	3.7	Hotels	No
Shinsaibashi OPA Honkan	21,758	27,025.42	27,025.42	100.0	3.2	Retail Properties	No
Loisir Hotel & Spa Tower Naha	19,927	45,731.16	45,731.16	100.0	(Note 5)	Hotels	No
SS30	18,758	67,700.25	65,880.43	97.3	4.0	Office / Hotels	No
Kawasaki Toshiba Building	18,540	36,142.30	36,142.30	100.0	3.9	Office Buildings	No
RIHGA Royal Hotel Kokura • ARUARU City	17,516	81,374.66	78,722.90	96.7	2.8	Hotels	No
Royal Pines Hotel Urawa	17,501	31,129.86	31,129.86	100.0	(Note 5)	Hotels	No
Hotel Hewitt Koshien	13,583	36,104.06	36,104.06	100.0	(Note 4)	Hotels	No
Total	198,836	462,406.99	455,352.96	98.5	29.4		

- Notes: 1. “Leasable Floor Space,” “Leased Floor Space,” and “Occupancy Ratio” are based on data as of May 31, 2022. “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 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, of master lease agreements, the floor spaces in the lease agreements that don’t fall into pass-through type indicates the floor spaces in the master lease agreements or the numerical values stated in the management reports or the monthly reports prepared by the property management companies.
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, 2022. As for tenants who received free rent for a certain period, the exempted period is not considered. In addition, if there are provisions stating that the rent is increased by stages according to the period, the applicable amount as of May 31, 2022 is used for the calculation. In addition, it doesn’t include variable rents.
4. With regard to these properties, the tenants with whom a lease agreement (including a reservation 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. These items are undisclosed as United Urban judges that the disclosure of these items may have an adverse impact on the asset management of United Urban and harm the interest of unitholders.

3. Details of Properties in the Portfolio

Details of properties owned by United Urban as of May 31, 2022 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	12,977.79	4,570	5,046
Luz Funabashi	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest	12,955.48	6,220	4,122
TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,256.57	6,510	6,284
Tecc LAND Sakai Honten (Note 6)	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	8,637.63	3,850	2,631
Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest	10,487.92	5,330	4,784
KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest	8,627.58	2,020	1,382
ACTIOLE Minami-ikebukuro	2-26-10 Minami-ikebukuro, Toshima- ku, Tokyo	Trust beneficial interest	2,081.50	3,400	3,552
Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest	6,616.32	5,260	4,212
Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest	16,729.60	3,950	3,023 (Note 4)
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	1-1-1 Isogo, Isogo-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	52,668.38	11,300	12,457
ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	1,938.56	1,970	2,174
Shinsaibashi OPA Honkan	1-4-3 Nishi-Shinsaibashi, Chuo-ku, Osaka, Osaka	Trust beneficial interest	27,025.42	24,700	21,758
Albore Jingumae	5-27-7 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	824.73	2,480	1,537
Albore Sendai	2-4-5 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	3,182.13	3,440	2,302
Mallage Kashiwa	2-3-1 Oyamadai, Kashiwa, Chiba, etc.	Trust beneficial interest	41,759.32	9,250	6,602
Ito-Yokado Owariasahi	116-4 Ishihara, Minami-Harayama- cho, Owariasahi, Aichi, etc.	Real estate	54,606.34	4,890	3,817
Yokohama Kariba Shopping Center	164-1 Kariba-cho Hodogaya-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,345.09	2,150	2,015
Luz Jiyugaoka	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	Trust beneficial interest	2,283.47	5,910	4,708
ACTIOLE Ichikawa	1-4-17 Ichikawa, Ichikawa, Chiba	Trust beneficial interest	3,927.48	4,090	2,736
Yokohama Aoba Shopping Center (Site)	1-2 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	9,193.00	3,330	2,740
Yamada Denki Tecc Land Aoba (Site)	2-3 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	7,650.63	2,860	2,270
Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji-honcho, Musashino, Tokyo	Trust beneficial interest	37,932.95	34,200	26,279
Kaden Sumairu-kan YAMADA Matsudo Honten	2289-3 Matsudo Aza Iwase-sakai, Matsudo, Chiba, etc.	Trust beneficial interest	17,561.23	6,830	4,578
Tenjin Loft Building	4-9-25 Watanabe-dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	7,730.09	6,260	4,610
Narumi Shopping Center (Site)	3-2 Narumicho-aza Denjiyama, Midori- ku, Nagoya, Aichi, etc.	Real estate	60,419.26	7,580	6,850
Plussing Wave Enoshima	1-3-16 Kugenuma-Kaigan, Fujisawa, Kanagawa	Trust beneficial interest	2,885.94	1,710	1,880
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	2,180	1,967
Granbell Ginza Building	2-8-18 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,352.35	3,050	2,686
UUR Tenjin Nishi-dori Building	2-5-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	1,053.10	3,670	6,044
Luz Shonan Tsujido	1-2-12 Tsujido-Kandai, Fujisawa, Kanagawa	Trust beneficial interest	10,456.82	4,560	3,997
ACTIOLE Ueno	4-5-5 Ueno, Taito-ku, Tokyo	Trust beneficial interest	1,163.44	2,760	3,177
KURURU	1-50 Miyamachi, Fuchu, Tokyo	Trust beneficial interest	12,810.05	8,980	9,705
K's Denki Nagoya-kita	3-1 Nagaregawa, Aza-Toyoba, Oaza- Toyoyamacho, Nishikasugai-gun, Aichi	Trust beneficial interest	4,733.74	1,870	1,806
Luz Musashikosugi	3-1100-4, Shinmarukohigashi, Nakahara-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	8,272.58	12,100	12,206

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)
LEVEN Otakanomori	3-8 Otakanomori-minami, Nagareyama, Chiba	Trust beneficial interest	5,984.28	3,900	3,845
T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	2,299.05	3,060	2,115
Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,934.40	3,230	1,477
Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest	2,577.76	2,930	2,387
Shin-Osaka Central Tower	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	45,951.31	29,000	23,193
Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	36,142.30	32,200	18,540
UUR Toyochō Building	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	7,571.20	7,220	8,302
FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	5,000.54	6,700	3,978
Pacific Marks Shinjuku Parkside	4-15-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	10,947.34	15,300	11,495
Pacific Marks Tsukishima	1-15-7 Tsukishima, Chuo-ku, Tokyo	Real estate	9,335.19	6,970	5,675
Pacific Marks Yokohama East	3-4 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,199.19	7,700	6,368
Akasaka Hikawa Building	6-18-3 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,438.20	4,320	3,146
Pacific Marks Shibuya Koen-dori	1-6-3 Jinnan, Shibuya-ku, Tokyo	Trust beneficial interest	1,972.43	3,480	2,418
Pacific Marks Akasaka-mitsuke	3-20-6 Akasaka, Minato-ku, Tokyo	Real estate	1,675.13	2,750	2,132
Pacific Marks Shin-Yokohama	3-18-20 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	3,110.72	1,570	1,499
Pacific Marks Kawasaki	11-1 Ekimae-honcho, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Real estate	7,395.50	12,500	8,729
Hamamatsucho 262 Building	2-6-2 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	6,149.77	8,420	6,291
Lila Hijirizaka	3-4-9 Mita, Minato-ku, Tokyo, etc.	Real estate	4,255.02	3,640	2,613
Otsuka HT Building	3-43-1 Minami-otsuka, Toshima-ku, Tokyo	Real estate	1,774.56	1,330	1,049
Pacific Marks Shinjuku South-gate	4-2-16 Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,727.48	4,100	2,451
Pacific Marks Nishi-Umeda	2-6-20 Umeda, Kita-ku, Osaka, Osaka	Trust beneficial interest	10,990.99	8,100	6,554
Pacific Marks Higobashi	1-10-8 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	7,617.24	5,390	4,307
Pacific Marks Sapporo Kita-Ichijo	7-4-4 Kita Ichi-jo Nishi, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	4,727.65	2,180	1,635
Shin-Sapporo Center Building	6-2-15 Atsubetsu Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido	Trust beneficial interest	2,797.23	960	799
ARENA TOWER	3-1-9 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	17,967.46	13,200	7,523
Yushima First Building	3-19-11 Yushima, Bunkyo-ku, Tokyo	Trust beneficial interest	4,558.77	3,510	1,970
Dogenzaka Square	5-18 Maruyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,233.97	3,230	2,207
GRAND-SQUARE Shin-Sakae	2-19-6 Shin-Sakae, Naka-ku, Nagoya, Aichi, etc.	Trust beneficial interest	4,578.93	1,970	1,214
GRAND-SQUARE Meieki-minami	1-12-9 Meieki-minami, Nakamura-ku, Nagoya, Aichi	Trust beneficial interest	4,003.05	2,580	1,022
Shiba 520 Building	5-20-6 Shiba, Minato-ku, Tokyo	Trust beneficial interest	2,831.94	3,850	2,098
Hirose-dori SE Building	205-1 Nagake-cho, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	8,235.87	5,560	2,946
SS 30	4-6-1 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	67,700.25	22,200	18,758
LOOP-X・M	3-9-15 Kaigan, Minato-ku, Tokyo, etc.	Trust beneficial interest	21,589.87	13,100	12,228
Toranomon Hills Mori Tower	1-23-1 Toranomōn, Minato-ku, Tokyo	Real estate	3,273.51	11,600	10,067
Toranomon PF Building	3-10-11 Toranomōn, Minato-ku, Tokyo	Trust beneficial interest	3,603.09	4,440	3,468
UUR Kyobashi East Building	4-2-2 Hatchobori, Chuo-ku, Tokyo	Trust beneficial interest	3,642.18	8,020	7,550
IIDABASHI PLANO	2-7-2 Fujimi, Chiyoda-ku, Tokyo	Trust beneficial interest	4,370.23	7,290	6,174
Shinjuku Washington Hotel Honkan	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	53,315.02	27,300	21,777
Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	3,088.85	2,590	1,571

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)
MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest	6,660.20	3,970	3,012
HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Bente Dori, Naka-ku, Yokohama, Kanagawa	Real estate	7,139.44	5,120	3,700
Hotel JAL City Naha	1-3-70 Makishi, Naha, Okinawa	Trust beneficial interest	13,701.80	10,600	6,928
UUR Yotsuya Sanchome Building	3-14-1 Yotsuya, Shinjuku-ku, Tokyo, etc.	Trust beneficial interest	7,854.86	7,050	4,402
Yotsuya 213 Building	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,544.42	7,200	4,933
Comfort Inn Tokyo Roppongi	3-9-8 Roppongi, Mitato-ku, Tokyo	Trust beneficial interest	3,708.47	3,650	4,741
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2-11-14 Isago, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	4,874.28	3,190	2,581
Toyoko Inn Hiroshima Heiwa-odori	5-15 Tanakamachi, Naka-ku, Hiroshima, Hiroshima	Trust beneficial interest	4,357.75	2,610	2,002
Toyoko Inn Naha Kokusai-dori Miehashi-eki	1-20-1 Makishi, Naha, Okinawa	Trust beneficial interest	1,529.47	871	706
Loisir Hotel & Spa Tower Naha	3-2-1 Nishi, Naha, Okinawa	Trust beneficial interest	45,731.16	22,000	19,927
Royal Pines Hotel Urawa	2-5-1 Nakachou, Urawa-ku, Saitama, Saitama	Trust beneficial interest	31,129.86	17,000	17,501
RIHGA Royal Hotel Kokura · ARUARU City	2-14-2 Asano, Kokurakita-ku, Kitakyushu, Fukuoka, etc.	Trust beneficial interest	81,374.66	16,800	17,516
Comfort Inn Fukuoka Tenjin	1-2-1 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	3,567.22	3,590	3,044
Henn na Hotel Tokyo Hamamatsucho	1-24-11 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	2,293.64	4,780	4,401
Hotel Hewitt Koshien	3-30 Koshientakashiocho, Nishinomiya, Hyogo	Trust beneficial interest	36,104.06	13,700	13,583
Smile Hotel Premium Sapporo Susukino	1-13-1 Minami4jonishi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	8,332.04	5,250	4,151
the square hotel KANAZAWA	10 Shimotsutsumicho, Kanazawa, Ishikawa	Trust beneficial interest	6,333.36	5,900	4,876
NEST HOTEL KYOTO SHIJOKARASUMA	551 Sannou-cho, Muromachi-dori Takatsuji-agaru, Shimogyo-ku, Kyoto, Kyoto	Trust beneficial interest	2,358.25	3,060	2,077
T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,665.59	2,690	1,355
Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	3,741.17	2,390	1,444
UUR Court Shiba-Daimon	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	1,486.38	1,570	952
Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest	12,700.44	3,930	2,307
UUR Court Sapporo Kita-Sanjo	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	4,790.50	1,690	845
CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest	4,097.51	3,910	2,504
GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	3,697.38	1,430	1,105
GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	2,579.89	1,480	905
MA Sendai Building	1-3-7 Kimachidori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	11,525.36	4,940	2,348
UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest	2,958.45	1,680	1,071
UUR Court Sapporo Shinoro Ichibankan (Note 7)	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	6,271.74	708	570
Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest	2,067.95	830	791
UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	3,650.00	1,860	1,170
UUR Court Kinshicho	1-7-5 Kameido, Koto-ku, Tokyo	Real estate	5,460.39	4,050	2,716
UUR Court Sapporo Minami-Sanjo Premier Tower	2-3 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	7,763.18	3,440	1,663
GRAND-ROUGE Nakanoshima- minami	1-25-27 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	3,090.36	1,700	1,179
Glenpark Umeda-kita	3-4-22 Nakazaki, Kita-ku, Osaka, Osaka	Trust beneficial interest	12,730.60	6,900	4,886
UUR Court Shiki	1-6-5 Saiwaicho, Shiki, Saitama	Trust beneficial interest	9,288.00	3,260	2,808
GRAND-ROUGE Tanimachi Rokuchome	3-22 Junikencho, Chuo-ku, Osaka, Osaka	Trust beneficial interest	2,792.81	1,540	1,356

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)
Chatle Otemachi S・N	10-20 Otemachi, Kokurakita-ku, Kitakyushu, Fukuoka, etc.	Real estate	12,040.28	3,890	3,611
GRAN FONTE	6-49-2 Higashioizumi, Nerima-ku, Tokyo	Trust beneficial interest	6,268.24	3,580	2,860
Park Axis Akatsuka	2-2-18 Akatsuka, Itabashi-ku, Tokyo	Real estate	4,370.31	2,210	2,048
UUR Court Shirasagi	1-13-17 Shirasagi, Nakano-ku, Tokyo	Trust beneficial interest	2,815.30	1,740	1,527
Court Branche AP	5-8-2 Nakanobu, Shinagawa-ku, Tokyo	Trust beneficial interest	1,480.17	1,420	1,346
UUR Court Ibaraki Higashi-Chujo	12-11 Higashi-Chujo-cho, Ibaraki, Osaka	Trust beneficial interest	3,783.25	1,770	1,772
Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	9,271.16	2,280	1,294
Fuchu Building (Note 8)	1-39, 43, 44 Nikkocho, Fuchu, Tokyo	Trust beneficial interest	5,479.15	1,900	1,938
Tsubogawa Square Building	3-3-5 Tsubogawa, Naha, Okinawa	Trust beneficial interest	10,570.98	6,520	3,576
THE PLACE of TOKYO	3-5-4 Shibakoen, Mitato-ku, Tokyo	Trust beneficial interest	3,212.21	4,790	3,224
Logistics Higashi-Ohgishima	6-4 Higashi-Ohgishima, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	42,113.83	11,600	9,242
MT Ariake Center Building I&II	1-2-41 Ariake, Koto-ku, Tokyo, etc.	Trust beneficial interest	23,816.82	15,500	7,854
Shin-Narashino Logistics Center	2-3-6 Akanehama, Narashino, Chiba	Trust beneficial interest	12,909.90	3,080	2,639
Kawagoe Logistics Center	1822-1 Aza-Obakeue, Oaza- Shimoakasaka, Kawagoe, Saitama	Trust beneficial interest	40,060.76	10,200	7,443
Asuto Nagamachi Dental Clinic (Note 9)	1-6-37 Asutonagamachi, Taihaku-ku, Sendai, Miyagi	Trust beneficial interest	1,554.09	1,330	1,189
Shin-Narashino Logistics Center II	2-5-2 Shibazono, Narashino, Chiba	Trust beneficial interest	12,598.46	2,860	2,683
Yoshikawa Logistics Center	1-1 Asahi, Yoshikawa, Saitama	Trust beneficial interest	11,096.70	2,170	1,937
Musashimurayama Logistics Center	2-93-1 Inadaira, Musashimurayama, Tokyo, etc.	Trust beneficial interest	9,237.87	2,080	1,858
Chibaminato Logistics Center (Site)	43-5 Shin-minato, Mihama-ku, Chiba, Chiba, etc.	Real estate	24,467.78	8,150	6,934
Hirakata Nagao Logistics Center	1-72-1 Nagaotanimachi, Hirakata, Osaka, etc.	Trust beneficial interest	11,874.51	2,890	2,621
Kobe Toyahama Logistics Center	5-35 Toyahamacho, Hyogo-ku, Kobe, Hyogo	Trust beneficial interest	9,402.93	1,900	1,368
REDWOOD Narita Distribution Centre	33-1 Kayamashinden-aza Mitsubori, Shibayamamachi, Sanbu, Chiba, etc.	Trust beneficial interest	21,445.46	2,510	2,422
Kazo Logistics Center I・II	1-13, Okuwa, Kazo, Saitama, etc.	Trust beneficial interest	12,777.19	3,440	3,332
Kobe Seishin Logistics Center	2-5-1 Yasakadai, Suma-ku, Kobe, Hyogo	Trust beneficial interest	9,533.88	2,070	1,994
Miyanomori Nijo Development Site	6-35 Miyanomori Nijo, Chuo-ku, Sapporo, Hokkaido	Real estate	- (Note 5)	374	555
Total			1,556,492.03	809,303	648,738

- Notes: 1. "Location" shows residential indication of each property, in principle. However, as for properties which have no residential indication, location stated in the 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, 2022, 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 reflects the additional amount of trust. However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the trustee.
5. United Urban acquired this property as a development site for the development project of an elderly housing on September 30, 2021. In addition, the construction of real estate for rent (building part) is scheduled to be completed in May 2023. Since the property has not operated as of the end of the 37th fiscal period, there are no applicable information.
6. The property name was changed from Kaden Sumairu-kan YAMADA Sakai Honten to Tecc LAND Sakai Honten on July 30, 2022. The same shall apply hereinafter.
7. United Urban sold UUR Court Sapporo Shinoro Ichibankan on July 4, 2022. The same shall apply hereinafter.

8. As for Fuchu Building, United Urban sold the building of the property on March 31, 2022 and holds only land of the property at the end of the 37th fiscal period. The same shall apply hereinafter.
9. United Urban sold Asuto Nagamachi Dental Clinic on June 1, 2022. 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	36th Fiscal Period (June 1, 2021 to November 30, 2021)				37th Fiscal Period (December 1, 2021 to May 31, 2022)			
	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 (%)
Joy Park Izumigaoka	25	90.2	200	0.9	26	97.4	229	1.0
Luz Funabashi	16	100.0	258	1.1	16	100.0	259	1.1
TENJIN LUCE	11	83.6	246	1.1	10	78.5	205	0.9
Tecc LAND Sakai Honten	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3	100.0	192	0.8	3	100.0	190	0.8
KONAMI SPORTS CLUB Koriyagaoka	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
ACTIOLE Minami-ikebukuro	10	100.0	87	0.4	9	95.3	71	0.3
Tip's Machida Building	8	86.1	161	0.7	9	95.3	162	0.7
Daiei Takarazuka Nakayama	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.3	4	100.0	299	1.3
ACTIOLE Kannai	6	59.1	31	0.1	7	68.9	34	0.1
Shinsaibashi OPA Honkan	1	100.0	683	3.0	1	100.0	683	2.9
Albore Jingumae	4	100.0	51	0.2	4	100.0	45	0.2
Albore Sendai	7	82.9	77	0.3	7	82.9	86	0.4
Mallage Kashiwa	90	98.1	615	2.7	92	98.2	650	2.8
Ito-Yokado Owariasahi	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Yokohama Kariba Shopping Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Luz Jiyugaoka	19	98.5	160	0.7	19	92.4	152	0.7
ACTIOLE Ichikawa	12	93.8	128	0.6	12	93.8	130	0.6
Yokohama Aoba Shopping Center (Site)	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Kaden Sumairu-kan YAMADA Matsudo Honten	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Tenjin Loft Building	6	100.0	276	1.2	6	100.0	277	1.2
Narumi Shopping Center (Site)	3	100.0	(Note 4)	(Note 4)	3	100.0	(Note 4)	(Note 4)
Plussing Wave Enoshima	7	78.4	102	0.4	7	78.4	49	0.2
LIFE Nishikujo (Site)	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
LIFE Tamatsukuri (Site)	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Granbell Ginza Building	10	83.2	66	0.3	11	89.0	65	0.3
UUR Tenjin Nishi-dori Building	0	0.0	(Note 4)	(Note 4)	2	84.3	(Note 4)	(Note 4)
Luz Shonan Tsujido	32	94.1	287	1.3	32	94.1	287	1.2
ACTIOLE Ueno	9	100.0	63	0.3	9	100.0	69	0.3
KURURU	25	93.2	409	1.8	25	98.3	448	1.9
K's Denki Nagoya-kita	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Luz Musashikosugi	2	100.0	325	1.4	2	100.0	318	1.4
LEVEN Otakanomori	14	100.0	91	0.4	14	100.0	110	0.5

Name of Property	36th Fiscal Period (June 1, 2021 to November 30, 2021)				37th Fiscal Period (December 1, 2021 to May 31, 2022)			
	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 (%)
T&G Hamamatsucho Building	5	87.8	83	0.4	5	81.7	143	0.6
Fukuoka Eartheon Building	7	100.0	125	0.6	7	100.0	124	0.5
Marumasu Kojimachi Building	15	93.6	94	0.4	16	91.3	86	0.4
Rokubancho K Building (Note 5)	1	100.0	108	0.5			104	0.5
Shin-Osaka Central Tower	60	99.6	1,129	5.0	60	94.4	1,079	4.7
Kawasaki Toshiba Building	1	100.0	836	3.7	1	100.0	836	3.6
UUR Toyocho Building	1	100.0	126	0.6	1	100.0	187	0.8
FOUR SEASONS BLDG	1	100.0	188	0.8	1	100.0	189	0.8
Pacific Marks Shinjuku Parkside	19	88.7	341	1.5	19	95.0	350	1.5
Pacific Marks Tsukishima	41	95.9	258	1.1	45	98.9	261	1.1
Pacific Marks Yokohama East	29	100.0	267	1.2	29	100.0	268	1.2
Akasaka Hikawa Building	1	100.0	116	0.5	1	100.0	116	0.5
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.4	1	100.0	84	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	68	0.3	8	100.0	69	0.3
Pacific Marks Shin-Yokohama	10	100.0	68	0.3	10	100.0	68	0.3
Pacific Marks Kawasaki	42	100.0	347	1.5	42	100.0	348	1.5
Hamamatsucho 262 Building	17	94.3	211	0.9	16	94.2	208	0.9
Lila Hijirizaka	13	100.0	121	0.5	13	100.0	113	0.5
Otsuka HT Building	7	100.0	56	0.2	7	100.0	57	0.2
Pacific Marks Shinjuku South-gate	8	100.0	101	0.4	8	100.0	100	0.4
Pacific Marks Nishi-Umeda	30	100.0	284	1.2	30	100.0	289	1.2
Pacific Marks Higobashi	24	100.0	168	0.7	25	98.8	184	0.8
Pacific Marks Sapporo Kita-Ichijo	11	100.0	111	0.5	11	100.0	112	0.5
Shin-Sapporo Center Building	19	92.8	57	0.3	20	96.2	60	0.3
ARENA TOWER	11	100.0	480	2.1	9	85.8	461	2.0
Yushima First Building	7	100.0	118	0.5	7	100.0	118	0.5
Dogenzaka Square	23	88.1	90	0.4	28	94.6	87	0.4
GRAND-SQUARE Shin-Sakae	9	100.0	94	0.4	9	100.0	95	0.4
GRAND-SQUARE Meieki-minami	13	100.0	92	0.4	13	100.0	93	0.4
Shiba 520 Building	4	83.3	116	0.5	5	100.0	112	0.5
Hirose-dori SE Building	8	100.0	227	1.0	8	100.0	231	1.0
SS30	78	99.3	1,142	5.0	76	97.3	1,079	4.6
LOOP-X・M	111	97.3	518	2.3	107	92.5	477	2.1
Toranomon Hills Mori Tower	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Toranomon PF Building	4	100.0	122	0.5	4	100.0	123	0.5
UUR Kyobashi East Building	7	100.0	160	0.7	5	96.5	181	0.8
IIDABASHI PLANO					2	100.0	64	0.3
Shinjuku Washington Hotel Honkan	10	100.0	660	2.9	10	100.0	581	2.5
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.2	1	100.0	57	0.2
MZ BLD.	10	100.0	136	0.6	10	100.0	136	0.6
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	153	0.7	4	100.0	157	0.7

Name of Property	36th Fiscal Period (June 1, 2021 to November 30, 2021)				37th Fiscal Period (December 1, 2021 to May 31, 2022)			
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Hotel JAL City Naha	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 4)	(Note 4)
UUR Yotsuya Sanchome Building	3	100.0	152	0.7	3	100.0	139	0.6
Yotsuya 213 Building	4	100.0	186	0.8	4	100.0	195	0.8
Comfort Inn Tokyo Roppongi	3	100.0	79	0.3	3	100.0	79	0.3
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Toyoko Inn Hiroshima Heiwa-odori	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Toyoko Inn Naha Kokusai-dori Miebashiki	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Loisir Hotel & Spa Tower Naha	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Royal Pines Hotel Urawa	9	99.8	(Note 3)	(Note 3)	10	100.0	(Note 3)	(Note 3)
RIHGA Royal Hotel Kokura・ARUARU City	30	97.0	892	3.9	30	96.7	856	3.7
Comfort Inn Fukuoka Tenjin	2	100.0	43	0.2	2	100.0	55	0.2
Henn na Hotel Tokyo Hamamatsucho	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Hotel Hewitt Koshien	2	100.0	(Note 4)	(Note 4)	2	100.0	(Note 4)	(Note 4)
Smile Hotel Premium Sapporo Susukino	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
the square hotel KANAZAWA	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
NEST HOTEL KYOTO SHIJOKARASUMA	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
T&G Higashi-ikebukuro Mansion	125	96.2	68	0.3	124	95.5	70	0.3
Komazawa Court	1	100.0	55	0.2	1	100.0	55	0.2
UUR Court Shiba-Daimon	1	100.0	33	0.1	1	100.0	33	0.1
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.2	1	100.0	53	0.2
CLIO Bunkyo Koishikawa	86	94.1	99	0.4	89	98.6	100	0.4
GRAND-ROUGE Sakae	88	91.9	48	0.2	90	93.2	47	0.2
GRAND-ROUGE Sakae II	1	100.0	37	0.2	1	100.0	37	0.2
MA Sendai Building	146	97.4	170	0.7	145	97.4	183	0.8
UUR Court Nagoya Meieki	1	100.0	46	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	39	97.8	28	0.1	40	100.0	28	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.2	1	100.0	52	0.2
UUR Court Kinshicho	195	96.3	114	0.5	192	95.5	119	0.5
UUR Court Sapporo Minami-Sanjo Premier Tower	127	93.0	107	0.5	142	99.6	100	0.4
GRAND-ROUGE Nakanoshima-minami	112	95.3	54	0.2	112	95.3	53	0.2
Glenpark Umeda-kita	179	98.1	195	0.9	179	98.1	193	0.8
UUR Court Shiki	2	100.0	102	0.4	2	100.0	102	0.4
GRAND-ROUGE Tanimachi Rokucho	51	100.0	44	0.2	49	96.9	45	0.2
Chatle Otemachi S・N	132	85.1	108	0.5	141	91.5	113	0.5
GRAN FONTE	89	97.7	96	0.4	85	93.4	95	0.4
Park Axis Akatsuka	152	95.9	52	0.2	152	95.9	50	0.2
UUR Court Shirasagi	47	100.0	41	0.2	47	100.0	40	0.2

Name of Property	36th Fiscal Period (June 1, 2021 to November 30, 2021)				37th Fiscal Period (December 1, 2021 to May 31, 2022)			
	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 (%)
Court Branche AP	41	98.4	35	0.2	42	100.0	36	0.2
UUR Court Ibaraki Higashi-Chujo	56	98.1	49	0.2	56	98.3	49	0.2
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Fuchu Building	0	0.0	-	-	1	100.0	(Note 4)	(Note 4)
Tsubogawa Square Building	5	100.0	309	1.4	5	100.0	286	1.2
THE PLACE of TOKYO	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Logistics Higashi-Ohgishima	2	100.0	(Note 4)	(Note 4)	2	100.0	(Note 4)	(Note 4)
MT Ariake Center Building I&II	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Quartz Tower (Note 6)			(Note 4)	(Note 4)				
Shin-Narashino Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Kawagoe Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Asuto Nagamachi Dental Clinic	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Shin-Narashino Logistics Center II	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Yoshikawa Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Musashimurayama Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Chibaminato Logistics Center (Site)	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Hirakata Nagao Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Kobe Toyahama Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
REDWOOD Narita Distribution Centre	2	100.0	(Note 4)	(Note 4)	2	100.0	(Note 4)	(Note 4)
Kazo Logistics Center I・II	2	100.0	(Note 4)	(Note 4)	2	100.0	(Note 4)	(Note 4)
Kobe Seishin Logistics Center	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Miyanomori Nijo Development Site (Note 7)	-	-	-	-	-	-	-	-
Total	2,772	97.8	22,806	100.0	2,803	98.6	23,212	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 (including lease agreements in which all or part of rooms are leased in bulk for the purpose of subleasing, and a lessee of such lease agreement (master lease agreement) is subleasing those rooms to end tenants) concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a pass-through-type agreement in which the rents received from a lessee of master lease agreement is equal to the rents which the lessee receives from end-tenants, 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 investment real estate (real estate, real estate in trust, or trust beneficial interest are individually or collectively referred to as the "Investment Real Estate"), 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. These items are undisclosed as United Urban judges that the disclosure of these items may have an adverse impact on the asset management of United Urban and harm the interest of unitholders.
4. With regard to these properties, the tenants with whom a lease agreement (including a reservation 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. United Urban sold Rokubancho K Building on March 31, 2022.
6. United Urban sold Quartz Tower on June 1, 2021.
7. United Urban acquired this property as a development site for the development project of an elderly housing on September 30, 2021. In addition, the construction of real estate for rent (building part) is scheduled to be completed in May 2023. Since the property has not operated as of the end of the 37th fiscal period, there are no applicable information.

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, 2022 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)	21,800,000	14,800,000	(17,964)
Total		21,800,000	14,800,000	(17,964)

- 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, 2022, 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 Investment Real Estate managed by United Urban scheduled as of May 31, 2022. 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 37th fiscal period	Amount already paid
Luz Shonan Tsujido	Fujisawa, Kanagawa	Renewal of exterior and common area in the building	From August 2022 to May 2023	150	-	-
SS30	Sendai, Miyagi	Renewal of air-conditioning facilities	From October 2021 to May 2023	203	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of employees' dressing room, etc.	From November 2022 to February 2023	108	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of restaurants	From January 2023 to May 2023	113	-	-
Hotel Hewitt Koshien	Nishinomiya, Hyogo	Renewal of air-conditioning facilities (refrigerator)	From October 2022 to May 2023	140	-	-
Hotel Hewitt Koshien	Nishinomiya, Hyogo	Renewal of air-conditioning facilities (air handling unit)	From March 2023 to May 2023	101	-	-
UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Repair of exterior walls	From June 2022 to November 2022	126	-	-

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 37th fiscal period, which totaled ¥2,184 million. Together with ¥1,300 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥3,485 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Dividing floor plan Renewal of exterior	From November 2021 to March 2022	408
Luz Shonan Tsujido	Fujisawa, Kanagawa	Renewal of common space inside the building	From April 2022 to May 2022	81
Luz Shonan Tsujido	Fujisawa, Kanagawa	Repair of exterior walls	From April 2022 to May 2022	37
KURURU	Fuchu, Tokyo	Renewal of air-conditioning facilities	From March 2022 to May 2022	83
Shin-Osaka Central Tower	Osaka, Osaka	Replacement of power receiving and transforming facilities in the extra-high voltage electric room (South Building)	From November 2021 to January 2022	88
LOOP-X・M	Minato-ku, Tokyo	Renewal of hot water supply circulation pipeline of a residential building (2nd period)	From December 2021 to March 2022	31
MZ BLD.	Hachioji, Tokyo	Renewal of air-conditioning facilities of hotel (2nd period)	From November 2021 to February 2022	88
Yotsuya 213 Building	Shinjuku-ku, Tokyo	Repair of exterior walls	From September 2021 to January 2022	37
Comfort Inn Tokyo Roppongi	Minato-ku, Tokyo	Renewal of air-conditioning facilities (existing building)	From February 2022 to February 2022	45
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Restoration and renewal of elevator (main building)	From April 2022 to April 2022	32
Royal Pines Hotel Urawa	Saitama, Saitama	Renewal of absorption cold/hot water generator in the heat-source machine room	From November 2021 to January 2022	49
Other capital expenditures				1,200
Total				2,184

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				
	33rd Fiscal Period (December 1, 2019 - May 31, 2020)	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
Reserve balance at beginning of period	1,634	1,609	1,610	1,681	1,703
Addition to the reserve during the period (Note)	16	24	72	21	183
Reduction of reserve during the period	41	23	1	-	47
Reserve balance to be carried over to the next period	1,609	1,610	1,681	1,703	1,839

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	
	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
Asset management fees (Note)	2,019,991	2,004,788
Asset custodian fees	18,607	18,775
Administrative agent fees	67,994	68,383
Directors' fees	10,200	10,200
Other expenses	252,482	215,506
Total	2,369,276	2,317,654

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 Investment Real Estate (36th fiscal period: ¥74,816 thousand, 37th fiscal period: ¥47,728 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (36th fiscal period: ¥46,400 thousand, 37th fiscal period: ¥39,600 thousand).

2. Borrowings

Borrowings from financial institutions as of May 31, 2022 were as follows:

	Lenders	Drawdown Date	Balance at Beginning of 37th FP (Millions of yen) (Note 1)	Balance at End of 37th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt due for repayment within one year	MUFG Bank, Ltd.	Aug. 29, 2014	3,000	-	0.670 (Note 3)	Dec. 20, 2021	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	Jun. 30, 2015	2,900	-	0.612 (Note 3)	Dec. 20, 2021		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	-	1.030	Mar. 22, 2022		(Note 5)	
	Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	-	0.661 (Note 3)	Mar. 22, 2022		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2017	2,400	-	0.328	Mar. 22, 2022		(Note 5)	
	Sompo Japan Insurance Inc.	Mar. 21, 2017	1,000	-	0.455	Mar. 22, 2022		(Note 5)	
	Daishi Hokuetsu Bank, Ltd.	Mar. 30, 2017	1,000	-	0.448	Mar. 22, 2022		(Note 4)	
	The Gunma Bank, Ltd.	Apr. 26, 2017	1,000	-	0.342	Mar. 22, 2022		(Note 4)	
	Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672 (Note 3)	Jun. 20, 2022		(Note 4)	
	Shinkin Central Bank	Jul. 8, 2015	1,000	1,000	0.728	Jun. 20, 2022		(Note 6)	
	Development Bank of Japan Inc.	Aug. 7, 2015	1,200	1,200	0.710	Jun. 20, 2022		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 4, 2017	1,000	1,000	0.279	Jun. 20, 2022		(Note 6)	
	Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814	Sep. 20, 2022		(Note 4)	
	The Hiroshima Bank, Ltd.	Jul. 8, 2015	500	500	0.685 (Note 3)	Sep. 20, 2022		(Note 6)	
	The Yamaguchi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.885 (Note 3)	Sep. 20, 2022		(Note 6)	
	Nippon Life Insurance Company	Jul. 8, 2015	1,000	1,000	0.861	Sep. 20, 2022		(Note 6)	
	Shinsei Bank, Limited	Jul. 15, 2015	1,500	1,500	0.773	Sep. 20, 2022		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	-	3,400	1.239	Dec. 20, 2022		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	-	6,500	0.842	Mar. 20, 2023		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	-	3,500	0.775	Mar. 20, 2023		(Note 5)	

	Lenders	Drawdown Date	Balance at Beginning of 37th FP (Millions of yen) (Note 1)	Balance at End of 37th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt due for repayment within one year	Resona Bank, Limited	Feb. 5, 2016	-	1,500	0.370 (Note 3)	Mar. 20, 2023	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Mar. 22, 2016	-	2,000	0.452	Mar. 20, 2023		(Note 5)	
	Resona Bank, Limited	Mar. 22, 2016	-	1,000	0.379	Mar. 20, 2023		(Note 5)	
	Saitama Resona Bank, Limited	Apr. 1, 2016	-	2,000	0.490 (Note 3)	Mar. 20, 2023		(Note 4)	
	The Ashikaga Bank, Ltd.	Apr. 1, 2016	-	1,000	0.441	Mar. 20, 2023		(Note 4)	
Subtotal			28,900	32,900					
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	-	1.239	Dec. 20, 2022	Bullet Payment	(Note 5)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	-	0.842	Mar. 20, 2023		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	3,500	-	0.775	Mar. 20, 2023		(Note 5)	
	Resona Bank, Limited	Feb. 5, 2016	1,500	-	0.370 (Note 3)	Mar. 20, 2023		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 22, 2016	2,000	-	0.452	Mar. 20, 2023		(Note 5)	
	Resona Bank, Limited	Mar. 22, 2016	1,000	-	0.379	Mar. 20, 2023		(Note 5)	
	Saitama Resona Bank, Limited	Apr. 1, 2016	2,000	-	0.490 (Note 3)	Mar. 20, 2023		(Note 4)	
	The Ashikaga Bank, Ltd.	Apr. 1, 2016	1,000	-	0.441	Mar. 20, 2023		(Note 4)	
	Mizuho Trust & Banking Co., Ltd.	Aug. 7, 2015	1,000	1,000	0.798	Jun. 20, 2023		(Note 4)	
	Development Bank of Japan Inc.	Apr. 1, 2016	1,500	1,500	0.372	Jun. 20, 2023		(Note 4)	
	THE NISHI-NIPPON CITY BANK, LTD.	Apr. 1, 2016	1,000	1,000	0.429	Jun. 20, 2023		(Note 4)	
	Mizuho Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.749 (Note 3)	Sep. 20, 2023		(Note 4)	
	MUFG Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.780	Sep. 20, 2023		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Sep. 20, 2019	4,000	4,000	0.300	Sep. 20, 2023		(Note 5)	
	The Ashikaga Bank, Ltd.	Nov. 16, 2018	1,000	1,000	0.306	Dec. 20, 2023		(Note 6)	
	MUFG Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.625 (Note 3)	Mar. 21, 2024		(Note 4)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 22, 2016	1,000	1,000	0.359	Mar. 21, 2024		(Note 5)	
	The Hiroshima Bank, Ltd.	Mar. 21, 2017	1,000	1,000	0.565	Mar. 21, 2024		(Note 5)	
	The 77 Bank, Ltd.	Mar. 30, 2017	1,500	1,500	0.429	Mar. 21, 2024		(Note 4)	
	Resona Bank, Limited	Mar. 20, 2019	1,000	1,000	0.191 (Note 3)	Mar. 21, 2024		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Mar. 23, 2020	1,200	1,200	0.300	Mar. 21, 2024		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Apr. 17, 2020	1,300	1,300	0.300	Mar. 21, 2024		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 15, 2015	1,700	1,700	0.924	Jun. 20, 2024		(Note 4)	
	Mizuho Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.523	Jun. 20, 2024		(Note 4)	
	The Norinchukin Bank	Jan. 31, 2017	2,700	2,700	0.429	Jun. 20, 2024		(Note 4)	
	Resona Bank, Limited	Apr. 26, 2017	1,500	1,500	0.309	Jun. 20, 2024		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Jun. 22, 2020	1,650	1,650	0.300	Jun. 20, 2024		(Note 5)	
	Aozora Bank, Ltd.	Jun. 22, 2020	1,000	1,000	0.336	Jun. 20, 2024		(Note 5)	
	MUFG Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.680	Sep. 20, 2024		(Note 4)	
	Mizuho Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.633 (Note 3)	Sep. 20, 2024		(Note 4)	

	Lenders	Drawdown Date	Balance at Beginning of 37th FP (Millions of yen) (Note 1)	Balance at End of 37th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	The Norinchukin Bank	Mar. 30, 2017	1,500	1,500	0.429	Sep. 20, 2024	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Apr. 26, 2017	1,500	1,500	0.428	Sep. 20, 2024		(Note 4)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Sep. 20, 2019	1,000	1,000	0.320	Sep. 20, 2024		(Note 5)	
	The Bank of Fukuoka, Ltd.	Dec. 1, 2016	1,400	1,400	0.379	Dec. 20, 2024		(Note 4)	
	Mizuho Bank, Ltd.	Jul. 4, 2017	3,000	3,000	0.430	Dec. 20, 2024		(Note 6)	
	Meiji Yasuda Life Insurance Company	Feb. 5, 2016	1,000	1,000	0.687	Mar. 21, 2025		(Note 4)	
	MUFG Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.430	Mar. 21, 2025		(Note 4)	
	MUFG Bank, Ltd.	Mar. 21, 2017	3,500	3,500	0.489	Mar. 21, 2025		(Note 5)	
	Shinsei Bank, Limited	Mar. 21, 2017	2,000	2,000	0.639	Mar. 21, 2025		(Note 5)	
	The Bank of Fukuoka, Ltd.	Mar. 21, 2017	1,000	1,000	0.489	Mar. 21, 2025		(Note 5)	
	Shinkin Central Bank	Mar. 30, 2017	1,000	1,000	0.624	Mar. 21, 2025		(Note 4)	
	The Bank of Kyoto, Ltd.	Mar. 30, 2017	1,000	1,000	0.524	Mar. 21, 2025		(Note 4)	
	Sompo Japan Insurance Inc.	Mar. 22, 2022	-	1,000	0.306	Mar. 21, 2025		(Note 5)	
	The Norinchukin Bank	Jun. 20, 2018	2,200	2,200	0.423	Jun. 20, 2025		(Note 5)	
	Mizuho Bank, Ltd.	Jun. 22, 2020	1,000	1,000	0.364	Jun. 20, 2025		(Note 5)	
	Aozora Bank, Ltd.	Jun. 22, 2020	1,000	1,000	0.398	Jun. 20, 2025		(Note 5)	
	The Nomura Trust and Banking Co., Ltd.	Jun. 21, 2021	1,000	1,000	0.284	Jun. 20, 2025		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 1, 2016	3,000	3,000	0.419	Sep. 22, 2025		(Note 4)	
	Development Bank of Japan Inc.	Nov. 16, 2018	1,000	1,000	0.466	Sep. 22, 2025		(Note 6)	
	Shinkin Central Bank	Nov. 16, 2018	1,000	1,000	0.466	Sep. 22, 2025		(Note 6)	
	THE NISHI-NIPPON CITY BANK, LTD.	Nov. 16, 2018	1,000	1,000	0.466	Sep. 22, 2025		(Note 6)	
	Nippon Life Insurance Company	Sep. 23, 2020	1,000	1,000	0.330	Sep. 22, 2025		(Note 5)	
	The Bank of Yokohama, Ltd.	Sep. 23, 2020	500	500	0.329	Sep. 22, 2025		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Feb. 5, 2016	2,000	2,000	0.627	Dec. 22, 2025		(Note 4)	
	Mizuho Bank, Ltd.	Dec. 28, 2018	4,000	4,000	0.323	Dec. 22, 2025		(Note 4)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Dec. 21, 2020	1,000	1,000	0.300	Dec. 22, 2025		(Note 5)	
	MUFG Bank, Ltd.	Mar. 30, 2017	2,000	2,000	0.460	Mar. 23, 2026		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 30, 2017	4,500	4,500	0.569	Mar. 23, 2026		(Note 4)	
	The Norinchukin Bank	Mar. 20, 2019	1,600	1,600	0.313	Mar. 23, 2026		(Note 5)	
	THE HACHIJUNI BANK, LTD.	Aug. 6, 2021	1,100	1,100	0.290	Jun. 20, 2026		(Note 4)	
	Mizuho Bank, Ltd.	Apr. 26, 2017	2,400	2,400	0.544	Jun. 22, 2026		(Note 4)	
	Mizuho Bank, Ltd.	Jun. 20, 2018	3,000	3,000	0.474	Jun. 22, 2026		(Note 5)	
	MUFG Bank, Ltd.	Jun. 21, 2021	1,000	1,000	0.230	Jun. 22, 2026		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Jun. 30, 2021	2,000	2,000	0.183	Jun. 22, 2026		(Note 4)	
	Daishi Hokuetsu Bank, Ltd.	Aug. 6, 2021	1,000	1,000	0.250	Jun. 22, 2026		(Note 4)	
	MUFG Bank, Ltd.	Jul. 4, 2017	1,500	1,500	0.440	Sep. 24, 2026		(Note 6)	
	Sumitomo Mitsui Trust Bank, Limited	Dec. 3, 2019	5,000	5,000	0.238	Sep. 24, 2026		(Note 4)	
	The Gunma Bank, Ltd.	Sep. 21, 2021	500	500	0.274	Sep. 24, 2026		(Note 5)	

	Lenders	Drawdown Date	Balance at Beginning of 37th FP (Millions of yen) (Note 1)	Balance at End of 37th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	The Bank of Fukuoka, Ltd.	Nov. 16, 2018	1,000	1,000	0.495 (Note 3)	Dec. 21, 2026	Bullet Payment	(Note 6)	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	2,000	0.391 (Note 3)	Dec. 21, 2026		(Note 4)	
	The Shinkumi Federation Bank		1,000	1,000					
	Mizuho Trust & Banking Co., Ltd.	Dec. 21, 2020	1,300	1,300	0.309	Dec. 21, 2026		(Note 5)	
	Meiji Yasuda Life Insurance Company	Mar. 30, 2017	1,000	1,000	0.756	Mar. 23, 2027		(Note 4)	
	Taiyo Life Insurance Company	Mar. 30, 2017	1,000	1,000	0.656	Mar. 23, 2027		(Note 4)	
	THE NISHI-NIPPON CITY BANK, LTD.	Mar. 19, 2020	1,000	1,000	0.390	Mar. 23, 2027		(Note 4)	
	The 77 Bank, Ltd.	Mar. 19, 2020	1,000	1,000	0.400	Mar. 23, 2027		(Note 4)	
	Shinkin Central Bank	Mar. 19, 2020	1,000	1,000	0.375	Mar. 23, 2027		(Note 4)	
	Resona Bank, Limited	Mar. 19, 2020	1,000	1,000	0.295	Mar. 23, 2027		(Note 4)	
	MUFG Bank, Ltd.	Mar. 23, 2020	8,900	8,900	0.230	Mar. 23, 2027		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2017	2,500	2,500	0.389	Jun. 21, 2027		(Note 4)	
	MUFG Bank, Ltd.	Jun. 20, 2018	2,800	2,800	0.465	Jun. 21, 2027		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Dec. 28, 2018	2,000	2,000	0.329	Jun. 21, 2027		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jun. 22, 2020	2,000	2,000	0.483	Jun. 21, 2027		(Note 5)	
	Mizuho Trust & Banking Co., Ltd.	Jun. 22, 2020	500	500	0.533	Jun. 21, 2027		(Note 5)	
	Development Bank of Japan Inc.	Jun. 22, 2020	900	900	0.500	Jun. 21, 2027		(Note 5)	
	The Norinchukin Bank	Jun. 30, 2020	1,500	1,500	0.396	Jun. 21, 2027		(Note 4)	
	MUFG Bank, Ltd.	Jun. 30, 2020	1,000	1,000	0.360	Jun. 21, 2027		(Note 4)	
	MUFG Bank, Ltd.	Jul. 3, 2018	3,800	3,800	0.465	Sep. 21, 2027		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 20, 2019	3,500	3,500	0.426 (Note 3)	Sep. 21, 2027		(Note 5)	
	Mizuho Bank, Ltd.	Sep. 20, 2019	1,000	1,000	0.414	Sep. 21, 2027		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 26, 2017	2,500	2,500	0.419	Dec. 20, 2027		(Note 4)	
	The Norinchukin Bank	Dec. 21, 2020	1,000	1,000	0.365	Dec. 20, 2027		(Note 5)	
	The Bank of Fukuoka, Ltd.	Mar. 19, 2020	1,500	1,500	0.290	Mar. 21, 2028		(Note 4)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 23, 2020	1,000	1,000	0.344	Mar. 21, 2028		(Note 5)	
	MUFG Bank, Ltd.	Mar. 22, 2021	3,000	3,000	0.340	Mar. 21, 2028		(Note 5)	
	The Iyo Bank, Ltd.	Mar. 22, 2021	1,000	1,000	0.393	Mar. 21, 2028		(Note 5)	
	MUFG Bank, Ltd.	Nov. 16, 2018	2,000	2,000	0.570	Sep. 20, 2028		(Note 6)	
	Shinsei Bank, Limited	Sep. 23, 2020	2,500	2,500	0.391	Sep. 20, 2028		(Note 5)	
	The Bank of Fukuoka, Ltd.	Sep. 23, 2020	500	500	0.371	Sep. 20, 2028		(Note 5)	
	The 77 Bank, Ltd.	Sep. 23, 2020	500	500	0.410	Sep. 20, 2028		(Note 5)	
	The Norinchukin Bank	Sep. 21, 2021	1,500	1,500	0.418	Sep. 20, 2028		(Note 5)	
	MUFG Bank, Ltd.	Dec. 28, 2018	3,000	3,000	0.470	Dec. 20, 2028		(Note 4)	

	Lenders	Drawdown Date	Balance at Beginning of 37th FP (Millions of yen) (Note 1)	Balance at End of 37th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Mizuho Bank, Ltd.	Feb. 28, 2020	7,000	7,000	0.405	Mar. 21, 2029	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	Mar. 31, 2021	1,500	1,500	0.420	Mar. 21, 2029		(Note 4)	
	The Gunma Bank, Ltd.	Mar. 22, 2022	-	1,000	0.559	Mar. 21, 2029		(Note 5)	
	Aozora Bank, Ltd.	Mar. 31, 2022	-	2,000	0.674	Mar. 21, 2029		(Note 4)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 31, 2022	-	1,200	0.673	Mar. 21, 2029		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 22, 2021	6,500	6,500	0.536	Sep. 20, 2029		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Mar. 31, 2021	2,300	2,300	0.496	Sep. 20, 2029		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Jun. 21, 2021	5,000	5,000	0.399	Dec. 20, 2029		(Note 5)	
	Mizuho Bank, Ltd.	Mar. 22, 2021	1,400	1,400	0.524	Mar. 21, 2030		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 31, 2021	1,500	1,500	0.466	Mar. 21, 2030		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 31, 2021	1,500	1,500	0.543	Mar. 21, 2030		(Note 4)	
	Daishi Hokuetsu Bank, Ltd.	Mar. 22, 2022	-	1,000	0.480	Mar. 21, 2030		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Mar. 31, 2022	-	2,500	0.689	Mar. 21, 2030		(Note 4)	
	Sumitomo Mitsui Banking Corporation	May 12, 2022	-	570	0.728	Mar. 21, 2030		(Note 4)	
	Mizuho Bank, Ltd.	Jun. 21, 2021	1,700	1,700	0.490	Jun. 20, 2030		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Dec. 20, 2021	-	2,900	0.476	Jun. 20, 2030		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Sep. 23, 2020	7,783	7,783	0.450	Sep. 20, 2030		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Mar. 22, 2022	-	2,400	0.595	Sep. 20, 2030		(Note 5)	
	MUFG Bank, Ltd.	Dec. 20, 2021	-	3,000	0.470	Dec. 20, 2030		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 22, 2021	3,400	3,400	0.609	Mar. 20, 2031		(Note 5)	
	MUFG Bank, Ltd.	Mar. 22, 2021	2,500	2,500	0.530	Mar. 20, 2031		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 22, 2022	-	2,600	0.651	Mar. 22, 2032		(Note 5)	
	Mizuho Bank, Ltd.	Mar. 22, 2022	-	3,000	0.686	Mar. 22, 2032		(Note 5)	
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 7)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Trust account)	Mar. 29, 2019	2,500	2,500	0.290	Mar. 29, 2024		(Note 7)	
	Sumitomo Mitsui Trust Bank, Limited (Trust account)	Mar. 29, 2019	2,000	2,000	0.390	Mar. 31, 2026		(Note 7)	
Subtotal			239,033	241,303					
Total			267,933	274,203					

- 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. Though it is a borrowing with floating interest rate, 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.
4. The funds are used for acquisition of real estate or trust beneficial interest in real estate and expenses related to the acquisition.
5. The funds are used for repayment of borrowings.
6. The funds are used for redemption of corporate bonds.
7. 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.

3. Corporate Bonds

Corporate Bonds as of May 31, 2022 were as follows :

Name	Issue Date	Balance at Beginning of 37th FP (Millions of yen)	Balance at End of 37th FP (Millions of yen)	Interest Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Series 16 of Unsecured Corporate Bonds	May 29, 2015	2,000	2,000	0.804	May 29, 2025	Bullet payment	(Note 1)	Unsecured (Note 7)
Series 17 of Unsecured Corporate Bonds	May 22, 2018	10,000	10,000	0.240	Nov. 22, 2023	Bullet payment	(Note 2)	Unsecured (Note 7)
Series 18 of Unsecured Corporate Bonds	May 22, 2018	2,000	2,000	0.230	May 22, 2023	Bullet payment	(Note 2)	Unsecured (Note 7)
Series 19 of Unsecured Corporate Bonds (Green Bonds)	May 23, 2019	10,000	10,000	0.448	May 22, 2026	Bullet payment	(Note 3)	Unsecured (Note 7)
Series 20 of Unsecured Corporate Bonds	Aug. 11, 2020	8,000	8,000	0.270	Aug. 8, 2025	Bullet payment	(Note 4)	Unsecured (Note 7)
Series 21 of Unsecured Corporate Bonds	Mar. 23, 2021	1,000	1,000	0.760	Mar. 21, 2036	Bullet payment	(Note 5)	Unsecured (Note 7)
Series 22 of Unsecured Corporate Bonds (Sustainability Bonds)	Oct. 28, 2021	3,500	3,500	0.400	Oct. 28, 2031	Bullet payment	(Note 6)	Unsecured (Note 7)
Total		36,500	36,500					

- Notes:
1. The funds are used for the redemption of the corporate bonds.
 2. The funds are used for the redemption of the corporate bonds and the working capital.
 3. The funds are used for the refinancing 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.
 4. The funds are used for the repayment of the existing borrowings.
 5. The funds are used for acquisition of real estate or trust beneficial interest in real estate and expenses related to the acquisition.
 6. The funds are used for the redemption of the corporate bonds related to the "Eligible Green Assets," and acquisition of real estate which are "Eligible Social Assets", and funds required for development.
 7. 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)
Real estate (Note 2)	Hotel JAL City Naha (additional acquisition of the site)	Mar. 30, 2022	16	-	-	-	-
Trust beneficial interest in real estate	IIDABASHI PLANO	Mar. 31, 2022	5,380	-	-	-	-
Real estate (Note 2)	IIDABASHI PLANO (additional acquisition)	May 12, 2022	570	-	-	-	-
Trust beneficial interest in real estate	Rokubancho K Building	-	-	Mar. 31, 2022	3,300	2,206	964
Trust beneficial interest in real estate	Fuchu Building (Building)	-	-	Mar. 31, 2022	1,650	1,582	6
Total		-	5,966	-	4,950	3,788	971

Notes: 1. The "Acquisition price" and "Sale price" does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer.
2. United Urban additionally entrusted this property in the trust property of the existing ownership on the acquisition date. Therefore, United Urban currently owns this property as trust beneficial interest that has real estate as assets in trust.

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	Real estate	Hotel JAL City Naha (additional acquisition of the site)	Mar. 30, 2022	16	17	Mar. 7, 2022	Chuo-Nittochi Solutions Co., Ltd.
Acquisition	Trust beneficial interest in real estate	IIDABASHI PLANO	Mar. 31, 2022	5,380	6,480	Jan. 1, 2022	Japan Real Estate Institute
Acquisition	Real estate	IIDABASHI PLANO (additional acquisition)	May 12, 2022	570	629	Apr. 1, 2022	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Rokubancho K Building	Mar. 31, 2022	3,300	3,010	Nov. 30, 2021	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Fuchu Building	Building: Mar. 31, 2022 Land: Jan. 31, 2024 (Note 3)	3,650 (Note 3)	3,580 (Note 3)	Nov. 30, 2021	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.
3. The land and building of Fuchu Building are separately transferred. The "Sale Price" and "Appraisal Value" in the above chart show total amount of the land and building.
(Reference) Each expedient appraisal value of the land and building calculated based on the land ratio (74.8%) and building ratio (25.2%) of the appraisal is ¥2,677 million and ¥902 million, respectively.

b. Others

There was no applicable information on other specified asset transactions.

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)	
Property Management Fees	1,804,075	Marubeni Real Estate Management Co., Ltd.	585,921	32.5
Casualty Insurance	35,978	Marubeni Safenet Co., Ltd.	35,497	98.7
Construction Management Fees	67,890	Marubeni Real Estate Management Co., Ltd.	32,419	47.8
		Marubeni Corporation	8,000	11.8
Other Rental Expenses	197,557	Marubeni Network Solutions Inc.	12,446	6.3
		Marubeni Real Estate Management Co., Ltd.	4,428	2.2

Notes: 1. Among Related Parties, the companies have conducted business or have received payment of commissions during the 37th 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 forth below.

Marubeni Real Estate Management Co., Ltd.: ¥112,949 thousand

Marubeni Network Solutions Inc.: ¥15,065 thousand

TSUNAGU NETWORK COMMUNICATIONS INC.: ¥16 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. Disclosure concerning 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 37th fiscal period)

	Number of Investment Units Held 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)
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
32nd Fiscal Period (From Jun. 1, 2019 to Nov. 30, 2019)	4,901	1,043,913	213,000	0.16	3,118,337

	Number of Investment Units Held 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)
33rd Fiscal Period (From Dec. 1, 2019 to May 31, 2020)	4,901	559,694	114,200	0.16	3,118,337
34th Fiscal Period (From Jun. 1, 2020 to Nov. 30, 2020)	4,901	578,318	118,000	0.16	3,118,337
35th Fiscal Period (From Dec. 1, 2020 to May 31, 2021)	4,901	769,457	157,000	0.16	3,118,337
36th Fiscal Period (From Jun. 1, 2021 to Nov. 30, 2021)	4,901	708,684	144,600	0.16	3,118,337
37th Fiscal Period (From Dec. 1, 2021 to May 31, 2022)	4,901	704,763	143,800	0.16	3,118,337

Note: It is calculated by multiplying number of investment units held 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 37th 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 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 56,568,819	¥ 63,103,888
Rent receivables	526,313	514,404
Other current assets	254,477	864,716
Total current assets	57,349,611	64,483,009
PROPERTY AND EQUIPMENT, AT COST:		
Land	438,559,511	442,057,446
Buildings and structures	277,012,246	277,133,842
Machinery and equipment	3,267,838	3,288,530
Tools, furniture and fixtures	1,864,897	1,923,341
Construction in progress	97,611	236,110
Subtotal	720,802,105	724,639,271
Less accumulated depreciation	(81,955,043)	(85,221,565)
Net property and equipment	638,847,062	639,417,706
INVESTMENTS AND OTHER ASSETS:		
Software	5,754	4,267
Leasehold	9,320,707	9,320,707
Other intangible assets	124,617	118,006
Security deposits paid	89,768	48,372
Long-term prepaid expenses	1,733,093	2,085,707
Long-term deposits	-	6,389
Derivatives	-	12,810
Corporate bond issuance expenses	78,129	71,806
Total investments and other assets	11,352,069	11,668,067
TOTAL ASSETS	¥ 707,548,743	¥ 715,568,783

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 2,997,743	¥ 2,586,838
Current portion of corporate bonds	-	2,000,000
Long-term debt due for repayment within one year	28,900,000	32,900,000
Accrued expenses	304,515	850,663
Consumption taxes payable	49,835	708,932
Rent received in advance	3,484,282	3,765,885
Other current liabilities	209,694	300,292
Total current liabilities	35,946,070	43,112,611
LONG-TERM LIABILITIES:		
Corporate bonds	36,500,000	34,500,000
Long-term debt	239,033,000	241,303,000
Leasehold and security deposits received	32,752,565	33,361,870
Derivatives liabilities	60,076	-
Total long-term liabilities	308,345,642	309,164,870
Total liabilities	344,291,712	352,277,481
NET ASSETS		
UNITHOLDERS' EQUITY:		
Unitholders' Capital	319,973,305	319,973,305
Units authorized: 10,000,000 units as of November 30, 2021 and May 31, 2022		
Units issued and outstanding: 3,118,337 units as of November 30, 2021 and May 31, 2022		
Capital surplus	23,548,287	23,548,287
Reserve for temporary difference adjustments	7,063,047	6,985,521
Reserve retained for distribution	5,406,175	3,143,148
Unappropriated retained earnings	7,326,291	9,628,227
VALUATION AND TRANSLATION ADJUSTMENTS:		
Deferred gains or losses on hedges	(60,076)	12,810
Total net assets	363,257,030	363,291,301
TOTAL LIABILITIES AND NET ASSETS	¥ 707,548,743	¥ 715,568,783

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

STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
OPERATING REVENUES		
Rental revenues	¥ 21,187,913	¥ 21,524,555
Other rental revenues	1,618,768	1,687,967
Gain on sales of real estate properties	-	971,598
	22,806,682	24,184,121
OPERATING EXPENSES		
Property-related expenses	11,032,152	11,244,867
Loss on sales of real estate properties	10,123	-
Impairment losses	1,139,000	68,000
Asset management fees	2,019,991	2,004,788
Administrative service fees	86,602	87,159
Other operating expenses	262,682	225,706
	14,550,552	13,630,522
OPERATING INCOME	8,256,129	10,553,599
NON-OPERATING REVENUES		
Interest income	92	107
Reversal of cash distributions payable	1,954	1,293
Insurance income	25,986	4,853
Subsidy income	9,916	20,900
Interest on refund	133	198
Other non-operating revenues	2,449	1,017
	40,531	28,370
NON-OPERATING EXPENSES		
Interest expense	870,233	871,335
Interest expense on corporate bonds	66,895	66,537
Amortization of corporate bond issuance expenses	5,136	6,322
Loss on disposal of real estate	23,863	4,972
Other non-operating expenses	3,634	3,969
	969,764	953,137
ORDINARY INCOME	7,326,896	9,628,832
INCOME BEFORE INCOME TAXES	7,326,896	9,628,832
INCOME TAXES		
Current	605	605
	605	605
NET INCOME	7,326,291	9,628,227
RETAINED EARNINGS BROUGHT FORWARD	-	-
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	¥ 7,326,291	¥ 9,628,227

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		
				Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Total Voluntary Retained Earnings
BALANCE AS OF MAY 31, 2021	3,118,337	¥319,973,305	¥ 23,548,287	¥ 7,140,572	¥ 5,404,142	¥12,544,715
Reversal of reserve for temporary difference adjustments				(77,525)		(77,525)
Provision of reserve retained for distribution					2,033	2,033
Cash distributions disbursed						-
Net income						-
Net changes of items other than unitholders' equity						-
BALANCE AS OF NOVEMBER 30, 2021	3,118,337	¥319,973,305	¥ 23,548,287	¥ 7,063,047	¥ 5,406,175	¥12,469,222
Reversal of reserve for temporary difference adjustments				(77,525)		(77,525)
Reversal of reserve retained for distribution					(2,263,027)	(2,263,027)
Cash distributions disbursed						-
Net income						-
Net changes of items other than unitholders' equity						-
BALANCE AS OF MAY 31, 2022	3,118,337	¥319,973,305	¥ 23,548,287	¥ 6,985,521	¥ 3,143,148	¥10,128,669

	Thousands of yen					
	Unitholders' Equity		Valuation and Translation Adjustments			
	Surplus					
	Unappropriated Retained Earnings	Total Surplus	Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Net Assets
BALANCE AS OF MAY 31, 2021	¥9,847,056	¥45,940,058	¥365,913,363	¥(115,880)	¥(115,880)	¥365,797,483
Reversal of reserve for temporary difference adjustments	77,525	-	-		-	-
Provision of reserve retained for distribution	(2,033)	-	-		-	-
Cash distributions disbursed	(9,922,548)	(9,922,548)	(9,922,548)		-	(9,922,548)
Net income	7,326,291	7,326,291	7,326,291		-	7,326,291
Net changes of items other than unitholders' equity		-	-	55,803	55,803	55,803
BALANCE AS OF NOVEMBER 30, 2021	¥7,326,291	¥43,343,801	¥363,317,106	¥(60,076)	¥(60,076)	¥363,257,030
Reversal of reserve for temporary difference adjustments	77,525	-	-		-	-
Reversal of reserve retained for distribution	2,263,027	-	-		-	-
Cash distributions disbursed	(9,666,844)	(9,666,844)	(9,666,844)		-	(9,666,844)
Net income	9,628,227	9,628,227	9,628,227		-	9,628,227
Net changes of items other than unitholders' equity		-	-	72,887	72,887	72,887
BALANCE AS OF MAY 31, 2022	¥9,628,227	¥43,305,184	¥363,278,490	¥12,810	¥12,810	¥363,291,301

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

STATEMENT OF CASH FLOWS

	Thousands of yen	
	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 7,326,896	¥ 9,628,832
Depreciation and amortization	4,098,039	4,102,092
Impairment losses	1,139,000	68,000
Gain on sales of real estate properties	-	(971,598)
Loss on sales of real estate properties	10,123	-
Increase (decrease) in allowance for doubtful accounts	(7,179)	(5,364)
Interest income and interest on securities	(92)	(107)
Interest expense and interest expense on corporate bonds	937,129	937,872
Amortization of corporate bond issuance expenses	5,136	6,322
Loss on disposal of real estate	23,863	4,972
(Increase) decrease in rent receivables	(108,730)	17,273
(Increase) decrease in prepaid expenses	588,522	(613,182)
(Increase) decrease in long-term prepaid expenses	23,012	(185,633)
Increase (decrease) in trade accounts payable	197,733	28,013
Increase (decrease) in accrued expenses	2,907	528,446
Increase (decrease) in consumption taxes payable	(85,456)	659,097
Increase (decrease) in rent received in advance	(103,160)	281,603
Other, net	(305,264)	(52,018)
Subtotal	13,742,482	14,434,622
Interest received	92	107
Interest paid	(894,963)	(1,068,440)
Income taxes refund (paid)	(603)	(607)
Net cash provided by operating activities	12,847,007	13,365,681
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	5,509,445	4,682,051
Purchase of property and equipment	(11,152,137)	(8,969,205)
Proceeds from collection of leasehold and security deposits	-	41,395
Proceeds from leasehold and security deposits received	1,337,781	1,689,501
Payments for leasehold and security deposits received	(190,042)	(877,864)
Net cash used in investing activities	(4,494,952)	(3,434,121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	14,800,000	23,170,000
Repayment of long-term debt	(10,700,000)	(16,900,000)
Proceeds from issuance of corporate bonds	3,470,066	-
Redemption of corporate bonds	(3,000,000)	-
Distributions to unitholders	(9,921,121)	(9,666,491)
Net cash used in financing activities	(5,351,054)	(3,396,491)
NET CHANGES IN CASH AND CASH EQUIVALENTS	3,001,000	6,535,068
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	53,567,819	56,568,819
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 56,568,819	¥ 63,103,888

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 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, 2022, the end of its 37th fiscal period, United Urban had ownership of, or beneficial interests in, 35 retail properties, 34 office buildings, 20 hotels, 25 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 19 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 37th fiscal period began on December 1, 2021 and ended on May 31, 2022.

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 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Buildings and structures	2 – 70 years	2 – 70 years
Machinery and equipment	2 – 31 years	2 – 31 years
Tools, furniture and fixtures	2 – 20 years	2 – 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 amortized on a straight-line basis over the period up to redemption.

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

The content of the main performance obligations regarding the revenue arising from contracts with the customers of United Urban and the normal point in time when satisfying such performance obligations (normal point in time when recognizing revenues) are as follows:

1) Sale of real estate properties

United Urban recognizes revenue from sales of real estate properties when the purchaser, which is a customer, acquires control of the real estate properties by fulfilling the delivery obligations stipulated in the contract for the sale of real estate properties.

2) Utilities revenue

United Urban recognizes utilities revenue based on the supply of electricity, water, etc. to the lessee, which is a customer, in accordance with the terms of the lease agreement of real estate properties and accompanying agreements. Of utilities revenue, when United Urban is deemed to be an agent in the transaction, the net amount obtained by deducting the amount paid to other related parties supplying electricity, gas, etc. from the amount received as the charges for electricity, gas, etc. is recognized as revenue.

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 ¥22,479 thousand and ¥17,699 thousand of such property taxes and city planning taxes capitalized for the fiscal periods ended November 30, 2021 and May 31, 2022, 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.

(Hedging relationship applying "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR") Of the above hedging relationship, United Urban applies the exceptional treatment to all hedging relationship included in the scope of "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (Practical Issues Task Force ("PITF") No.40 issued on March 17, 2022). Details of the hedging treatment applying the said PITF are as follows:

Hedge accounting method: Special treatment of interest rate swap

Hedging instrument: Interest rate swap transaction

Hedged item: Interest rate on debts

Type of hedge transaction: hedge transaction to fix cash flows

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, 2022.

3. SIGNIFICANT ACCOUNTING ESTIMATES

Impairment Losses of Fixed Assets

1. Amounts recorded in the financial statements

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Impairment losses	¥ 1,139,000	¥ 68,000
Fixed assets	638,847,062	639,417,706
Intangible assets	9,451,079	9,442,981

2. Information on the nature of significant accounting estimates for identified items

(End of 36th Fiscal Period: As of November 30, 2021)

In accordance with Accounting Standard for Impairment of Fixed Assets, United Urban has adopted the accounting treatment to reduce the book value of fixed assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to decline in profitability.

In adopting the accounting treatment, each property owned by United Urban is regarded as a single asset group, and United Urban makes an evaluation whether it is required to recognize impairment losses when indications of impairment for the group are deemed to exist due to continued negative operating income or cash flow, changes in the range or method of use have significantly reduced the recoverable amounts, significant deterioration of the business environment, and a significant decline in the market value, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, the rent, property-related expenses, and discount rate etc. are determined by comprehensively considering the market trends and transaction cases of similar properties, etc. in reference to information from outside experts, such as assumptions used for real estate appraisal.

The performance and the market value of each property may be affected by the trends in the real estate rental market and real estate transaction market. As for some tenants of properties owned by United Urban, their business condition and cash flow have been affected by COVID-19 continuously, United Urban may reduce rent for those tenants in consideration of medium- to long-term stable asset management and social response to those tenants. In addition, United Urban expects that there are signs that the situation under COVID-19 will recover in late 2022 and business environment will fully recover after 2023.

Since it is difficult to predict these several events with certainty, the financial conditions, results of operations, and cash flow of United Urban for the next fiscal period may be affected in case of any changes in the assumptions of estimate.

(End of 37th Fiscal Period: As of May 31, 2022)

In accordance with Accounting Standard for Impairment of Fixed Assets, United Urban has adopted the accounting treatment to reduce the book value of fixed assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to decline in profitability.

In adopting the accounting treatment, each property owned by United Urban is regarded as a single asset group, and United Urban makes an evaluation whether it is required to recognize impairment losses when indications of impairment for the group are deemed to exist due to continued negative operating income or cash flow, changes in the range or method of use have significantly reduced the recoverable amounts, significant deterioration of the business environment, and a significant decline in the market value, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, the rent, property-related expenses, and discount rate etc. are determined by comprehensively considering the market trends and transaction cases of similar properties, etc. in reference to information from outside experts, such as assumptions used for real estate appraisal.

The performance and the market value of each property may be affected by the trends in the real estate rental market and real estate transaction market. As for some tenants of properties owned by United Urban which have been affected by the suppression of human mobility due to COVID-19, there are signs of recovery for their business condition and cash flow because of a decrease in infected people and tapering of behavior restrictions. However, United Urban may reduce rent for those tenants in consideration of medium- to long-term stable asset management and social response to those tenants in the future. In addition, United Urban expects that there are signs that the situation under COVID-19 will recover in late 2022 and business environment will fully recover after 2023.

Since it is difficult to predict these several events with certainty, the financial conditions, results of operations, and cash flow of United Urban for the next fiscal period may be affected in case of any changes in the assumptions of estimate.

4. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2021 and May 31, 2022, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Land	¥ 2,089,982	¥ 2,089,982
Buildings and structures	1,297,967	1,259,565
Total	¥ 3,387,950	¥ 3,349,548

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Leasehold and security deposits received	¥ 408,171	¥ 408,171
Total	¥ 408,171	¥ 408,171

5. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
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

6. REDUCTION ENTRY OF PROPERTY AND EQUIPMENT ACQUIRED THROUGH STATE SUBSIDY

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Buildings in trust	¥ 39,608	¥ 39,608

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

(End of 36th Fiscal Period: As of November 30, 2021)

	(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	6,942,677	-	75,463	6,867,213	Appropriation for cash distribution
A portion of profits arising from the differences between taxable profits and accounting profit due	66,949	63,601	-	669	62,932	Appropriation for cash distribution
	76,099	73,055	-	760	72,294	

to depreciation and amortization, etc. (Note 2)	63,132	61,238	-	631	60,607	
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(End of 37th Fiscal Period: As of May 31, 2022)

(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	6,867,213	-	75,463	6,791,749	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	62,932	-	669	62,262	Appropriation for cash distribution
	76,099	72,294	-	760	71,533	
	63,132	60,607	-	631	59,975	

- 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.

8. 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.

9. LONG-TERM DEBT

Long-term debt at November 30, 2021 and May 31, 2022 consisted of the following:

	End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at floating interest rate, due December 20, 2021	¥ 3,000,000	0.670% (Note 2)	-	-
Unsecured loan from a bank at floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 2)	-	-
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	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)	-	-
Unsecured loan from a bank at floating interest rate, due March 22, 2022	2,400,000	0.333%	-	-
Unsecured loan from an insurance company at fixed interest rate, due March 22, 2022	1,000,000	0.455%	-	-
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	1,000,000	0.448%	-	-
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	1,000,000	0.342%	-	-
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%

	End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2022	1,000,000	0.283%	1,000,000	0.279%
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 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 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	0.383%	1,000,000	0.379%
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	0.433%	1,000,000	0.429%
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%
Unsecured loan from a bank at fixed interest rate, due September 20, 2023	4,000,000	0.300%	4,000,000	0.300%
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	0.363%	1,000,000	0.359%
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	0.433%	1,500,000	0.429%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	1,000,000	0.191% (Note 2)	1,000,000	0.191% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 21, 2024	1,200,000	0.300%	1,200,000	0.300%
Unsecured loan from a bank at fixed interest rate, due March 21, 2024	1,300,000	0.300%	1,300,000	0.300%
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	0.433%	2,700,000	0.429%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	1,500,000	0.313%	1,500,000	0.309%
Unsecured loan from a bank at fixed interest rate, due June 20, 2024	1,650,000	0.300%	1,650,000	0.300%
Unsecured loan from a bank at fixed interest rate, due June 20, 2024	1,000,000	0.336%	1,000,000	0.336%

	End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
	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 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	0.433%	1,500,000	0.429%
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 an insurance company at fixed interest rate, due September 20, 2024	1,000,000	0.320%	1,000,000	0.320%
Unsecured loan from a bank at floating interest rate, due December 20, 2024	1,400,000	0.383%	1,400,000	0.379%
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 an insurance company at fixed interest rate, due March 21, 2025	-	-	1,000,000	0.306%
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 bank at fixed interest rate, due June 20, 2025	1,000,000	0.364%	1,000,000	0.364%
Unsecured loan from a bank at fixed interest rate, due June 20, 2025	1,000,000	0.398%	1,000,000	0.398%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2025	1,000,000	0.284%	1,000,000	0.284%
Unsecured loan from a trust bank at floating interest rate, due September 22, 2025	3,000,000	0.423%	3,000,000	0.419%
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 an insurance company at fixed interest rate, due September 22, 2025	1,000,000	0.330%	1,000,000	0.330%
Unsecured loan from a bank at floating interest rate, due September 22, 2025	500,000	0.333%	500,000	0.329%
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%	4,000,000	0.323%
Unsecured loan from an insurance company at fixed interest rate, due December 22, 2025	1,000,000	0.300%	1,000,000	0.300%
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%	1,600,000	0.313%
Unsecured loan from a bank at fixed interest rate, due June 20, 2026	1,100,000	0.290%	1,100,000	0.290%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	2,400,000	0.544%	2,400,000	0.544%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	3,000,000	0.474%	3,000,000	0.474%

	End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
	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	1,000,000	0.230%	1,000,000	0.230%
Unsecured loan from a trust bank at fixed interest rate, due June 22, 2026	2,000,000	0.183%	2,000,000	0.183%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	1,000,000	0.250%	1,000,000	0.250%
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 a trust bank at fixed interest rate, due September 24, 2026	5,000,000	0.238%	5,000,000	0.238%
Unsecured loan from a bank at fixed interest rate, due September 24, 2026	500,000	0.274%	500,000	0.274%
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)	3,000,000	0.391% (Note 2)
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2026	1,300,000	0.309%	1,300,000	0.309%
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 bank at fixed interest rate, due March 23, 2027	1,000,000	0.390%	1,000,000	0.390%
Unsecured loan from a bank at fixed interest rate, due March 23, 2027	1,000,000	0.400%	1,000,000	0.400%
Unsecured loan from a bank at fixed interest rate, due March 23, 2027	1,000,000	0.375%	1,000,000	0.375%
Unsecured loan from a bank at fixed interest rate, due March 23, 2027	1,000,000	0.295%	1,000,000	0.295%
Unsecured loan from a bank at fixed interest rate, due March 23, 2027	8,900,000	0.230%	8,900,000	0.230%
Unsecured loan from a trust bank at floating interest rate, due June 21, 2027	2,500,000	0.393%	2,500,000	0.389%
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	0.333%	2,000,000	0.329%
Unsecured loan from a trust bank at fixed interest rate, due June 21, 2027	2,000,000	0.483%	2,000,000	0.483%
Unsecured loan from a trust bank at fixed interest rate, due June 21, 2027	500,000	0.533%	500,000	0.533%
Unsecured loan from a bank at fixed interest rate, due June 21, 2027	900,000	0.500%	900,000	0.500%
Unsecured loan from a bank at fixed interest rate, due June 21, 2027	1,500,000	0.396%	1,500,000	0.396%
Unsecured loan from a bank at fixed interest rate, due June 21, 2027	1,000,000	0.360%	1,000,000	0.360%
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)	3,500,000	0.426% (Note 2)
Unsecured loan from a bank at fixed interest rate, due September 21, 2027	1,000,000	0.414%	1,000,000	0.414%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2027	2,500,000	0.423%	2,500,000	0.419%
Unsecured loan from a bank at fixed interest rate, due December 20, 2027	1,000,000	0.365%	1,000,000	0.365%
Unsecured loan from a bank at fixed interest rate, due March 21, 2028	1,500,000	0.290%	1,500,000	0.290%
Unsecured loan from a trust bank at fixed interest rate, due March 21, 2028	1,000,000	0.344%	1,000,000	0.344%
Unsecured loan from a bank at fixed interest rate, due March 21, 2028	3,000,000	0.340%	3,000,000	0.340%
Unsecured loan from a bank at fixed interest rate, due March 21, 2028	1,000,000	0.393%	1,000,000	0.393%
Unsecured loan from a bank at fixed interest rate, due September 20, 2028	2,000,000	0.570%	2,000,000	0.570%

	End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
	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 September 20, 2028	2,500,000	0.391%	2,500,000	0.391%
Unsecured loan from a bank at fixed interest rate, due September 20, 2028	500,000	0.371%	500,000	0.371%
Unsecured loan from a bank at fixed interest rate, due September 20, 2028	500,000	0.410%	500,000	0.410%
Unsecured loan from a bank at fixed interest rate, due September 20, 2028	1,500,000	0.418%	1,500,000	0.418%
Unsecured loan from a bank at fixed interest rate, due December 20, 2028	3,000,000	0.470%	3,000,000	0.470%
Unsecured loan from a bank at fixed interest rate, due March 21, 2029	7,000,000	0.405%	7,000,000	0.405%
Unsecured loan from a bank at fixed interest rate, due March 21, 2029	1,500,000	0.420%	1,500,000	0.420%
Unsecured loan from a bank at fixed interest rate, due March 21, 2029	-	-	1,000,000	0.559%
Unsecured loan from a bank at fixed interest rate, due March 21, 2029	-	-	2,000,000	0.674%
Unsecured loan from a trust bank at fixed interest rate, due March 21, 2029	-	-	1,200,000	0.673%
Unsecured loan from a bank at fixed interest rate, due September 20, 2029	6,500,000	0.536%	6,500,000	0.536%
Unsecured loan from a bank at fixed interest rate, due September 20, 2029	2,300,000	0.496%	2,300,000	0.496%
Unsecured loan from a bank at fixed interest rate, due December 20, 2029	5,000,000	0.399%	5,000,000	0.399%
Unsecured loan from a bank at fixed interest rate, due March 21, 2030	1,400,000	0.524%	1,400,000	0.524%
Unsecured loan from a trust bank at fixed interest rate, due March 21, 2030	1,500,000	0.466%	1,500,000	0.466%
Unsecured loan from a bank at fixed interest rate, due March 21, 2030	1,500,000	0.543%	1,500,000	0.543%
Unsecured loan from a bank at fixed interest rate, due March 21, 2030	-	-	1,000,000	0.480%
Unsecured loan from a bank at fixed interest rate, due March 21, 2030	-	-	2,500,000	0.689%
Unsecured loan from a bank at fixed interest rate, due March 21, 2030	-	-	570,000	0.728%
Unsecured loan from a bank at fixed interest rate, due June 20, 2030	1,700,000	0.490%	1,700,000	0.490%
Unsecured loan from a bank at fixed interest rate, due June 20, 2030	-	-	2,900,000	0.476%
Unsecured loan from a trust bank at fixed interest rate, due September 20, 2030	7,783,000	0.450%	7,783,000	0.450%
Unsecured loan from a bank at fixed interest rate, due September 20, 2030	-	-	2,400,000	0.595%
Unsecured loan from a bank at fixed interest rate, due December 20, 2030	-	-	3,000,000	0.470%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2031	3,400,000	0.609%	3,400,000	0.609%
Unsecured loan from a bank at fixed interest rate, due March 20, 2031	2,500,000	0.530%	2,500,000	0.530%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2032	-	-	2,600,000	0.651%
Unsecured loan from a bank at fixed interest rate, due March 22, 2032	-	-	3,000,000	0.686%
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%	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%	2,000,000	0.390%
Total	¥ 267,933,000		¥ 274,203,000	

- 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 borrowings, and is rounded to the nearest third decimal place.
2. These are borrowings with floating interest rates. 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.

10. CORPORATE BONDS

Corporate bonds at November 30, 2021 and May 31, 2022 consisted of the following:

	End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
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 Bonds)	10,000,000	0.448%	10,000,000	0.448%
Series 20 unsecured bonds, due August 8, 2025	8,000,000	0.270%	8,000,000	0.270%
Series 21 unsecured bonds, due March 21, 2036	1,000,000	0.760%	1,000,000	0.760%
Series 22 unsecured bonds, due October 28, 2031 (Sustainability Bonds)	3,500,000	0.400%	3,500,000	0.400%
Total	¥ 36,500,000		¥ 36,500,000	

11. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2021 and May 31, 2022 were as follows:

	Thousands of yen	
	36th Fiscal Period (June 1, 2021 - November 30, 2021)	37th Fiscal Period (December 1, 2021 - May 31, 2022)
Operating Revenues	¥ 22,806,682	¥ 23,212,523
Rental Revenues	21,187,913	21,524,555
Rental revenues	18,770,347	19,150,065
Common area charges	1,494,082	1,443,171
Parking revenues	763,521	770,641
Other	159,962	160,678
Other Rental Revenues	1,618,768	1,687,967
Incidental revenues	1,386,320	1,319,385
Temporary revenues (including cancellation charges)	150,872	280,039
Other miscellaneous revenues	81,576	88,541
Property-Related Expenses	11,032,152	11,244,867
Property and other taxes	2,136,362	2,127,237
Property management fees	1,756,168	1,804,075
Utilities	1,325,614	1,374,731
Casualty insurance	24,571	35,978
Repairs and maintenance	1,274,108	1,300,154
Depreciation and amortization	4,098,039	4,102,092
Other rental expenses	417,286	500,598
Profit from rental activities	¥ 11,774,529	¥ 11,967,655

12. GAIN ON SALES OF REAL ESTATE PROPERTIES

There was no gain on sales of real estate properties for the fiscal period ended November 30, 2021. In addition, gain on sales of real estate properties for the fiscal period ended May 31, 2022 was as follows:

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

<u>Rokubancho K Building</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 3,300,000
Cost of sales of real estate properties	2,206,620
Other sales expenses	128,704
Gain on sales of real estate properties	¥ 964,675

<u>Fuchu Building</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 1,650,000
Cost of sales of real estate properties	1,582,183
Other sales expenses	60,893
Gain on sales of real estate properties	¥ 6,923

13. LOSS ON SALES OF REAL ESTATE PROPERTIES

There was no loss on sales of real estate properties for the fiscal period ended May 31, 2022. In addition, loss on sales of real estate properties for the fiscal period ended November 30, 2021 was as follows:

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

<u>Quartz Tower</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 5,800,000
Cost of sales of real estate properties	5,759,569
Other sales expenses	50,554
Loss on sales of real estate properties	¥ 10,123

14. BREAKDOWN OF IMPAIRMENT LOSSES

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

(Thousands of yen)			
Property Name	Location	Class	Impairment Losses
Fuchu Building	Fuchu, Tokyo	Land in trust	¥ 1,044,000
		Building in trust	95,000

In assessing impairment losses, each property owned by United Urban is regarded as a single asset group. Since the changes in the range or method of use which have significantly reduced the recoverable amounts have occurred for the property stated in the above table, the book value was reduced to its recoverable amount and the amount of the reduction was recorded under operating expenses as impairment losses in the 36th fiscal period.

The recoverable amount is measured at the net sale value after calculating the net sale value (estimated sale value – estimated disposal costs) and value in use (the present value of future cash flows expected to be derived from the continued use and eventual disposition) of the relevant asset. In addition, when the operation of the relevant asset is continued, the impairment losses is deemed to have the nature of operating expenses and thus recorded under operating expenses in accordance with Article 48, Paragraph 2 of the Regulation on Accountings of Investment Corporations.

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

(Thousands of yen)			
Property Name	Location	Class	Impairment Losses
UUR Court Sapporo Shinoro	Sapporo, Hokkaido	Land	¥ 29,700
Ichibankan		Building	38,300

In assessing impairment losses, each property owned by United Urban is regarded as a single asset group. Since the property stated in the above table is scheduled to be sold, the book value was reduced to its recoverable amount and the amount of the reduction was recorded under operating expenses as impairment losses in the 37th fiscal period.

The recoverable amount is measured at the net sale value (estimated sale value – estimated disposal costs) of the relevant asset.

In addition, the impairment losses arising from a sale is deemed to have the nature of operating expenses and thus recorded under operating expenses in accordance with Article 48, Paragraph 2 of the Regulation on Accountings of Investment Corporations.

15. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at November 30, 2021 and May 31, 2022 were summarized as follows:

End of 36th Fiscal Period (As of November 30, 2021)		End of 37th Fiscal Period (As of May 31, 2022)	
Deferred tax assets		Deferred tax assets	
Difference in revenue recognition for tax purposes	¥ 55,908	Difference in revenue recognition for tax purposes	¥ 16,102
Valuation difference on assets acquired by merger	15,620,195	Valuation difference on assets acquired by merger	15,599,714
Excess allowance for doubtful accounts	7,032	Excess allowance for doubtful accounts	5,345
Impairment losses	358,329	Impairment losses	349,835
Other	266	Other	256
Subtotal	16,041,732	Subtotal	15,971,254
Valuation allowance	(16,041,732)	Valuation allowance	(15,971,254)
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, 2021 and May 31, 2022 were summarized as follows:

	36th Fiscal Period (As of November 30, 2021)	37th Fiscal Period (As of May 31, 2022)
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Distributions of tax-deductible dividends	(23.26)%	(30.73)%
Changes in valuation allowance	(8.20)%	(0.73)%
Other	0.01%	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 36th fiscal period, United Urban decided to distribute ¥9,666,844 thousand which is the result of adding reversal of reserve for temporary difference adjustments of ¥77,525 thousand and reversal of reserve retained for distribution of ¥2,263,027 thousand to the unappropriated retained earnings of ¥7,326,291 thousand. For the 37th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥77,525 thousand to the unappropriated retained earnings of ¥9,628,227 thousand, and reserved ¥1,488 thousand, fractional part which distribution per unit was less than ¥1, as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥9,704,264 thousand. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

16. 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

Since certain assumptions are adopted in the calculation of the fair value of a financial instrument, 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, 2021 and May 31, 2022 are as follows. As for the cash and bank deposits, cash and bank deposits in trust, and short-term debt, because those items are cash or the fair value of those items approximates the book value as those are settled within a short period of time, notes are omitted. In addition, notes to the leasehold and security deposits received in trust are omitted because it is immaterial.

(End of 36th Fiscal Period: As of November 30, 2021)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Current portion of corporate bonds	-	-	-
(2) Long-term debt due for repayment within one year	¥ 28,900,000	¥ 28,981,511	¥ 81,511
(3) Corporate bonds	36,500,000	36,410,100	(89,900)
(4) Long-term debt	239,033,000	238,208,211	(824,788)
Total liabilities	¥ 304,433,000	¥ 303,599,823	¥ (833,176)
(5) Derivative transactions (*)	¥ (60,076)	¥ (60,076)	-
Total derivative transactions	¥ (60,076)	¥ (60,076)	-

(End of 37th Fiscal Period: As of May 31, 2022)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Current portion of corporate bonds	¥ 2,000,000	¥ 1,996,600	¥ (3,400)
(2) Long-term debt due for repayment within one year	32,900,000	33,023,296	123,296
(3) Corporate bonds	34,500,000	34,285,750	(214,250)
(4) Long-term debt	241,303,000	240,272,638	(1,030,361)
Total liabilities	¥ 310,703,000	¥ 309,578,284	¥ (1,124,715)
(5) Derivative transactions (*)	¥ 12,810	¥ 12,810	-
Total derivative transactions	¥ 12,810	¥ 12,810	-

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

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

(2) Long-term debt due for repayment within one year / (4) 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 “25. 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.

(5) Derivative transactions

Please refer to “25. DERIVATIVE TRANSACTIONS”.

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

(End of 36th Fiscal Period: As of November 30, 2021)

(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	-	¥ 12,000,000	-	¥ 10,000,000	¥ 10,000,000	¥ 4,500,000
Long-term debt	¥ 28,900,000	41,000,000	¥ 28,050,000	28,600,000	34,600,000	106,783,000
Total	¥ 28,900,000	¥ 53,000,000	¥ 28,050,000	¥ 38,600,000	¥ 44,600,000	¥111,283,000

(End of 37th Fiscal Period: As of May 31, 2022)

(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	¥ 2,000,000	¥ 10,000,000	¥ 2,000,000	¥ 18,000,000	-	¥ 4,500,000
Long-term debt	32,900,000	31,600,000	33,450,000	29,800,000	¥ 40,700,000	105,753,000
Total	¥ 34,900,000	¥ 41,600,000	¥ 35,450,000	¥ 47,800,000	¥ 40,700,000	¥110,253,000

17. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns Investment Real Estate for rent (retail properties, office buildings, hotels, residential properties, and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of November 30, 2021 and May 31, 2022 are as follows:

(Thousands of yen)

Type of Use		36th Fiscal Period (June 1, 2021 – November 30, 2021)	37th Fiscal Period (December 1, 2021 – May 31, 2022)
Retail properties	Carrying amount on the balance sheet		
	Balance at beginning of period	¥ 182,857,223	¥ 186,384,665
	Change during period	3,527,442	553
	Balance at end of period	¥ 186,384,665	¥ 186,385,219
	Fair value at end of period	¥ 212,674,000	¥ 214,454,000
Office buildings	Carrying amount on the balance sheet		
	Balance at beginning of period	¥ 190,803,647	¥ 190,203,987
	Change during period	(599,659)	3,175,413
	Balance at end of period	¥ 190,203,987	¥ 193,379,400
	Fair value at end of period	¥ 250,481,000	¥ 258,481,000
Hotels	Carrying amount on the balance sheet		
	Balance at beginning of period	¥ 160,607,473	¥ 160,262,402
	Change during period	(345,070)	(551,750)
	Balance at end of period	¥ 160,262,402	¥ 159,710,652
	Fair value at end of period	¥ 186,319,000	¥ 186,116,000

(Thousands of yen)			
Type of Use		36th Fiscal Period (June 1, 2021 – November 30, 2021)	37th Fiscal Period (December 1, 2021 – May 31, 2022)
Residential properties	Carrying amount on the balance sheet		
	Balance at beginning of period	¥ 45,803,226	¥ 45,535,327
	Change during period	(267,899)	(385,828)
	Balance at end of period	¥ 45,535,327	¥ 45,149,499
	Fair value at end of period	¥ 63,439,000	¥ 64,608,000
Others	Carrying amount on the balance sheet		
	Balance at beginning of period	¥ 67,159,633	¥ 65,781,386
	Change during period	(1,378,247)	(1,667,743)
	Balance at end of period	¥ 65,781,386	¥ 64,113,642
	Fair value at end of period	¥ 85,200,000	¥ 85,644,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	¥ 647,231,203	¥ 648,167,769
	Change during period	936,566	570,644
	Balance at end of period	¥ 648,167,769	¥ 648,738,414
	Fair value at end of period	¥ 798,113,000	¥ 809,303,000

- 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 36th fiscal period, the amount of the increase is primarily attributable to acquisition of four properties (total: ¥9,610 million) and capital expenditures (¥2,450 million). And the amount of the decrease is primarily attributable to the sale of one property (¥5,759 million), the depreciation and amortization (¥4,090 million), and the impairment losses (¥1,139 million).
Of the "Change during the period" for the 37th fiscal period, the amount of the increase is primarily attributable to acquisition of one property (¥6,179 million), an additional acquisition of the existing property (¥20 million), and capital expenditures (¥2,184 million). And the amount of the decrease is primarily attributable to the sale of one property (¥2,206 million), the sale of part of the existing property (¥1,582 million), the depreciation and amortization (¥4,094 million), and the impairment losses (¥68 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 "11. OPERATING REVENUES AND EXPENSES."

18. TRANSACTIONS WITH RELATED PARTIES

1. Parent Company and Major Corporate Unitholders

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

None

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

None

2. Subsidiaries and Affiliates

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

None

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

None

3. Fellow Subsidiaries

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

None

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

None

4. Directors and Major Individual Unitholders

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

None

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

None

19. 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, 2021 and May 31, 2022 for the fiscal periods then ended are summarized as follows:

	Yen	
	36th Fiscal Period (June 1, 2021 – November 30, 2021)	37th Fiscal Period (December 1, 2021 – May 31, 2022)
Net assets per unit	¥ 116,490	¥ 116,501
Net income per unit	¥ 2,349	¥ 3,087
Average number of investment units during the period (units)	3,118,337	3,118,337

20. REVENUE RECOGNITION

1. Information on the breakdown of revenue from contracts with customers

36th Fiscal Period (From June 1, 2021 to November 30, 2021)

(Thousands of yen)		
	Revenue from contracts with customers (Note 1)	Net sales to external customers
Revenue from sale of real estate properties	¥ 5,800,000	- (Note 2)
Utility revenues (Note 3)	1,386,320	¥ 1,386,320
Other revenues	-	21,420,362
Total	¥ 7,186,320	¥ 22,806,682

37th Fiscal Period (From December 1, 2021 to May 31, 2022)

(Thousands of yen)		
	Revenue from contracts with customers (Note 1)	Net sales to external customers
Revenue from sale of real estate properties	¥ 3,300,000	¥ 971,598 (Note 2)
Utility revenues (Note 3)	1,319,385	1,319,385
Other revenues	-	21,893,137
Total	¥ 4,619,385	¥ 24,184,121

- Notes: 1. The rental revenues, etc. subject to the "Accounting Standard for Lease Transactions" (Corporate Accounting Standards No. 13 issued by ASBJ) and the sale of real estate, etc. subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in the above amount because they are not applied to the Revenue Recognition Accounting Standard. Moreover, the main revenues arising from contracts with customers are revenue from sale of real estate properties and utility revenues.
2. The revenues from sales of real estate properties (amount deducting cost of sales of real estate properties and other sales expenses from revenue from sales of real estate properties) are recognized as gains or losses on sales of real estate properties in the statements of income and retained earnings. Since the gain on sales of real estate properties is recorded in operating revenues and the loss on sales of real estate properties is recorded in operating expenses, only the amount of gain on sales of real estate properties is stated in the above table.

3. United Urban recognizes utilities revenue based on the supply of electricity, water, etc. to the lessee, which is a customer, in accordance with the terms of the lease agreement of real estate properties and accompanying agreements.

2. Basic information for understanding revenues arising from contracts with customers

The information is as described in “2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES”.

3. Information on relationship between fulfillment of performance obligations based on contracts with customers and cashflow generated from said contracts and amount and period of revenue expected to be recognized in the next calculation period or thereafter from contracts with customers existing at the end of the current calculation period

(1) Balance of contract assets and contract liabilities, etc.

	(Thousands of yen)	
	36th Fiscal Period (June 1, 2021 – November 30, 2021)	37th Fiscal Period (December 1, 2021 – May 31, 2022)
Claims arising from contracts with customers (balance at beginning of the fiscal period)	¥ 231,126	¥ 263,259
Claims arising from contracts with customers (balance at end of the fiscal period)	263,259	278,104
Contract assets (balance at beginning of the fiscal period)	-	-
Contract assets (balance at end of the fiscal period)	-	-
Contract liabilities (balance at beginning of the fiscal period)	-	-
Contract liabilities (balance at end of the fiscal period)	-	-

(2) Transaction value allocated to remaining performance obligations

Not applicable.

With regard to utility revenues, as United Urban has the right to receive from customers an amount directly corresponding to the value for the lessees, who are customers, of sections for which performance was completed by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, it is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

21. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

(End of 36th Fiscal Period: As of November 30, 2021)

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

(End of 37th Fiscal Period: As of May 31, 2022)

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 (Initial amount: ¥63,132,400) Reversal amount: ¥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 (amounts equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution, respectively.

22. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at November 30, 2021 May 31, 2022 were as follows:

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Cash and bank deposits	¥ 56,568,819	¥ 63,103,888
Cash and cash equivalents	¥ 56,568,819	¥ 63,103,888

23. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2021 and May 31, 2022, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 36th Fiscal Period (As of November 30, 2021)	End of 37th Fiscal Period (As of May 31, 2022)
Due within one year	¥ 17,563,745	¥ 17,936,225
Due over one year	90,729,689	87,203,534
Total	¥ 108,293,434	¥ 105,139,759

24. SECURITIES

(End of 36th Fiscal Period: As of November 30, 2021)

None

(End of 37th Fiscal Period: As of May 31, 2022)

None

25. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended November 30, 2021: None

Fiscal period ended May 31, 2022: None

2. Derivative transactions subject to hedge accounting

(End of 36th Fiscal Period: As of November 30, 2021)

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	¥ 11,500,000	¥ 11,500,000	¥ (60,076)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	19,200,000	6,800,000	(Note 1)	-
Total			¥ 30,700,000	¥ 18,300,000	¥ (60,076)	

(End of 37th Fiscal Period: As of May 31, 2022)

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	¥ 11,500,000	¥ 11,500,000	¥ 12,810	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	10,300,000	3,300,000	(Note 1)	-
Total			¥ 21,800,000	¥ 14,800,000	¥ 12,810	

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 (please refer to the aforementioned "16. THE FAIR VALUE OF FINANCIAL INSTRUMENTS"). As for transactions included in the scope of "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No.40 issued on March 17, 2022), United Urban applies the exceptional treatment stipulated in the PITF.

2. The fair value is measured using values which are calculated based on market interest rates by the counterparty to the transaction.

26. 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]

(36th Fiscal Period: June 1, 2021 – November 30, 2021)

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.

(37th Fiscal Period: December 1, 2021 – May 31, 2022)

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.

27. SUBSEQUENT EVENTS

None

Independent Auditor's Report

The Board of Directors
United Urban Investment Corporation

Opinion

We have audited the accompanying financial statements of United Urban Investment Corporation (the Company), which comprise the balance sheet as at May 31, 2022, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Semiannual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Director is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Director 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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 25, 2022

/s/ Kazunori Takenouchi

Kazunori Takenouchi
Designated Engagement Partner
Certified Public Accountant

/s/ Katsuya Ishida

Katsuya Ishida
Designated Engagement Partner
Certified Public Accountant

Corporate Data

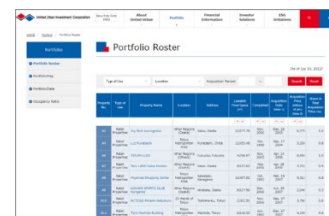
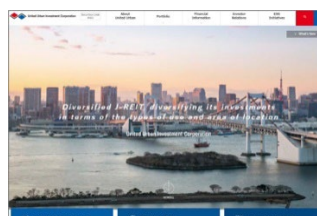
Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”) as of May 31, 2022:

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:	¥319,973,305,251
Number of Unitholders:	21,182
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditor:	ERNST & YOUNG SHINNIHON LLC Tokyo Midtown Hibiya, Hibiya Mitsui Tower, 1-1-2 Yurakucho, 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, ESG initiatives, portfolio information, financial information, and press releases, etc. We intend to enhance our website to provide useful information to our unitholders.



Disclaimer

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