

**SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED  
MAY 31, 2016 (December 1, 2015 – May 31, 2016)**

Name of issuer: United Urban Investment Corporation (United Urban)  
Listing: Tokyo Stock Exchange  
Securities code: 8960  
URL: <http://www.united-reit.co.jp/eng/>  
Representative: Hitoshi Murakami, Executive Officer  
Asset Management Company: Japan REIT Advisors Co., Ltd.  
Representative: Ikuo Yoshida, President and Chief Executive Officer  
Inquiries: Kenichi Natsume, Chief Financial Officer  
TEL: +81-3-5402-3680

Scheduled date of filing of Securities Report: August 25, 2016  
Scheduled date for commencing dividend payments: August 15, 2016  
Supplementary Materials on Financial Results: Scheduled  
Financial Results Conference: Scheduled (for analysts and institutional investors (Japanese language only))

(Amounts are rounded down to the nearest millions of yen, unless otherwise indicated)

**1. Performance for the Fiscal Period Ended May 31, 2016 (December 1, 2015 – May 31, 2016)**

(1) Business Results

(Percentage figures show the increase/decrease rate compared to the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2016	21,444	6.8	10,591	12.3	9,224	13.0	9,089	14.8
Fiscal period ended November 30, 2015	20,070	3.1	9,427	3.4	8,163	4.8	7,916	1.6

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended May 31, 2016	3,303	3.1	1.5	43.0
Fiscal period ended November 30, 2015	2,946	2.7	1.4	40.7

(2) Distributions

	Distributions per Unit (excluding excess of earnings)	Total Cash Distributions (excluding excess of earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended May 31, 2016	3,000	8,254	0	0	90.8	2.8
Fiscal period ended November 30, 2015	2,953	8,124	0	0	100.2	2.7

Notes: 1. "Payout Ratio" is rounded down to the nearest one decimal place.

2. For the fiscal period ended November 30, 2015, because a calculation of net income per unit was based on an average number of investment units during the period due to an issuance of new investment units and a reversal of reserve for distribution (¥208 million) was added to the net income as the source of distribution, there was a difference between cash distribution per unit and net income per unit. For the fiscal period ended May 31, 2016, because a portion of unappropriated retained earnings (¥834 million) was reserved as a reserve retained for distribution, there was a difference between cash distribution per unit and net income per unit.

(3) Financial Position

	Total Assets	Total Unitholders' Equity (Net Asset)	Equity Ratio	Net Asset per Unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended May 31, 2016	629,262	298,009	47.4	108,313
Fiscal period ended November 30, 2015	598,077	297,340	49.7	108,069

## (4) Conditions of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2016	11,849	(27,976)	20,325	62,385
Fiscal period ended November 30, 2015	11,990	(29,370)	15,934	58,186

**2. Forecasts of Results for the Fiscal Period Ending November 30, 2016 (June 1, 2016 – November 30, 2016) and the Fiscal Period Ending May 31, 2017 (December 1, 2016 – May 31, 2017)**

(Percentage figures show the increase/decrease rate compared to the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2016	21,183	(1.2)	9,336	(11.8)	7,791	(15.5)	7,791	(14.3)	3,000	0
Fiscal period ending May 31, 2017	21,924	3.5	10,480	12.3	9,149	17.4	9,149	17.4	3,120	0

[Reference] Estimated net income per unit (full business year):

Fiscal period ending November 30, 2016 ¥2,638      Fiscal period ending May 31, 2017 ¥3,098

Note: The resource for cash distributions for the fiscal period ending November 30, 2016 is the result of adding a reversal of reserve for distributions (¥1,068 million) to the net income, and the resource for cash distributions for the fiscal period ending May 31, 2017 is the result of adding a reversal of reserve for temporary difference (¥64 million) to the net income. Therefore, it differs from “net income”, respectively.

**\* Other**

## (1) Change in Accounting Policies, Change in Accounting Estimate, and Restatement

- A. Changes in accounting policies in accordance with a revision of the accounting rules: Not Applicable
- B. Changes in accounting policies other than A, above: Not Applicable
- C. Changes in accounting estimate: Not Applicable
- D. Restatement: Not Applicable

## (2) Total Number of Investment Units Issued and Outstanding

- A. Total number of investment units issued at the end of the fiscal period (including treasury investment units)
  - As of May 31, 2016: 2,751,376 units
  - As of November 30, 2015: 2,751,376 units
- B. Treasury investment units at the end of the fiscal period
  - As of May 31, 2016: None
  - As of November 30, 2015: None

Note: For the number of investment units used as the basis for the calculation of net income per unit, please refer to “Notes to Per Unit Information” on page 24.

## (3) Rounding of Fractions of Amounts and Ratios

Unless otherwise specifically indicated, amounts in this report have been rounded down to the units stated and the ratios have been rounded to the nearest one decimal place.

Description of implementation status of audit procedure

- As of July 13, 2016, the audit procedure of the financial statements under the Financial Instruments and Exchange Act has not been completed.

Explanation for appropriate use of result forecasts and other special instructions

- Forward-looking statements contained in this material are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of the assumptions made, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2016 (26th fiscal period: from June 1, 2016 to November 30, 2016) and the Fiscal Period Ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017)” below.

**DISCLAIMER**

This is an English-language translation of original Japanese document “the Brief Report on the Closing of Accounts (*Kessan-Tanshin*) for the fiscal period ended May 31, 2016. This translation is provided for information purpose only and is not intended to constitute a statutory document for an offer to sell, or seeking an offer to buy, any securities of United Urban. United Urban makes no assurance or warranty with respect to the completeness or accuracy of this English translation; the Japanese versions of the *Kessan-Tanshin* should always be referred to as the originals of this document.

## 1. Related Corporations of Investment Corporation

### Structure of Investment Corporation

As there are no significant changes in “Structure of Investment Corporation” stated in the latest Securities Report (submitted on February 24, 2016), the disclosure is omitted.

## 2. Management Policies and Management Status

### (1) Management Policies

As there are no significant changes in “Investment Policies,” “Investment Targets,” “Distribution Policies” and “Investment Restriction” stated in the latest Securities Report (submitted on February 24, 2016), the disclosure is omitted.

### (2) Management Status

#### 1. Overview during the period

##### a. Investment environment and operation

##### (i) Investment environment

Japanese economy generally remains in good condition due to solid corporate performance and inbound tourists (Note), even though there were some concerns such as the sudden change in the stock markets at the start of the year. In addition, there has been growing investors preference toward the J-REIT market due to the introduction of a negative interest rate policy by the Bank of Japan and the expansion of upper limits for the purchase of investment units, etc., and capital inflow from domestic and international investors is increasing.

In the real estate sales market, the real estate transactions have continued to grow based on the expectations of increase in rents and the favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of the retail industry have been stable overall although there have been increases and declines in some businesses. Therefore, the market for retail properties remains steady. As for office buildings, with the increasing needs for company’s business expansion, the asking rents in the Tokyo metropolitan area and major cities throughout Japan have shown an increase in rents. As for hotels, the room occupancy ratio and the room rates for guests have continued to rise due to a continuous increase in inbound tourists, etc. As for residential properties, rental properties have a steady demand as a necessity of life, and both the occupancy ratio and rent levels remains stable.

Note: “Inbound tourists” mean foreign visitors. The same shall apply hereinafter.

##### (ii) New acquisitions and sale of properties

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

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A39	455 Ueno Building	Retail	Taito-ku, Tokyo	3,000	December 4, 2015
C13	Loisir Hotel & Spa Tower Naha	Hotel	Naha, Okinawa	20,000	February 5, 2016
C14	Urawa Royal Pines Hotel	Hotel	Saitama, Saitama	17,500	April 1, 2016
Total				40,500	

Name of Asset	Acquired Asset	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
Preferred equity securities of Tenjin 123 Project <i>Tokutei Mokuteki Kaisha</i> (specific purpose company) (Note 3)	Preferred equity securities: 1,130 units (percentage of ownership: 5.0%)	74	April 21, 2016

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

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
B12	UUR Tsukiji Building	Office	Chuo-ku, Tokyo	6,620	February 26, 2016
E5	Logistics Higashi-Ohgishima (Note 4)	Warehouse	Kawasaki, Kanagawa	4,459 (Note 4)	
A16	Shinsaibashi OPA Kireikan	Retail	Osaka, Osaka	3,210	March 25, 2016
Total				14,289	

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.  
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements concerning the acquisition or sale of each property. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.  
3. Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company) (the "TMK") is developing a development-type hotel "(tentative name) the b fukuoka tenjin" (the "Property"), and United Urban has acquired the preferential negotiation right of the Property in connection with United Urban's acquisition of the preferred securities of the TMK. Outline of the Property is as follows.

Name of the Property	Location	Type	Site Area	Structure / Scale	Completion Date, etc.
(tentative name) The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,625.15 m <sup>2</sup>	S/10F	April 2017 (scheduled) (The operation of the Hotel will be started from May to July 2017.)

\* The above table is shown based on the architectural planning, etc. Accordingly, some information might be changed.

4. The sold asset is 49 % quasi co-ownership interest of trust beneficial interest in "Logistics Higashi-Ohgishima." The remaining 51 % quasi co-ownership interest continues to be owned by United Urban.

### (iii) Portfolio overview

As a result of the acquisitions and sale of properties mentioned above (ii), United Urban held a total of 118 properties, comprising 34 retail properties, 36 office buildings, 1 retail-office complex, 14 hotels, 1 office-hotel complex, 24 residential properties and 8 others, with an aggregate acquisition price of ¥575,464 million at the end of the 25th fiscal period (May 31, 2016). In addition, the total leasable floor space was 1,296,365.99 sq m. and the numbers of tenants were 2,028.

United Urban has continued to focus on improving occupancy ratios during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 98.2% and 98.9%, and stood at 98.8% on May 31, 2016.

### b. Financing overview

During this 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 25th fiscal period are as follows.

(Millions of yen)				
	Balance at the end of the 24th Fiscal Period (As of November 30, 2015)	Balance at the end of the 25th Fiscal Period (As of May 31, 2016)	Changes	
Short-term borrowings	-	-	-	
Long-term borrowings	201,207	229,657	28,450	
Total of borrowings	201,207	229,657	28,450	
Corporate bonds	63,500	63,500	-	
Total of interest-bearing liabilities	264,707	293,157	28,450	

In addition, as of the end of the 25th fiscal period, the amount of borrowings due for repayment within one year was ¥25,100 million, and the amount of the current portion of corporate bonds was ¥23,000 million.

Moreover, the details of ratings of United Urban as of June 30, 2016 are as follows.

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

c. Overview of financial results and distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥21,444 million (up by 6.8% from the previous period), profit from rental activities of ¥11,723 million (up by 3.1% from the previous period), operating income of ¥10,591 million (up by 12.3% from the previous period), ordinary income of ¥9,224 million (up by 13.0% from the previous period), and net income of ¥9,089 million (up by 14.8% from the previous period). In addition, of the restoration work regarding the 2016 Kumamoto Earthquake which occurred on April 2016 (scheduled completion: 26th fiscal period ending November 30, 2016), estimated repair expenses of ¥135 million was recorded as an extraordinary loss (provision for loss on disaster) of the 25th fiscal period.

With regard to the cash distribution in the period, ¥834 million of the net income, which is a portion of profits related to sale of properties, was set aside as a reserve retained for distribution in terms of the strategic portfolio management and the enhanced growth of the Investment Corporation from a medium- to long- term perspective. As a result, United Urban decided to distribute ¥8,254 million, and cash distribution per unit was ¥3,000. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied even though the reserve retained for distribution is allocated as stated above, and the corporate tax is not imposed.

2. Outlook for the next fiscal period

a. Outlook for overall operation

As for the real estate rental market in Japan, the further improvement in the rental revenue is expected due to the growing corporate needs for office floor space expansion and the influence of increasing inbound tourists on hotels and commercial facilities. On the other hand, as for the real estate sales market, there are growing investment needs for several types of real estate due to negative interest rates, and severe competition in property acquisitions and increase in real estate prices are also expected.

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

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

b. Outlook for management status

(i) Material facts arising after the end of 25th fiscal period and other material events

A. Issuance of new investment units

In order to procure funds for the acquisition of new specified assets and for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on May 25, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on June 7, 2016. Based on these resolutions, United Urban issued 190,000 new investment units by way of public offering including global offering and 11,646 new investment units by way of third-party allotment to SMBC Nikko Securities, and the payments of ¥34,251 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed (the issuance of new investment units by way of both public offering and third-party allotment hereinafter collectively referred to as the "9th Public Offering").

As a result, United Urban's total capital increased to ¥292,411 million and United Urban's total number of investment units issued and outstanding increased to 2,953,022 units.

Issuance of new investment units by way of public offering

Number of investment units issued	: 190,000 units
Offer price (per unit)	: ¥175,224 per unit
Total offer price	: ¥33,292,560 thousand
Issue price (per unit)	: ¥169,860 per unit
Total issue price	: ¥32,273,400 thousand
Payment date	: June 14, 2016 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2016 (Wednesday)

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

Number of investment units issued	: 11,646 units
Issue price (per unit)	: ¥169,860 per unit
Total issue price	: ¥1,978,189 thousand
Payment date	: July 12, 2016 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2016 (Wednesday)
Allottee	: SMBC Nikko Securities Inc.

**B. Acquisition of property**

United Urban decided to acquire "Kawagoe Logistics Center" on May 25, 2016, and acquired the property on June 17, 2016 with proceeds from the 9th Public Offering mentioned above A.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
E9	Kawagoe Logistics Center	Cargo collecting place (Note)	Kawagoe, Saitama	7,550	June 17, 2016

Note: The property is a dedicated "Special loading motor truck transportation of LTL business" (Delivery Center), and was constructed in urbanization control area on 2007 with the certification of conforming to the provisions of the City Planning Law by the Mayor of Kawagoe City. "Special loading motor truck transportation of LTL business" means the business in which collected freight is sorted at a worksite, loaded and transported to other worksites, and sorted at the said worksite to be prepared for delivery, while the said loading and transportation are periodically conducted between those worksites.

**C. New committed line of credit agreement**

United Urban concluded a new committed line of credit agreement on June 17, 2016, as set forth below.

Outline of the new committed line of credit agreement

Participating financial institutions	: Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: ¥24,000 million
Date of agreement	: June 17, 2016
Term of agreement	: From June 17, 2016 to June 26, 2017
Collateral	: Unsecured, unguaranteed

**D. Early repayment of existing borrowing**

United Urban decided to repay the below-stated borrowing prior to the maturity date with proceed from the 9th Public Offering mentioned above A. on July 4, 2016.

Term Loan 36A

Lenders	: The Bank of Tokyo Mitsubishi UFJ, Ltd Mizuho Bank, Ltd. The Bank of Fukuoka, Ltd.
Balance of borrowing	: ¥5,700 million
Interest rate	: Basic interest rate (JBA one month JPY TIBOR) + 0.45%
Drawdown date	: October 25, 2011
Maturity date	: September 20, 2016
Early repayment date	: July 20, 2016 (scheduled)
Amount of repayment	: ¥5,700 million
Balance after repayment	: - (full payment)
Remarks	: Unsecured, unguaranteed

(ii) Outlook for management status

For the fiscal period ending November 30, 2016 (26th fiscal period: from June 1, 2016 to November 30, 2016) and the fiscal period ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017), the forecasts of financial results are estimated, as set forth below. For details of the assumptions for the forecasts, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2016 (26th fiscal period: from June 1, 2016 to November 30, 2016) and the Fiscal Period Ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017)” below.

Fiscal Period Ending November 30, 2016

Operating revenues:	¥21,183 million	Cash distributions per unit:	¥3,000
Operating income:	¥9,336 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥7,791 million		
Net income:	¥7,791 million		

Fiscal Period Ending May 31, 2017

Operating revenues:	¥21,924 million	Cash distributions per unit:	¥3,120
Operating income:	¥10,480 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥9,149 million		
Net income:	¥9,149 million		

Note: The above-listed forward-looking statements are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, cash distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, the forward-looking statements are not guarantees of the payment amount of any cash distributions by United Urban.



Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2016  
(26th fiscal period: from June 1, 2016 to November 30, 2016) and the Fiscal Period Ending May 31, 2017  
(27th fiscal period: from December 1, 2016 to May 31, 2017)

Item	Assumptions																		
Terms	<ul style="list-style-type: none"> <li>Fiscal period ending November 30, 2016 (26th fiscal period: from June 1, 2016 to November 30, 2016) (183 days)</li> <li>Fiscal period ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017) (182 days)</li> </ul>																		
Investment Assets	<ul style="list-style-type: none"> <li>The forecast of financial results is based on a portfolio of 119 properties which comprise (i) 118 properties owned by United Urban as of May 31, 2016 and (ii) “Kawagoe Logistics Center” acquired on June 17, 2016, and 1 asset “Preferred Equity Securities of Tenjin 123 Project TMK”. In addition, the forecast is based on the assumption that there will be no change in the investment portfolio (and United Urban shall not acquire or sell any investment assets, etc.) until May 31, 2017 (the end of the 27th fiscal period) other than mentioned above.</li> <li>However, the actual results may fluctuate due to changes in the investment portfolio.</li> </ul>																		
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The number of investment units issued and outstanding is based on 2,953,022 units as of July 13, 2016.</li> <li>It is based on the assumption that there will be no additional issuance of investment units until May 31, 2017 (the end of the 27th fiscal period).</li> </ul>																		
Operating Revenues	<ul style="list-style-type: none"> <li>Operating revenues from rental revenues, which are the principal component of the operating revenues, are calculated based on lease agreements in effect as of July 13, 2016 by taking into account a certain effect of tenant arrivals and departures for the expected rent and estimated occupancy ratio in the future, while taking into consideration the existence of neighboring competitive properties, market trends, status of negotiation for the lease terms with each tenant, and other conditions.</li> <li>Based on the above assumptions, United Urban anticipates the operating revenues from rental revenues per major item, as set forth below.</li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2016</th> <th>Fiscal period ending May 31, 2017</th> </tr> </thead> <tbody> <tr> <td>Rental revenues (including common area charges)</td> <td align="right">¥19,129 million</td> <td align="right">¥19,935 million</td> </tr> <tr> <td>Parking revenues</td> <td align="right">¥513 million</td> <td align="right">¥513 million</td> </tr> <tr> <td>Utility revenues (electricity, water, gas, etc) from tenants</td> <td align="right">¥1,287 million</td> <td align="right">¥1,227 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The property-related revenues are based on the assumption that there will be no delinquencies or nonpayment of rent by the tenants.</li> <li>United Urban does not expect to receive any dividend income from the asset “Preferred Equity Securities of Tenjin 123 Project TMK” in any fiscal periods.</li> </ul>	Major Item	Fiscal period ending November 30, 2016	Fiscal period ending May 31, 2017	Rental revenues (including common area charges)	¥19,129 million	¥19,935 million	Parking revenues	¥513 million	¥513 million	Utility revenues (electricity, water, gas, etc) from tenants	¥1,287 million	¥1,227 million						
Major Item	Fiscal period ending November 30, 2016	Fiscal period ending May 31, 2017																	
Rental revenues (including common area charges)	¥19,129 million	¥19,935 million																	
Parking revenues	¥513 million	¥513 million																	
Utility revenues (electricity, water, gas, etc) from tenants	¥1,287 million	¥1,227 million																	
Operating Expenses	<ul style="list-style-type: none"> <li>Of the property-related expenses, which are the principal component of the operating expenses, expenses other than depreciation and amortization are calculated based on historical data for the properties and reflect factors that may cause fluctuations in expenses.</li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2016</th> <th>Fiscal period ending May 31, 2017</th> </tr> </thead> <tbody> <tr> <td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td align="right">¥1,615 million</td> <td align="right">¥1,614 million</td> </tr> <tr> <td>Property management fees</td> <td align="right">¥1,462 million</td> <td align="right">¥1,356 million</td> </tr> <tr> <td>Utilities</td> <td align="right">¥1,365 million</td> <td align="right">¥1,268 million</td> </tr> <tr> <td>Repairs and maintenance (Note 2)</td> <td align="right">¥975 million</td> <td align="right">¥569 million</td> </tr> <tr> <td>Depreciation and amortization (Note 3)</td> <td align="right">¥3,859 million</td> <td align="right">¥3,979 million</td> </tr> </tbody> </table> <p>Notes: 1. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period starting from the time United Urban acquires the assets. However, United Urban does not allocate such reimbursement as its expenses, because an amount equivalent to such reimbursement is included in the cost of acquisition and is capitalized.</p> <p>2. Actual repairs and maintenance for each fiscal period may differ significantly from the forecasted amount for various reasons, including the possibility of emergency repairs and maintenance due to damage to buildings owing to unexpected factors, the large variance in amounts among fiscal years and the fact that these amounts do not accrue on a regular basis.</p> <p>3. Depreciation and amortization are calculated on a straight-line basis, inclusive of ancillary expenses and future capital expenditures.</p>	Major Item	Fiscal period ending November 30, 2016	Fiscal period ending May 31, 2017	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥1,615 million	¥1,614 million	Property management fees	¥1,462 million	¥1,356 million	Utilities	¥1,365 million	¥1,268 million	Repairs and maintenance (Note 2)	¥975 million	¥569 million	Depreciation and amortization (Note 3)	¥3,859 million	¥3,979 million
Major Item	Fiscal period ending November 30, 2016	Fiscal period ending May 31, 2017																	
Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥1,615 million	¥1,614 million																	
Property management fees	¥1,462 million	¥1,356 million																	
Utilities	¥1,365 million	¥1,268 million																	
Repairs and maintenance (Note 2)	¥975 million	¥569 million																	
Depreciation and amortization (Note 3)	¥3,859 million	¥3,979 million																	

	<ul style="list-style-type: none"> <li>Other operating expenses, such as asset management fees are calculated based on the historical data and reflect factors that may cause in expenses.</li> </ul>																											
Non-Operating Expenses	<ul style="list-style-type: none"> <li>United Urban anticipates the non-operating expenses per major item, as set forth below.</li> </ul> <table border="1"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2016</th> <th>Fiscal period ending May 31, 2017</th> </tr> </thead> <tbody> <tr> <td>Interest expenses for interest-bearing liabilities (Note 1)</td> <td>¥1,241 million</td> <td>¥1,167 million</td> </tr> <tr> <td>Expenses associated with the issuance of corporate bonds (Note 2)</td> <td>-</td> <td>¥84 million</td> </tr> <tr> <td>Expenses associated with the issuance of new investments units (Note 3)</td> <td>¥97 million</td> <td>-</td> </tr> </tbody> </table> <p>Notes: 1. Including financing-related expenses and interest expenses on corporate bonds, etc.  2. For the redemption of series 9 of unsecured corporate bonds which will mature on December 19, 2016 (outstanding issue: ¥10,000 million), United Urban plans to issue new corporate bonds, and the expenses associated with the issuance of new corporate bonds are expected to be recorded at the time of disbursement.  3. Expenses for the 9th Public Offering are based on the assumption that all such expenses will be recorded at the time of disbursement.</p>	Major Item	Fiscal period ending November 30, 2016	Fiscal period ending May 31, 2017	Interest expenses for interest-bearing liabilities (Note 1)	¥1,241 million	¥1,167 million	Expenses associated with the issuance of corporate bonds (Note 2)	-	¥84 million	Expenses associated with the issuance of new investments units (Note 3)	¥97 million	-															
Major Item	Fiscal period ending November 30, 2016	Fiscal period ending May 31, 2017																										
Interest expenses for interest-bearing liabilities (Note 1)	¥1,241 million	¥1,167 million																										
Expenses associated with the issuance of corporate bonds (Note 2)	-	¥84 million																										
Expenses associated with the issuance of new investments units (Note 3)	¥97 million	-																										
Interest-bearing Liabilities	<ul style="list-style-type: none"> <li>The total balance of interest-bearing liabilities as of July 13, 2016 is ¥293,107 million, of which ¥229,607 million are borrowings and ¥63,500 million are corporate bonds.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending November 30, 2016 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>August 5, 2016</td> <td>Corporate bond: ¥10,000 million</td> <td rowspan="2">United Urban plans to redeem or repay in full, using part of the proceeds from the 9th Public Offering.</td> </tr> <tr> <td>September 20, 2016 (Note)</td> <td>Borrowing: ¥5,700 million</td> </tr> </tbody> </table> <p>(Note) Since the maturity date of the borrowing is September 20, 2016, United Urban will repay the borrowing in full on July 20, 2016 prior to the maturity date.</p> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2016 is assumed to be ¥277,407 million after the above-mentioned repayment of borrowing, etc. are made.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending May 31, 2017 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>December 9, 2016</td> <td>Corporate bond: ¥3,000 million</td> <td>United Urban plans to redeem in full, using part of the proceeds from the 9th Public Offering.</td> </tr> <tr> <td>December 19, 2016</td> <td>Corporate bond: ¥10,000 million</td> <td>United Urban will issue new corporate bonds to redeem the corporate bonds in full.</td> </tr> <tr> <td rowspan="2">December 20, 2016</td> <td>Borrowing: ¥2,000 million</td> <td rowspan="2">United Urban plans to repay in full, using part of the proceeds from the 9th Public Offering and cash on hand.</td> </tr> <tr> <td>Borrowing: ¥4,500 million</td> </tr> <tr> <td rowspan="4">March 20, 2017</td> <td>Borrowing: ¥3,900 million</td> <td rowspan="4">United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td> </tr> <tr> <td>Borrowing: ¥2,500 million</td> </tr> <tr> <td>Borrowing: ¥5,500 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> </tbody> </table> <p>(Note) Apart from the above, United Urban plans to make an agreed installment payment in the amount of ¥50 million funded by cash on hand on December 20, 2016.</p> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that the total balance of interest-bearing liabilities at the end of the fiscal period ending May 31, 2017 is assumed to be ¥267,857 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are executed.</li> </ul>	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment	August 5, 2016	Corporate bond: ¥10,000 million	United Urban plans to redeem or repay in full, using part of the proceeds from the 9th Public Offering.	September 20, 2016 (Note)	Borrowing: ¥5,700 million	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment	December 9, 2016	Corporate bond: ¥3,000 million	United Urban plans to redeem in full, using part of the proceeds from the 9th Public Offering.	December 19, 2016	Corporate bond: ¥10,000 million	United Urban will issue new corporate bonds to redeem the corporate bonds in full.	December 20, 2016	Borrowing: ¥2,000 million	United Urban plans to repay in full, using part of the proceeds from the 9th Public Offering and cash on hand.	Borrowing: ¥4,500 million	March 20, 2017	Borrowing: ¥3,900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Borrowing: ¥2,500 million	Borrowing: ¥5,500 million	Borrowing: ¥1,000 million
Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment																										
August 5, 2016	Corporate bond: ¥10,000 million	United Urban plans to redeem or repay in full, using part of the proceeds from the 9th Public Offering.																										
September 20, 2016 (Note)	Borrowing: ¥5,700 million																											
Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment																										
December 9, 2016	Corporate bond: ¥3,000 million	United Urban plans to redeem in full, using part of the proceeds from the 9th Public Offering.																										
December 19, 2016	Corporate bond: ¥10,000 million	United Urban will issue new corporate bonds to redeem the corporate bonds in full.																										
December 20, 2016	Borrowing: ¥2,000 million	United Urban plans to repay in full, using part of the proceeds from the 9th Public Offering and cash on hand.																										
	Borrowing: ¥4,500 million																											
March 20, 2017	Borrowing: ¥3,900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.																										
	Borrowing: ¥2,500 million																											
	Borrowing: ¥5,500 million																											
	Borrowing: ¥1,000 million																											
Cash Distributions per Unit	<ul style="list-style-type: none"> <li>Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</li> <li>The number of investment units issued and outstanding as of the end of the fiscal period which are used to calculate the cash distribution per unit are based on the assumption given in the “Number of Investment Units Issued and Outstanding” column above.</li> <li>Cash distributions for the fiscal period ending November 30, 2016 is based on distributing ¥8,859 million, which is the result of adding a reversal of reserve for distribution of ¥1,068 million to the unappropriated retained earnings of ¥7,791 million.</li> </ul>																											

	<ul style="list-style-type: none"> <li>· Cash distributions for the fiscal period ending May 31, 2017 is based on distributing ¥9,213 million, which is the result of adding a reversal of reserve for temporary difference of ¥64 million (Note) to the unappropriated retained earnings of ¥9,149 million.</li> <li>· Actual cash distributions per unit may fluctuate due to various factors including changes in investment assets, fluctuations of rental revenues caused by tenant replacements or unexpected repairs.</li> </ul> <p>(Note) Pursuant to the 2015 Tax Reform of Corporation Tax Law, Special Taxation Measures Law etc. and amendments to part of the Ordinance on Accountings of Investment Corporations (hereinafter, collectively referred to as the “2015 Tax Reform Act.”), (i) a system of provision for temporary difference adjustments that aims to eliminate taxation that arises due to discrepancies between the handling of accounting and taxation for investment corporations and (ii) a system of reserve for temporary difference adjustments that aims to ease the burden of complying with the conduit requirements were established, and on April 1, 2015 these systems were put in place. Moreover, with respect to the 2015 Tax Reform Act., part of the rule of The Investment Trusts Association, Japan were also amended (hereinafter, together with the 2015 Tax Reform Act. collectively referred to as the “Amendment”). By the Amendment, the treatment of negative goodwill (reserve for distribution) which occurred prior the amendment was changed. Consistent with the intention of the Amendment, United Urban will (i) transfer the entire amount of its negative goodwill (reserve for distribution) after the end of the fiscal period ending November 30, 2016 (the forecasts as of today: ¥6,477 million, hereinafter referred to as the "Balance of Reserve") to a reserve for temporary difference, and (ii) will distribute to unitholders at least 1% of the Balance of Reserve (amount equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ending May 31, 2017, to the extent the balance of reserve for temporary difference remains.</p>
<p style="text-align: center;">Distributions in Excess of Earnings per Unit</p>	<ul style="list-style-type: none"> <li>· United Urban does not currently plan to execute distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>
<p style="text-align: center;">Other</p>	<ul style="list-style-type: none"> <li>· Forecasts are based on the assumption that there will be no amendments to laws and regulations, taxation systems, accounting standards, listing rules or regulations of the Investment Trusts Association, Japan and other regulations, which may affect the aforementioned forecasted figures.</li> <li>· Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.</li> </ul>

### 3. Financial Statement

#### (1) Balance Sheet

		(Thousands of yen)	
		End of 24th Fiscal Period (as of November 30, 2015)	End of 25th Fiscal Period (as of May 31, 2016)
<b>ASSETS</b>			
Current Assets			
Cash and bank deposit		33,173,051	33,519,453
Cash and bank deposit in trust		25,013,801	28,865,948
Rent receivables		403,145	435,304
Consumption taxes refundable		489,075	458,901
Prepaid expenses		128,580	598,811
Other		1,460,113	248,634
Total Current Assets		<u>60,667,767</u>	<u>64,127,054</u>
Fixed Assets			
Property and equipment, at cost			
Buildings	*1	20,426,504	20,470,866
Less accumulated depreciation		(4,394,881)	(4,722,665)
Buildings, net		<u>16,031,623</u>	<u>15,748,200</u>
Structures	*1	159,989	159,989
Less accumulated depreciation		(116,966)	(121,769)
Structures, net		<u>43,023</u>	<u>38,220</u>
Machinery and equipment		282,990	285,562
Less accumulated depreciation		(127,680)	(137,360)
Machinery and equipment, net		<u>155,309</u>	<u>148,202</u>
Tools, furniture and fixtures		36,395	43,075
Less accumulated depreciation		(14,048)	(16,892)
Tools, furniture and fixtures, net		<u>22,347</u>	<u>26,182</u>
Land	*1	46,078,276	46,078,276
Construction in progress		1,813	1,813
Buildings in trust	*1	200,244,763	219,012,146
Less accumulated depreciation		(40,488,969)	(42,845,952)
Buildings in trust, net		<u>159,755,794</u>	<u>176,166,193</u>
Structures in trust	*1	1,731,404	1,838,743
Less accumulated depreciation		(858,863)	(898,197)
Structures in trust, net		<u>872,541</u>	<u>940,546</u>
Machinery and equipment in trust		1,952,715	1,941,363
Less accumulated depreciation		(796,524)	(834,349)
Machinery and equipment in trust, net		<u>1,156,190</u>	<u>1,107,014</u>
Tools, furniture and fixtures in trust	*1	477,333	537,344
Less accumulated depreciation		(181,107)	(210,932)
Tools, furniture and fixtures in trust, net		<u>296,226</u>	<u>326,411</u>
Land in trust	*1	304,162,885	312,637,587
Construction in progress in trust		349,967	166,499
Total property and equipment		<u>528,926,000</u>	<u>553,385,149</u>
Intangible assets			
Software		35,492	30,476
Leasehold rights		1,149,355	1,149,355
Leasehold rights in trust		5,177,059	8,171,352
Other intangible assets in trust		205,772	199,108
Total intangible assets		<u>6,567,680</u>	<u>9,550,291</u>
Investments and other assets			
Investment securities		-	75,397
Security deposits paid		10,000	10,000
Security deposits paid in trust		80,392	80,392
Long-term prepaid expenses		1,826,142	2,033,984
Total investments and other assets		<u>1,916,534</u>	<u>2,199,774</u>
Total Fixed Assets		<u>537,410,215</u>	<u>565,135,215</u>
<b>TOTAL ASSETS</b>		<u>598,077,982</u>	<u>629,262,270</u>

	(Thousands of yen)	
	End of 24th Fiscal Period (as of November 30, 2015)	End of 25th Fiscal Period (as of May 31, 2016)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	1,841,303	2,861,000
Current portion of corporate bonds	10,000,000	23,000,000
Long-term debt due for repayment within one year	10,700,000	25,100,000
Accrued expenses	376,518	534,751
Distributions payable	19,903	17,959
Income taxes payable	-	191
Rent received in advance	349,285	358,832
Rent received in advance in trust	2,642,549	2,709,531
Deposits received	2,885	2,566
Deposits received in trust	28,065	202,158
Provision for loss on litigation	275,605	-
Provision for loss on disaster	-	135,200
Other	27,000	-
<b>Total Current Liabilities</b>	<b>26,263,116</b>	<b>54,922,192</b>
Long-term Liabilities		
Corporate bonds	53,500,000	40,500,000
Long-term debt	190,507,000	204,557,000
Leasehold and security deposits received	3,249,316	3,228,324
Leasehold and security deposits received in trust	27,056,902	27,588,826
Derivatives liabilities	161,237	456,015
<b>Total Long-term Liabilities</b>	<b>274,474,456</b>	<b>276,330,167</b>
<b>Total Liabilities</b>	<b>300,737,572</b>	<b>331,252,359</b>
<b>NET ASSETS</b>		
Unitholders' Equity		
Unitholders' capital	258,160,260	258,160,260
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for distribution	7,754,927	7,546,388
Reserve retained for distribution	-	121,898
<b>Total voluntary retained earnings</b>	<b>7,754,927</b>	<b>7,668,286</b>
Unappropriated retained earnings (unappropriated deficit)	8,038,171	9,089,092
<b>Total surplus</b>	<b>39,341,387</b>	<b>40,305,666</b>
<b>Total Unitholders' Equity</b>	<b>297,501,647</b>	<b>298,465,926</b>
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(161,237)	(456,015)
<b>Total Valuation and Translation Adjustment</b>	<b>(161,237)</b>	<b>(456,015)</b>
<b>Total Net Assets</b>	<b>297,340,410</b>	<b>298,009,911</b>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>598,077,982</b>	<b>629,262,270</b>

\*3

## (2) Statement of Income

		(Thousands of yen)	
		24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Operating Revenues			
Rental revenues	*1	18,541,897	19,227,927
Other rental revenues	*1	1,528,445	1,369,513
Gain on sales of real estates	*2	-	847,017
Total Operating Revenues		<u>20,070,343</u>	<u>21,444,457</u>
Operating Expenses			
Property-related expenses	*1	8,705,601	8,873,554
Asset management fees		1,601,124	1,666,100
Asset custodian fees		17,566	17,661
Administrative service fees		68,016	68,022
Directors' compensation		10,200	10,200
Other operating expenses		240,391	217,809
Total Operating Expenses		<u>10,642,901</u>	<u>10,853,348</u>
Operating Income		<u>9,427,442</u>	<u>10,591,109</u>
Non-operating Revenues			
Interest income		3,374	2,700
Reversal of cash distributions payable		2,519	2,474
Insurance income		5,318	19,624
Interest on refund		-	2,627
Reversal of provision for loss on litigation		-	5,959
Other		925	17,373
Total Non-operating Revenues		<u>12,138</u>	<u>50,760</u>
Non-operating Expenses			
Interest expenses		987,597	1,044,114
Interest expenses on corporate bonds		238,005	218,701
Investment unit issuance expenses		38,223	135,314
Other		12,722	18,843
Total Non-operating Expenses		<u>1,276,547</u>	<u>1,416,973</u>
Ordinary Income		<u>8,163,033</u>	<u>9,224,897</u>
Extraordinary Loss			
Provision for loss on litigation		246,154	-
Provision for loss on disaster		-	135,200
Total Extraordinary Loss		<u>246,154</u>	<u>135,200</u>
Income before Income Taxes		<u>7,916,878</u>	<u>9,089,697</u>
Income Taxes - current		605	605
Total Income Taxes		<u>605</u>	<u>605</u>
Net Income		<u>7,916,273</u>	<u>9,089,092</u>
Retained Earnings Brought Forward		121,898	-
Unappropriated Retained Earnings (unappropriated deficit)		<u>8,038,171</u>	<u>9,089,092</u>

### (3) Statements of Unitholders' Equity

24th Fiscal Period (From June 1, 2015 to November 30, 2015)

(Thousands of yen)

	Unitholders's Equity							Total Unitholders' Equity
	Unitholders' Capital	Capital Surplus	Surplus			Unappropriated Retained Earnings	Total Surplus	
			Reserve for Distribution	Reserve Retained for Distribution	Total Voluntary Retained Earnings			
Balance at the beginning of current period	243,869,759	23,548,287	7,754,927	-	7,754,927	7,790,400	39,093,615	282,963,375
Changes of items during the period								
Issuance of new investment units	14,290,500				-		-	14,290,500
Cash distribution disbursed					-	(7,668,501)	(7,668,501)	(7,668,501)
Net income					-	7,916,273	7,916,273	7,916,273
Net changes during the period except for items under unitholders' equity					-		-	-
Total changes of items during the period	14,290,500	-	-	-	-	247,771	247,771	14,538,272
Balance at the end of current period	*258,160,260	23,548,287	7,754,927	-	7,754,927	8,038,171	39,341,387	297,501,647

	Valuation and Translation Adjustment		Total Net Assets
	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
Balance at the beginning of current period	(56,430)	(56,430)	282,906,944
Changes of items during the period			
Issuance of new investment units		-	14,290,500
Cash distribution disbursed		-	(7,668,501)
Net income		-	7,916,273
Net changes during the period except for items under unitholders' equity	(104,806)	(104,806)	(104,806)
Total changes of items during the period	(104,806)	(104,806)	14,433,466
Balance at the end of current period	(161,237)	(161,237)	297,340,410

25th Fiscal Period (From December 1, 2015 to May 31, 2016)

(Thousands of yen)

	Unitholders's Equity							Total Unitholders' Equity
	Unitholders' Capital	Capital Surplus	Surplus			Unappropriated Retained Earnings	Total Surplus	
			Reserve for Distribution	Reserve Retained for Distribution	Total Voluntary Retained Earnings			
Balance at the beginning of current period	258,160,260	23,548,287	7,754,927	-	7,754,927	8,038,171	39,341,387	297,501,647
Changes of items during the period								
Reversal of reserve for distribution			(208,539)		(208,539)	208,539	-	-
Provision of reserve retained for distribution				121,898	121,898	(121,898)	-	-
Cash distribution disbursed					-	(8,124,813)	(8,124,813)	(8,124,813)
Net income					-	9,089,092	9,089,092	9,089,092
Net changes during the period except for items under unitholders' equity					-		-	-
Total changes of items during the period	-	-	(208,539)	121,898	(86,641)	1,050,920	964,279	964,279

Balance at the end of current period	*258,160,260	23,548,287	7,546,388	121,898	7,668,286	9,089,092	40,305,666	298,465,926
--------------------------------------	--------------	------------	-----------	---------	-----------	-----------	------------	-------------

	Valuation and Translation Adjustment		Total Net Assets
	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
Balance at the beginning of current period	(161,237)	(161,237)	297,340,410
Changes of items during the period			
Reversal of reserve for distribution		-	-
Provision of reserve retained for distribution		-	-
Cash distribution disbursed		-	(8,124,813)
Net income		-	9,089,092
Net changes during the period except for items under unitholders' equity	(294,778)	(294,778)	(294,778)
Total changes of items during the period	(294,778)	(294,778)	669,500
Balance at the end of current period	(456,015)	(456,015)	298,009,911



## (4) Statements of Cash Distribution

	(Yen)	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
I. Unappropriated retained earnings	¥ 8,038,171,790	¥ 9,089,092,368
II. Reversal of reserve for distribution	¥ 208,539,855	-
III. Cash distributions	¥ 8,124,813,328	¥ 8,254,128,000
(Cash distribution per unit)	(¥ 2,953)	(¥ 3,000)
IV. Voluntary retained earnings		
Provision of reserve retained for distribution	¥ 121,898,317	¥834,964,368
V. Retained earnings carried forward to the next period	-	-

Calculation method for cash distribution	Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, 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, within the limit of the amount of earnings. Based on this policy, United Urban deducted ¥121,898,317, which is equivalent to the retained earnings brought forward from the previous period, from the unappropriated retained earnings of ¥8,038,171,790 (an amount equivalent to the net income: ¥7,916,273,473). Then, United Urban decided to distribute ¥8,124,813,328, which is a total of ¥7,916,273,473 and reversal of reserve for distribution of ¥208,539,855 (of the balance of reserve for distribution, ¥7,754,927,926) for the 24th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation. In addition, United Urban reserved the aforementioned ¥121,898,317, which is equivalent to the retained earnings brought forward from the previous period, as the reserve for distribution.	Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, 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, within the limit of the amount of earnings. Based on this policy, United Urban reserved ¥834,964,368, which is a part of gain on sales of real estates, as reserve retained for distribution from the unappropriated retained earnings of ¥9,089,092,368. Then, United Urban decided to distribute the remaining ¥8,254,128,000 for the 25th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

## (5) Statements of Cash Flows

	(Thousands of yen)	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Cash flows from operating activities		
Income before income taxes	7,916,878	9,089,697
Depreciation and amortization	3,482,401	3,697,062
Gain on sale of properties	-	(847,017)
Provision for loss on litigation	246,154	-
Provision for loss on disaster	-	135,200
Interest income and interest on securities	(3,374)	(2,700)
Interest expense and interest expense on corporate bonds	1,225,602	1,262,816
Investment unit issuance expenses	38,223	135,314
Decrease (increase) in rent receivables	6,259	(32,159)
Decrease (increase) in consumption taxes refundable	(419,593)	119,415
Decrease (increase) in prepaid expenses	454,818	(478,966)
Decrease (increase) in long-term prepaid expenses	24,160	(128,898)
Increase (decrease) in trade accounts payable	241,234	(2,334)
Increase (decrease) in accrued expenses	(7,100)	7,636
Increase (decrease) in consumption taxes payable	(853,135)	-
Increase (decrease) in rent received in advance	4,776	9,546
Increase (decrease) in rent received in advance in trust	142,672	66,982
Increase (decrease) in deposits received	291	(319)
Increase (decrease) in deposits received in trust	(23,886)	174,093
Amortization of leasehold and security deposits received	(23,259)	(22,657)
Amortization of leasehold and security deposits received in trust	(57,483)	(135,296)
Other	855,020	116,975
Subtotal	<u>13,250,659</u>	<u>13,164,391</u>
Interest received	3,395	2,700
Interest paid	(1,263,281)	(1,317,742)
Income taxes (paid) refund	(656)	(336)
Net cash provided by (used in) operating activities	<u>11,990,116</u>	<u>11,849,014</u>
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,205,530	-
Sale of property and equipment in trust	-	13,442,272
Purchase of property and equipment	(59,533)	(66,834)
Purchase of property and equipment in trust	(29,270,819)	(39,456,788)
Purchase of intangible assets in trust	(2,397,631)	(2,994,292)
Purchase of investment securities	-	(74,751)
Proceeds from collection of leasehold and security deposits in trust	138	-
Payment for leasehold and security deposits in trust	(264)	-
Proceeds from leasehold and security deposits received	62,375	55,655
Payment of leasehold and security deposits received	(43,882)	(53,989)
Proceeds from leasehold and security deposits received in trust	1,506,673	2,408,846
Payment of leasehold and security deposits received in trust	(372,807)	(1,236,299)
Net cash provided by (used in) investing activities	<u>(29,370,221)</u>	<u>(27,976,182)</u>
Cash flows from financing activities		
Proceeds from long-term debt	19,400,000	33,500,000
Repayment of long-term debt	(50,000)	(5,050,000)
Repayment of corporate bonds	(10,000,000)	-
Proceeds from issuance of investment units	14,252,277	-
Distributions to unitholders	(7,667,623)	(8,124,282)
Net cash provided by (used in) financing activities	<u>15,934,653</u>	<u>20,325,717</u>
Net changes in cash and cash equivalents	<u>(1,445,451)</u>	<u>4,198,549</u>
Cash and cash equivalents at the beginning of the period	<u>59,632,303</u>	<u>58,186,852</u>
Cash and cash equivalents at the end of the period	<u>58,186,852</u>	<u>62,385,401</u>

## (6) Notes to Assumption of Going Concern

Not applicable

## (7) Notes to Important Accounting Policies

1.	Valuation bases and methods of marketable securities	Other securities Other securities without market value are stated using the moving average cost method.
2.	Depreciation and amortization methods of fixed assets	(1) Property and equipment (including trust assets) Depreciation of property and equipment is calculated on a straight-line basis. The estimated useful lives of the respective assets are as follows: Building: 2-70 years Structure: 2-46 years Machinery and equipment: 2-17 years Tools, furniture and fixtures: 3-15 years (2) Intangible assets (including trust assets) Depreciation of intangible assets is calculated on a straight-line basis. In addition, depreciation of the software for internal use is calculated using an estimated useful life of 5 years. (3) Long-term prepaid expenses Depreciation of long-term prepaid expenses is calculated on a straight-line basis.
3.	Accounting method of differed assets	Investment unit issuance expenses Investment unit issuance expenses are expensed at once at the time of payment.
4.	Accounting standards of allowance	Provision for loss on disaster In order to cover possible repair expenses due to The 2016 Kumamoto Earthquake, the reasonably estimated amount of loss at the end of the current fiscal period are provided.
5.	Revenues and expenses recognition	Accounting method for taxes on property and equipment United Urban allocated the respective portion of property taxes, city planning taxes, depreciable property tax and other taxes for real estate assets held allocated to the current period and charged this to property-related expenses. The amount equivalent to the property taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year is not recorded as expenses but included in the purchase price of each property as a capitalized cost. There was ¥125,471 thousand of such property taxes which were capitalized for the current fiscal period.
6.	Hedge accounting	(1) Hedge accounting method The differed hedge accounting is adopted. (2) Hedging instrument and hedged item Hedging instrument: Interest rate cap transaction / Interest rate swap transaction Hedged item: Interest rate on debts (3) Hedging policy Based on its financial policy, United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation. (4) Evaluation method of the effectiveness of hedging 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.
7.	Scope of cash and cash equivalents in the statements of cash flows	Cash in the statements of cash flows (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.

8.	Important matters as the basis for preparation of the financial statements	<p>(1) Accounting treatment for trust beneficial interests in entrusted assets including real estate</p> <p>For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts. In addition, the following significant accounts of assets held in trust which are recorded in the relevant accounts are reported separately in the balance sheet.</p> <ol style="list-style-type: none"> <li>1) Cash and bank deposit in trust</li> <li>2) Buildings in trust, Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust, and Construction in progress in trust</li> <li>3) Leasehold rights in trust and Other intangible assets in trust</li> <li>4) Security deposits paid in trust</li> <li>5) Rent received in advance in trust</li> <li>6) Deposits received in trust</li> <li>7) Leasehold and security deposits received in trust</li> </ol> <p>(2) Accounting method for consumption taxes</p> <p>The consumption tax and local consumption tax are accounted for using the tax exclusion method. However, non-deductible consumption taxes on fixed assets are included in the purchase price of each property as a capitalized cost.</p>
----	--	---

## (8) Notes to Financial Statements

[Notes to Balance Sheet]

### \*1. Pledged assets and secured debt

Pledged assets were as follows:

	(Thousands of yen)	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Buildings	1,750,084	1,716,217
Structures	2,123	1,061
Land	2,089,982	2,089,982
Buildings in trust	2,072,602	2,059,307
Structures in trust	1,698	16,697
Tools, furniture and fixtures in trust	1,997	3,391
Land in trust	2,114,743	2,114,743
<b>Total</b>	<b>8,033,232</b>	<b>8,001,402</b>

Debt secured by pledged assets were as follows:

	(Thousands of yen)	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Leasehold security deposits received	408,171	408,171
Leasehold security deposits received in trust	826,976	719,708
<b>Total</b>	<b>1,235,147</b>	<b>1,127,880</b>

### 2. Line-of-credit agreement

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

	(Thousands of yen)	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Total amount of commitment	36,000,000	36,000,000
Outstanding borrowings at end of the period	-	-
<b>Net balance</b>	<b>36,000,000</b>	<b>36,000,000</b>

### \*3. Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan

(Thousands of yen)

	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
	50,000	50,000

[Notes to the Statement of Income]

## \*1. Operating revenues and expenses

(Thousands of yen)

	24th Fiscal Period (June 1, 2015- November 30, 2015)	25th Fiscal Period (December 1, 2015- May 31, 2016)
<b>A. Operating revenues</b>		
Rental revenues		
Rental revenues	16,419,263	17,156,571
Common area charges	1,492,930	1,441,603
Parking revenues	507,029	506,952
Other revenues (Note 1)	122,673	122,800
Other rental revenues		
Incidental revenues (Note 2)	1,289,251	1,123,877
Temporary revenues	146,144	153,037
Other miscellaneous revenues	93,050	92,599
<b>Total operating revenues</b>	<b>20,070,343</b>	<b>20,597,440</b>
<b>B. Property-related expenses</b>		
Rental expenses		
Property and other taxes	1,567,377	1,613,888
Property management fees	1,317,655	1,325,796
Utilities	1,333,882	1,139,849
Casualty insurance	24,416	25,350
Repairs and maintenance (Note 3)	550,387	634,981
Depreciation and amortization	3,482,401	3,697,062
Other rental expenses	429,481	436,624
<b>Total rental expenses</b>	<b>8,705,601</b>	<b>8,873,554</b>
<b>C. Profit from rental activities (A-B)</b>	<b>11,364,741</b>	<b>11,723,886</b>

- Notes: 1 The consistent revenues other than rental revenues, common area charges and parking revenues are stated.  
2 The utilities revenues that come from tenants in proportion to the amount used are stated.  
3 The repair expense and repair and maintenance reserve are stated.

## \*2. Gain on Sale of Properties

24th Fiscal Period (From June 1, 2015 to November 30, 2015)

There was no applicable information on gain on sale of properties for the fiscal period ended November 30, 2015.

25th Fiscal Period (From December 1, 2015 to May 31, 2016)

UUR Tsukiji Building	(Thousand of yen)
Revenue from sale of property	6,620,000
Cost of sale of property	6,412,480
Other sales expenses	156,551
<b>Gain on sale of properties</b>	<b>50,968</b>

Logistics Higashi Ohgishima (Note)	(Thousand of yen)
Revenue from sale of property	4,459,000
Cost of sale of property	4,100,137
Other sales expenses	105,643
<b>Gain on sale of properties</b>	<b>253,219</b>

Note: The sold asset is 49 % quasi co-ownership interest of the trust beneficial interest in "Logistics Higashi-Ohgishima."

Shinsaibashi OPA Kireikan	(Thousand of yen)
Revenue from sale of property	3,210,000

Cost of sale of property	2,587,963
Other sales expenses	79,206
Gain on sale of properties	542,829

[Notes to Statements of Changes in Unitholders' Equity]

\* Total number of investment units authorized and Total number of investment units issued and outstanding

	24th Fiscal Period (June 1, 2015 - November, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,751,376 units	2,751,376 units

[Notes to Tax Effect Accounting]

1. Significant components of deferred tax assets and deferred tax liabilities

	(Thousands of yen)	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Deferred tax assets (current)		
Provision for loss on litigation	89,047	-
Provision for loss on disaster	-	42,912
Difference in revenue recognition for tax purposes	8,723	33,996
Other	-	6
Subtotal	97,771	76,915
Valuation allowance	(97,771)	(76,915)
Total	-	-
Deferred tax assets (non current)		
Valuation difference on assets acquired by merger	22,591,524	20,268,304
Other	96	-
Subtotal	22,591,621	20,268,304
Valuation allowance	(22,591,621)	(20,268,304)
Total	-	-
Total deferred tax assets	-	-

2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting

	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Statutory tax rate	32.31%	32.31%
(Adjustment)		
Distributions of tax-deductible dividends	(33.15)%	(11.62)%
Changes in valuation allowance	0.84%	(20.69)%
Other	0.01%	0.01%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

3. Revisions to deferred tax assets and deferred tax liabilities due to change in corporate tax rate

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 15 of 2016) and "Act to Amend the Local Taxation Act, etc." (Act No. 13 of 2016) were issued on March 31, 2016, and corporate tax rate shall be changed from fiscal periods beginning on or after April 1, 2016. In line with this, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities will be changed from the existing rate of 32.31% to 31.74% for temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2016, to 31.82% for temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2017, and to 31.59% for temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2018, respectively. This change will have no impact on the results of operations of United Urban.

[Notes to Real Estate Assets for Rent]

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 at the end of the period were as follows:

		(Thousands of yen)	
Type of Use		24th Fiscal Period (June 1, 2015 - November 31, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	177,955,286	189,578,797
	Change during the period (Note 2)	11,623,511	(120,661)
	Balance at the end of the period	189,578,797	189,458,136
	Fair value at the end of the period (Note 3)	207,936,000	211,556,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	196,464,812	195,744,810
	Change during the period (Note 2)	(720,001)	(6,322,223)
	Balance at the end of the period	195,744,810	189,422,587
	Fair value at the end of the period (Note 3)	221,881,000	218,736,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	62,715,833	69,016,219
	Change during the period (Note 2)	6,300,385	38,626,384
	Balance at the end of the period	69,016,219	107,642,603
	Fair value at the end of the period (Note 3)	80,037,000	123,165,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	38,993,055	41,579,794
	Change during the period (Note 2)	2,586,738	(425,609)
	Balance at the end of the period	41,579,794	41,154,184
	Fair value at the end of the period (Note 3)	50,720,000	50,839,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	30,925,556	39,332,793
	Change during the period (Note 2)	8,407,236	(4,304,447)
	Balance at the end of the period	39,332,793	35,028,345
	Fair value at the end of the period (Note 3)	42,650,000	38,788,700
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	507,054,544	535,252,415
	Change during the period (Note 2)	28,197,870	27,453,441
	Balance at the end of the period	535,252,415	562,705,857
	Fair value at the end of the period (Note 3)	603,224,000	643,084,700

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the “Change during the period” for the 24th fiscal period, the amount of the increase is primarily attributable to acquisition of nine new properties (total: ¥29,872 million) and capital expenditures (¥2,049 million). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,475 million).  
Of the “Change during the period” for the 25th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥41,469 million) and capital expenditures (¥2,970 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥9,000 million) and a portion of one property (¥4,100 million), and the depreciation and amortization (¥3,690 million).
- 3 The “Fair value at the end of the 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 the real estate assets for rent, please refer to the “Notes to the Statement of Income.”

[Omission of Disclosure]

Notes to statements of cash flow, leases, financial instruments, securities, derivative transactions, employee retirement benefit, equity earnings of affiliate companies, transactions with related parties, segment information, and asset retirement obligation are omitted since the disclosure of these notes in this Financial Report is not considered to be important.

## [Notes to Per Unit Information]

	(Yen)	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Net assets per unit	¥ 108,069	¥ 108,313
Net income per unit	¥ 2,946	¥ 3,303

- Notes: 1 Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. Diluted net income per unit is not stated, as there are no dilutive investment units.
- 2 A basis for calculation of net income per unit is as follows:

		24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Net income	(Thousands of yen)	7,916,273	9,089,092
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	7,916,273	9,089,092
Average number of investment units during the period	(Unit)	2,686,863	2,751,376

## [Notes to Significant Subsequent Events]

**Issuance of new investment units**

In order to procure funds for the acquisition of new specified assets and for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on May 25, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on June 7, 2016. Based on these resolutions, United Urban issued 190,000 new investment units by way of public offering including global offering and 11,646 new investment units by way of third-party allotment to SMBC Nikko Securities, and the payments of ¥34,251 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed.

As a result, United Urban's total capital increased to ¥292,411 million and United Urban's total number of investment units issued and outstanding increased to 2,953,022 units.

**Issuance of new investment units by way of public offering**

Number of investment units issued	: 190,000 units
Offer price (per unit)	: ¥175,224 per unit
Total offer price	: ¥33,292,560 thousand
Issue price (per unit)	: ¥169,860 per unit
Total issue price	: ¥32,273,400 thousand
Payment date	: June 14, 2016 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2016 (Wednesday)

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

Number of investment units issued	: 11,646 units
Issue price (per unit)	: ¥169,860 per unit
Total issue price	: ¥1,978,189 thousand
Payment date	: July 12, 2016 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2016 (Wednesday)
Allottee	: SMBC Nikko Securities Inc.



## (9) Change in Total Number of Investment Units Issued and Outstanding

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

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

- Notes
1. New investment units were issued through public offering at the offer price of ¥91,162 per unit (issue price (underwriter price) ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.
  2. New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.
  3. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
  4. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
  5. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
  6. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.
  7. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
  8. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  9. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
  10. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  11. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
  12. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.

## 4. Change in Directors

Change in directors had been disclosed timely at the time of decision.

## 5. Reference Information

### (1) Composition of Portfolio

Categories of Assets	Type of Use	Areas		24th Fiscal Period (As of November 30, 2015)		25th Fiscal Period (As of May 31, 2016)		
				Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)	
Real Estate	Retail Properties	Capital region	The 6 central wards of Tokyo (Note 3)	-	-	-	-	
			The 23 wards of Tokyo (Note 4)	-	-	-	-	
		Tokyo metropolitan area (Note 5)		7,340,960	1.2	7,329,098	1.2	
		Other regions		14,031,187	2.3	13,971,239	2.2	
	Office Buildings	Capital region	The 6 central wards of Tokyo		13,298,194	2.2	13,260,370	2.1
			The 23 wards of Tokyo		9,736,891	1.6	9,703,828	1.5
		Tokyo metropolitan area		9,344,112	1.6	9,290,979	1.5	
		Other regions		-	-	-	-	
	Hotels	Capital region	The 6 central wards of Tokyo		1,673,755	0.3	1,659,234	0.3
			The 23 wards of Tokyo		-	-	-	-
		Tokyo metropolitan area		4,291,863	0.7	4,245,721	0.7	
		Other regions		-	-	-	-	
	Residential Properties	Capital region	The 6 central wards of Tokyo		-	-	-	-
			The 23 wards of Tokyo		2,986,402	0.5	2,962,652	0.5
		Tokyo metropolitan area		-	-	-	-	
		Other regions		778,381	0.1	767,128	0.1	
	Others	Capital region	The 6 central wards of Tokyo		-	-	-	-
			The 23 wards of Tokyo		-	-	-	-
		Tokyo metropolitan area		-	-	-	-	
		Other regions		-	-	-	-	
Subtotal				63,481,749	10.6	63,190,252	10.0	
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo		4,294,409	0.7	4,286,995	0.7
			The 23 wards of Tokyo		23,346,261	3.9	23,248,144	3.7
		Tokyo metropolitan area		72,434,847	12.1	75,384,848	12.0	
		Other regions		68,131,131	11.4	65,237,809	10.4	
	Office Buildings	Capital region	The 6 central wards of Tokyo		61,252,113	10.2	54,658,029	8.7
			The 23 wards of Tokyo		2,104,454	0.4	2,091,242	0.3
		Tokyo metropolitan area		46,437,957	7.8	46,994,646	7.5	
		Other regions		53,571,088	9.0	53,423,489	8.5	
	Hotels	Capital region	The 6 central wards of Tokyo		34,880,250	5.8	35,529,502	5.6
			The 23 wards of Tokyo		-	-	-	-
		Tokyo metropolitan area		6,085,666	1.0	6,022,262	1.0	
		Other regions		22,084,682	3.7	60,185,882	9.6	
	Residential Properties	Capital region	The 6 central wards of Tokyo		1,060,747	0.2	1,049,643	0.2
			The 23 wards of Tokyo		9,169,270	1.5	9,080,797	1.4
		Tokyo metropolitan area		5,007,905	0.8	4,976,837	0.8	
		Other regions		22,577,085	3.8	22,317,126	3.5	
	Others	Capital region	The 6 central wards of Tokyo		9,500,185	1.6	9,457,522	1.5
			The 23 wards of Tokyo		8,059,092	1.3	8,044,293	1.3
		Tokyo metropolitan area		16,015,837	2.7	11,841,729	1.9	
		Other regions		5,757,678	1.0	5,684,800	0.9	
Subtotal				471,770,666	78.9	499,515,605	79.4	
Preferred equity securities (Note 6)				-	-	75,397	0.0	
Bank deposit and other assets				62,825,567	10.5	66,481,015	10.6	
Total Assets				598,077,982	100.0	629,262,270	100.0	

- Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The trust beneficial interest which trust asset mainly consists of real estate does not include an amount of deposit in the trust asset.
2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the capital region excluding the "23 wards of Tokyo."
6. Preferred equity securities of Tenjin 123 Project TMK

	24th Fiscal Period (As of November 30, 2015)		25th Fiscal Period (As of May 31, 2016)	
	Amount (Thousands of yen)	Percentage of Total Assets (%)	Amount (Thousands of yen)	Percentage of Total Assets (%)
Total liabilities	300,737,572	50.3	331,252,359	52.6
Total net assets	297,340,410	49.7	298,009,911	47.4
Total assets	598,077,982	100.0	629,262,270	100.0

## (2) Investment Assets

### 1. Major Stock of Investment Securities

As of the end of the 25th fiscal period, investments securities owned by United Urban were as follows:

Type	Name of Asset	Number of Units (Unit)	Book Value (Thousands of yen)	Appraisal Value (Thousands of yen)	Share to Total Assets (%)
Preferred equity securities	Preferred equity securities of Tenjin 123 Project <i>Tokutei Mokuteki Kaishya</i> (specific purpose company) (Note 1)	1,130	75,397	75,397 (Note 2)	0.0
Total		-	75,397	75,397	0.0

Notes: 1. Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company) (the “TMK”) is developing a development-type hotel “(tentative name) the b fukuoka tenjin” (the “Property”), and United Urban has acquired the preferential negotiation right of an acquisition of the Property in connection with United Urban’s acquisition of the preferred securities of the TMK. Outline of the Property is as follows.

Property Name	Location	Type	Site Area	Structure / Scale	Completion Date, etc.
(tentative name) The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,625.15 m <sup>2</sup>	S 10F	April 2017 (scheduled) (The operation of the Hotel will be started from May to July 2017.)

\* The above table is shown based on the architectural planning, etc. Accordingly, some information might be changed.

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

### 2. Investment Real Estate Properties

As of the end of the 25th fiscal period, United Urban had ownership of, or trust beneficial interests in real estate (properties which are the trust assets of trust beneficial interests in real estate are referred to as the “Real Estate in Trust”, and real estate and Real Estate in Trust are referred to as collectively the “Investment Real Estate”). Consequently, all of the real estate and Real Estate in Trust are shown in the table below.

#### a. Outline of Investment Real Estate 1

Acquisition price, book value at the end of the period, appraisal value at the end of the period, appraisers, number of tenants, leasable floor space, leased floor space and occupancy ratio of Investment Real Estate were as follows:

(As of May 31, 2016)

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A1	Himonya Shopping Center (Note 17)	15,300	14,537	15,800	2.5	JREI	1	26,655.66	26,655.66	100.0
A2	Joy Park Izumigaoka	6,770	5,236	4,540	0.7	JREI	22	13,611.24	13,588.92	99.8
A3	Ashiya Kawanishi Shopping Mart (Note 18)	769	741	1,170	0.2	JREI	1	1,558.80	1,558.80	100.0
A4	Re-LAND Shopping Center	5,200	4,194	5,690	0.9	JREI	14	12,968.84	12,678.23	97.8
A5	AEON MALL Uki	11,100	9,329	8,500 (Note 9)	1.3	JREI	1	72,073.39	72,073.39	100.0
A6	TENJIN LUCE	6,500	6,397	6,100	0.9	Nittochi	11	4,194.68	4,194.68	100.0
A7	Yamada Denki Tecc Land Sakai Honten	3,210	2,845	3,480	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	5,177	5,090	0.8	JREI	3	10,487.92	10,487.92	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,667	1,870	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,689	3,270	0.5	JREI	10	2,081.50	2,081.50	100.0
A11	Tip's Machida Building	4,100	4,236	4,550	0.7	JREI	9	6,715.75	6,195.09	92.2
A12	Daiei Takarazuka Nakayama	4,284	3,312 (Note 10)	3,990	0.6	JREI	1	16,729.60	16,729.60	100.0
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	11,904	12,450	11,200	1.7	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,318	2,070	0.3	JREI	9	1,938.56	1,938.56	100.0
A15	Shinsaibashi OPA Honkan	22,800	22,131	25,700	4.0	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,565	2,030	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,395	3,170	0.5	JREI	5	3,147.29	3,147.29	100.0
A21	Mallage Kashiwa	7,040	6,894	8,760	1.4	JREI	91	41,766.68	40,711.95	97.5
A23	Ito-Yokado Owariasahi	4,840	4,274	4,970	0.8	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,282	1,980	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	5,021	5,980	0.9	JREI	20	2,283.47	2,203.48	96.5
A26	ACTIOLE Ichikawa	3,350	3,146	3,940	0.6	JREI	13	3,927.49	3,927.49	100.0
A27	VIVAHOME Yokohama Aoba (Site)	2,600	2,740	3,110	0.5	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,450	0.4	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	28,140	35,400	5.5	JREI	1	37,932.95	37,932.95	100.0
A30	Yamada Denki Tecc Land New Matsudo Honten	5,150	5,046	6,430	1.0	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,499	5,570	0.9	JREI	5	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	6,920	1.1	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plussing Wave Enoshima	1,800	1,872	2,130	0.3	JREI	7	3,155.64	3,054.86	96.8
A34	LIFE Nishikujo (Site)	1,760	1,842	1,960	0.3	Tanizawa	1	3,252.76	3,252.76	100.0
A35	LIFE Tamatsukuri (Site)	1,880	1,967	2,060	0.3	Tanizawa	1	2,391.44	2,391.44	100.0
A36	Granbell Ginza Building	2,621	2,721	2,900	0.5	JREI	11	1,352.35	1,352.35	100.0
A37	UUR Tenjin Nishi-dori Building	5,500	5,714	5,760	0.9	JREI	1	1,564.70	1,564.70	100.0
A38	Luz Shonan Tsujido	3,938	4,072	4,310	0.7	Tanizawa	32	10,454.22	10,258.99	98.1
A39	455 Ueno Building	3,000	3,123	3,430	0.5	Tanizawa	6	1,167.63	929.81	79.6
B1	T&G Hamamatsucho Building	2,257	2,095	3,090	0.5	Tanizawa	6	2,420.85	2,420.85	100.0
B2	SK Nagoya Building	5,400	5,550	4,730	0.7	Tanizawa	12	8,708.52	8,332.50	95.7
B3	Fukuoka Eartheon Building	2,080	1,653	2,520	0.4	JREI	6	4,934.39	4,404.14	89.3
B4	Marumasa Kojimachi Building	2,350	2,431	2,420	0.4	JREI	16	2,578.84	2,578.84	100.0
B5	Rokubancho K Building	2,150	2,301	3,610	0.6	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	24,232	27,400	4.3	Nittochi	61	45,978.59	45,343.55	98.6
B7	Kawasaki Toshiba Building	19,200	19,685	31,400	4.9	Tanizawa	1	36,118.31	36,118.31	100.0
B8	UUR Toyochō Building	8,500	8,591	8,800	1.4	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,256	5,290	0.8	JREI	1	5,000.54	5,000.54	100.0
B10	Hitachi High-Tech Building	14,800	14,546	15,700	2.4	JREI	2	15,781.64	15,781.64	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
B11	Pacific Marks Shinjuku Parkside	12,100	12,133	10,300	1.6	JREI	21	10,971.90	10,360.16	94.4
B13	Pacific Marks Tsukishima	6,080	5,921	6,360	1.0	JREI	46	9,336.27	9,229.33	98.9
B14	Pacific Marks Yokohama East	7,050	6,904	7,230	1.1	Tanizawa	22	10,732.11	9,253.64	86.2
B15	Pacific Marks Shin-Urayasu	3,920	3,762	3,700	0.6	JREI	16	8,743.05	7,432.92	85.0
B17	Akasaka Hikawa Building	3,290	3,247	3,940	0.6	JREI	1	3,438.23	3,438.23	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,466	3,020	0.5	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,169	2,180	0.3	JREI	8	1,675.13	1,675.13	100.0
B21	Yokohama Aioicho Building	1,060	1,080	1,250	0.2	Tanizawa	19	2,445.10	2,252.29	92.1
B22	Pacific Marks Shin-Yokohama	1,710	1,577	1,620	0.3	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	9,290	11,000	1.7	Tanizawa	38	7,382.14	7,160.51	97.0
B26	Hamamatsucho 262 Building	6,840	6,658	7,010	1.1	JREI	18	6,183.89	6,183.89	100.0
B27	Lila Hijirizaka	2,750	2,655	2,970	0.5	JREI	15	4,255.02	4,204.92	98.8
B29	Otsuka HT Building	1,160	1,111	1,220	0.2	JREI	7	1,774.56	1,774.56	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,513	3,140	0.5	JREI	10	1,723.03	1,723.03	100.0
B31	Pacific Marks Nishi-Umeda	6,860	6,385	7,110	1.1	Tanizawa	31	11,039.44	10,554.65	95.6
B32	Pacific Marks Higobashi	4,570	4,375	4,610	0.7	Tanizawa	24	7,623.57	7,623.57	100.0
B33	Nagoya Nishiki City Building	2,670	2,462	2,450	0.4	Tanizawa	29	5,609.97	5,357.23	95.5
B34	Pacific Marks Esaka	9,590	9,651	9,370	1.5	Tanizawa	45	20,005.03	18,947.95	94.7
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,827	2,010	0.3	Tanizawa	12	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	893	1,100	0.2	Tanizawa	20	2,797.03	2,797.03	100.0
B37	ARENA TOWER	9,500	8,732	11,900	1.9	Tanizawa	13	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	2,091	2,770	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,329	2,770	0.4	JREI	29	2,233.57	2,135.44	95.6
B40	GRAND-SQUARE Shin-Sakae	1,480	1,451	1,920	0.3	JREI	6	4,578.93	4,578.93	100.0
B41	GRAND-SQUARE Meieki-minami	1,220	1,210	1,960	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,190	2,520	0.4	JREI	2	2,831.94	1,415.97	50.0
B43	Hirose-dori SE Building	3,600	3,544	4,720	0.7	JREI	10	8,235.87	8,235.87	100.0
C1	Shinjuku Washington Hotel Honkan	21,140	22,609	25,800	4.0	JREI	8	53,363.11	53,353.75	99.98
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,659	2,390	0.4	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,275	3,880	0.6	JREI	7	6,670.21	6,219.91	93.2
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	4,245	4,800	0.7	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,264	10,300	1.6	Nittochi	2	13,701.80	13,701.80	100.0
C6	UR Yotsuya Sanchome Building	4,200	4,231	5,840	0.9	JREI	2	7,854.86	7,461.40	95.0
C7	Yotsuya 213 Building	5,020	5,059	6,160	1.0	JREI	4	7,550.16	7,550.16	100.0
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	2,000	1,889	2,930	0.5	JREI	1	5,880.69	5,880.69	100.0
C9	the b roppongi	3,500	3,629	4,050	0.6	JREI	2	2,710.90	2,710.90	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,746	3,070	0.5	Daiwa	1	4,874.28	4,874.28	100.0
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,181	2,350	0.4	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebashiki-eki	745	772	797	0.1	Daiwa	1	1,529.47	1,529.47	100.0
C13	Loisir Hotel & Spa Tower Naha	20,000	20,487	21,700	3.4	JREI	1	45,731.16	45,731.16	100.0
C14	Urawa Royal Pines Hotel	17,500	17,776	18,000	2.8	JREI	1	31,129.86	31,129.86	100.0
D1	T&G Higashi-ikebukuro Mansion	2,021	1,528	2,220	0.3	Tanizawa	128	2,603.22	2,583.04	99.2
D4	Komazawa Court	1,680	1,528	2,280	0.4	JREI	1	3,741.17	3,741.17	100.0
D6	Sky Court Shiba-Daimon	1,175	1,049	1,290	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D7	Maison Ukima	3,530	3,216	4,420	0.7	JREI	1	12,691.43	12,691.43	100.0
D8	Narashino Residence	1,140	1,009	1,230	0.2	JREI	1	6,840.86	6,840.86	100.0
D9	Aprile Shin-Oghi Ichibankan	3,031	2,580	3,540	0.6	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	1,047	1,470	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D11	UUR Court Chiba Soga	620	582	661	0.1	JREI	1	2,931.14	2,931.14	100.0
D12	Higashi-kurume Dormitory Shinkan	480	461	537	0.1	JREI	1	1,397.61	1,397.61	100.0
D13	Nanzan Court Ichigokan	1,070	931	996	0.2	JREI	1	3,576.74	3,576.74	100.0
D14	Nanzan Court Nigokan	450	383	471	0.1	JREI	1	1,890.51	1,890.51	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,807	3,260	0.5	JREI	85	4,097.51	3,871.84	94.5
D16	GRAND-ROUGE Sakae	1,570	1,291	1,430	0.2	JREI	86	3,697.38	3,288.86	89.0
D17	GRAND-ROUGE Sakae II	1,300	1,091	1,330	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,906	4,200	0.7	JREI	145	11,525.36	11,193.22	97.1
D19	UUR Court Nagoya Meieki	1,473	1,276	1,500	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	767	880	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	830	744	0.1	JREI	40	2,067.95	2,022.35	97.8
D22	UUR Court Osaka Juso-honmachi	1,570	1,388	1,680	0.3	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,962	3,550	0.6	JREI	192	5,460.39	5,169.80	94.7
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,927	2,730	0.4	JREI	130	7,817.12	6,633.35	84.9
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,388	1,650	0.3	JREI	101	3,090.36	2,672.08	86.5
D26	Glenpark Umeda-kita	5,150	5,273	5,760	0.9	Tanizawa	178	12,730.60	12,409.20	97.5
D27	UUR Court Shiki	2,730	2,923	3,010	0.5	JREI	1	9,885.83	9,885.83	100.0
E1	Lilycolor Tohoku Branch	2,050	1,555	2,130	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	4,926	5,490	0.9	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	4,129	5,320	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,535	4,120	0.6	JREI	1	3,212.21	3,212.21	100.0
E5	Logistics Higashi-Ohgishima (Note 16)	4,233	4,252	4,778	0.7	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	8,044	8,460	1.3	JREI	3	23,934.32	23,934.32	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
E7	Quartz Tower	5,700	5,922	5,920	0.9	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,662	2,570	0.4	JREI	1	12,909.90	12,909.90	100.0
Total		575,464	562,705	643,084	100.0	-	2,028	1,296,365.99	1,280,942.74	98.8

## b. Outline of Investment Real Estate 2

Type of use, total annual rent, tenant leasehold and security deposits, PML and earthquake insurance of Investment Real Estate were as follows:

(As of May 31, 2016)

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
A1	Retail Properties	Himonya Shopping Center (Note 17)	918,720	2,065,600	15%	N/A
A2		Joy Park Izumigaoka	382,622	211,013	10%	N/A
A3		Ashiya Kawanishi Shopping Mart (Note 18)	60,000	60,000	6%	N/A
A4		Re-LAND Shopping Center	402,136	765,742	13%	N/A
A5		AEON MALL Uki	838,255	1,000,000	7.8% (Note 11)	N/A
A6		TENJIN LUCE	392,342	280,722	2%	N/A
A7		Yamada Denki Tecc Land Sakai Honten	(Note 12)	(Note 12)	8%	N/A
A8		Miyamae Shopping Center	267,074	909,730	17%	N/A
A9		KONAMI SPORTS CLUB Korigaoka	(Note 12)	(Note 12)	11%	N/A
A10		ACTIOLE Minami-ikebukuro	162,462	144,315	14%	N/A
A11		Tip's Machida Building	287,802	219,768	18%	N/A
A12		Daiei Takarazuka Nakayama	303,999	-	9%	N/A
A13	Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	598,549	357,220	- (Note 13)	- (Note 13)
A14	Retail Properties	ACTIOLE Kannai	110,602	90,751	19%	N/A
A15		Shinsaibashi OPA Honkan	1,362,000	1,448,304	12%	N/A
A19		Albore Jingumae	91,200	68,200	14.6%	N/A
A20		Albore Sendai	189,729	116,210	8%	N/A
A21		Mallage Kashiwa	889,087	882,773	9%	N/A
A23		Ito-Yokado Owariasahi	419,090	413,465	11%	N/A
A24		Yokohama Kariba Shopping Center	(Note 12)	(Note 12)	12%	N/A
A25		Luz Jiyugaoka	296,839	245,758	12%	N/A
A26		ACTIOLE Ichikawa	228,889	182,192	10%	N/A
A27		VIVAHOME Yokohama Aoba (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A28		Yamada Denki Tecc Land Aoba (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A29		Yodobashi Camera Multimedia Kichijoji	(Note 12)	(Note 12)	14%	N/A
A30		Yamada Denki Tecc Land New Matsudo Honten	(Note 12)	(Note 12)	11%	N/A
A31		Tenjin Loft Building	520,022	270,028	1%	N/A
A32	Narumi Shopping Center (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)	
A33	Plussing Wave Enoshima	126,576	267,564	14%	N/A	
A34	LIFE Nishhikujo (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)	
A35	LIFE Tamatsukuri (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)	
A36	Granbell Ginza Building	138,859	94,700	10%	N/A	

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance	
A37	Retail Properties	UUR Tenjin Nishi-dori Building	(Note 12)	(Note 12)	2%	N/A	
A38		Luz Shonan Tsujido	415,411	301,154	14%	N/A	
A39		455 Ueno Building	126,905	125,885	12%	N/A	
B1	Office Buildings	T&G Hamamatsucho Building	159,269	246,162	12%	N/A	
B2		SK Nagoya Building	341,726	258,352	11%	N/A	
B3		Fukuoka Eartheon Building	168,574	93,025	1%	N/A	
B4		Marumasu Kojimachi Building	163,424	117,596	11%	N/A	
B5		Rokubancho K Building	204,674	82,011	14%	N/A	
B6	Office /Hotels	Shin-Osaka Central Tower	1,863,810	1,488,456	7%	N/A	
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7%	N/A	
B8		UUR Toyochi Building	492,683	368,482	13%	N/A	
B9		FOUR SEASONS BLDG	306,489	254,371	11%	N/A	
B10		Hitachi High-Tech Building	779,018	779,998	15%	N/A	
B11		Pacific Marks Shinjuku Parkside	570,409	450,717	14.8%	N/A	
B13		Pacific Marks Tsukishima	443,041	262,766	14%	N/A	
B14		Pacific Marks Yokohama East	361,433	233,417	15%	N/A	
B15		Pacific Marks Shin-Urayasu	261,039	177,377	11%	N/A	
B17		Akasaka Hikawa Building	216,228	244,216	14%	N/A	
B18		Pacific Marks Shibuya Koen-dori	168,000	100,500	12%	N/A	
B20		Pacific Marks Akasaka-mitsuke	116,804	72,687	13%	N/A	
B21		Yokohama Aioicho Building	90,141	60,576	17%	N/A	
B22		Pacific Marks Shin-Yokohama	110,675	69,764	16%	N/A	
B25		Pacific Marks Kawasaki	570,756	447,735	17%	N/A	
B26		Hamamatsucho 262 Building	388,124	493,979	14%	N/A	
B27		Lila Hijirizaka	202,202	111,340	12%	N/A	
B29		Otsuka HT Building	92,701	77,068	13%	N/A	
B30		Pacific Marks Shinjuku South-gate	170,616	184,219	12%	N/A	
B31		Pacific Marks Nishi-Umeda	448,978	366,382	10%	N/A	
B32		Pacific Marks Higobashi	284,674	231,374	12%	N/A	
B33		Nagoya Nishiki City Building	162,560	145,136	16%	N/A	
B34		Pacific Marks Esaka	510,307	601,719	9%	N/A	
B35		Pacific Marks Sapporo Kita-Ichijo	163,856	125,610	1%	N/A	
B36		Shin-Sapporo Center Building	111,112	81,859	2%	N/A	
B37		ARENA TOWER	755,908	401,855	10%	N/A	
B38		Yushima First Building	196,020	141,281	13%	N/A	
B39		Dogenzaka Square	172,935	141,181	16%	N/A	
B40		GRAND-SQUARE Shin-Sakae	148,070	90,425	10%	N/A	
B41		GRAND-SQUARE Meieki-minami	128,559	89,277	10%	N/A	
B42		Shiba 520 Building	79,370	86,649	13%	N/A	
B43		Hirose-dori SE Building	344,937	377,790	8%	N/A	
C1		Hotels	Shinjuku Washington Hotel Honkan	1,548,423	2,008,257	9%	N/A
C2			Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17%	N/A
C3	MZ BLD.		253,201	182,600	13%	N/A	
C4	HOTEL ROUTE-INN Yokohama Bashamichi		280,298	107,487	19%	N/A	
C5	Hotel JAL City Naha		268,393	14,196	5%	N/A	



Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance	
C6	Hotels	UUR Yotsuya Sanchome Building	354,104	203,264	14%	N/A	
C7		Yotsuya 213 Building	318,062	239,318	13%	N/A	
C8		HOTEL ROUTE-INN Nagoya Imaike Ekimae	(Note 12)	(Note 12)	12%	N/A	
C9		the b roppongi	141,574	11,271	12%	N/A	
C10		Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	(Note 12)	(Note 12)	14.5%	N/A	
C11		Toyoko Inn Hiroshima Heiwa-odori	(Note 12)	(Note 12)	7%	N/A	
C12		Toyoko Inn Naha Kokusai-dori Miebash-eki	(Note 12)	(Note 12)	2%	N/A	
C13		Loisir Hotel & Spa Tower Naha (Note 14)	720,000	(Note 12)	① 7% ② 6%	N/A	
C14		Urawa Royal Pines Hotel	1,063,235	(Note 12)	10%	N/A	
D1	Residential Properties	T&G Higashi-ikebukuro Mansion	130,932	18,725	12%	N/A	
D4		Komazawa Court	118,800	19,800	11%	N/A	
D6		Sky Court Shiba-Daimon	64,800	10,800	17%	N/A	
D7		Maison Ukima	247,320	82,440	14.6%	N/A	
D8		Narashino Residence	102,720	34,540	10%	N/A	
D9		Aprile Shin-Ohgi Ichibankan	(Note 12)	(Note 12)	8%	N/A	
D10		UUR Court Sapporo Kita-Sanjo	94,200	7,838	2%	N/A	
D11		UUR Court Chiba Soga	(Note 12)	(Note 12)	14%	N/A	
D12		Higashi-kurume Dormitory Shinkan	33,696	11,232	10%	N/A	
D13		Nanzan Court Ichigokan	70,894	13,228	12%	N/A	
D14		Nanzan Court Nigokan	31,336	5,801	14%	N/A	
D15		CLIO Bunkyo Koishikawa	184,644	33,558	14.5%	N/A	
D16		GRAND-ROUGE Sakae	87,600	295	13%	N/A	
D17		GRAND-ROUGE Sakae II	69,303	6,413	13%	N/A	
D18		MA Sendai Building	269,383	24,168	11%	N/A	
D19		UUR Court Nagoya Meieki	88,295	7,381	16%	N/A	
D20		UUR Court Sapporo Shinoro Ichibankan	61,581	4,062	3%	N/A	
D21		Park Site IZUMI	57,828	10,378	12%	N/A	
D22		UUR Court Osaka Juso-honmachi	100,854	9,415	16%	N/A	
D23		UUR Court Kinshicho	213,186	35,138	14.8%	N/A	
D24		UUR Court Sapporo Minami-Sanjo Premier Tower	198,964	43,172	1%	N/A	
D25		GLAND-ROUGE Nakanoshima-minami	96,756	10,152	15%	N/A	
D26		Glenpark Umeda-kita	351,210	36,096	15.5%	N/A	
D27		UUR Court Shiki	178,800	178,800	11%	N/A	
E1		Others	Lilycolor Tohoku Branch	(Note 12)	(Note 12)	11%	N/A
E2			KDDI Fuchu Building	(Note 12)	(Note 12)	11%	N/A
E3			Tsubogawa Square Building	402,585	243,040	8%	N/A
E4	THE PLACE of TOKYO		(Note 12)	(Note 12)	13%	N/A	
E5	Logistics Higashi-Ohgishima (Note 16)		(Note 12)	(Note 12)	12%	N/A	
E6	MT Ariake Center Building I&II (Note 15)		(Note 12)	(Note 12)	① 12% ② 13%	N/A	
E7	Quartz Tower		(Note 12)	(Note 12)	7%	N/A	
E8	Shin-Narashino Logistics Center		(Note 12)	(Note 12)	10%	N/A	
Total			37,374,934	30,817,151	7.88%		

Notes: 1. The "Acquisition Price" is an amount (the amounts stated in each purchase and sale agreements excluding consumption taxes) does not include the expenses necessary for making the relevant acquisitions (e.g. agency fees, public taxes and impositions) and is rounded to the nearest million yen.

2. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2016. In addition, "Appraisers" shows the real estate appraisers, which conducted real estate appraisal or price surveys at the time of acquisition of each properties and continuous assessments. The appraisers are referred to as "JREI" for Japan Real Estate Institute, "Tanizawa" for The Tanizawa Sōgō Appraisal Co., Ltd., "Nittochi" for NIPPON TOCHI-TATEMONO Co., Ltd., and "Daiwa" for DAIWA REAL ESTATE APPRAISAL CO., LTD.
3. "Number of Tenants," "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2016. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual Investment Real Estate. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan, Loisir Hotel & Spa Tower Naha, KDDI Fuchu Building and Logistics Higashi-Ohgishima 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 of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
4. "Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
5. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
6. "Total Annual Rent" shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2016 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. As for residential properties which are leased in the form of a pass-through-type master lease agreement, monthly rent(s) under the lease agreement of end-tenants in effect as of May 31, 2016 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen are shown.
7. "Tenant Leasehold and Security Deposits" are based on data as of May 31, 2016. In addition, "Tenant Leasehold and Security Deposits" include leasehold and security deposits of room, parking lot, warehouse, signboard, etc., and is rounded down to the nearest thousand yen.
8. "PML" (probable maximum loss in an analysis of the earthquake risk) is based on the earthquake risk analysis report prepared by SHIMIZU CORPORATION. In addition, figure at "Total" for "PML" represents the overall portfolio PML.
9. "Appraisal Value at the End of Period" of AEON MALL Uki falls under cases where there are reasonable reasons to conduct a price survey without complying with the real-estate appraisal standards. Therefore, the appraisal value of the survey report, stating that "Though there are physical damages caused by The 2016 Kumamoto Earthquake, the necessary materials of repairs to determine its impacts on value of the property are not available, and these damages are not taken into account.", is stated above.
10. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the purchase and sale agreement of trust beneficial interest. The Book Value at the End of the Period of this trust beneficial interest is described as ¥3,312 million reflecting the additional amount of trust.  
 However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
11. As for "PML" of AEON MALL Uki, the entire portfolio PML of eleven buildings held by United Urban is stated.
12. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue, etc. Therefore, there has been no choice but to omit disclosure of this figure here.
13. For maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), VIVAHOME Yokohama Aoba (Site), Yamada Denki Tecc Land Aoba (Site), Narumi Shopping Center (Site), LIFE Nishikujo (Site) and LIFE Tamatsukuri (Site), United Urban acquired only land. Accordingly, there is no applicable information.
14. The property comprises two buildings; (i) Main Building (the "Loisir Hotel Naha") and the Annex (Loisir Hotel Spa Tower Naha (the "Spa Tower")) and (ii) Loisir Hotel Naha East (the "East"), and information in the "PML" are shown for the Main Building expressed as ① and the Annex expressed as ②.
15. The property comprises two buildings; MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and information in the "PML" are shown for each of two buildings with the Building I expressed as ① and the Building II expressed as ②.
16. United Urban sold its 49 % quasi co-ownership interest of the trust beneficial interest in "Logistics Higashi-Ohgishima" on February 26, 2016. In addition, United Urban continues to hold the remaining 51% quasi co-ownership.
17. The property name was changed from "Daiei Himonya" to "Himonya Shopping Center" on July 13, 2016.
18. The property name was changed from "Daimaru Peacock Ashiya Kawanishi" to "Ashiya Kawanishi Shopping Mart" on July 13, 2016.

### (3) Capital Expenditures

#### 1. Plan of Capital Expenditure

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, 2016. 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 25th fiscal period	Amount already paid
Himonya Shopping Center (Note 1)	Meguro-ku, Tokyo	Renovation of the entire building	From June 2016 to November 2016	4,400	-	-
AEON MALL Uki	Uki Kumamoto	Restoration work of Kumamoto Earthquake	From April 2016 to June 2016	450 (Note 2)	-	-
AEON MALL Uki	Uki Kumamoto	Renewal of air-conditioner and illumination	From April 2016 to June 2016	261	-	-
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From November 2016 to November 2016	234	-	-
Shin-Osaka Central Tower	Osaka, Osaka	Repair of outdoor facilities (1st period)	From November 2016 to November 2016	112	-	-
Shin-Osaka Central Tower	Osaka, Osaka	Repair of outdoor facilities (2nd period)	From May 2017 to May 2017	112	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities	From January 2016 to December 2016	453	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of central monitoring panel	From March 2016 to November 2016	115	-	-
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Renewal of elevator	From April 2016 to November 2016	111	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Repair of guest rooms (4F and 12F)	From March 2016 to June 2016	318	-	-

Notes: 1. The property name was changed from "Daiei Himonya" to "Himonya Shopping Center" on July 13, 2016.

2. Of the restoration work of Kumamoto Earthquake regarding AEON MALL Uki (total ¥450 million), estimated repair expenses of ¥135 million was recorded as an extraordinary loss (provision for loss on disaster) of the 25th fiscal period.

#### 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 25th fiscal period, which totaled ¥2,970 million. Together with ¥634 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥3,605 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	Renewal of air-conditioning facilities of 3F common passage	From April 2016 to May 2016	14
Re-LAND Shopping Center	Funabashi, Chiba	Renewal of sign at east passage of 1st floor (2nd period)	From April 2016 to April 2016	12
Re-LAND Shopping Center	Funabashi, Chiba	Renewal of floor at east passage of 1st floor	From March 2016 to May 2016	15
Miyamae Shopping Center	Kawasaki, Kanagawa	Waterproofing work for outdoor parking lot	From March 2016 to May 2016	40
Mallage Kashiwa	Kashiwa, Chiba	Renewal of toilets for the Building Part I	From February 2016 to May 2016	85
Mallage Kashiwa	Kashiwa, Chiba	Renewal of floor tile for the Building Part I (2nd period)	From February 2016 to May 2016	70
Mallage Kashiwa	Kashiwa, Chiba	Installation of rooftop sports park	From March 2016 to April 2016	45
Tenjin Loft Building	Fukuoka, Fukuoka	Replacement of parts of escalator	From December 2015 to March 2016	30
Tenjin Loft Building	Fukuoka, Fukuoka	Renewal of toilets (1st period)	From April 2016 to April 2016	15

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
SK Nagoya Building	Nagoya, Aichi	Replacement of parts of roof top cubicle	From May 2016 to May 2016	16
Shin-Osaka Central Tower	Osaka, Osaka	Repair of corridors in common area (1F-11F)	From February 2016 to May 2016	55
Shin-Osaka Central Tower	Osaka, Osaka	Overhaul of hot-and chilled-water generator (B1F of south building)	From April 2016 to May 2016	12
Shin-Osaka Central Tower	Osaka, Osaka	Renewal of boiler (B1F of south building)	From May 2016 to May 2016	11
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities (in some floors)	From December 2014 to May 2016	885
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Renewal of automatic fire alarm system (office area)	From May 2015 to February 2016	12
Akasaka Hikawa Building	Minato-ku, Tokyo	Renewal of elevator	From May 2016 to May 2016	18
Pacific Marks Shinjuku Southgate	Shinjuku-ku, Tokyo	Renewal of switchboard for electric light and receiving and transforming facilities (2nd period)	From February 2016 to February 2016	10
Pacific Marks Nishi-Umeda	Osaka, Osaka	Replacement of parts of multistory parking facility	From May 2016 to May 2016	10
Pacific Marks Higobashi	Osaka, Osaka	Conversion to LED illumination of common area	From April 2016 to May 2016	10
Nagoya Nishiki City Building	Nagoya, Aichi	Renewal of automatic fire alarm system (1F management office, etc.)	From April 2016 to May 2016	15
Pacific Marks Esaka	Suita, Osaka	Renewal of 1-2F entrance and hall	From November 2015 to May 2016	115
Pacific Marks Esaka	Suita, Osaka	Maintenance of hot-and chilled-water generator (B2F)	From May 2016 to May 2016	10
Shiba 520 Building	Minato-ku, Tokyo	Renewal of toilets (3-7F)	From January 2016 to March 2016	19
Shiba 520 Building	Minato-ku, Tokyo	Renewal of common area Installation of smoking room	From January 2016 to March 2016	13
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Repair of guest rooms (4-11F)	From December 2015 to March 2016	789
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Repair of elevator (No.1-3 and 9)	From December 2015 to March 2016	237
the b roppongi	Minato-ku, Tokyo	Renewal of guest rooms, corridors, interior facilities, etc. (2nd period)	From January 2016 to January 2016	10
Other capital expenditures				385
Total				2,970

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

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)				
	21st Fiscal Period (December 1, 2013 – May 31, 2014)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Reserve balance at the beginning of period	642	663	692	711	792
Addition to the reserve during the period (Note)	49	106	29	90	188
Reduction of reserve during the period	28	77	10	9	9
Reserve balance to be carried over to the next of period	663	692	711	792	971

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.

#### (4) Information Concerning Tenants

##### Top 10 Tenants by Leased Floor Space

(As of May 31, 2016)

No.	Tenant Name	Property Name	Leased Floor Space (Note 1)	Total Annual Rent (Thousand of yen) (Note 2)	Expiration Date of Contract
1	AEON MALL Co., Ltd.	AEON MALL Uki	72,073.39 m <sup>2</sup>	838,255	August 9, 2019
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34 m <sup>2</sup>	419,090	November 11, 2018
3	Yamada Denki Co., Ltd.	<ul style="list-style-type: none"> <li>· Yamada Denki Tecc Land Sakai Honten</li> <li>· maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)</li> <li>· Yamada Denki Tecc Land Aoba (Site)</li> <li>· Yamada Denki Tecc Land New Matsudo Honten</li> </ul>	49,897.43m <sup>2</sup>	- (Note 3)	<ul style="list-style-type: none"> <li>· Yamada Denki Tecc Land Sakai Honten May 9, 2022</li> <li>· maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) November 15, 2020</li> <li>· Yamada Denki Tecc Land Aoba (Site) May 31, 2020</li> <li>· Yamada Denki Tecc Land New Matsudo Honten August 20, 2029</li> </ul>
4	Fujita Kanko Inc.	Shinjuku Washington Hotel-Honkan	49,304.81 m <sup>2</sup>	1,302,512	October 31, 2023, etc. (Note 4)
5	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44 m <sup>2</sup>	- (Note 3)	November 19, 2024, etc. (Note 4)
6	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16m <sup>2</sup>	720,000	March 31, 2026
7	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95 m <sup>2</sup>	- (Note 3)	May 31, 2027
8	TOSHIBA CORPORATION	Kawasaki Toshiba Building	36,118.31 m <sup>2</sup>	1,665,139	October 20, 2018
9	Urawa Royal Pines Co., Ltd.	Urawa Royal Pines Hotel	29,629.41 m <sup>2</sup>	1,000,000	March 31, 2026
10	OPA Co., Ltd.	Shinsaibashi OPA Honkan	27,025.42 m <sup>2</sup>	1,362,000	(Note 5)

- Notes: 1. In principle, numerical values in “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. In addition, in the case of a master lease agreement without rental guarantee, “Leased Floor Space” is counted based on the end-tenants who are actually using the property, not based on the tenants who have the lease agreement between the owner, United Urban or the asset custodian.
2. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2016 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenues, etc. Therefore, there has been no choice but to omit disclosure of this figure here.
4. An expiration date of the representative agreement is stated because there are several lease agreements.
5. As for Shinsaibashi OPA Honkan, the due date for the renewal of lease agreement has arrived on November 18, 2014. However, we haven’t finished the renewal of lease agreement with a lessee as of May 31, 2016, and the expiration date of contract has not yet been determined.