



29th Fiscal Period

(six months ended May 2018)

October 2018



United Urban Investment Corporation

Securities code: 8960

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Major Events and Schedule

FP	Month	Events concerning properties			Events concerning Finance	
29th	Dec.					Redemption of Series 10 of Corporate Bond (¥4.0Bn)
	Jan. 2018	Acquisition of "RIHGA Royal Hotel Kokura • ARUARU City"				
	Feb.			"Hotel JAL City Naha" Construction work for room-type change		
	Mar.					Repayment of TL45/54/59/64/87A (¥13.7Bn)
	Apr.					
	May	Sale of "AEON MALL Uki" and "Himonya Shopping Center (51% quasi co-ownership)"	"the b fukuoka tenjin" validity of the preferential negotiation right (Jul. 2017~Jun. 2019)	"the b roppongi" Building an annex and renovation work	Series 17 and 18 of Corporate Bond Issuance (¥12.0Bn)	Redemption of Series 11 and 12 of Corporate Bond (¥10.0Bn)
30th	Jun.			Completion Jun. 2018	Borrowing (¥8.0Bn)	Repayment of TL66/68/70/71A (¥8.0Bn)
	Jul.	Acquisition of "Chatle Otemachi S・N"			Borrowing (¥3.8Bn)	
	Aug.					
	Sep.		Acquisition of "the b fukuoka tenjin"		Green Trust (¥10.0Bn)	Repayment of TL35/72/73/75A (¥7.3Bn)
	Oct.					
	Nov.	Sale of "Himonya Shopping Center (19% quasi co-ownership)" (scheduled)	"Musashimurayama warehouse" validity of the preferential negotiation right (Oct. 2018~Oct. 2019)		Corporate Bond Issuance (¥15.0Bn) (scheduled)	Maturity of Series 13 and 14 of Corporate Bond (¥15.0Bn) (scheduled)
31st	Dec. to Feb. 2019	Sale of "Himonya Shopping Center (30% quasi co-ownership)" (scheduled)	Investment Candidates under consideration (Hokkaido, Ishikawa and Tokyo)	Completion (scheduled) An annex : Dec. 2018 Renovation work : Mar. 2019	Corporate Bond Issuance (¥7.1Bn) (scheduled)	Maturity of TL57/76/80/90A (¥7.1Bn) (scheduled)
	Mar. to May					
32nd						

(Note) After 30th FP, it is shown that settled, decided, occurred matters or assumptions, dated September 28, 2018.

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Business Results and DPU Forecasts

Major Topics

■ 29th FP ('18/5) DPU: **3,530** yen

- Significant increase / Highest since the listing
- Retention of part of gains on the property sale to enhance our capability against risks

	28th FP (Actual)	29th FP (Actual)	30th FP (Forecast) (Note1)	31st FP (Forecast) (Note 1)
Distribution per Unit	3,358 yen	3,530 yen (Previous Forecast: 3,400 yen) (Note 2)	3,420 yen (Previous Forecast: 3,420yen) (Note 2)	3,550 yen

(Note 1) Announced on July 13, 2018.

(Note 2) The previous forecasts were announced on January 16, 2018.

■ Improved the asset quality and portfolio profitability by property-replacement

- Decision making with consideration of each property's potentiality* and the market

*Stability, population movement, restriction on rebuilding, etc.

29th FP ('18/5)	Acquisition	1 property	Acquisition Price 16.6Bn yen	Estimated NOI yield 6.5%
	Disposition (Note 1)	2 properties	Sale Price 20.5Bn yen (Acquisition Price 18.9Bn yen)	Estimated NOI yield (Note 2) 4.9% (based on contracted sale price)
30th FP ('18/11)	Acquisition	2 property	Acquisition Price 6.4Bn yen	Estimated NOI yield 5.8%



Asset value As of September 28, 2018	
118 properties	615.0 Bn yen

(Note 1) United Urban sold 1 property of its 51% quasi co-ownership. Out of the remaining 49% quasi co-ownership, United Urban will sell at 30th FP('18/11) and 31st FP('19/5), respectively.

(Note 2) The estimation includes the effect of AEON MALL Uki rent reduction from August 2019.

Business Results for the 29th FP ('18/5)

(in millions of yen, unless otherwise indicated)

Item	28th FP (Actual) (A)	29th FP (Actual) (B)	Change (B - A)	29th FP (Forecast) (C)	Change (B - C)
Revenues from real estate leasing operation (of which, Rental revenues & common area charges)	23,764 (21,349)	24,219 (21,521)	+454 (+172)	24,078 (21,658)	+141 (-136)
Property-related expenses (of which, Repair costs)	10,360 (863)	10,328 (833)	-31 (-30)	10,442 (932)	-113 (-98)
(of which, depreciation)	(4,109)	(4,160)	(+51)	(4,173)	(-12)
(of which, Taxes and public dues)	(1,816)	(1,782)	(-33)	(1,686)	(+96)
Income from real estate leasing operation (NOI)	13,404 (17,514)	13,890 (18,051)	+485 (+536)	13,636 (17,809)	+254 (+242)
Gain on Property Sale etc.	1,284	1,360	+75	-	+1,360
Sales Admin. Expenses	2,207	2,163	-43	2,148	+16
Operating Income	12,482	13,089	+606	11,488	+1,600
Non-operating profit and loss	-1,162	-1,114	+47	-1,176	+61
Ordinary Income	11,320	11,974	+654	10,312	+1,661
Net Income	11,319	11,973	+654	10,312	+1,661
[EPU (yen/unit)]	(3,705)	(3,919)	(+214)	(3,375)	(+544)
Use of Negative Goodwill (+)	75	75	-	75	-
Retention of Income (-)	1,136	1,264	+128	-	+1,264
Total Cash Distributions	10,258	10,784	+525	10,387	+397
DPU (yen/unit)	3,358	3,530	+172	3,400	+130
No. of Investment Units Outstanding (unit)	3,055,087	3,055,087	-	3,055,087	-
CAPEX	1,575	1,903	+327	2,962	-1,058

(Note) (Forecast) is the one which was announced on January 16, 2018.

(Note) Marks(+/-) show increase or decrease of each item

28th FP (Actual) ⇒ 29th FP (Actual)	Change
Income from real estate leasing operation +485	
• Properties acquired in 28FP +14 (Revenues	+16 Expenses -2)
• Properties sold in 28FP -164 (Revenues	-325 Expenses +162)
• Properties acquired in 29FP +354 (Revenues	+639 Expenses -285)
• Properties sold in 29FP -15 (Revenues	-32 Expenses +17)
• Others +296 Temporary income	+261
	rental revenues and common area charges +51
Gain on Property Sale +75	
Sales Admin. Expenses +43	
Non-operating profit & loss +47 (Subsidy income +71, Bond issuance cost -79 etc)	

29th FP (Forecast) ⇒ 29th FP (Actual)	Change
Income from real estate leasing operation +254	
• Properties acquired in 29FP +20 (Revenues	-27 Expenses +46)
• Properties sold in 29FP -28 (Revenues	-32 Expenses +4)
• Non-deductible consumption increase	-97 (Incurred by the property-sale)
• Others +360 Temporary income	+307
Gain on Property Sale +1,360	
Sales Admin. Expenses -16	
Non-operating profit & loss +61 (Subsidy income +71, Bond issuance cost -79, Abandonment loss +50 etc)	

Properties acquired in 28th FP	
• Yoshikawa Logistics Center ('17/7)	
Properties sold in 28th FP	
• Ashiya Kaw anishi Shopping Mart ('17/9)	• UUR Court Chiba Soga ('17/10)
• SK Nagoya Building ('17/10)	• Higashi-kurume Dormitory Shinkan ('17/10)
• Nagoya Nishiki City Building ('17/10)	• Nanzan Court Ichigokan ('17/10)
• Narashino Residence ('17/10)	• Nanzan Court Nigokan ('17/10)
Properties acquired in 29th FP	
• RIHGA Royal Hotel Kokura • ARUARU City ('18/1)	
Properties sold in 29th FP	
• Himonya Shopping Center (51%*) ('18/5)	• AEON MALL Uki ('18/5)

* quasi co-ownership

2

Strategy and Implementation

External Growth

- **Continuous Property-Acquisition / Keeping adequate Return on Investment (4% in NOI yield after depreciation)**
 - Prompt & flexible investment decision responding the situation in each sub-sector
 - Increase opportunities for property-acquisition through various devised approaches
- **Improvement of the asset quality and portfolio profitability through property-replacement**
 - Consideration of each property's potentiality* and the market

*Competition, profitability, tenant-substitutability, etc.

Internal Growth

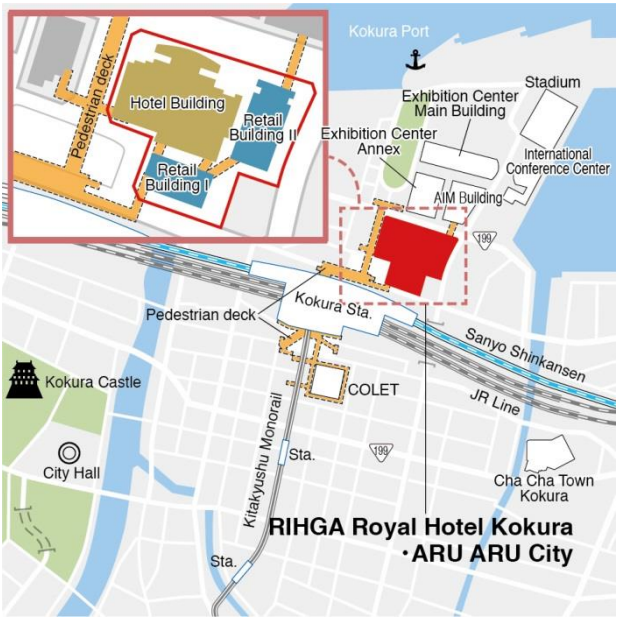
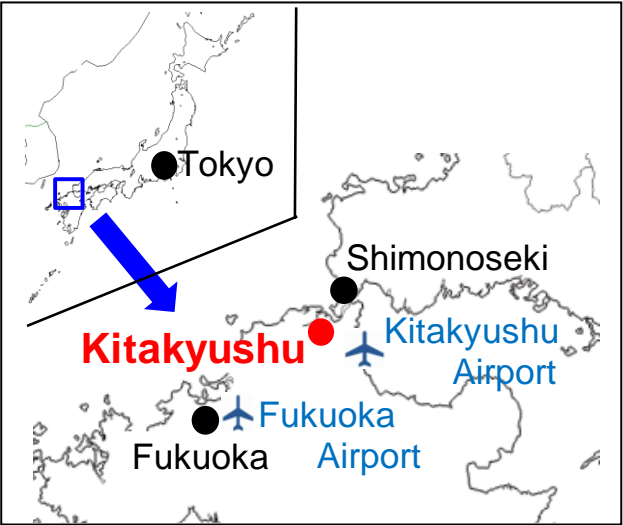
- **Property management from a long perspective considering the tenant-relations**
 - Strengthening property-competitiveness through strategic capital expenditure
 - Bringing out each property's potentiality through leasing with broad scope
 - Improvement of the portfolio profitability through continuous cost reduction

Finance Strategy

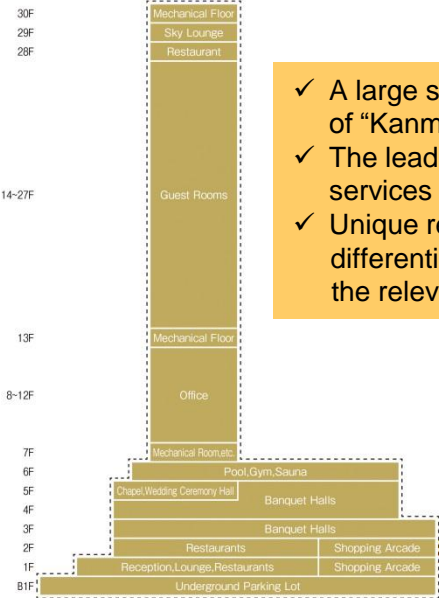
- **Building robust financial standing that can cope with change in the market**
 - Continuous reduction of financing cost
 - Building-up of retained earnings and its strategic utilization

Acquisition (29th FP)

C15	RIHGA Royal Hotel Kokura ・ARUARU City	Hotel
Location	Kitakyushu, Fukuoka	
Structure & Scale	[Hotel Building] SRC/RC/S B1/30F [Retail Building ①] SRC B1/7F [Retail Building ②] SRC/RC B1/11F	
Completed	[Hotel Building] March 1993 [Retail Building ①] March 1993 [Retail Building ②] August 1992	
Acquisition price	16,600 Mn yen	
Estimated NOI Yield	6.5%	
(after depreciation)	4.8%	
Occupancy Rate	99.7% (as of May 31, 2018)	
Acquisition Date	Jan. 26, 2018	

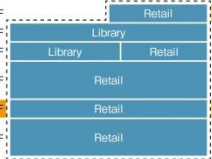


< Hotel Building >

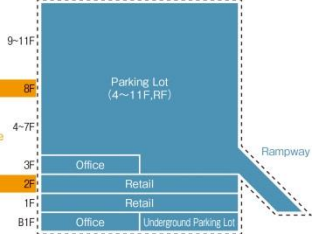


- ✓ A large scale complex located near Kokura Station, in the center of “Kanmon Urban Area”
- ✓ The leading hotel in Kyushu with 295 guest rooms providing full services operated by prestigious RIHGA Royal Hotel Group
- ✓ Unique retail facilities specialized in pop-culture and differentiated with other retail facilities nearby offering the relevant information in cooperation with the local government

< Retail Building I >





< Retail Building II >



Kokura Sta. and nearby buildings

Sale of 2 properties in consideration of their future prospects and the current real estate market

(Bn yen)

Property Name (Type of use)	Location	Completed	Acquisition Price	Book Value (Note 1)	Appraisal Value (Note 2)	Sale Price	Reason of the Sale
AEON MALL Uki (Retail Properties) 	Uki, Kumamoto	October, 1997	11.1	9.4	6.1	6.5	<ul style="list-style-type: none"> Concern about the property's profitability and liquidity in the future due to its location. UUR has agreed with the tenant to enter into a long fixed-term lease agreement from August 2019 with large rent reduction. UUR's rent revenues will decrease in exchange of avoidance of tenant leave risk. (Estimated NOI (yearly) : before rent reduction 749Mn yen after rent reduction 504Mn yen Receipt of the favorable purchase offer (Higher price than the Appraisal Value).
Himonya Shopping Center (Retail Properties) 	Meguroku, Tokyo	March, 1975	15.3	17.4	22.6	27.5	

Breakdown by each FP

Total/By fiscal period	Properties	Date of Sale (scheduled)	Acquisition Price	Book Value (Note 1)	Appraisal Value (Note 2)	Sale Price	Gain on sale of properties	The use of sales profit
Total			26.4	26.7	28.7	34.0	6.1	<ul style="list-style-type: none"> Gains on the sale will be retained as "Reserve retained as distribution" to the extent not to be imposed corporate income tax. Mitigating the impact on decrease of NOI by the sale shown in 3 installments.
29FP (2018/5)	• AEON MALL Uki • Himonya SC(51%)	May 24, 2018	18.9	18.2	17.6	20.5	1.3	
30FP (2018/11)	• Himonya SC(19%)	November 1, 2018	2.9	3.3	4.2	5.2	(Note 4) 1.8	
31FP (2019/5)	• Himonya SC(30%)	March 1, 2019	4.5	5.1	6.7	8.2	(Note 4) 2.9	

(Note1) Book Value as of March 24, 2018.

(Note2) Appraisal value as of May 1, 2018.

(Note 3) Based on the estimated NOI (after rent reduction in the case of AEON MALL Uki) at the day of sale decision.

(Note 4) Gains on sale of property at 30th FP and 31st FP are different from actual gains.

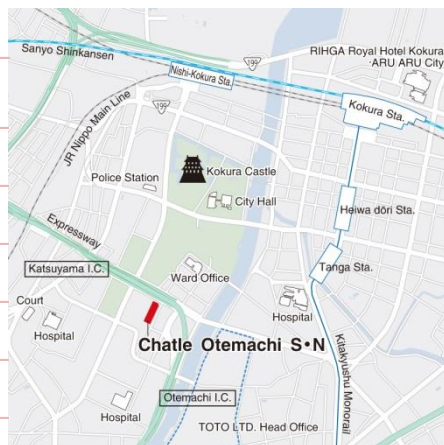
Acquisition (30th FP)

D 29 Chatle Otemachi S・N

Residence

- ✓ Located in Otemachi area of the city, easy to access to government offices, department stores, supermarkets, large hospitals etc.
- ✓ Excellent specifications comparable to apartments for sale.
- ✓ Stable operation can be expected because about 80% of units are leased to the corporations such as local companies or medical institution for use of their employees and their families.

Location	Kitakyushu, Fukuoka
Structure & Scale	[S Building] SRC 15F [N Building] SRC 15F
Completion	August 2008
Acquisition price	3,398 Mn yen
Estimated NOI yield	5.4%
(after depreciation)	4.0%
Occupancy rate	97.7% (July 1, 2018)
Number of units	154 units
Acquisition date	July 3, 2018



Entrance

Open Kitchen



C 16 the b fukuoka tenjin

Hotel

- ✓ Located in Tenjin Area, the largest commercial district in the Kyushu region, strong demand from both business travelers and foreign tourists can be expected.
- ✓ All 125 guest rooms are designed to accommodate multiple guests, fitting in with current tourists' needs.
- ✓ The hotel operator is a wholly-owned subsidiary of Ishin Hotels Group with excellent know-how and proven track records in hotel management.

Location	Fukuoka, Fukuoka
Structure & Scale	S 10F
Completion	May 2017
Acquisition price	3,000 Mn yen
Estimated NOI yield	6.2%
(after depreciation)	5.3%
Occupancy rate	100.0% (September 27, 2018)
Acquisition date	September 27, 2018



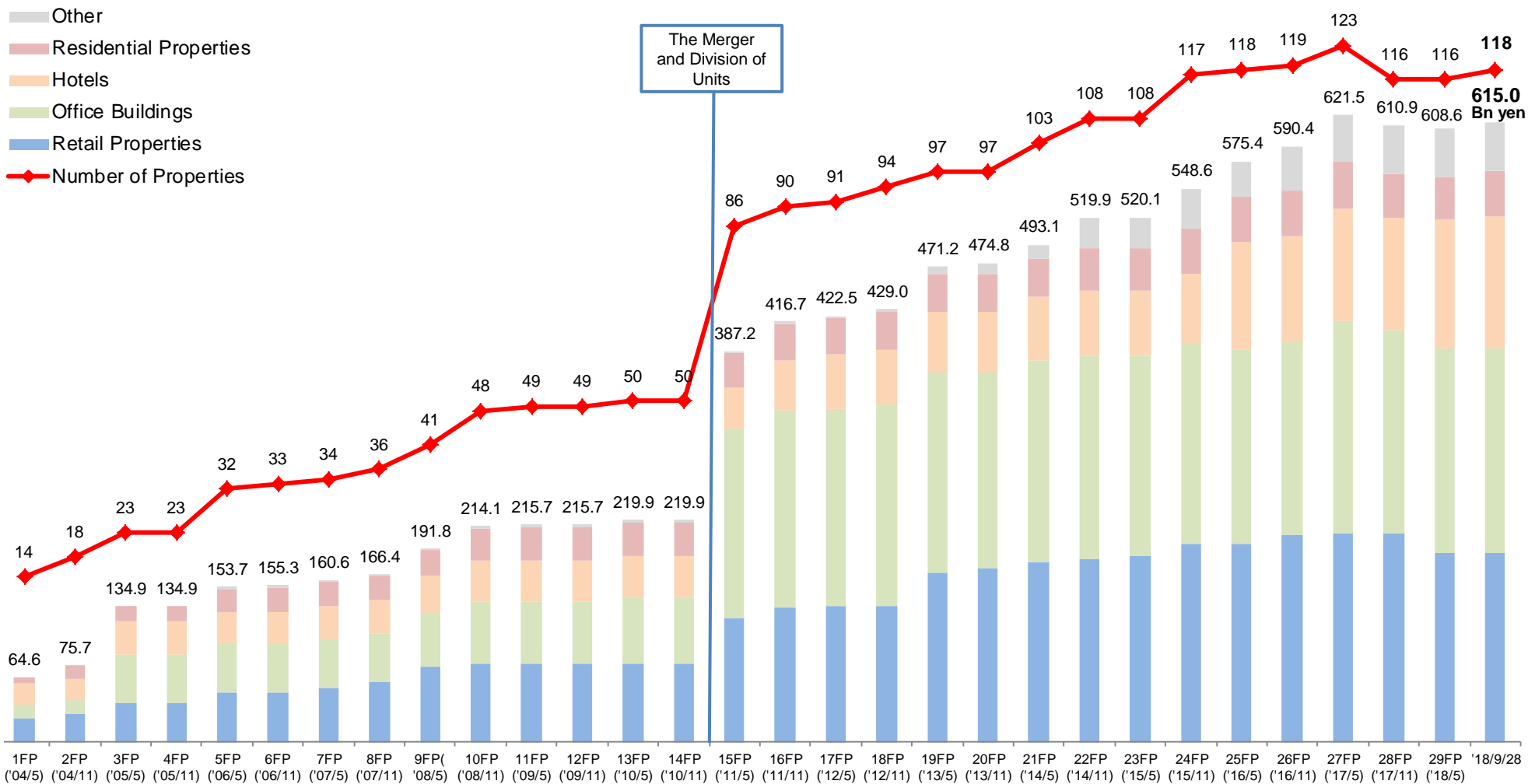
Lobby

Twin Room

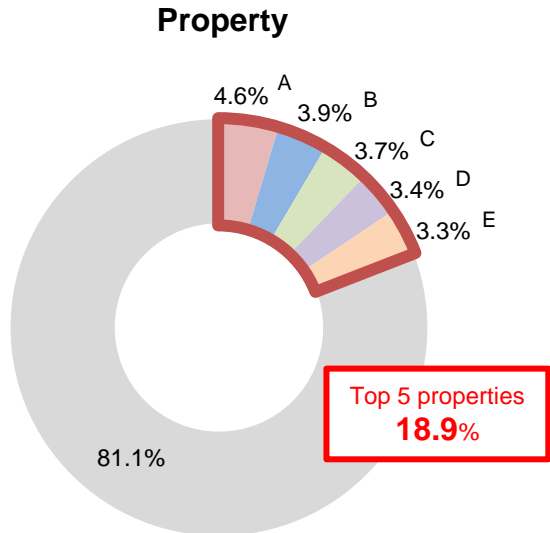
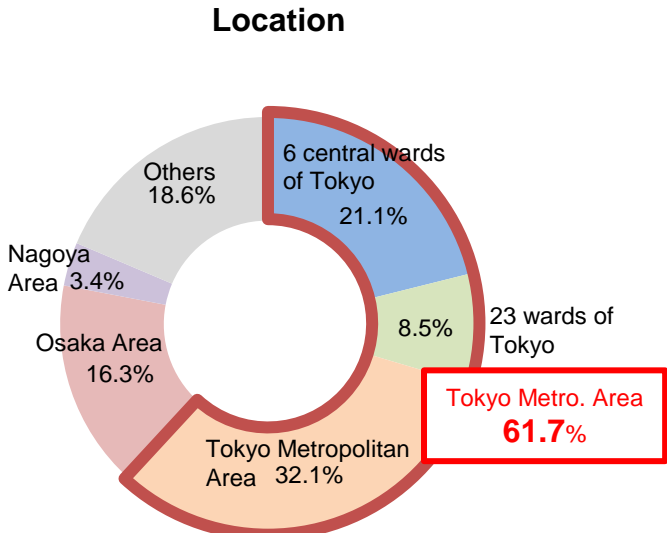
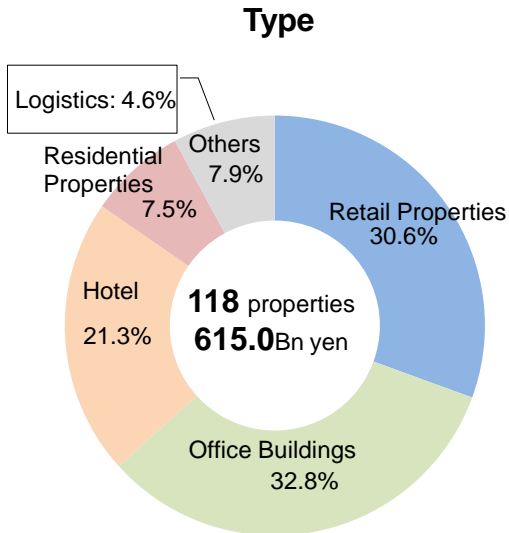


Track Record of UUR' External Growth

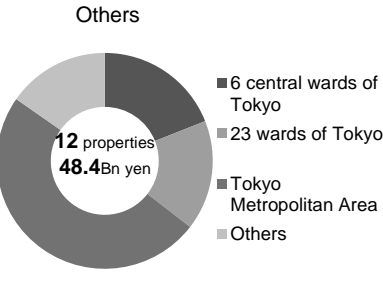
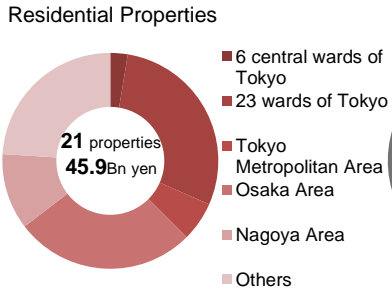
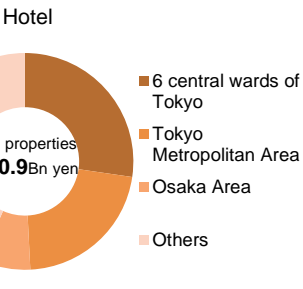
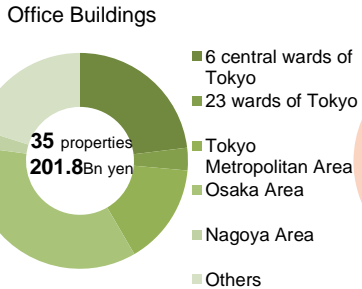
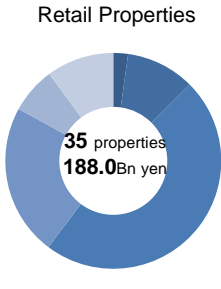
■ External Growth (Bn yen)



Portfolio Summary (as of September 28, 2018)



A : Yodobashi Camera Multimedia Kichijoji
B : Shin-osaka Central Tower
C : Shinsaibashi OPA Honkan
D : Shinjuku Washington Hotel Honkan
E : Loisir Hotel & Spa Tower Naha

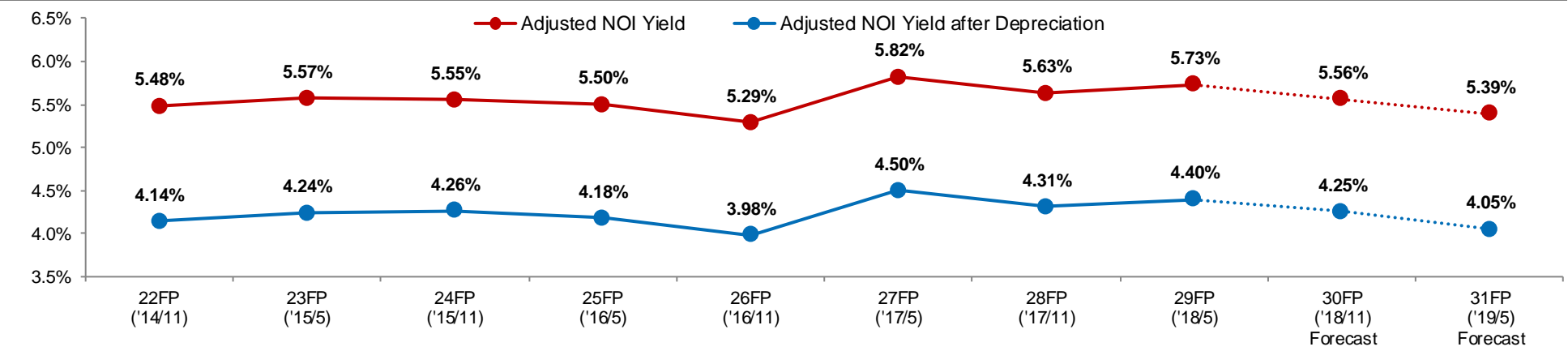


6 central wards of Tokyo : Chiyoda-ku, Minato-ku, Chuo-ku, Shinjuku-ku, Shibuya-ku, and Shinagawa-ku
23 wards of Tokyo : 23 wards of Tokyo except for 6 central wards of Tokyo
Tokyo Metropolitan Area : Tokyo Metropolitan Area except for 23 wards of Tokyo, and refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures
Osaka Area : Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture
Nagoya Area : Aichi Prefecture, Mie Prefecture and Gifu Prefecture
Others : Excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area

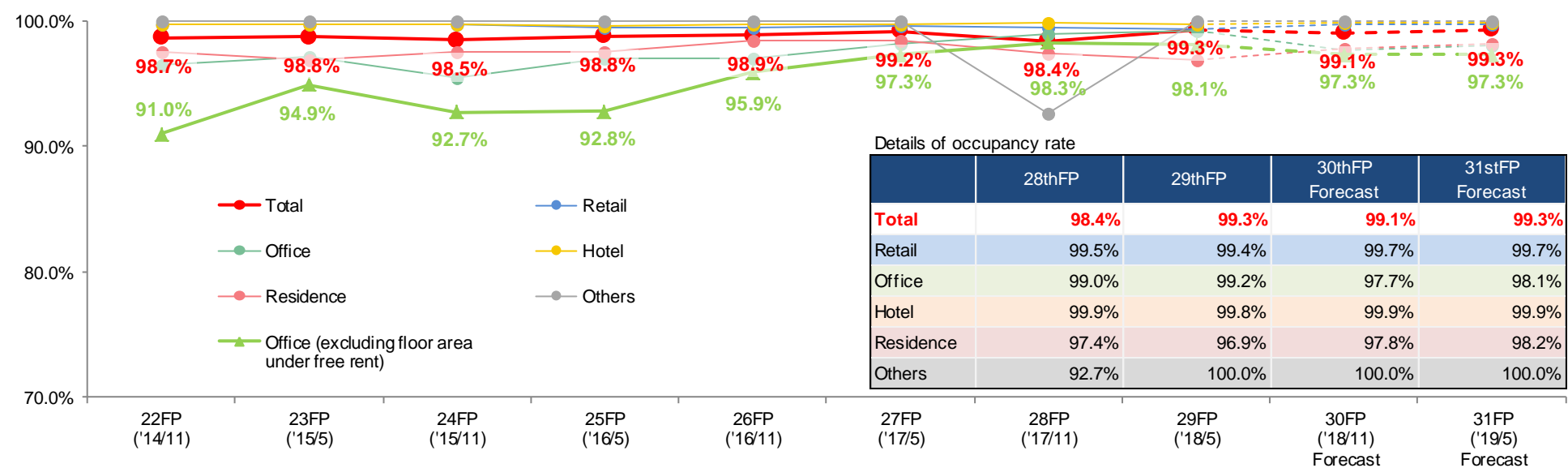
(Note) Asset size is described based on acquisition price.

Trend of Profit-ratio

(Note) Yield of the properties held at the end of the period has been weighted averaged by the acquisition price.



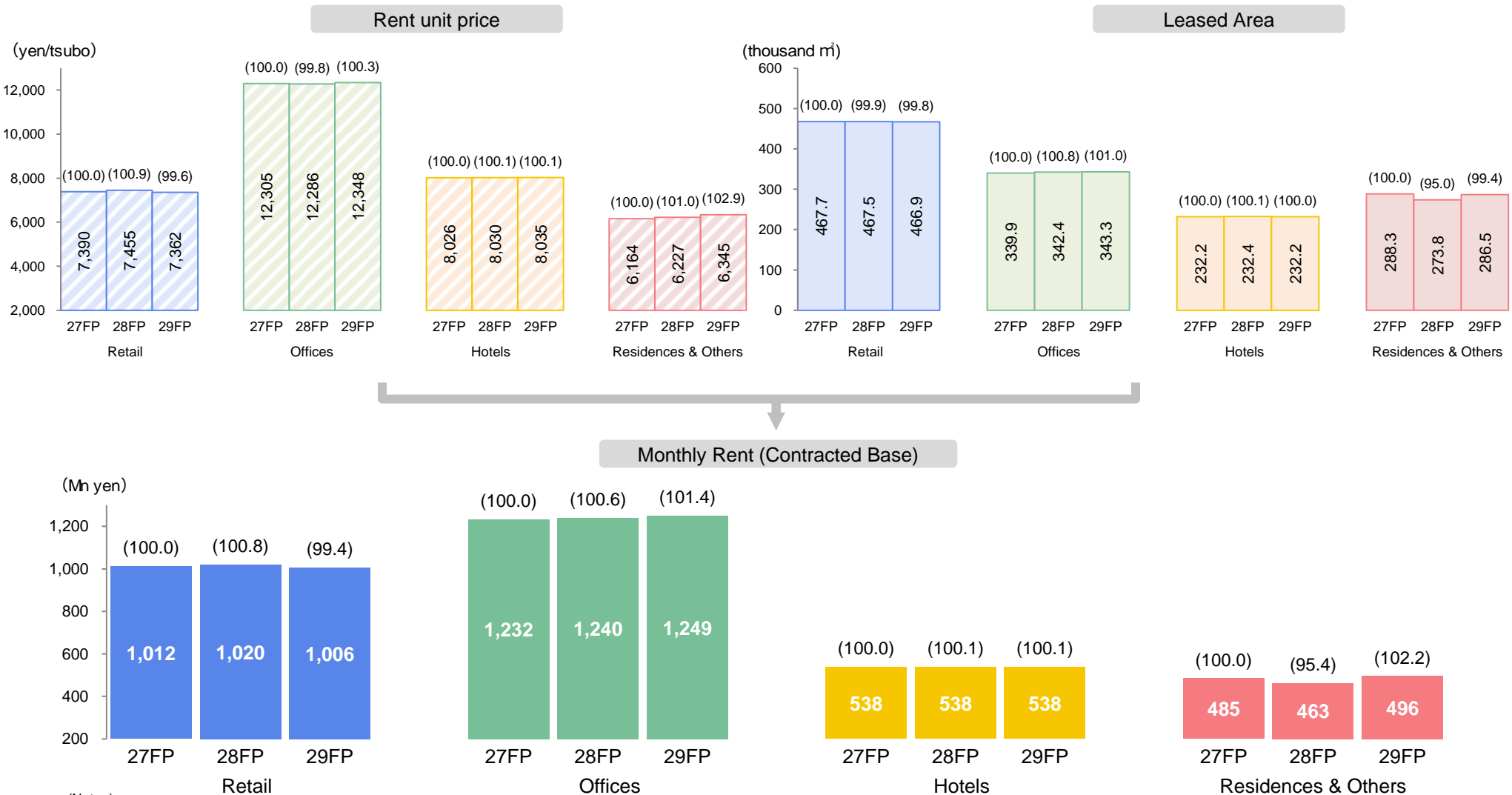
Trend of Portfolio Occupancy Rate (end of fiscal period)



Trend of Rent in Existing Properties

■ Trend of Monthly Rent (based on lease contracts) in Existing Properties

(The figures with parentheses show the index numbers, the end of 27th FP (May 2017) are defined as 100)



(Notes)

1. "Existing Properties" refers to the 114 properties which have been owned by United Urban for one year or more as at the end of May 2018.
2. This analysis shows the trend of fixed rent only. Therefore, variable rent, based on sales volume, etc. is excluded from this analysis.
3. "Himonya Shopping Center" has been corrected the numeric value of the remaining 49% ownership interest continues to be owned by United Urban.

Challenges for further internal growth

■ Matters that interest our asset managers



- Keep high occupancy by maintaining good relationship with the tenants
- Maximize value of the properties through such attempts as renovation, tenant-replacement and conversion
- Improve profitability of the properties by cost reduction such as shifting to PPS*

*PPS: Power Producer and Supplier, registered electricity retailers who are not a local power company

Re-LAND Shopping Center

Lease agreement for 15 years with no cancellation has been contracted as the result of negotiation with the major tenant for revitalization of the facility. Renovation work is underway till March 2019.



Image drawing after renovation

VIVAHOME Yokohama Aoba (Land)

On expiry of the fixed term lease, the tenant has been changed from a home center operator to an operator of super markets as the previous rent had not matched its locational potentiality.

Far increased rent was agreed with the new tenant without downtime. New building is being under construction with its completion target of Spring 2019.

ARENA TOWER

While there was a cancellation notice for 2 floors (9% of NLA of the property) as of May 2018, the relevant floors have been taken up by other tenant of the property with no downtime.



Yodobashi Camera Multimedia Kichijoji

The new agreement was contracted, which defines fixed rent till May 2023 and no cancellation till May 2027.

Capital expenditure on the building and facilities is planned to upgrade the functionality and increase the property value.



SS30

A major tenant who has occupied over 500 tsubo has agreed to extend its lease agreement till June 2032 from June 2024 with rent escalation.



MT Ariake Center Building I&II

The new tenant has moved in under long term fixed lease agreement with significant higher rent and made up for vacancy about 4,000 tsubo since July 2017.

The tenant has intention to increase floors to be leased in case other tenants leave.



Implementation of Renovation works for Value up

■ Track record of renovation works since 2015

- United Urban has been proactively engaged in renovation works to increase and maintain each properties, value and functionality.
- While renovations tend to bring free rent and construction cost, we can mitigate the influence on DPU by utilizing retained earnings.

2015

Mollage Kashiwa

Opened indoor futsal court and sports park with renewal of inside facilities on opening of competitors.

2015-2016

Shinjuku Washington Hotel Honkan

Changed the contract to obtain upside revenue on occasion of the large-scale renovation; NOI has been exceeding than the expectation.

2016

Himonya Shopping Center

Greatly improved profitability of the property with significant rent increase after 6-month closure for the large-scale renovation.

2016-2017

Roisir Hotel & Spa Tower Naha

Increased the number of guest rooms from 602 to 640 through changing the underutilized banquet hall, etc. Guest rooms with loft are well received by groups of tourists.

Continued investment for NOI growth/ cost increase prevention



■ Snapshot of 29th fiscal period

Pacific Marks Esaka

- ◆ Completed in 1975.
- ◆ 99.5% occupancy as of May 2018 owing to direct access to the station.
- ◆ Renovation works for common area including hallways, toilets, and elevators have been underway as scheduled.
- ◆ The property's exterior was renovated in the 29th fiscal period.



the b roppongi

- ◆ The extension and renovation started in December 2017.
- ◆ Steel pillars of the annex were set up in June 2018.
- ◆ The number of guest rooms will increase by 38 and common area is going to be expanded.
- ◆ The full completion is scheduled in March 2019.



Image drawing of reception

Considering change of customers' needs, large scale renovation (approx. cost of ¥900Mn) has been planned and completed to attract couples, families and groups rather than business tourist.

- Added the following facilities to cope with the customers' needs
 - Guest rooms with 3 to 4 beds for group tourists
 - Panasonic's Nanoe air cleaners on the ceiling of each room
 - Wall-mounted televisions
 - Simmons' pocketed coil mattresses
 - More open space in each guest room with compact pieces of furniture
- Devices to lower management/operation costs
 - New floor material for better design and more efficient cleaning
 - Fixed buffet table in the banquet room for less frequent table settings
 - Baggage counter near the reception desk

<Lobby> More Okinawa-like image with wickerwork couch and the blue-themed interior associated with sea



<Room> More lively resort design with variety of facilities



<Entrance> Exotic signage of a tropical resort as a new icon of Kokusai-dori



Effect by the Change of Power Suppliers

■ Shifting to PPS

- Deregulation of electricity retail started in March 2000, and has been fully liberalized since April 2016.
- Power suppliers have been changed from regional electric companies to PPS in 32 properties since 2016.
- Best PPS was selected for each property through competitive bidding. The contract reviews were supported by Marubeni Power Retail Corporation, one of the group companies of Marubeni, which has significant supply track records since 2002.
- The power supply contracts by United Urban will be reviewed accordingly.

Previous Situation

- ◆ No choice but regional electric companies
- ◆ Monopolistic market by each area – Electric price remain high
- ◆ Inflexible fee structure
- ◆ Fewer channels for renewable energy despite increase of eco-awareness



Merits of New Power Suppliers

- ◆ Cost reduction through market mechanism
- ◆ More choices in fee structure according to consumption pattern
- ◆ Enabled electricity purchase from renewal energy suppliers

■ Effect of electricity fixed cost reduction on electricity by shifting to PPS

¥135Mn per annum*

*Methodology

- 32 properties where power supply contracts have been revised since 2016 are sampled in the estimate.
- Amount of fee at a metered rate is not under consideration in the estimate.
- Amount of reduced fixed cost in the relevant properties is annualized based on the contracted price, although the timing of each contract change differs.

Newly Contracted Power Suppliers

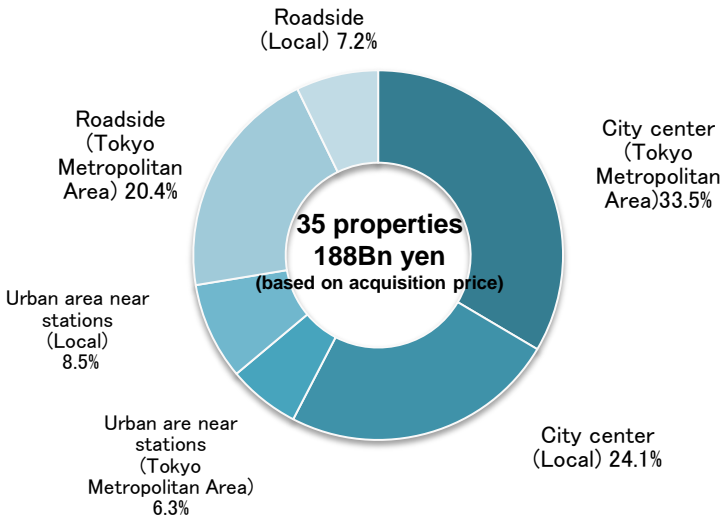
NF Power Service
Ennet
F-power
JAG Energy
Tokyu Power Supply
Marubeni Power Retail Corporation

Asset Management by Asset Types ①

Retail properties

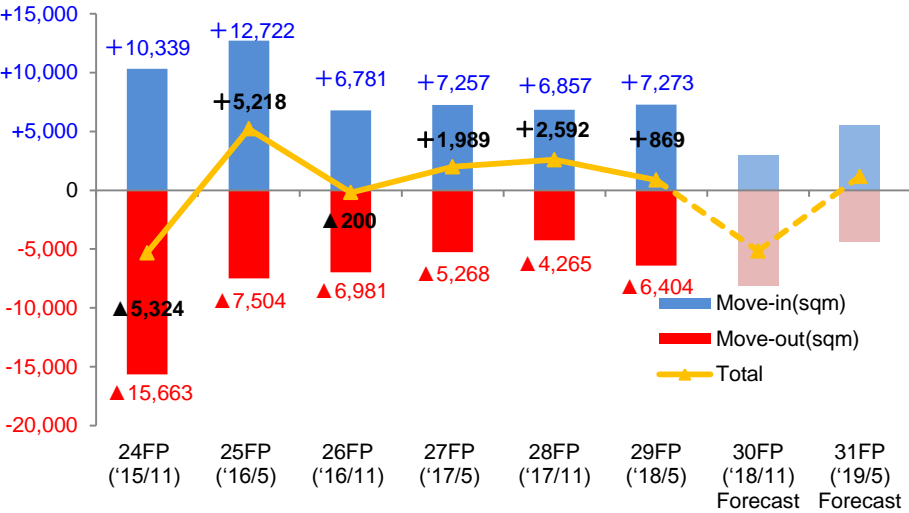
- Keeping high occupancy ratio by good relationship with the tenants.
- Improved profitability by the tenant-replacement.
- Mainly consisting of properties located in the city center with dispersed area and site specification.
- Stable asset management by such devices as long term lease agreements.

(Note)
 City center: located in the areas adjacent to the stations in the major Japanese cities.
 Urban area and near stations: located near train stations in the residential areas.
 Roadside: located along the major roads in the suburbs.

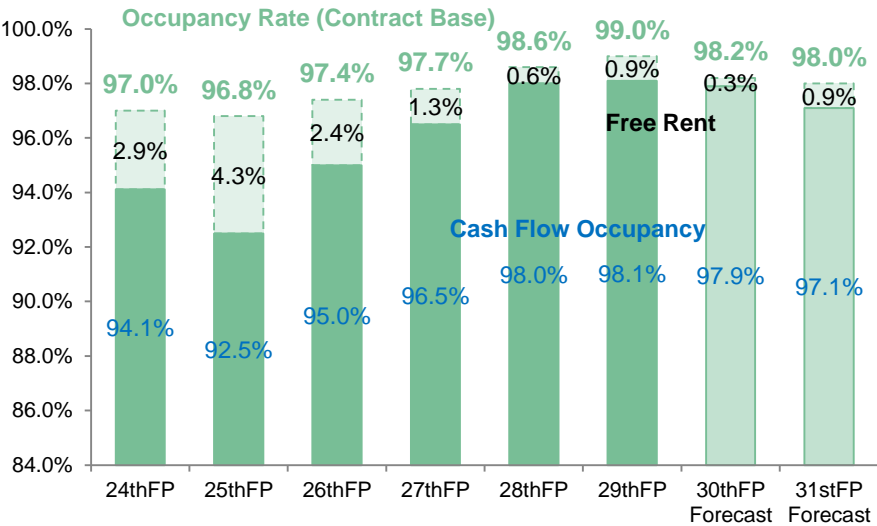


Office

■ Move-in VS Move-out



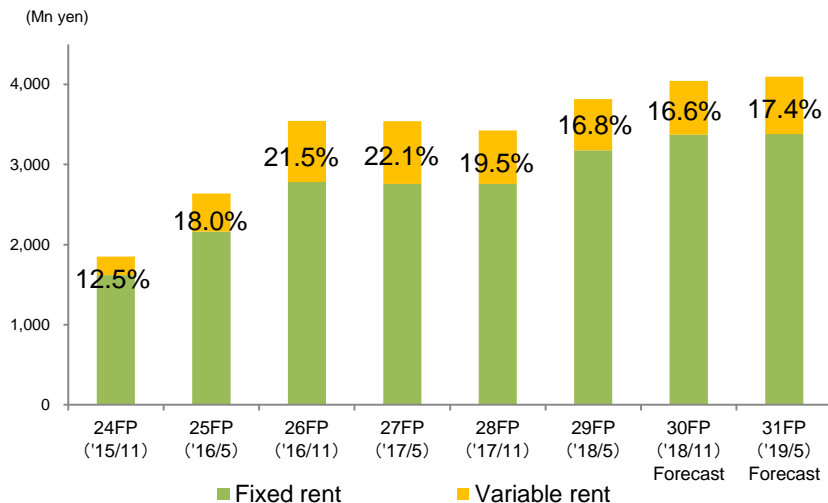
■ C/F(Cash flow) Occupancy Rate (average for each FP)



Asset Management by Asset Types ②

Hotel

- Rent revenues have been increased steadily (about 4,000Mn yen/FP_(note))
- Variable rent ratio is about 20%. Realizing the stability of revenues.



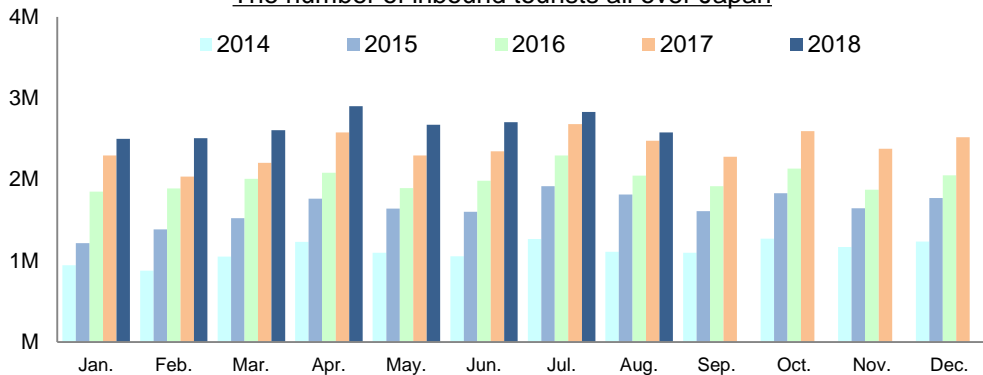
(Note) The rent revenues of "Shin-Osaka Central Tower", "SS30" and "the b fukuoka tenjin" are not included.

The number of guest rooms of UUR hotel properties (as of September 28, 2018)

Property Name	The number of guest rooms	Rent system
Hotel JAL City Naha	302	fixed rent+GOP ratio
the b roppongi	76	fixed rent+GOP ratio
Loisir Hotel & Spa Tower Naha	640	fixed rent+GOP ratio
Urawa Royal Pines Hotel	196	fixed rent+GOP ratio
the b fukuoka tenjin	125	fixed rent+GOP ratio
Shinjuku Washington Hotel Honkan	1,279	fixed rent+Sales ratio
UUR Yotsuya Sanchome Building (Hotel Wing International Premium Tokyo Yotsuya)	185	fixed rent+Sales ratio
RIHGA Royal Hotel Kokura	295	fixed rent+Sales ratio
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	279	step-up rent
Toyoko Inn Hiroshima Heiwa-odori	255	step-up rent
Toyoko Inn Naha Kokusai-dori Miebash-eki	94	step-up rent
Toyoko Inn Shinagawa-eki Takanawa-guchi	180	fixed rent
MZ BLD.(R&B Hotel Hachioji)	257	fixed rent
HOTEL ROUTE-INN Yokohama Bashamichi	272	fixed rent
Yotsuya 213 Building(TOKYU STAY YOTSUYA)	148	fixed rent
Shin-Osaka Central Tower (Washington Hotel Plaza Shin Osaka)	490	fixed rent
SS30 (SENDAI KOKUSAI HOTEL)	234	fixed rent
Total	5,307	—

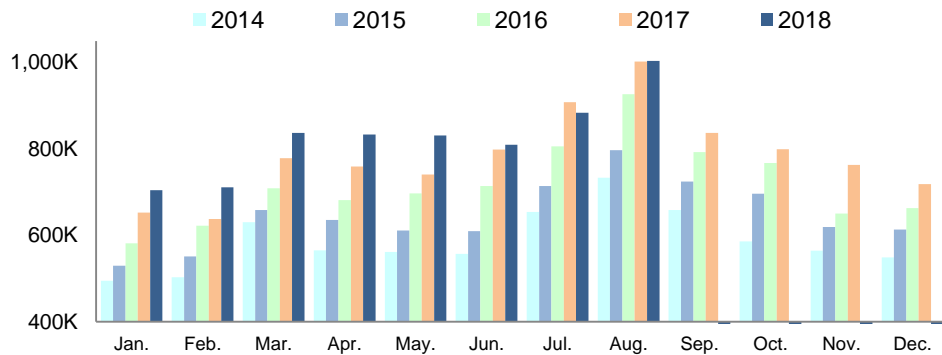
[Reference] Trend of visitors to Japan and Okinawa prefecture

The number of inbound tourists all over Japan



(Source) JNTO "Visitor Arrivals for August 2018"

The number of visitors to Okinawa prefecture



(Source) Okinawa Prefecture "August 2018, entering tourist statistics summary"

- United Urban has been making efforts on ESG (Environment, Social, Governance) initiatives for sustainable growth
- Environment certification coverage reached 27.7% at the end of the 29th FP. We have set the target to increase the coverage to 50% by 2020
- Various initiatives including reduction of environmental burden and those related to employees of the asset managers or the transactions with United Urban

1. “Green Star” rating in GRESB Survey

The “Global Real Estate Sustainability Benchmark (GRESB)” is a benchmark developed by European pension funds to assess the sustainability performance of real estate companies and funds. United Urban has obtained the “Green Star” rating for four years running from 2015 to 2018. It is granted to entities which have exhibited excellence in both dimensions of “Management and Policy” and “Implementation and Measurement.”



3. DBJ Green Building Certification

“DBJ Green Building Certification” is a comprehensive evaluation system with five ranks of certification for real estate properties with high environmental and social awareness by Development Bank of Japan Inc. (DBJ).



2. CASBEE for Market Promotion

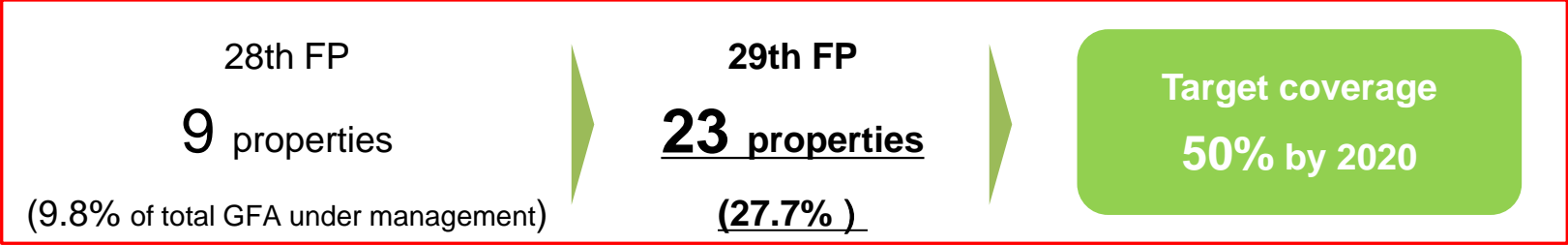
CASBEE is an assessment tool for environmental performance of buildings. CASBEE for Market Promotion was developed for those who are engaged in the real estate industry. Buildings are assessed by five categories with twenty one items including energy/greenhouse gas, water, resource usage/safety, biodiversity and indoor environment



4. BELS Certification

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

Environment certification coverage (CASBEE, DBJ Green Building, BELS; GFA base)



United Urban’s acquisition of certification on environment (as of May 2018)

Environment certifications	Number of properties certified	
CASBEE for Market Promotion	16 properties (10 properties were newly certified during the 29 th FP)	★★★★★: 2 ★★★★: 14
DBJ Green Building Certification	3 properties	★★★: 3
BELS Certification	5 properties (4 properties were certified during the 29 th FP)	★★★: 1 ★★: 4

Note: ARENA TOWER is certified according to DBJ Green Building Certification (★★★) as well as BELS Certification (★★★).

Reduction of power usage in the 29th FP

Mallage Kashiwa

Fuel-efficient air-conditioning facilities

Upgraded gas-heat-pump (GHP) compressor units were introduced in December 2017, which enabled expected energy-saving by 40%.

FOUR SEASONS BLDG

Green lease

LED lights’ installation and related works were executed by United Urban to reduce power usage. The tenant occupying the whole building agreed to increase the rent in return, expecting decrease of electricity charges.



GHP compressor units

S ranking in classification of business operation on Act on the Rational Use of Energy

United Urban has been ranked “S” for three consecutive years in classification of business operators on Act on the Rational Use of Energy, initiated by Ministry of Economy, Trade and Industry. Corporate entities who have lowered annual energy consumption by more than 1% on a five-year average are entitled to be ranked “S” certification.

There are **8 J-REITs including United Urban** who have been ranked **“S”** for **3** consecutive years.

Engagement in stakeholders

United Urban has been receiving various support from stakeholders. In accordance with their expectations and the asset manager’s influence on society and environment, it is understood that we need to pay attention to the stakeholders and move forward on mutual understanding.

United Urban established “Environmental Policies” and “Basic Supply Chain ESG Policy”. Our property management companies have been compliant with the policies above. Also, United Urban is aiming to gain support to the policies from our other business partners, including banks, vendors, construction companies, and tenants.

Diversity: Women –friendly work environment

The asset manager, Japan REIT Advisors (JRA), has accepted employees with foreign nationality or handicap.

Work-life balance is also highly valued in JRA. JRA gives full support especially to female employees for their successive career development.

Workers Profile at JRA

	Employees (exclusive of contractors)				Parental leave	Part-time
	Male	Female	Female %	Total		
March 2016	47	22	31.9%	69	2	3
March 2017	48	26	35.1%	74	2	3
March 2018	47	29	38.2%	76	2	4

Professional training

As investment and management of real estate properties require advanced knowledge and depth of experience, JRA has been providing employees with a variety of professional trainings and courses for sustainability awareness. Employees are also recommended to get public qualifications.

Training hours per employee	Avg. 11.7 hours (April 2017 – March 2018)
Employee who took professional trainings	100% (January 2017- December 2017)
Employees with public qualification (as of June 2018)	Real estate appraiser: 5
	Architect (first class): 2
	Building manager: 3
	Real estate broker: 44
	Attorney: 1

The Management Structure and System of JRA

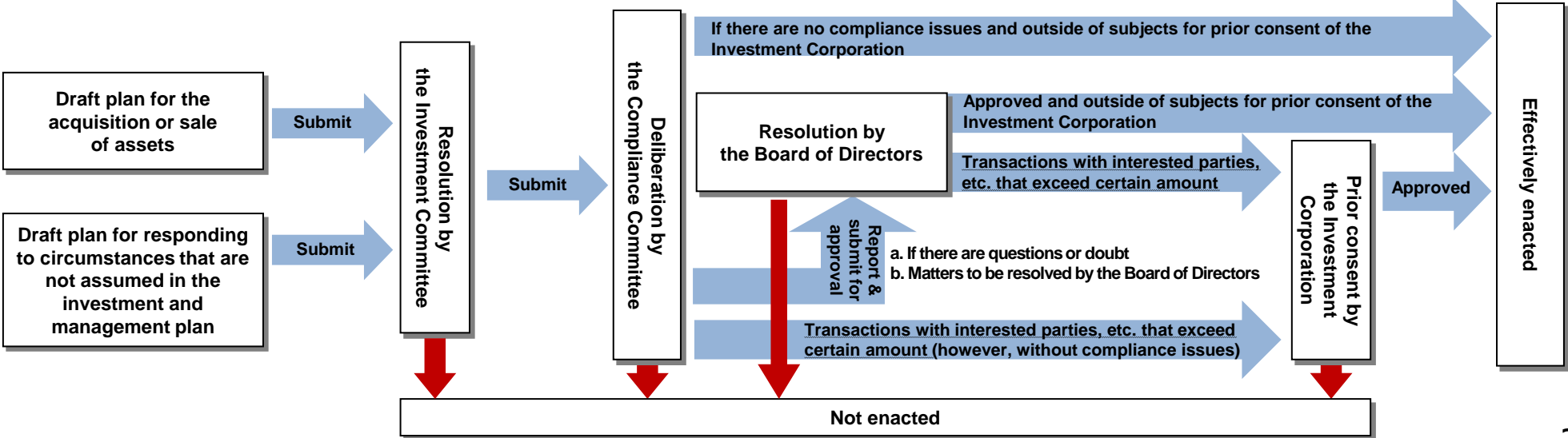
JRA fully recognizes that insufficiencies in carrying out strict compliance may undermine both investors' confidence in the financial market and the management bases of United Urban/JRA and considers the thorough execution of compliance as the basic principle of management. The Board of Directors, the President and Chief Executive Officer (CEO), the Compliance Committee, and the Chief Compliance Officer (CCO) undertake decision-making regarding various matters relating to compliance and its administration (management of the standing in compliance with laws and regulations) under their respective responsibilities and authority. The Investment Committee and Compliance Committee as the decision-making organs are placed below the Board of Directors and maintain independence in dealing with compliance issues, internal audit, risk management, etc. in JRA. They also endeavor to constrain and remedy transactions involving conflicts of interest.

- 【The Investment Committee】**
- The Committee has the decision-making authority concerning investment and management of United Urban assigned by the Board of Directors
 - Committee members: 1 chairperson (CEO), and 2 members (a Non-executive Director and an outside expert (An attorney at Law))
 - Method of resolution: A quorum for a resolution shall be 2 or more members of the Committee and the unanimous consent of all the attending members of the Committee shall be required for a resolution

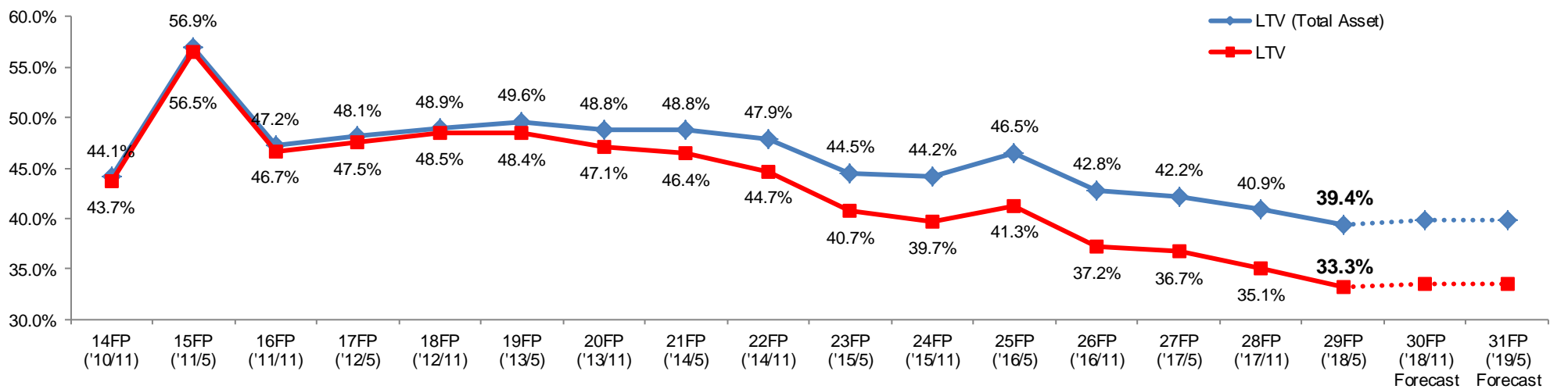
- 【The Compliance Committee】**
- The Committee is not an organ for making resolutions or decisions, but has been established for the purpose of making specific recommendations to the Board of Directors, not only about compliance with laws and regulations but about a broad range of matters concerning the code of professional conduct, internal audit etc.
 - Committee members: 1 chairperson (CCO), and 3 members (CEO, General Manager of Corporate Operation Team, and an outside expert (An Attorney at Law))
 - Method of deliberation: After a resolution by the Investment Committee, the item of the agenda shall be deliberated by the Committee from the viewpoint of compliance. The issues related to internal audit of JRA, etc. are mooted to the Committee.

As JRA's own rules for the prevention of conflicts of interest, the internal rules (as rules ancillary to the Investment Committee rules) concerning transactions with Sponsor/Stakeholder have been established to provide for restrictions on transactions, etc. between United Urban that entrusts the management of its assets to JRA and those related to the sponsors. Flowchart for decision-making structure relating to internal control for the acquisition/sale of assets, etc. by JRA, is as follows.

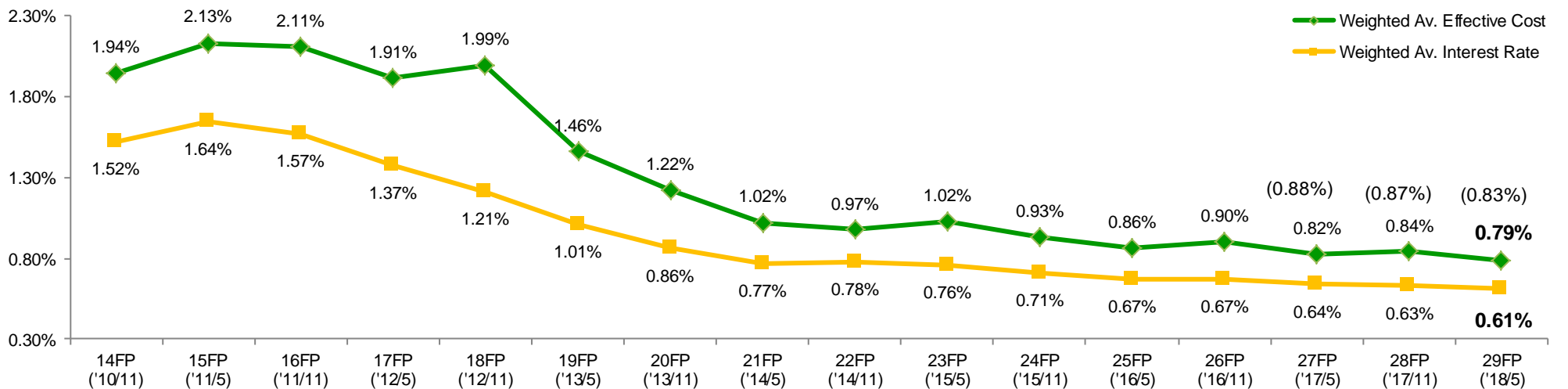
【 Flow chart for decision-making structure relating to JRA's internal control for investment and management services for United Urban】



Track Record of LTV at the End of Fiscal Period



Trend of Interest Bearing Debt Cost and Weighted-Average Interest Rate (Note1~3)



(Notes)

1. Interest Bearing Debt Cost is calculated by "(Interest expenses + financing related expenses) / Outstanding balance of interest bearing debt at the end of fiscal period / number of operating days * 365".

2. Weighted average interest rate on all the interest bearing debt at the end of each fiscal period. Does not include financing related cost, etc.

3. The figures with parentheses in the above graph is that of weighted av. interest bearing debt cost based on the average amount of interest bearing debt during each FP (27th to 29th).

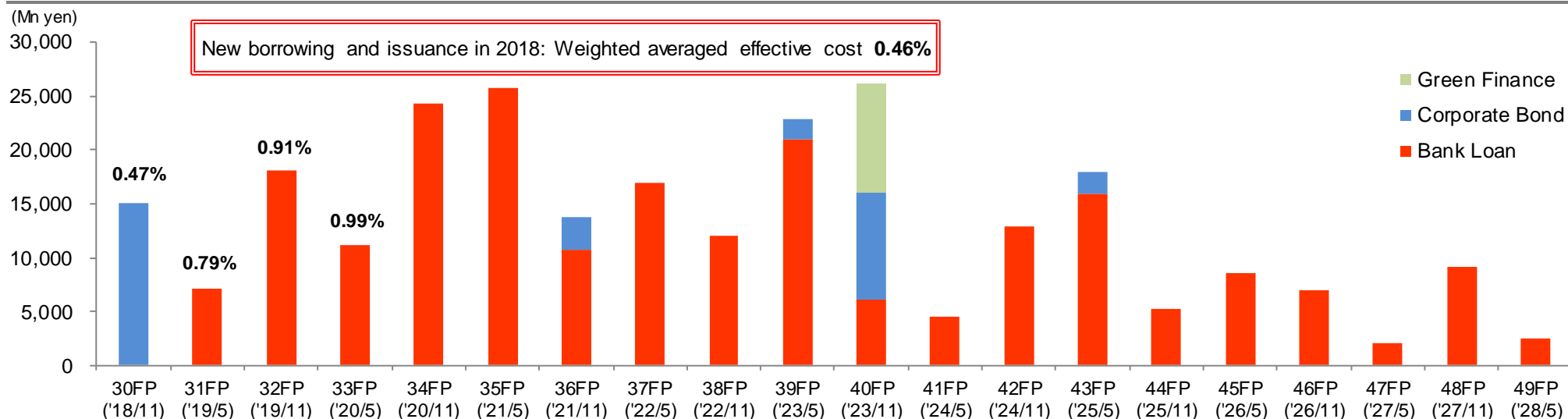
■ Financial Indices

	As of September 28, 2018	End of 29th FP (May 31, 2018)
Total Interest Bearing Debt	262.3Bn yen	255.8Bn yen
Bank Loans	230.3Bn yen	223.8Bn yen
Corporate Bonds	32.0Bn yen	32.0Bn yen
Collateral/ Guarantee	Nil	
Weighted average duration of interest bearing debt	3.9years	3.7years
Weighted average interest rate of interest bearing debt	0.58%	0.61%
Long term ratio of interest bearing debt	100% (Agreement base)	
Ratio of fixed interest rate debt	89.1%	88.9%
Amount of Commitment line	36.0Bn yen	

■ Credit Rating

Rating Agency	Rating
Japan Credit Rating Agency (JCR)	Long term issuer rating AA (Outlook : stable)
Moody's Japan K.K.	Long term Issuer rating A3 (Outlook : stable)

■ Repayment & Redemption Schedule (as of September 28, 2018) (Note)

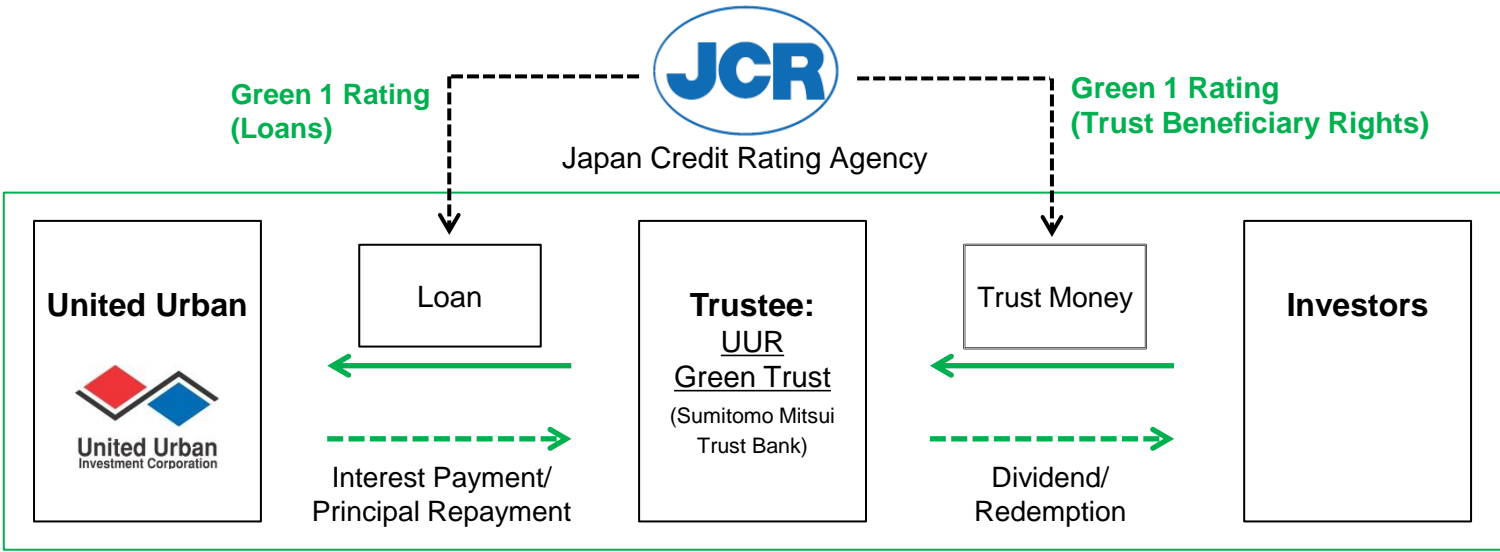


(Note) The figures in above graph is weighted average interest bearing debt cost (interest rates which include borrowing-related expenses and corporate bond issuance expenses etc.) of all the interest bearing debt maturing on each fiscal period from 30th FP to 33rd FP.

UUR Green Trust

- Green Finance Transaction with Joint Trust Scheme / First in Japanese Financial Market

Finance Amount **¥10.0 Billion** Term **5 years** Interest Rate **0.25% (Fixed)**



(Note) All the proceeds of the debt financing is used to replenish UUR's cash balance, a part of which was allocated to the repayment of the borrowing (total: ¥7.3 billion) on September 20, 2018 and the acquisition of "the b fukuoka tenjin" on September 27, 2018 (acquisition price: ¥3.0 billion)

Definition under Asset Management Guideline

- Green Finance** : Loans and bonds that will be all used for acquisition of the existing/new Eligible Green Assets or refinancing of the existing debts that have already been allocated to the Eligible Green Assets.
- Eligible Green Assets** : The new/existing properties that have or are expected to obtain DBJ Green Building certification (three stars or better), CASBEE real estate certification (A rank or higher), or BELS evaluation (two stars or better)
- Limit of Green Finance** : Book value of Eligible Green Assets x (Interest-bearing liabilities/AUM) as of each fiscal period end; Approx. ¥54.8 billion, as of end-May, 2018
- Reporting** : United Urban will disclose the total amount of all the Eligible Green Assets, the acquisition prices, and quantitative environmental performance indicators of the Eligible Green Assets (electricity usage, fuel and water consumptions and CO2 emissions, however, limited to those United Urban has energy management authority) on its website more than once a year.

Finance 4/4 (Strategic utilization of retained earnings)

We are going to maximize unitholder's profit in the long-term perspective through utilizing retained earnings considering DPU level.

■ Utilize policy of retained earnings

1. Promotion of external growth with the flexible equity-raise

We use our retained earnings to mitigate the influence in such case as the dilution of DPU arises by the issuance of new units and stabilize DPU level. Flexibility of equity-finance corresponding to the economic and financial markets and promotion of external growth can be expected through these initiatives.

2. Portfolio management from long-term perspective

We use our retained earnings to maintain DPU level in such cases as losses on disposition of the properties, sudden decreases in revenues (major tenants' leave etc.). This will enable us to build the optimum portfolio and asset management in the long perspective.

3. Coping with difference between accounting and taxation

We can mitigate the risk of large amount of corporate tax due to difference between accounting and taxation such as impairment loss by using our retained earnings.

■ Standing of retained earnings (Note)

(in millions of yen)

		As of end of 28th FP ('17/11)	Reserved in 29th FP ('18/5)	Decreased in 29th FP ('18/5)	As of end of 29th FP ('18/5)
	Negative Goodwill (Reserve for temporary difference Adjustments)	7,395	+66	-75	7,386
	Reserve retained for distribution	2,984	+77	—	3,061
	Reserve for reduction entry	—	+1,120	—	1,120
	Total Amount of Retained Earnings	10,380	+1,264	-75	11,569

(Note) Each end of fiscal period amount show s amount after increasing or decreasing of negative goodwill and of reserve retained for distribution and of Reserve for reduction entry based on "Statements of Cash Distribution".

Distribution policy of negative goodwill	Distribution of the same amount for 50 years (100FP)	
	Distribute at least 1% of the balance in each FP, to the extent its balance remains	
Resource of distribution	End of 26th FP('16/11) (Reserve for temporary difference)	Reserved in 29th FP ('17/11)
	7,546Mn yen	66Mn yen
Appropriated amount (lower limit)	Starting from the 27th FP ('17/5) 75.4Mn yen / FP	Starting from the 30th FP ('18/11) 0.6Mn yen / FP
	Starting from the 30th FP ('18/11) 76.1Mn yen / FP	

3

New Challenge Continues

External Growth

- Re-investment of proceeds from property-sale without long delay by acquisition of investment candidates under consideration, etc.
- Continuous property acquisition taking into consideration of asset quality and portfolio profitability
- Expansion of investment scope

Internal Growth

- Improvement of profitability through increasing of occupancy rate and rent level
- Maintaining and strengthening property-competitiveness through strategic capital expenditures

Finance strategy

- Reduction of financing cost and building up retained earnings

ESG / Fiduciary Duty

- Contribution to realization of sustainable society, based on the corporate objective of asset management company, "Everything for the Investors' Best Interest".

Business Forecast

(in millions of yen, unless otherwise indicated)

Item	29th FP (Actual) (A)	30th FP (Forecast) (B)	Change (B - A)	31st FP (Forecast) (C)	Change (C - B)
Revenues from real estate leasing operation (of which, Rental revenues & common area charges)	24,219 (21,521)	23,827 (21,150)	-392 (-371)	23,403 (20,943)	-424 (-207)
Property-related expenses (of which, Repair costs)	10,328 (833)	10,769 (891)	+441 (+58)	11,092 (1,420)	+323 (+529)
(of which, depreciation)	(4,160)	(4,044)	(-116)	(4,044)	(0)
(of which, Taxes and public dues)	(1,782)	(1,886)	(+104)	(1,868)	(-18)
Income from real estate leasing operation (NOI)	13,890 (18,051)	13,058 (17,102)	-832 (-949)	12,311 (16,355)	-747 (-747)
Gain on Property Sale etc.	1,360	1,850	+490	2,950	+1,100
Sales Admin. Expenses	2,163	2,171	+8	2,134	-37
Operating Income	13,089	12,737	-352	13,130	+393
Non-operating profit and loss	-1,114	-1,206	-92	-1,157	+49
Ordinary Income	11,974	11,531	-443	11,973	+442
Net Income	11,973	11,531	-442	11,972	+441
[EPU (yen/unit)]	(3,919)	(3,774)	(-145)	(3,918)	(+144)
Use of Negative Goodwill (+)	75	76	+1	76	-
Retention of Income (-)	1,264	1,158	-106	1,202	+44
Total Cash Distributions	10,784	10,448	-336	10,846	+398
DPU (yen/unit)	3,530	3,420	-110	3,550	+130
No. of Investment Units Outstanding (unit)	3,055,087	3,055,087	-	3,055,087	-
CAPEX	1,903	1,941	+38	2,907	+966

(Note) The forecasts are the ones which were announced on July 13, 2018.

(Note) Marks(+/-) show increase or decrease of each item

29th FP (Actual) ⇒ 30th FP (Forecast)	Change
Income from real estate leasing operation -832	
• Properties acquired in 28 & 29FP	+118 (Revenues +336 Expenses -218)
• Properties sold in 29 & 30FP	-491 (Revenues -729 Expenses +237)
• Properties acquired in 30FP	+64 (Revenues +100 Expenses -36)
• Property taxes & city planning taxes	-178 (Properties acquired in 2017)
• Others	-345 Temporary income -326, utilities -39, repairs -33, rental revenues and common area charges +77
Gain on Property Sale	+490
Sales Admin. Expenses	-8
Non-operating profit & loss	-92 (Subsidy peeling -71, Abandonment loss -27 etc)

30th FP (Forecast) ⇒ 31st FP (Forecast)	Change
Income from real estate leasing operation -747	
• Properties acquired in 29FP	+3 (Revenues -53 Expenses +56)
• Properties acquired in 30FP	+14 (Revenues +21 Expenses -7)
• Properties sold in 31FP	-130 (Revenues -194 Expenses +64)
• Repairs	-524 Large scale renovation of Hotel etc
• Others	-110 rental revenues and common area charges -31, utilities -43. etc
Gain on Property Sale	+1,100
Sales Admin. Expenses	+37
Non-operating profit & loss	+49 (Abandonment loss +34 etc)

Properties acquired in 29th FP	Properties to be sold in 30th FP
• RIHGA Royal Hotel Kokura ARUARU City ('18/1)	• Himonya Shopping Center (19%*) ('18/11 (scheduled))
Properties sold in 29th FP	Properties to be sold in 31st FP
• Himonya Shopping Center (51%*) ('18/5) • AEON MALL Uki ('18/5)	• Himonya Shopping Center (30%*) ('19/3 (scheduled))
Properties acquired in 30th FP	
• Chatle Otemachi S • N ('18/7)	

* quasi co-ownership

Candidates for Acquisition

Increase of opportunities for property-acquisition through varied approaches

Investment Candidates under consideration as of July 13, 2018 (Note)

Acquisition Method	Type of use	Property name	Location	Completed
Utilization of the Adjacent Site and the less utilized part of the land of the Property	Hotel	the b roppongi building an Annex	Tokyo	2018-2019 (scheduled)
Utilization of Bridge Fund Scheme	Others	Musashimurayama warehouse	Tokyo	2001
Acquisition of properties under development (sponsors groups)	Hotel	non-disclosure (limited service hotel)	Hokkaido	2018
		non-disclosure (limited service hotel)	Ishikawa	2018 (scheduled)
Acquisition of properties under development		the b fukuoka tenjin (limited service hotel)	Fukuoka	2017
		non-disclosure (limited service hotel)	Tokyo	2018

Estimated acquisition price
about 19.4Bn yen in total

Estimated weighted average
NOI yield
5.7%

(Note) The properties shown above (except for the b roppongi)are those have been under negotiation with each owners of the properties and Japan REIT Advisors Co., Ltd. as of July 13, 2018. Therefore, there is no guarantee United Urban Investment Corporation can acquire these investment candidates.

4 | Appendix

(millions of yen, unless otherwise indicated)		FP 2018/5 (29th FP: 182days)	FP 2017/11 (28th FP: 183days)	FP 2017/5 (27th FP: 182days)	FP 2016/11 (26th FP: 183days)	FP 2016/5 (25th FP: 183days)
Total Assets		648,503	663,531	675,885	648,105	629,262
Number of Properties	(properties)	116	116	123	119	118
Interest-bearing liabilities		255,884	271,607	285,857	277,407	293,157
Net Asset		355,017	353,258	351,801	333,592	298,009
Net Asset per unit	(yen)	116,205	115,629	115,152	112,966	108,313
Return on Assets (ROA) (annualized)	(%)	3.7%	3.4%	3.1%	2.9%	3.0%
Return on Equity (ROE) (annualized)	(%)	6.8%	6.4%	6.0%	5.9%	6.1%
Equity ratio	(%)	54.7%	53.2%	52.1%	51.5%	47.4%
Debt service coverage ratio	(X)	15.8	14.5	13.2	11.6	11.1
NOI		18,051	17,514	17,528	15,679	15,420
FFO		14,773	14,144	14,213	11,870	11,939

		FP 2015/11 (24th FP: 183days)	FP 2015/5 (23rd FP: 182days)	FP 2014/11 (22nd FP: 183days)	FP 2014/5 (21st FP: 182days)	FP 2013/11 (20th FP: 183days)
Total Assets		598,077	573,318	561,415	527,807	527,025
Number of Properties	(properties)	117	108	108	103	97
Interest-bearing liabilities		264,707	255,357	269,157	257,707	257,333
Net Asset		297,340	282,906	258,335	237,208	237,079
Net Asset per unit	(yen)	108,069	106,987	102,830	99,659	99,605
Return on Assets (ROA) (annualized)	(%)	2.8%	2.8%	2.7%	2.5%	2.3%
Return on Equity (ROE) (annualized)	(%)	5.4%	5.8%	5.9%	5.6%	5.2%
Equity ratio	(%)	49.7%	49.3%	46.0%	44.9%	45.0%
Debt service coverage ratio	(X)	10.3	9.8	9.3	8.7	7.5
NOI		14,847	14,540	13,894	13,149	12,796
FFO		11,398	11,354	10,685	10,033	9,419

(Notes)

1. The amount of Gain on Negative Goodwill are not taken into account in calculating FFO and Debt service coverage ratio.

2. FFO = Net Income + Depreciation and Amortization + Gain/Loss on Sales of Real Estate

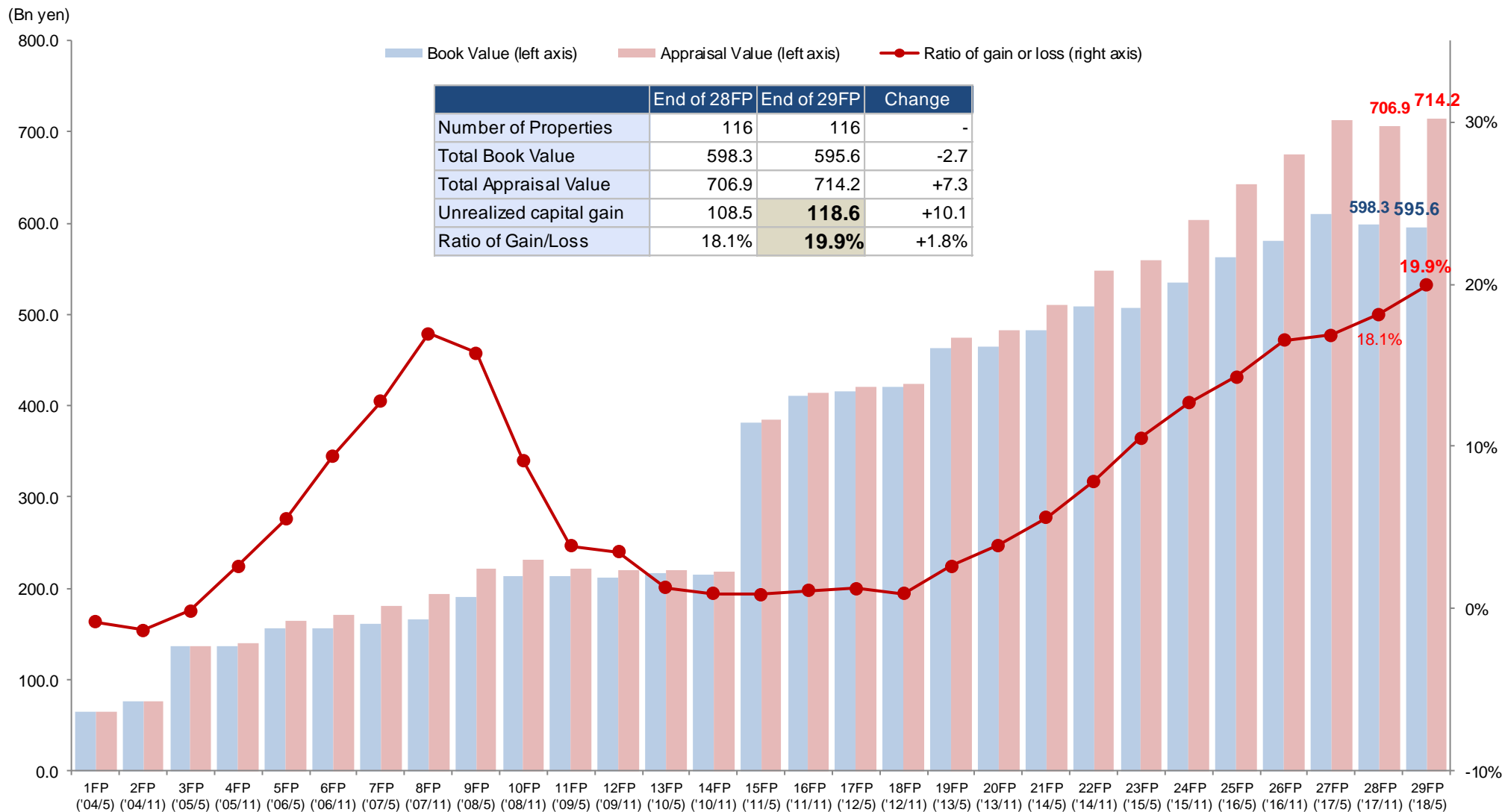
		End of 28th Fiscal Period (November 30, 2017)		End of 29th Fiscal Period (May 31, 2018)		Change	
		(JPY Mn)	percentage	(JPY Mn)	percentage	(JPY Mn)	ratio
ASSETS	Current Assets	63,033	9.5%	51,017	7.9%	▲ 12,016	▲ 19.1%
	Cash and bank deposits	62,327	9.4%	49,665	7.7%	▲ 12,661	▲ 20.3%
	Rent receivables	501	0.1%	618	0.1%	+ 116	+ 23.2%
	Other	204	0.0%	733	0.1%	+ 528	+ 258.1%
	Fixed Assets	600,497	90.5%	597,486	92.1%	▲ 3,011	▲ 0.5%
	Property and equipment	589,062	88.8%	586,283	90.4%	▲ 2,779	▲ 0.5%
	Land	388,022	58.5%	387,141	59.7%	▲ 880	▲ 0.2%
	Buildings and structures	256,015	38.6%	253,395	39.1%	▲ 2,619	▲ 1.0%
	Machinery and equipment	2,557	0.4%	2,638	0.4%	+ 80	+ 3.2%
	Tools, furniture and fixtures	871	0.1%	982	0.2%	+ 111	+ 12.8%
	Construction in progress	105	0.0%	377	0.1%	+ 271	+ 257.3%
	Subtotal	647,572	97.6%	644,535	99.4%	▲ 3,036	▲ 0.5%
	Less accumulated depreciation	▲ 58,509	▲ 8.8%	▲ 58,252	▲ 9.0%	+ 257	▲ 0.4%
	Intangible assets	9,534	1.4%	9,520	1.5%	▲ 14	▲ 0.1%
	Software	34	0.0%	27	0.0%	▲ 7	▲ 21.1%
	Leasehold	9,320	1.4%	9,320	1.4%	+ 0	+ 0.0%
	Other	178	0.0%	172	0.0%	▲ 6	▲ 3.7%
	Investments and other assets	1,900	0.3%	1,682	0.3%	▲ 218	▲ 11.5%
	Investment securities	144	0.0%	144	0.0%	+ 0	+ 0.0%
	Long-term prepaid expenses	1,666	0.3%	1,447	0.2%	▲ 218	▲ 13.1%
	Other	90	0.0%	90	0.0%	+ 0	+ 0.0%
TOTAL ASSETS		663,531	100.0%	648,503	100.0%	▲ 15,028	▲ 2.3%
LIABILITIES	Current Liabilities	65,202	9.8%	43,614	6.7%	▲ 21,588	▲ 33.1%
	Trade accounts payable	2,198	0.3%	2,025	0.3%	▲ 172	▲ 7.8%
	Current portion of corporate bonds	29,000	4.4%	15,000	2.3%	▲ 14,000	▲ 48.3%
	Long-term debt due for repayment within one year	29,023	4.4%	22,400	3.5%	▲ 6,623	▲ 22.8%
	Rent received in advance	3,544	0.5%	3,573	0.6%	+ 28	+ 0.8%
	Other	1,436	0.2%	614	0.1%	▲ 822	▲ 57.2%
	Long-term Liabilities	245,070	36.9%	249,871	38.5%	+ 4,800	+ 2.0%
	Corporate bonds	5,000	0.8%	17,000	2.6%	+ 12,000	+ 240.0%
	Long-term debt	208,584	31.4%	201,484	31.1%	▲ 7,100	▲ 3.4%
	Leasehold and security deposits received	31,361	4.7%	31,301	4.8%	▲ 59	▲ 0.2%
	Other	125	0.0%	85	0.0%	▲ 40	▲ 31.9%
	TOTAL LIABILITIES	310,273	46.8%	293,485	45.3%	▲ 16,788	▲ 5.4%
NET ASSETS	Unitholders' Equity	353,393	53.3%	355,107	54.8%	+ 1,714	+ 0.5%
	Unitholders' capital	309,205	46.6%	309,205	47.7%	+ 0	+ 0.0%
	Capital surplus	23,548	3.5%	23,548	3.6%	+ 0	+ 0.0%
	Reserve for Temporary difference Adjustment	7,470	1.1%	7,395	1.1%	▲ 75	▲ 1.0%
	Reserve retained for distribution	1,848	0.3%	2,984	0.5%	+ 1,136	+ 61.5%
	Unappropriated retained earnings	11,319	1.7%	11,973	1.8%	+ 654	+ 5.8%
	Deferred gains or losses on hedges	▲ 134	▲ 0.0%	▲ 89	▲ 0.0%	+ 44	▲ 33.3%
	TOTAL NET ASSETS	353,258	53.2%	355,017	54.7%	+ 1,759	+ 0.5%

Statements of Income

	28th Fiscal Period (June 1, 2017-November 30, 2017)		29th Fiscal Period (December 1, 2017-May 31, 2018)		Change	
	(JPY Mn)	percentage	(JPY Mn)	percentage	(JPY Mn)	ratio
OPERATING REVENUES	25,926	100.0%	29,166	100.0%	+ 3,239	+ 12.5%
Rental revenues	22,148	85.4%	22,378	76.7%	+ 230	+ 1.0%
Other rental revenues	1,616	6.2%	1,841	6.3%	+ 224	+ 13.9%
Gain on sales of real estate properties	2,161	8.3%	4,944	17.0%	+ 2,783	+ 128.8%
Dividend income	-	-	1	0.0%	+ 1	-
OPERATING EXPENSES	13,443	51.9%	16,077	55.1%	+ 2,633	+ 19.6%
Property-related expenses	10,360	40.0%	10,328	35.4%	▲ 31	▲ 0.3%
Property and other taxes	1,816	7.0%	1,782	6.1%	▲ 33	▲ 1.9%
Property management fees	1,677	6.5%	1,685	5.8%	+ 8	+ 0.5%
Utilities	1,442	5.6%	1,385	4.8%	▲ 56	▲ 3.9%
Casualty insurance	30	0.1%	31	0.1%	+ 1	+ 5.9%
Repairs and maintenances	863	3.3%	833	2.9%	▲ 30	▲ 3.5%
Depreciation and amortization	4,109	15.9%	4,160	14.3%	+ 51	+ 1.2%
Other	421	1.6%	449	1.5%	+ 28	+ 6.7%
Loss on sales of real estates	876	3.4%	3,584	12.3%	+ 2,707	+ 309.0%
Selling, General & Admin. Expenses	2,207	8.5%	2,163	7.4%	▲ 43	▲ 2.0%
Asset management fees	1,867	7.2%	1,863	6.4%	▲ 3	▲ 0.2%
Asset custodian fees	18	0.1%	17	0.1%	▲ 1	▲ 6.6%
Administrative service fees	70	0.3%	67	0.2%	▲ 3	▲ 4.6%
Directors' compensation	7	0.0%	4	0.0%	▲ 3	▲ 41.7%
Other	243	0.9%	211	0.7%	▲ 32	▲ 13.3%
OPERATING INCOME	12,482	48.1%	13,089	44.9%	+ 606	+ 4.9%
NON-OPERATING REVENUES	14	0.1%	98	0.3%	+ 84	+ 585.3%
Other	14	0.1%	98	0.3%	+ 84	+ 585.3%
NON-OPERATING EXPENSES	1,176	4.5%	1,213	4.2%	+ 36	+ 3.1%
Interest expense	1,039	4.0%	1,000	3.4%	▲ 38	▲ 3.7%
Interest expense on corporate bonds	105	0.4%	87	0.3%	▲ 17	▲ 16.7%
Corporate bond issuance expenses	-	-	79	0.3%	+ 79	-
Other	32	0.1%	45	0.2%	+ 12	+ 40.3%
ORDINARY INCOME	11,320	43.7%	11,974	41.1%	+ 654	+ 5.8%
INCOME BEFORE INCOME TAXES	11,320	43.7%	11,974	41.1%	+ 654	+ 5.8%
INCOME TAXES	0	0.0%	0	0.0%	+ 0	+ 0.0%
Current	0	0.0%	0	0.0%	+ 0	+ 0.0%
NET INCOME	11,319	43.7%	11,973	41.1%	+ 654	+ 5.8%

Trend of Unrealized Capital Gain

■ Trend of book value and appraisal value at the end of fiscal periods



(in millions of yen)																		
Type	No.	Property Name	Acquisition			28th fiscal period (2017/11/30)				29th fiscal period (2018/5/31)				Comparison between 29th and 28th FP				Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)	
														④－② (change)	④/②-1 (change)			
Retail Property	A1	Himony a Shopping Center	1	03/12/25	7,497	17,572	22,500	5.1%	+ 4,928	8,540	11,074	5.1%	+ 2,534	-11,426	-50.8%	±0%	-2,394	JREI
	A2	Joy Park Izumigaoka	1	03/12/22	6,770	5,175	4,710	5.7%	-465	5,123	4,750	5.6%	-374	+40	+0.8%	-0.1%	+91	JREI
	A4	Re-LAND Shopping Center	2	04/09/17	5,200	4,161	5,780	5.5%	+ 1,619	4,273	5,820	5.5%	+ 1,546	+40	+0.7%	±0%	-73	JREI
	A5	AEON MALL Uki	3	04/12/03	11,100	9,478	6,260	6.7%	-3,218	-	-	-	-	-	-	-	-	JREI
	A6	TENJIN LUCE	5	06/04/14	6,500	6,307	6,490	4.4%	+ 183	6,277	6,520	4.4%	+ 242	+30	+0.5%	±0%	+60	Nittochi
	A7	Yamada Denki Tecc Land Sakai Honten	5	06/04/28	3,210	2,771	3,600	5.5%	+ 829	2,752	3,700	5.3%	+ 947	+100	+2.8%	-0.2%	+118	JREI
	A8	Miyamae Shopping Center	7	07/02/19	5,312	5,074	5,140	4.9%	+66	5,056	5,140	4.9%	+84	±0	±0%	±0%	+18	JREI
	A9	KONAMI SPORTS CLUB Korigaoka	8	07/06/29	2,040	1,591	1,900	5.4%	+309	1,566	1,930	5.3%	+364	+30	+1.6%	-0.1%	+54	JREI
	A10	ACTIOLE Minami-ikebukuro	8	07/09/27	3,760	3,669	3,350	4.1%	-319	3,654	3,350	4.0%	-305	±0	±0%	-0.1%	+14	JREI
	A11	Tip's Machida Building	9	07/12/27	4,100	4,222	4,850	4.7%	+628	4,204	4,960	4.6%	+756	+110	+2.3%	-0.1%	+128	JREI
	A12	Daiei Takarazuka Nakayama	9	08/01/30	4,284	3,226	3,990	5.9%	+764	3,197	3,930	6.0%	+732	-60	-1.5%	+0.1%	-32	JREI
	A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	9	08/02/18	11,904	12,451	11,300	5.5%	-1,151	12,450	11,400	5.5%	-1,051	+100	+0.9%	±0%	+100	JREI
	A14	ACTIOLE Kannai	10	08/06/30	2,410	2,278	2,100	4.6%	-178	2,264	2,110	4.5%	-154	+10	+0.5%	-0.1%	+24	JREI
	A15	Shinsaibashi OPA Honkan	15	10/12/01	22,800	21,974	26,100	4.2%	+4,126	21,922	26,100	4.2%	+4,177	±0	±0%	±0%	+52	JREI
	A19	Albore Jingumae	15	10/12/01	1,580	1,564	2,160	3.5%	+596	1,560	2,220	3.4%	+660	+60	+2.8%	-0.1%	+64	JREI
	A20	Albore Sendai	15	10/12/01	2,590	2,371	3,540	4.5%	+1,169	2,373	3,570	4.5%	+1,196	+30	+0.8%	±0%	+27	JREI
	A21	Mallage Kashiwa	15	10/12/01	7,040	6,733	8,530	5.7%	+1,797	6,716	8,710	5.6%	+1,993	+180	+2.1%	-0.1%	+196	JREI
	A23	Ito-Yokado Owariasahi	15	10/12/01	4,840	4,155	4,920	6.5%	+765	4,115	4,840	6.6%	+724	-80	-1.6%	+0.1%	-41	JREI
	A24	Yokohama Kariba Shopping Center	15	10/12/01	2,500	2,216	2,010	5.2%	-206	2,193	2,050	5.1%	-144	+40	+2.0%	-0.1%	+62	JREI
	A25	Luz Jiyugaoka	16	11/06/15	5,090	4,938	6,090	3.8%	+1,152	4,909	6,090	3.7%	+1,181	±0	±0%	-0.1%	+29	JREI
	A26	ACTIOLE Ichikawa	16	11/06/15	3,350	3,041	4,050	4.6%	+1,009	3,010	4,060	4.6%	+1,050	+10	+0.2%	±0%	+41	JREI
	A27	Yokohama Aoba Shopping Center (Site)	16	11/10/31	2,600	2,741	3,210	5.4%	+469	2,740	3,240	4.5%	+499	+30	+0.9%	-0.9%	+30	JREI
	A28	Yamada Denki Tecc Land Aoba (Site)	17	12/05/18	2,150	2,270	2,510	5.4%	+240	2,270	2,530	5.4%	+260	+20	+0.8%	±0%	+20	JREI
	A29	Yodobashi Camera Multimedia Kichijoji	19	13/03/18	28,000	27,680	35,900	4.0%	+8,220	27,523	35,300	3.7%	+7,777	-600	-1.7%	-0.3%	-443	JREI
	A30	Yamada Denki Tecc Land New Matsudo Honten	19	13/03/18	5,150	4,927	6,580	5.7%	+1,653	4,886	6,580	5.7%	+1,693	±0	±0%	±0%	+40	JREI
	A31	Tenjin Loft Building	20	13/11/29	4,350	4,584	5,780	5.0%	+1,196	4,598	5,950	4.9%	+1,351	+170	+2.9%	-0.1%	+156	JREI
	A32	Narumi Shopping Center (Site)	21	14/04/08	6,460	6,851	7,230	4.7%	+379	6,850	7,280	4.7%	+429	+50	+0.7%	±0%	+50	Tanizawa
	A33	Plussing Wave Enoshima	22	14/08/29	1,800	1,874	2,140	5.3%	+266	1,909	2,120	5.3%	+210	-20	-0.9%	±0%	-56	JREI
	A34	LIFE Nishikujo (Site)	23	15/03/02	1,760	1,843	2,050	4.3%	+207	1,842	2,060	4.3%	+217	+10	+0.5%	±0%	+10	Tanizawa
	A35	LIFE Tamatsukuri (Site)	23	15/03/02	1,880	1,968	2,150	4.2%	+182	1,967	2,150	4.2%	+182	±0	±0%	±0%	±0	Tanizawa
	A36	Granbell Ginza Building	24	15/06/30	2,621	2,717	2,900	3.6%	+183	2,711	2,990	3.5%	+278	+90	+3.1%	-0.1%	+95	JREI
	A37	UUR Tenjin Nishi-dori Building	24	15/07/15	5,500	5,694	5,940	5.5%	+246	5,687	6,160	5.3%	+473	+220	+3.7%	-0.2%	+227	JREI
	A38	Luz Shonan Tsujido	24	15/09/30	3,938	3,995	4,580	5.1%	+585	3,972	4,600	5.1%	+627	+20	+0.4%	±0%	+43	Tanizawa
	A39	ACTIOLE Ueno	25	15/12/04	3,000	3,175	3,190	3.5%	+15	3,171	3,190	3.5%	+18	±0	±0%	±0%	+3	Tanizawa
	A40	KURURU	26	16/09/01	9,285	9,617	10,700	4.3%	+1,083	9,591	10,700	4.3%	+1,108	±0	±0%	±0%	+25	Tanizawa
	A41	K's Denki Nagoya-kita	27	16/12/01	1,750	1,817	1,890	5.7%	+73	1,846	1,900	5.7%	+54	+10	+0.5%	±0%	-19	Tanizawa
Office	B1	T&G Hamamatsucho Building	1	03/12/26	2,257	2,110	3,140	4.0%	+1,030	2,114	3,160	4.0%	+1,046	+20	+0.6%	±0%	+15	Tanizawa
	B3	Fukuoka Eartheon Building	1	03/12/26	2,080	1,617	2,640	5.6%	+1,023	1,616	2,740	5.5%	+1,123	+100	+3.8%	-0.1%	+100	JREI
	B4	Marumasu Kojimachi Building	1	04/03/29	2,350	2,435	2,480	3.6%	+45	2,421	2,570	3.5%	+148	+90	+3.6%	-0.1%	+103	JREI
	B5	Rokubancho K Building	1	04/03/30	2,150	2,281	3,710	4.0%	+1,429	2,269	3,710	4.0%	+1,440	±0	±0%	±0%	+11	JREI
	B6	Shin-Osaka Central Tower	3	04/12/02	24,000	23,846	28,500	5.0%	+4,654	23,748	28,600	5.0%	+4,852	+100	+0.4%	±0%	+197	Nittochi
	B7	Kawasaki Toshiba Building	3	04/12/20	19,200	19,627	32,300	4.6%	+12,673	19,601	32,300	4.6%	+12,699	±0	±0%	±0%	+25	Tanizawa

(in millions of yen)																		
Type	No.	Property Name	Acquisition			28th fiscal period (2017/11/30)				29th fiscal period (2018/5/31)				Comparison between 29th and 28th FP				Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)	
														④－② (change)	④/②-1 (change)			
Office	B8	UUR Toyochō Building	10	08/06/30	8,500	8,488	8,820	4.5%	+ 332	8,456	8,640	4.3%	+ 183	-180	-2.0%	-0.2%	-148	JREI
	B9	FOUR SEASONS BLDG	13	09/12/25	4,200	4,184	5,530	4.2%	+ 1,346	4,160	6,180	4.2%	+ 2,019	+ 650	+ 11.8%	±0%	+ 674	JREI
	B10	Hitachi High-Tech Building	15	10/12/01	14,800	14,469	15,800	3.8%	+ 1,331	14,445	16,500	3.7%	+ 2,054	+ 700	+ 4.4%	-0.1%	+ 723	JREI
	B11	Pacific Marks Shinjuku Parkside	15	10/12/01	12,100	11,962	11,700	3.9%	-262	11,905	12,000	3.8%	+ 94	+ 300	+ 2.6%	-0.1%	+ 356	JREI
	B13	Pacific Marks Tsukishima	15	10/12/01	6,080	5,843	6,360	4.6%	+ 517	5,810	6,500	4.5%	+ 689	+ 140	+ 2.2%	-0.1%	+ 173	JREI
	B14	Pacific Marks Yokohama East	15	10/12/01	7,050	6,790	7,570	4.5%	+ 780	6,749	7,580	4.5%	+ 830	+ 10	+ 0.1%	±0%	+ 50	Tanizawa
	B17	Akasaka Hikawa Building	15	10/12/01	3,290	3,242	3,970	4.3%	+ 728	3,231	4,050	4.2%	+ 818	+ 80	+ 2.0%	-0.1%	+ 91	JREI
	B18	Pacific Marks Shibuya Koen-dori	15	10/12/01	2,570	2,459	3,090	4.8%	+ 631	2,475	3,160	4.7%	+ 685	+ 70	+ 2.3%	-0.1%	+ 54	JREI
	B20	Pacific Marks Akasaka-mitsuke	15	10/12/01	2,210	2,152	2,300	3.9%	+ 148	2,145	2,350	3.8%	+ 205	+ 50	+ 2.2%	-0.1%	+ 57	JREI
	B22	Pacific Marks Shin-Yokohama	15	10/12/01	1,710	1,570	1,710	4.7%	+ 140	1,582	1,710	4.7%	+ 128	±0	±0%	±0%	-12	Tanizawa
	B25	Pacific Marks Kawasaki	15	10/12/01	9,890	9,133	11,300	4.2%	+ 2,167	9,074	11,300	4.2%	+ 2,225	±0	±0%	±0%	+ 58	Tanizawa
	B26	Hamamatsucho 262 Building	15	10/12/01	6,840	6,566	7,140	4.0%	+ 574	6,532	7,440	3.9%	+ 907	+ 300	+ 4.2%	-0.1%	+ 334	JREI
	B27	Lila Hijirizaka	15	10/12/01	2,750	2,628	3,020	4.4%	+ 392	2,618	3,090	4.3%	+ 472	+ 70	+ 2.3%	-0.1%	+ 79	JREI
	B29	Otsuka HT Building	15	10/12/01	1,160	1,093	1,180	5.1%	+ 87	1,085	1,180	5.1%	+ 94	±0	±0%	±0%	+ 7	JREI
	B30	Pacific Marks Shinjuku South-gate	15	10/12/01	2,460	2,504	3,280	3.9%	+ 776	2,500	3,350	3.8%	+ 850	+ 70	+ 2.1%	-0.1%	+ 73	JREI
	B31	Pacific Marks Nishi-Umeda	15	10/12/01	6,860	6,379	7,190	4.4%	+ 811	6,374	7,340	4.3%	+ 966	+ 150	+ 2.1%	-0.1%	+ 155	Tanizawa
	B32	Pacific Marks Higobashi	15	10/12/01	4,570	4,427	4,650	4.5%	+ 223	4,467	4,730	4.4%	+ 263	+ 80	+ 1.7%	-0.1%	+ 39	Tanizawa
	B34	Pacific Marks Esaka	15	10/12/01	9,590	9,631	9,640	4.9%	+ 9	9,703	9,710	4.9%	+ 7	+ 70	+ 0.7%	±0%	-3	Tanizawa
	B35	Pacific Marks Sapporo Kita-Ichijo	15	10/12/01	1,790	1,770	2,100	5.3%	+ 330	1,750	2,100	5.3%	+ 349	±0	±0%	±0%	+ 19	Tanizawa
	B36	Shin-Sapporo Center Building	15	10/12/01	987	877	1,080	5.7%	+ 203	868	1,090	5.7%	+ 222	+ 10	+ 0.9%	±0%	+ 19	Tanizawa
	B37	ARENA TOWER	16	11/06/16	9,500	8,437	12,800	4.7%	+ 4,363	8,338	12,800	4.7%	+ 4,462	±0	±0%	±0%	+ 98	Tanizawa
	B38	Yushima First Building	18	12/08/29	2,100	2,067	2,880	4.4%	+ 813	2,055	2,880	4.4%	+ 825	±0	±0%	±0%	+ 12	JREI
	B39	Dogenzaka Square	18	12/11/22	2,300	2,293	2,900	4.0%	+ 607	2,281	2,950	3.9%	+ 669	+ 50	+ 1.7%	-0.1%	+ 62	JREI
	B40	GRAND-SQUARE Shin-Sakae	21	14/02/28	1,480	1,387	2,030	5.3%	+ 643	1,364	2,030	5.3%	+ 666	±0	±0%	±0%	+ 23	JREI
	B41	GRAND-SQUARE Meieki-minami	21	14/02/28	1,220	1,161	2,170	4.8%	+ 1,009	1,147	2,250	4.8%	+ 1,103	+ 80	+ 3.7%	±0%	+ 94	JREI
	B42	Shiba 520 Building	21	14/03/28	2,100	2,180	2,930	4.1%	+ 750	2,169	3,010	4.0%	+ 840	+ 80	+ 2.7%	-0.1%	+ 91	JREI
	B43	Hirose-dori SE Building	22	14/06/13	3,600	3,388	5,030	5.2%	+ 1,642	3,333	5,140	5.1%	+ 1,807	+ 110	+ 2.2%	-0.1%	+ 165	JREI
	B44	SS30	27	17/03/30	18,200	18,940	18,200	4.9%	-740	18,954	18,600	4.9%	-355	+ 400	+ 2.2%	±0%	+ 385	JREI
	B45	LOOP-X・M	27	17/04/26	11,200	11,744	11,600	4.4%	-144	11,745	11,600	4.3%	-145	±0	±0%	-0.1%	-1	JREI
Hotel	C1	Shinjuku Washington Hotel Honkan	1	03/12/22	21,140	22,440	26,500	4.7%	+ 4,060	22,401	26,900	4.7%	+ 4,499	+ 400	+ 1.5%	±0%	+ 438	JREI
	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	3	05/02/18	1,884	1,632	2,600	3.8%	+ 968	1,624	2,600	3.8%	+ 975	±0	±0%	±0%	+ 7	Nittochi
	C3	MZ BLD.	9	08/04/10	3,800	3,173	3,840	5.1%	+ 667	3,132	3,770	5.1%	+ 637	-70	-1.8%	±0%	-30	JREI
	C4	HOTEL ROUTE-INN Yokohama Bashamichi	10	08/06/30	4,720	4,106	5,150	4.7%	+ 1,044	4,060	5,140	4.7%	+ 1,079	-10	-0.2%	±0%	+ 35	Nittochi
	C5	Hotel JAL City Naha	16	11/10/25	7,650	7,172	11,500	4.7%	+ 4,328	7,388	12,000	4.7%	+ 4,612	+ 500	+ 4.3%	±0%	+ 284	Nittochi
	C6	UUR Yotsuya Sanchoe Building	17	11/12/26	4,200	4,269	6,410	4.3%	+ 2,141	4,269	6,420	4.3%	+ 2,150	+ 10	+ 0.2%	±0%	+ 9	JREI
	C7	Yotsuya a 213 Building	19	13/03/18	5,020	4,969	6,310	4.2%	+ 1,341	4,951	6,700	4.2%	+ 1,749	+ 390	+ 6.2%	±0%	+ 408	JREI
	C9	the b Roppongi	21	14/05/01	3,500	4,147	4,760	-	+ 613	4,292	4,810	-	+ 518	+ 50	+ 1.1%	-	-95	JREI
	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	24	15/08/31	2,655	2,700	3,110	4.0%	+ 410	2,686	3,130	4.0%	+ 443	+ 20	+ 0.6%	±0%	+ 33	DAIWA
	C11	Toyoko Inn Hiroshima Heiwa-odori	24	15/08/31	2,113	2,132	2,510	4.9%	+ 378	2,117	2,520	4.9%	+ 403	+ 10	+ 0.4%	±0%	+ 25	DAIWA
	C12	Toyoko Inn Naha Kokusai-dori Miebashi-eki	24	15/08/31	745	753	817	6.1%	+ 64	746	827	6.1%	+ 81	+ 10	+ 1.2%	±0%	+ 16	DAIWA
	C13	Roisir Hotel & Spa Tower Naha	25	16/02/05	20,000	20,764	22,700	5.5%	+ 1,936	20,630	22,700	5.5%	+ 2,069	±0	±0%	±0%	+ 133	JREI
	C14	Urawa Royal Pines Hotel	25	16/04/01	17,500	17,584	18,300	5.4%	+ 716	17,549	18,100	5.4%	+ 550	-200	-1.1%	±0%	-166	JREI

(in millions of yen)

Type	No.	Property Name	Acquisition			28th fiscal period (2017/11/30)				29th fiscal period (2018/5/31)				Comparison between 29th and 28th FP				Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)	
														④－② (change)	④/②-1 (change)			
	C15	RIHGA Royal Hotel Kokura・ARUARU City	29	18/01/26	16,600	-	-	-	-	17,364	16,800	5.5%	-564	-	-	-	-564	Tanizawa
Residential Property	D1	T&G Higashi-ikebukuro Mansion	1	03/12/26	2,021	1,452	2,320	4.3%	+868	1,440	2,370	4.2%	+930	+50	+2.2%	-0.1%	+62	Tanizawa
	D4	Komazawa Court	1	03/12/26	1,680	1,506	2,370	4.4%	+864	1,499	2,370	4.4%	+871	±0	±0%	±0%	+6	JREI
	D6	Sky Court Shiba-Daimon	2	04/10/15	1,175	1,016	1,380	4.2%	+364	1,005	1,410	4.1%	+405	+30	+2.2%	-0.1%	+41	Tanizawa
	D7	Maison Ukima	2	04/10/26	3,530	3,140	4,500	4.8%	+1,360	3,114	4,500	4.8%	+1,385	±0	±0%	±0%	+25	JREI
	D9	Aprile Shin-Ohgi Ichibankan	3	05/04/13	3,031	2,509	3,590	5.2%	+1,081	2,483	3,590	5.2%	+1,107	±0	±0%	±0%	+26	JREI
	D10	UUR Court Sapporo Kita-Sanjo	5	06/03/16	1,278	995	1,520	5.0%	+525	976	1,550	4.9%	+573	+30	+2.0%	-0.1%	+48	Tanizawa
	D15	CLIO Bunkyo Koishikawa	5	06/04/28	3,170	2,721	3,370	4.4%	+649	2,691	3,450	4.3%	+758	+80	+2.4%	-0.1%	+109	JREI
	D16	GRAND-ROUGE Sakae	6	06/11/30	1,570	1,237	1,320	4.8%	+83	1,221	1,310	4.7%	+88	-10	-0.8%	-0.1%	+6	JREI
	D17	GRAND-ROUGE Sakae II	9	07/12/26	1,300	1,043	1,370	4.8%	+327	1,027	1,310	4.7%	+283	-60	-4.4%	-0.1%	-44	JREI
	D18	MA Sendai Building	10	08/09/24	3,440	2,765	4,270	5.8%	+1,505	2,717	4,230	5.7%	+1,513	-40	-0.9%	-0.1%	+8	JREI
	D19	UUR Court Nagoya Meieki	10	08/09/30	1,473	1,222	1,580	4.7%	+358	1,203	1,470	4.7%	+267	-110	-7.0%	±0%	-92	Nittochi
	D20	UUR Court Sapporo Shinoro Ichibankan	10	08/11/11	870	733	904	5.5%	+171	722	904	5.5%	+182	±0	±0%	±0%	+11	Nittochi
	D21	Park Site IZUMI	10	08/11/21	900	817	754	4.8%	-63	828	755	4.7%	-74	+1	+0.1%	-0.1%	-10	JREI
	D22	UUR Court Osaka Juso-honmachi	11	09/02/26	1,570	1,333	1,740	4.8%	+407	1,314	1,740	4.8%	+425	±0	±0%	±0%	+19	JREI
	D23	UUR Court Kinshicho	16	11/06/15	2,900	2,895	3,640	4.6%	+745	2,872	3,720	4.5%	+847	+80	+2.2%	-0.1%	+103	JREI
	D24	UUR Court Sapporo Minami-Sanjo P.T.	18	12/06/28	2,050	1,868	2,980	5.2%	+1,112	1,837	3,000	5.1%	+1,163	+20	+0.7%	-0.1%	+51	JREI
	D25	GRAND-ROUGE Nakanoshima-minami	20	13/06/25	1,380	1,334	1,650	4.7%	+316	1,315	1,650	4.7%	+335	±0	±0%	±0%	+19	JREI
	D26	Glenpark Umeda-kita	22	14/08/29	5,150	5,171	6,130	4.5%	+959	5,134	6,280	4.4%	+1,146	+150	+2.4%	-0.1%	+187	Tanizawa
	D27	UUR Court Shiki	24	15/09/18	2,730	2,881	3,100	5.2%	+219	2,865	3,100	5.2%	+234	±0	±0%	±0%	+15	JREI
	D28	GRAND-ROUGE Tanimachi Rokuchome	27	16/12/01	1,300	1,390	1,450	4.5%	+60	1,385	1,460	4.4%	+75	+10	+0.7%	-0.1%	+14	Tanizawa
Others	E1	Lilycolor Tohoku Branch	5	06/05/29	2,050	1,481	2,190	5.5%	+709	1,457	2,190	5.5%	+732	±0	±0%	±0%	+24	Nittochi
	E2	KDDI Fuchu Building	19	13/05/16	4,920	4,837	5,480	5.4%	+643	4,816	5,480	5.4%	+664	±0	±0%	±0%	+21	JREI
	E3	Tsubogawa Square Building	20	13/11/01	4,150	3,980	5,970	5.7%	+1,990	3,930	6,070	5.6%	+2,140	+100	+1.7%	-0.1%	+150	JREI
	E4	THE PLACE of TOKYO	21	14/05/01	3,500	3,456	4,420	5.1%	+964	3,429	4,420	5.1%	+990	±0	±0%	±0%	+26	JREI
	E5	Logistics Higashi-Ohgishima	22	14/10/02	4,233	4,164	4,957	4.7%	+793	4,138	4,957	4.7%	+819	±0	±0%	±0%	+25	JREI
	E6	MT Ariake Center Building I&II	22	14/11/25	8,000	7,999	8,500	4.7%	+501	7,983	11,000	5.1%	+3,017	+2,500	+29.4%	+0.4%	+2,516	JREI
	E7	Quartz Tower	24	15/11/13	5,700	5,873	6,090	3.5%	+217	5,857	6,090	3.5%	+233	±0	±0%	±0%	+16	Tanizawa
	E8	Shin-Narashino Logistics Center	24	15/08/07	2,555	2,641	2,680	4.7%	+39	2,633	2,680	4.7%	+46	±0	±0%	±0%	+7	JREI
	E9	Kawagoe Logistics Center	26	16/06/17	7,550	7,770	9,420	4.5%	+1,650	7,733	9,450	4.5%	+1,717	+30	+0.3%	±0%	+67	Tanizawa
	E10	Asuto Nagamachi Dental Clinic	26	16/08/29	1,200	1,244	1,320	5.2%	+76	1,237	1,320	5.2%	+82	±0	±0%	±0%	+6	JREI
	E11	Shin-Narashino Logistics Center II	27	17/01/31	2,590	2,666	2,610	4.8%	-56	2,684	2,610	4.8%	-75	±0	±0%	±0%	-19	JREI
	E12	Yoshikawa Logistics Center	28	17/07/27	1,960	2,005	1,970	4.8%	-35	1,993	1,970	4.8%	-24	±0	±0%	±0%	+12	JREI
Total					619,717	598,383	706,912	4.7%	+108,529	595,604	714,237	4.7%	+118,633	+8,260	+1.2%	-0.05%	+6,886	

(Notes) 1. Each of B26 and C1 was acquired in separate acquisitions. Initial acquisition date is shown as the acquisition date and aggregated acquisition price is shown as the acquisition price.

2. The discount rate applied for the DCF method are shown as the "Cap Rate" for A27, A28, A34, and A35.

3. United Urban acquired the adjacent site to "C9 the b roppongi" (acquisition price ¥460 million, the "Adjacent Site") in order to enable the construction of an extension of the b roppongi (the "Hotel") in the future, and has launched the extension work on the Hotel in Nov. 2017. Therefore, the appraisal value for this fiscal period shows the value estimate by the "Income Capitalization Approach (Development Method)". According to the method, the value estimate is calculated by deducting "the present value of the expenses for the development necessary to accomplish the extension work" from "the present value of the value estimate of the building and land after the extension work". In addition to above, the value estimate of this property has been assessed in consideration with "the present value of the net operating income related to the existing building during the development period". Also, the book value at the end of period is the amount including the Adjacent Site.

4. 51% quasi co-ownership interest of trust beneficial interest in A1 was sold at May 24, 2018.

5. A27 was changed name to "Yokohama Aoba Shopping Center (Site)" from June 15, 2018. (old name : VIVAHOME Yokohama Aoba (Site))

6. D28 was changed name to "GRAND-ROUGE Tanimachi Rokuchome" from June 1, 2018. (old name : Scent Hills)

7. The properties acquired or sold during this fiscal period are excluded.

8. "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.

Property Income and Occupancy 1/5

(in thousand yen)		A1	A2	A4	A5	A6	A7	A8	A9	A10	A11	A12	A13
	Total	Himonya Shopping Center	Joy Park Izumigaoka	Re-LAND Shopping Center	AEON MALL Uki	TENJIN LUCE	Yamada Denki Tecc Land Sakai Honten	Miyamae Shopping Center	KONAMI SPORTS CLUB Korigaoka	ACTIOLE Minami-ikebukuro	Tip's Machida Building	Daiiei Takarazuka Nakayama	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA
Operating Revenues	24,219,415		263,302	250,309	401,100	219,506		186,222		85,393	205,595	151,999	299,274
Rental Revenues	22,378,409		228,495	204,871	401,100	198,512		157,193		85,393	159,705	151,999	299,274
Other Rental Revenues	1,841,006		34,806	45,438	-	20,993		29,029		-	45,889	-	-
Operating Expenses	10,201,917		178,614	142,301	144,630	89,555		97,880		25,060	79,014	59,944	35,379
Property and other taxes	1,655,276		15,300	10,148	37,328	17,395		11,953		3,224	13,132	19,598	34,996
Other expenses	4,386,077	(Note)	106,519	86,218	5,855	39,529	(Note)	51,012	(Note)	7,501	47,411	12,702	382
Property Mgmt Fees	1,685,861		51,296	40,898	1,154	16,858		19,610		5,663	16,820	1,500	288
Utilities	1,385,596		37,324	32,317	-	20,115		28,739		-	29,289	-	-
Casualty Insurance	31,885		354	260	499	142		204		55	157	376	94
Repairs & Maintenance	833,190		7,615	11,777	1,454	2,072		154		800	381	5,330	-
Other Rental Expenses	449,543		9,929	964	2,747	339		2,303		982	762	5,495	-
Depreciation	4,160,564		56,793	45,934	101,445	32,630		34,914		14,334	18,471	27,643	-
Profit from Rental Activities	14,017,497	428,315	84,688	108,007	256,470	129,951	78,677	88,341	28,309	60,333	126,580	92,055	263,895
Net Operating Income (NOI)	18,178,061	571,252	141,482	153,942	357,916	162,581	96,967	123,255	52,761	74,668	145,051	119,698	263,895
CAPEX	1,903,040	-	5,498	157,944	1,141	2,739	-	17,330	-	-	490	-	-
Occupancy (as of May 31, 2018)	99.3%	100.0%	100.0%	1	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Adjusted NOI Yield	5.73%	7.49%	4.19%	5.94%	6.76%	5.02%	6.06%	4.65%	5.19%	3.98%	7.10%	5.60%	4.45%

(in thousand yen)	A14	A15	A19	A20	A21	A23	A24	A25	A26	A27	A28	A29	A30
	ACTIOLE Kannai	Shinsaibashi OPA Honkan	Albore Jingumae	Albore Sendai	Mallage Kashiwa	Ito-Yokado Owariasahi	Yokohama Kariba Shopping Center	Luz Jiyugaoka	Actiole Ichikawa	Yokohama Aoba Shopping Center (Site)	Yamada Denki Tecc. Land Aoba (site)	Yodobashi Camera Multimedia Kichijini	Yamada Denki Tecc Land New Matsudo Honten
Operating Revenues	59,226	683,991	49,206	117,125	669,135	224,064		172,772	155,084				
Rental Revenues	59,164	683,334	45,600	105,711	527,390	223,065		132,634	118,694				
Other Rental Revenues	62	657	3,606	11,413	141,745	998		40,137	36,390				
Operating Expenses	25,219	154,000	12,971	37,118	553,154	82,510		72,555	81,828				
Property and other taxes	3,447	73,369	2,909	6,724	53,226	24,844		7,093	6,204				
Other expenses	8,044	19,605	6,326	17,234	407,802	16,735	(Note)	34,780	40,035	(Note)	(Note)	(Note)	(Note)
Property Mgmt Fees	5,725	2,978	2,593	6,502	126,327	1,800		12,670	10,838				
Utilities	-	-	3,381	9,096	105,664	-		10,498	22,607				
Casualty Insurance	59	657	32	91	821	500		121	105				
Repairs & Maintenance	2,257	13,286	290	1,529	28,927	1,445		5,410	1,010				
Other Rental Expenses	2	2,683	29	15	146,061	12,989		6,079	5,473				
Depreciation	13,727	61,026	3,734	13,159	92,125	40,930		30,682	35,588				
Profit from Rental Activities	34,007	529,990	36,234	80,006	115,981	141,554	31,893	100,216	73,256	45,339	47,156	438,301	149,503
Net Operating Income (NOI)	47,734	591,016	39,969	93,166	208,107	182,485	54,311	130,898	108,845	45,339	47,156	595,156	189,589
CAPEX	-	8,906	-	15,944	75,967	1,434	-	1,303	5,069	-	-	-	-
Occupancy (as of May 31, 2018)	100.0%	100.0%	100.0%	100.0%	96.6%	100.0%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	100.0%
Adjusted NOI Yield	3.97%	5.20%	5.07%	7.21%	5.93%	7.56%	4.36%	5.16%	6.52%	3.50%	4.40%	5.15%	7.38%

(Note) Operating revenues of this property cannot not disclosed as consent from the relevant tenant has not been obtained. This is also adapted on "Property Income and Occupancy".

Property Income and Occupancy 2/5

(in thousand yen)	A31	A32	A33	A34	A35	A36	A37	A38	A39	A40	A41	Retail Total	B1
	Tenjin Loft Building	Narumi Shopping Center (Site)	Plussing Wave Enoshima	LIFE Nishikujo (Site)	LIFE Tamatsukuri (Site)	Granbell Ginza Building	UUR Tenjin Nishi-dori Building	Luz Shonan Tsujido	ACTIOLE Ueno	KURURU	K's Denki Nagoya-kita		T&G Hamamatsucho Building
Operating Revenues	293,812		315,536			67,943		291,964	78,753	486,996		8,068,855	92,520
Rental Revenues	271,385		63,507			63,365		223,283	73,779	417,964		7,235,966	83,569
Other Rental Revenues	22,427		252,029			4,578		68,680	4,974	69,031		832,888	8,951
Operating Expenses	136,432		33,645			29,285		208,266	19,912	259,577		3,198,362	44,229
Property and other taxes	24,378		4,138			1,182		24,399	621	31,303		596,541	9,029
Other expenses	87,041	(Note)	21,062	(Note)	(Note)	22,919	(Note)	153,578	15,609	187,138	(Note)	1,448,467	20,097
Property Mgmt Fees	42,101		5,342			3,882		70,724	3,463	111,330		577,410	5,276
Utilities	29,239		9,006			2,295		51,361	4,833	46,963		442,733	5,372
Casualty Insurance	252		57			56		368	49	934		8,648	85
Repairs & Maintenance	11,112		6,566			3,750		9,750	379	25,919		159,648	9,362
Other Rental Expenses	4,336		89			12,934		21,373	6,884	1,989		260,028	-
Depreciation	25,012		8,443			5,184		30,289	3,681	41,135		1,153,353	15,102
Profit from Rental Activities	157,380	152,515	281,891	43,982	49,109	38,658	159,038	83,697	58,841	227,419	48,890	4,870,492	48,291
Net Operating Income (NOI)	182,392	152,515	290,335	43,982	49,109	43,842	165,714	113,986	62,522	268,554	53,637	6,023,846	63,394
CAPEX	39,394	-	44,699	-	-	-	-	7,689	669	15,672	34,084	435,981	21,692
Occupancy (as of May 31, 2018)	100.0%	100.0%	61.6%	100.0%	100.0%	89.0%	100.0%	98.6%	100.0%	100.0%	100.0%	99.4%	100.0%
Adjusted NOI Yield	8.41%	4.73%	11.22%	5.01%	5.24%	3.35%	6.04%	5.80%	4.18%	5.80%	6.15%	5.52%	5.63%

(in thousand yen)	B3	B4	B5	B6	B7	B8	B9	B10	B11	B13	B14	B17	B18
	Fukuoka Eartheon Building	Marumasa Kojimachi Building	Rokubancho K Building	Shin-Osaka Central Tower	Kawasaki Toshiba Building	UUR Toyocho Building	FOUR SEASONS BLDG	Hitachi High-Tech Building	Pacific Marks Shinjuku Parkside	Pacific Marks Tsukushima	Pacific Marks Yokohama East	Akasaka Hikawa Building	Pacific Marks Shibuya Koen-dori
Operating Revenues	116,396	89,713	108,515	1,101,300	836,662	274,797	176,223	408,406	365,702	237,143	258,691	118,214	84,372
Rental Revenues	108,187	84,970	108,515	991,297	836,594	254,542	160,841	403,002	336,894	203,598	227,695	114,114	84,372
Other Rental Revenues	8,209	4,742	-	110,002	67	20,255	15,381	5,403	28,808	33,544	30,995	4,100	-
Operating Expenses	48,359	48,664	41,317	517,885	280,427	86,854	70,239	115,508	163,161	116,632	143,496	34,122	19,631
Property and other taxes	7,244	13,300	10,962	85,590	51,511	12,577	10,098	40,544	38,136	19,516	20,809	9,926	3,721
Other expenses	22,687	22,224	18,015	232,830	24,694	39,075	34,633	42,147	62,174	62,343	60,092	12,833	7,197
Property Mgmt Fees	12,137	8,374	13,589	101,369	6,000	19,367	18,046	24,163	29,944	25,292	25,099	7,468	2,489
Utilities	8,732	6,295	-	98,266	-	18,162	15,673	14,096	28,692	23,960	21,030	4,260	-
Casualty Insurance	121	320	101	1,216	959	237	145	310	384	323	348	84	44
Repairs & Maintenance	1,531	5,865	4,325	27,622	17,734	930	403	2,753	1,797	11,823	12,087	947	4,489
Other Rental Expenses	164	1,368	-	4,354	0	377	363	823	1,355	944	1,527	72	174
Depreciation	18,427	13,139	12,339	199,464	204,221	35,201	25,507	32,816	62,850	34,771	62,593	11,362	8,712
Profit from Rental Activities	68,036	41,048	67,197	583,414	556,234	187,943	105,983	292,898	202,540	120,511	115,194	84,092	64,740
Net Operating Income (NOI)	86,464	54,188	79,536	782,879	760,455	223,145	131,490	325,714	265,391	155,282	177,788	95,454	73,452
CAPEX	18,979	257	1,652	95,640	180,253	3,383	1,780	10,021	6,638	1,394	22,598	753	24,633
Occupancy (as of May 31, 2018)	100.0%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%	97.8%	100.0%	100.0%
Adjusted NOI Yield	8.34%	4.62%	7.42%	6.54%	7.94%	5.26%	6.28%	4.41%	4.40%	5.12%	5.06%	5.82%	5.73%

Property Income and Occupancy 3/5

(in thousand yen)	B20	B22	B25	B26	B27	B29	B30	B31	B32	B34	B35	B36	B37
	Pacific Marks Akasaka-mitsuke	Pacific Marks Shin-Yokohama	Pacific Marks Kawasaki	Hamamatsucho 262 Building	Lila Hijirizaka	Otsuka HT Building	Pacific Marks Shinjuku South-gate	Pacific Marks Nishi-Umeda	Pacific Marks Higobashi	Pacific Marks Esaka	Pacific Marks Sapporo Kita-Ichijo	Shin-Sapporo Center Building	ARENA TOWER
Operating Revenues	68,136	65,666	338,038	224,228	113,735	55,853	93,797	266,637	156,392	427,920	98,222	58,417	452,175
Rental Revenues	59,811	57,617	307,444	199,824	103,286	49,344	87,899	232,839	140,132	393,522	87,842	51,974	400,687
Other Rental Revenues	8,324	8,048	30,594	24,404	10,448	6,508	5,898	33,797	16,260	34,398	10,380	6,442	51,488
Operating Expenses	21,404	44,019	136,326	94,313	46,440	26,246	26,004	134,236	78,190	273,512	51,416	33,666	238,512
Property and other taxes	6,143	5,429	21,466	14,671	12,107	2,175	5,625	25,401	15,943	38,106	8,793	4,948	32,704
Other expenses	8,259	22,290	53,160	46,069	24,881	16,197	13,359	71,462	31,451	146,970	23,076	19,697	95,951
Property Mgmt Fees	3,878	6,405	20,931	24,508	14,677	5,288	4,459	29,148	10,230	59,717	8,819	6,878	44,671
Utilities	3,766	5,319	28,277	15,843	6,375	5,438	5,636	29,565	11,491	39,815	10,658	9,413	41,745
Casualty Insurance	44	93	267	158	116	57	52	357	184	606	119	68	497
Repairs & Maintenance	443	10,147	1,991	5,558	3,592	894	2,709	10,143	8,017	41,694	1,021	2,207	8,011
Other Rental Expenses	127	324	1,691	-	119	4,518	502	2,247	1,528	5,135	2,457	1,129	1,024
Depreciation	7,001	16,299	61,699	33,573	9,451	7,873	7,020	37,372	30,795	88,435	19,546	9,020	109,856
Profit from Rental Activities	46,731	21,646	201,712	129,915	67,294	29,606	67,792	132,401	78,202	154,407	46,805	24,751	213,662
Net Operating Income (NOI)	53,733	37,946	263,411	163,488	76,746	37,480	74,813	169,774	108,997	242,843	66,352	33,771	323,519
CAPEX	350	29,384	3,547	-	-	565	1,896	32,657	71,537	163,837	588	-	11,472
Occupancy (as of May 31, 2018)	100.0%	100.0%	100.0%	100.0%	98.8%	100.0%	100.0%	96.0%	93.1%	99.5%	100.0%	96.2%	100.0%
Adjusted NOI Yield	4.88%	4.45%	5.34%	4.79%	5.60%	6.48%	6.10%	4.96%	4.78%	5.08%	7.43%	6.86%	6.83%

(in thousand yen)	B38	B39	B40	B41	B42	B43	B44	B45		C1	C2	C3	C4
	Yushima First Building	Dogenzaka Square	GRAND- SQUARE Shin-Sakae	GRAND- SQUARE Meiki- minami	Shiba 520 Building	Hirose-dori SE Building	SS30	LOOP-X・M	Office Total	Shinjuku Washington Hotel Honkan	Toyoko Inn Shinagawa-eki Takanawa-guchi	MZ BLD.	HOTEL ROUTE- INN Yokohama Bashamichi
Operating Revenues	116,572	97,377	94,061	84,186	105,674	215,562	1,075,433	457,304	8,934,056	888,003	57,000	131,279	156,779
Rental Revenues	102,736	85,200	85,705	76,721	99,284	187,126	970,572	403,558	8,181,331	888,003	57,000	131,279	141,049
Other Rental Revenues	13,835	12,177	8,355	7,464	6,390	28,436	104,861	53,745	752,724	-	-	-	15,730
Operating Expenses	47,613	45,436	49,596	41,782	36,294	134,365	499,819	226,098	4,015,829	254,663	13,501	81,020	76,210
Property and other taxes	10,998	5,766	7,599	7,721	7,876	12,924	2,706	781	582,865	86,904	5,990	9,839	9,566
Other expenses	22,959	26,975	18,708	16,676	17,658	65,807	336,314	187,765	1,926,741	61,840	619	22,078	21,245
Property Mgmt Fees	7,725	8,289	9,494	8,525	10,326	20,898	153,501	71,295	828,290	25,827	540	7,153	7,192
Utilities	11,871	5,156	7,706	7,255	5,812	28,182	148,933	47,208	720,017	3,395	-	1,605	13,652
Casualty Insurance	131	77	116	110	98	229	2,388	529	10,989	1,097	79	168	182
Repairs & Maintenance	2,764	11,354	1,230	633	1,000	13,702	24,947	19,082	272,825	31,374	-	1,121	217
Other Rental Expenses	467	2,096	161	151	421	2,794	6,543	49,649	94,618	146	-	12,028	-
Depreciation	13,654	12,694	23,288	17,385	10,758	55,633	160,798	37,551	1,506,221	105,917	6,891	49,103	45,399
Profit from Rental Activities	68,958	51,941	44,464	42,404	69,380	81,197	575,614	231,206	4,918,226	633,340	43,498	50,258	80,569
Net Operating Income (NOI)	82,613	64,636	67,753	59,789	80,139	136,830	736,412	268,757	6,424,448	739,257	50,389	99,361	125,968
CAPEX	1,853	820	350	2,961	175	772	47,044	38,155	797,651	67,659	-	3,495	-
Occupancy (as of May 31, 2018)	100.0%	98.2%	100.0%	100.0%	100.0%	100.0%	99.2%	98.0%	99.3%	99.98%	100.0%	96.2%	100.0%
Adjusted NOI Yield	7.89%	5.64%	9.18%	9.83%	7.65%	7.62%	6.70%	3.98%	5.88%	7.01%	5.37%	5.24%	5.35%

Property Income and Occupancy 4/5

(in thousand yen)	C5	C6	C7	C9	C10	C11	C12	C13	C14	C15	Hotel Total	D1	D4
	Hotel JAL City Naha	UUR Yotsuya Sanchoe Building	Yotsuya 213 Building	the b rppongi	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Toyoko Inn Hiroshima Heiwa-odori	Toyoko Inn Naha Kokusai-dori Miebash-eki	Loisir Hotel & Spa Tower Naha	Urawa Royal Pines Hotel	RIHGA Royal Hotel Kokura-ARUARU City		T&G Higashi-ikebukuro Mansion	Komazawa Court
Operating Revenues	256,887	180,283	186,434	83,879	(Note)	(Note)	(Note)	698,140	640,422	639,434	4,079,385	70,116	60,560
Rental Revenues	256,887	178,768	171,355	82,243				698,140	640,422	506,763	3,912,754	65,159	60,560
Other Rental Revenues	-	1,514	15,078	1,635				-	-	132,670	166,630	4,956	-
Operating Expenses	324,769	54,510	71,716	39,368				282,386	224,568	285,258	1,761,346	30,435	13,986
Property and other taxes	15,416	19,739	17,239	13,664				35,653	40,996	1	271,944	2,678	3,864
Other expenses	229,804	13,482	22,064	8,953				38,209	67,519	162,137	649,975	15,447	1,823
Property Mgmt Fees	1,020	3,855	7,507	1,080				900	37,269	48,232	142,318	8,158	604
Utilities	-	-	12,547	1,688				-	-	114,276	147,166	770	-
Casualty Insurance	306	198	201	102				1,658	901	2,785	7,964	80	76
Repairs & Maintenance	226,172	9,419	1,806	5,682				30,557	24,897	1,311	332,561	5,020	1,042
Other Rental Expenses	2,304	9	-	400				5,094	4,450	-4,469	19,963	1,416	100
Depreciation	79,548	21,289	32,412	16,750				208,523	116,053	123,119	839,426	12,309	8,298
Profit from Rental Activities	-67,882	125,772	114,718	44,510	48,253	42,850	16,364	415,754	415,853	354,176	2,318,038	39,681	46,573
Net Operating Income (NOI)	11,666	147,062	147,130	61,261	61,445	57,610	22,830	624,278	531,907	477,295	3,157,465	51,990	54,872
CAPEX	328,162	22,412	15,481	5,003	-	-	-	77,062	81,913	1,555	602,746	-	1,915
Occupancy (as of May 31, 2018)	100.0%	100.0%	100.0%	92.3%	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	99.7%	100.0%	100.0%
Adjusted NOI Yield	0.31%	7.02%	5.88%	3.51%	4.64%	5.47%	6.15%	6.26%	6.10%	7.09%	5.87%	5.16%	6.55%

(in thousand yen)	D6	D7	D9	D10	D15	D16	D17	D18	D19	D20	D21	D22	D23
	Sky Court Shiba-Daimon	Maison Ukima	Aprile Shin-Ohgi Ichibankan	UUR Court Sapporo Kita-Sanjo	CLIO Bunkyo Koishikawa	GRAND-ROUGE Sakae	GRAND-ROUGE Sakae II	MA Sendai Building	UUR Court Nagoya Meieki	UUR Court Sapporo Shinoro Ichibankan	Park Site IZUMI	UUR Court Osaka Juso-honmachi	UUR Court Kinshicho
Operating Revenues	32,400	124,080	(Note)	52,643	100,683	42,319	37,038	168,380	45,854	33,111	27,407	52,638	120,377
Rental Revenues	32,400	124,080		52,495	96,844	41,706	37,038	160,493	45,795	33,111	27,289	52,638	113,768
Other Rental Revenues	-	-		147	3,838	612	-	7,887	58	-	118	-	6608
Operating Expenses	13,292	35,463		33,317	49,571	30,233	19,538	95,887	26,596	17,219	16,236	27,369	53,693
Property and other taxes	1,724	8,694		4,798	5,088	3,127	2,615	10,044	3,000	3,946	1,601	3,930	5,906
Other expenses	464	1,456		10,253	15,642	8,925	799	37,194	5,297	2,019	6,022	4,546	24,238
Property Mgmt Fees	324	1,236		1,914	7,015	4,612	63	10,406	2,801	1,956	2,067	3,888	13,296
Utilities	-	-		2,311	23	812	-	2,996	942	-	754	-	1998
Casualty Insurance	40	219		71	116	81	65	196	65	62	47	88	164
Repairs & Maintenance	-	-		5,805	7,486	2,472	667	9,898	1,386	-	690	569	6140
Other Rental Expenses	100	-		150	1,000	946	2	13,696	100	-	2,462	-	2,638
Depreciation	11,104	25,312		18,265	28,839	18,180	16,123	48,648	18,299	11,253	8,612	18,892	23,548
Profit from Rental Activities	19,107	88,616	78,770	19,326	51,111	12,085	17,500	72,493	19,257	15,891	11,171	25,268	66,683
Net Operating Income (NOI)	30,211	113,929	104,311	37,591	79,951	30,266	33,623	121,141	37,557	27,145	19,784	44,160	90,232
CAPEX	-	-	-	-	-	-	2,498	528	-	-	19,952	-	874
Occupancy (as of May 31, 2018)	100.0%	100.0%	100.0%	100.0%	98.1%	77.6%	100.0%	95.2%	100.0%	100.0%	86.8%	100.0%	96.6%
Adjusted NOI Yield	5.16%	6.47%	6.90%	5.90%	5.06%	3.87%	5.19%	7.06%	5.11%	6.26%	4.41%	5.64%	6.24%

Property Income and Occupancy 5/5

(in thousand yen)	D24 UUR Court Sapporo Minami- Sanjo Premier Tower	D25 GLAND-ROUGE Nakanoshima- minami	D26 Glenpark Umeda-kita	D27 UUR Court Shiki	D28 GRAND-ROUGE Tanimachi Rokuchome	Residential Total	E1 Lilycolor Tohoku Branch	E2 KDDI Fuchu Building	E3 Tsubogawa Square Building	E4 THE PLACE of TOKYO	E5 Logistics Higashi- Ohgishima	E6 MT Ariake Center Building I&II	E7 Quartz Tower
Operating Revenues	111,084	52,359	185,632	93,432	41,902	1,565,265			287,522				
Rental Revenues	104,722	50,832	182,063	93,432	40,790	1,528,467			252,813				
Other Rental Revenues	6,362	1,526	3,568	-	1,111	36,798			34,709				
Operating Expenses	59,538	31,537	72,096	23,852	14,411	698,751			149,888				
Property and other taxes	7,685	3,475	10,512	6,933	3,253	101,040			18,569				
Other expenses	19,949	9,302	22,299	1,446	5,896	193,798	(Note)	(Note)	81,345	(Note)	(Note)	(Note)	(Note)
Property Mgmt Fees	8,995	3,937	11,979	780	3,546	88,161			29,941				
Utilities	6,555	656	1,100	-	551	19,475			41,774				
Casualty Insurance	162	68	266	175	59	2,307			366				
Repairs & Maintenance	2,166	2,536	7,165	490	771	54,310			5,465				
Other Rental Expenses	2,068	2,103	1,787	-	969	29,544			3,798				
Depreciation	31,903	18,759	39,284	15,472	5,261	403,912			49,973				
Profit from Rental Activities	51,546	20,821	113,536	69,579	27,490	866,514	37,044	128,978	137,634	89,133	94,655	134,084	94,292
Net Operating Income (NOI)	83,450	39,581	152,820	85,051	32,752	1,270,426	61,888	150,222	187,607	115,529	119,789	150,399	110,558
CAPEX	648	-	2,634	-	799	29,851	1,233	-	339	-	-	-	-
Occupancy (as of May 31, 2018)	93.0%	92.9%	94.1%	100.0%	92.6%	96.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Adjusted NOI Yield	8.16%	5.75%	5.95%	6.25%	5.05%	5.99%	6.05%	6.12%	9.07%	6.62%	5.68%	3.77%	3.89%

(in thousand yen)	E8 Shin-Narashino Logistics Center	E9 Kawagoe Logistics Center	E10 Asuto Nagamachi Dental Clinic	E11 Shin-Narashino Logistics Center II	E12 Yoshikawa Logistics Center	Others Total
Operating Revenues						1,571,853
Rental Revenues						1,519,888
Other Rental Revenues						51,965
Operating Expenses						527,628
Property and other taxes						102,884
Other expenses	(Note)	(Note)	(Note)	(Note)	(Note)	167,093
Property Mgmt Fees						49,680
Utilities						56,204
Casualty Insurance						1,976
Repairs & Maintenance						13,844
Other Rental Expenses						45,388
Depreciation						257,649
Profit from Rental Activities	55,993	145,862	28,420	58,139	39,988	1,044,225
Net Operating Income (NOI)	68,812	182,962	34,432	66,993	52,678	1,301,875
CAPEX	5,931	-	-	28,196	1,108	36,810
Occupancy (as of May 31, 2018)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Adjusted NOI Yield	5.40%	4.86%	5.75%	4.82%	5.07%	5.36%

Properties 1/3 (as of September 28, 2018)

Type	No.	Property Name	Area	Location	Acquisition Price		Site Area (sqm)	Floor Area (sqm)	Rentable Area (sqm)	PML (%)	Acquisition	
					(JPY Mn)	Ratio					Period	Date
Retail Property	A1	Himonya Shopping Center	23 Wards of Tokyo	Meguro-ku, Tokyo	7,497	1.2%	5,249.86	27,032.50	26,655.66	10	1	2003/12/25
	A2	Joy Park Izumigaoka	Other Regions (Osaka)	Sakai, Osaka	6,770	1.1%	10,368.45	29,250.71	13,611.24	10	1	2003/12/22
	A4	Re-LAND Shopping Center	Tokyo Metropolitan Area	Funabashi, Chiba	5,200	0.8%	5,198.20	12,944.65	12,952.88	13	2	2004/09/17
	A6	TENJIN LUCE	Other Regions (Others)	Fukuoka, Fukuoka	6,500	1.1%	1,138.66	5,393.09	4,194.68	2	5	2006/04/14
	A7	Yamada Denki Tecc Land Sakai Honten	Other Regions (Osaka)	Sakai, Osaka	3,210	0.5%	10,702.86	8,637.63	8,637.63	8	5	2006/04/28
	A8	Miyamae Shopping Center	Tokyo Metropolitan Area	Kawasaki, Kanagawa	5,312	0.9%	6,937.54	17,338.54	10,487.92	17	7	2007/02/19
	A9	KONAMI SPORTS CLUB Korigaoka	Other Regions (Osaka)	Hirakata, Osaka	2,040	0.3%	4,120.00	6,381.40	8,627.58	11	8	2007/06/29
	A10	ACTIOLE Minami-ikebukuro	23 Wards of Tokyo	Toshima-ku, Tokyo	3,760	0.6%	320.39	2,265.15	2,081.50	14	8	2007/09/27
	A11	Tip's Machida Building	Tokyo Metropolitan Area	Machida, Tokyo	4,100	0.7%	1,596.82	8,075.04	6,710.19	18	9	2007/12/27
	A12	Daiei Takarazuka Nakayama	Other Regions (Osaka)	Takarazuka, Hyogo	4,284	0.7%	16,330.14	16,729.60	16,729.60	9	9	2008/01/30
	A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	Tokyo Metropolitan Area	Yokohama,	6,883	1.1%	53,363.57	—	30,453.73	—	9	2008/02/18
	A14	ACTIOLE Kannai	Tokyo Metropolitan Area	Yokohama,	2,410	0.4%	375.17	2,238.82	1,938.56	16	10	2008/06/30
	A15	Shinsaibashi OPA Honkan	Other Regions (Osaka)	Osaka, Osaka	22,800	3.7%	2,430.23	25,865.61	27,025.42	12	15	2010/12/01
	A19	Albore Jingumae	6 Central Wards of Tokyo	Shibuya-ku, Tokyo	1,580	0.3%	308.02	816.60	931.14	14.6	15	2010/12/01
	A20	Albore Sendai	Other Regions (Others)	Sendai, Miyagi	2,590	0.4%	736.01	4,082.94	3,147.29	8	15	2010/12/01
	A21	Mallage Kashiwa	Tokyo Metropolitan Area	Kashiwa, Chiba	7,040	1.1%	79,484.47	54,689.28	41,757.92	9	15	2010/12/01
	A23	Ito-Yokado Owariasahi	Other Regions (Nagoya)	Owariasahi, Aichi	4,840	0.8%	34,612.39	56,371.77	54,606.34	11	15	2010/12/01
	A24	Yokohama Kariba Shopping Center	Tokyo Metropolitan Area	Yokohama,	2,500	0.4%	7,093.66	10,628.44	11,345.09	12	15	2010/12/01
	A25	Luz Jiyugaoka	23 Wards of Tokyo	Meguro-ku, Tokyo	5,090	0.8%	828.70	2,771.59	2,283.47	12	16	2011/06/15
	A26	ACTIOLE Ichikawa	Tokyo Metropolitan Area	Ichikawa, Chiba	3,350	0.5%	749.42	4,452.39	3,927.49	10	16	2011/06/15
	A27	Yokohama Aoba Shopping Center (Site)	Tokyo Metropolitan Area	Yokohama,	2,600	0.4%	9,193.00	—	9,193.00	—	16	2011/10/31
	A28	Yamada Denki Tecc Land Aoba (Site)	Tokyo Metropolitan Area	Yokohama,	2,150	0.3%	7,594.00	—	7,650.63	—	17	2012/05/18
	A29	Yodobashi Camera Multimedia Kichijoji	Tokyo Metropolitan Area	Musashino, Tokyo	28,000	4.6%	3,582.39	37,932.95	37,932.95	14	19	2013/03/18
	A30	Yamada Denki Tecc Land New Matsudo Honten	Tokyo Metropolitan Area	Matsudo, Chiba	5,150	0.8%	7,311.98	17,461.22	17,561.23	11	19	2013/03/18
	A31	Tenjin Loft Building	Other Regions (Others)	Fukuoka, Fukuoka	4,350	0.7%	1,947.80	10,594.19	7,730.09	1	20	2013/11/29
	A32	Narumi Shopping Center (Site)	Other Regions (Nagoya)	Nagoya, Aichi	6,460	1.1%	60,747.02	—	60,419.26	—	21	2014/04/08
	A33	Plussing Wave Enoshima	Tokyo Metropolitan Area	Fujisawa, Kanagawa	1,800	0.3%	2,449.00	3,471.69	3,154.42	14	22	2014/08/29
	A34	LIFE Nishikujo (Site)	Other Regions (Osaka)	Osaka, Osaka	1,760	0.3%	3,252.76	—	3,252.76	—	23	2015/03/02
	A35	LIFE Tamatsukuri (Site)	Other Regions (Osaka)	Osaka, Osaka	1,880	0.3%	2,391.44	—	2,391.44	—	23	2015/03/02
	A36	Granbell Ginza Building	6 Central Wards of Tokyo	Chuo-ku, Tokyo	2,621	0.4%	231.00	1,646.50	1,352.35	10	24	2015/06/30
	A37	UUR Tenjin Nishi-dori Building	Other Regions (Others)	Fukuoka, Fukuoka	5,500	0.9%	466.76	1,486.52	1,564.70	2	24	2015/07/15
	A38	Luz Shonan Tsujido	Tokyo Metropolitan Area	Fujisawa, Kanagawa	3,938	0.6%	3,658.25	17,889.43	10,454.22	14	24	2015/09/30
	A39	455 Ueno Building	23 Wards of Tokyo	Taito-ku, Tokyo	3,000	0.5%	159.59	1,234.99	1,167.63	12	25	2015/12/04
	A40	KURURU	Tokyo Metropolitan Area	Fuchu, Tokyo	9,285	1.5%	7,266.41	59,361.08	13,292.33	6	26	2016/09/01
	A41	K's Denki Nagoya-kita	Other Regions (Nagoya)	Toyoyama, Aichi	1,750	0.3%	7,461.97	4,733.74	4,733.74	8	27	2016/12/01
Office	B1	T&G Hamamatsucho Building	6 Central Wards of Tokyo	Minato-ku, Tokyo	2,257	0.4%	453.81	3,296.58	2,420.85	12	1	2003/12/26
	B3	Fukuoka Eartheon Building	Other Regions (Others)	Fukuoka, Fukuoka	2,080	0.3%	1,358.91	6,079.35	4,934.40	1	1	2003/12/26
	B4	Marumasu Kojimachi Building	6 Central Wards of Tokyo	Chiyoda-ku, Tokyo	2,350	0.4%	703.24	5,218.55	2,578.84	11	1	2004/03/29
	B5	Rokubancho K Building	6 Central Wards of Tokyo	Chiyoda-ku, Tokyo	2,150	0.3%	689.70	4,031.14	4,031.14	14	1	2004/03/30
	B6	Shin-Osaka Central Tower (office portion)	Other Regions (Osaka)	Osaka, Osaka	14,279	2.3%	7,265.79	58,882.64	27,828.96	7	3	2004/12/02
	B7	Kawasaki Toshiba Building	Tokyo Metropolitan Area	Kawasaki, Kanagawa	19,200	3.1%	8,615.20	51,254.06	36,118.31	7	3	2004/12/20
	(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	Tokyo Metropolitan Area	Yokohama,	5,021	0.8%	—	—	22,214.65	—	9	2008/02/18
	B8	UUR Toyochi Building	23 Wards of Tokyo	Koto-ku, Tokyo	8,500	1.4%	3,262.50	10,768.11	7,540.30	13	10	2008/06/30

Properties 2/3 (as of September 28, 2018)

Type	No.	Property Name	Area	Location	Acquisition Price		Site Area (sqm)	Floor Area (sqm)	Rentable Area (sqm)	PML (%)	Acquisition	
					(JPY Mn)	Ratio					Period	Date
Office	B9	FOUR SEASONS BLDG	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	4,200	0.7%	690.93	6,318.81	5,000.54	11	13	2009/12/25
	B10	Hitachi High-Tech Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	14,800	2.4%	3,464.39	22,952.71	15,781.64	15	15	2010/12/01
	B11	Pacific Marks Shinjuku Parkside	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	12,100	2.0%	3,201.80	19,802.22	10,947.34	14.8	15	2010/12/01
	B13	Pacific Marks Tsukishima	6 Cental Wards of Tokyo	Chuo-ku, Tokyo	6,080	1.0%	3,302.07	14,507.92	9,335.19	14	15	2010/12/01
	B14	Pacific Marks Yokohama East	Tokyo Metropolitan Area	Yokohama,	7,050	1.1%	2,525.41	15,387.49	10,744.60	15	15	2010/12/01
	B17	Akasaka Hikawa Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	3,290	0.5%	1,328.93	4,795.06	3,438.20	14	15	2010/12/01
	B18	Pacific Marks Shibuya Koen-dori	6 Cental Wards of Tokyo	Shibuya-ku, Tokyo	2,570	0.4%	428.62	1,972.43	1,972.43	12	15	2010/12/01
	B20	Pacific Marks Akasaka-mitsuke	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,210	0.4%	390.86	1,895.87	1,675.13	13	15	2010/12/01
	B22	Pacific Marks Shin-Yokohama	Tokyo Metropolitan Area	Yokohama,	1,710	0.3%	475.00	4,141.89	3,110.72	16	15	2010/12/01
	B25	Pacific Marks Kawasaki	Tokyo Metropolitan Area	Kawasaki, Kanagawa	9,890	1.6%	1,183.52	10,694.91	7,382.62	17	15	2010/12/01
	B26	Hamamatsucho 262 Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	6,840	1.1%	1,401.61	8,331.90	6,162.85	14	15	2010/12/01
	B27	Lila Hijirizaka	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,750	0.4%	1,474.05	6,598.52	4,255.02	12	15	2010/12/01
	B29	Otsuka HT Building	23 Wards of Tokyo	Toshima-ku, Tokyo	1,160	0.2%	455.94	2,317.67	1,774.56	13	15	2010/12/01
	B30	Pacific Marks Shinjuku South-gate	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	2,460	0.4%	257.87	2,038.70	1,723.03	12	15	2010/12/01
	B31	Pacific Marks Nishi-Umeda	Other Regions (Osaka)	Osaka, Osaka	6,860	1.1%	2,053.30	16,142.54	11,039.51	10	15	2010/12/01
	B32	Pacific Marks Higobashi	Other Regions (Osaka)	Osaka, Osaka	4,570	0.7%	1,284.23	9,596.62	7,623.57	12	15	2010/12/01
	B34	Pacific Marks Esaka	Other Regions (Osaka)	Suita, Osaka	9,590	1.6%	3,929.31	33,316.53	19,985.02	9	15	2010/12/01
	B35	Pacific Marks Sapporo Kita-Ichijo	Other Regions (Others)	Sapporo, Hokkaido	1,790	0.3%	987.04	6,048.97	4,727.65	1	15	2010/12/01
	B36	Shin-Sapporo Center Building	Other Regions (Others)	Sapporo, Hokkaido	987	0.2%	1,940.08	3,725.13	2,797.03	2	15	2010/12/01
	B37	ARENA TOWER	Tokyo Metropolitan Area	Yokohama,	9,500	1.5%	2,733.00	24,412.67	17,967.46	10	16	2011/06/16
	B38	Yushima First Building	23 Wards of Tokyo	Bunkyo-ku, Tokyo	2,100	0.3%	1,120.85	6,165.88	4,558.77	13	18	2012/08/29
	B39	Dogenzaka Square	6 Cental Wards of Tokyo	Shibuya-ku, Tokyo	2,300	0.4%	488.93	3,227.62	2,233.57	16	18	2012/11/22
	B40	GRAND-SQUARE Shin-Sakae	Other Regions (Nagoya)	Nagoya, Aichi	1,480	0.2%	1,294.88	5,333.51	4,578.93	10	21	2014/02/28
	B41	GRAND-SQUARE Meieki-minami	Other Regions (Nagoya)	Nagoya, Aichi	1,220	0.2%	1,012.06	5,017.30	4,003.05	10	21	2014/02/28
	B42	Shiba 520 Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,100	0.3%	727.86	3,781.22	2,831.94	13	21	2014/03/28
	B43	Hirose-dori SE Building	Other Regions (Others)	Sendai, Miyagi	3,600	0.6%	2,146.31	10,396.94	8,235.87	8	22	2014/06/13
	B44	SS30 (office portion)	Other Regions (Others)	Sendai, Miyagi	11,521	1.9%	15,542.84	110,955.68	42,867.59	①2 ②6 ③1	27	2017/03/30
	B45	LOOP-X・M	6 Cental Wards of Tokyo	Minato-ku, Tokyo	11,200	1.8%	5,491.44	31,583.38	21,591.56	①7 ②6	27	2017/04/26
Hotel	C1	Shinjuku Washington Hotel Honkan	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	21,140	3.4%	6,215.31	59,985.37	53,331.46	9	1	2003/12/22
	(B6)	Shin-Osaka Central Tower (hotel portion)	Other Regions (Osaka)	Osaka, Osaka	9,721	1.6%	—	—	18,149.63	—	3	2004/12/02
	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	6 Cental Wards of Tokyo	Minato-ku, Tokyo	1,884	0.3%	482.10	2,928.94	3,088.85	17	3	2005/02/18
	C3	MZ BLD.	Tokyo Metropolitan Area	Hachioji, Tokyo	3,800	0.6%	1,304.44	7,708.88	6,660.20	13	9	2008/04/10
	C4	HOTEL ROUTE-INN Yokohama Bashamichi	Tokyo Metropolitan Area	Yokohama,	4,720	0.8%	970.83	6,610.51	7,139.44	19	10	2008/06/30
	C5	Hotel JAL City Naha	Other Regions (Others)	Naha, Okinawa	7,650	1.2%	3,573.31	13,655.23	13,701.80	5	16	2011/10/25
	C6	UUR Yotsuya a Sanchome Building	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	4,200	0.7%	1,053.16	7,682.82	7,854.86	14	17	2011/12/26
	C7	Yotsuya 213 Building	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	5,020	0.8%	1,264.94	7,884.53	7,550.16	13	19	2013/03/18
	C9	the b roppongi	6 Cental Wards of Tokyo	Minato-ku, Tokyo	3,500	0.6%	482.37	3,138.82	2,710.90	12	21	2014/05/01
	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Tokyo Metropolitan Area	Kawasaki, Kanagawa	2,655	0.4%	639.19	4,785.93	4,874.28	14.5	24	2015/08/31
	C11	Toyoko Inn Hiroshima Heiwa-odori	Other Regions (Others)	Hiroshima, Hiroshima	2,113	0.3%	660.40	4,345.24	4,357.75	7	24	2015/08/31
	C12	Toyoko Inn Naha Kokusai-dori Miebash-eki	Other Regions (Others)	Naha, Okinawa	745	0.1%	384.93	1,566.12	1,529.47	2	24	2015/08/31
	C13	Loisir Hotel & Spa Tower Naha	Other Regions (Others)	Naha, Okinawa	20,000	3.3%	11,850.24	45,731.16	45,731.16	①7 ②6	25	2016/02/05
	C14	Urawa Royal Pines Hotel	Tokyo Metropolitan Area	Saitama, Saitama	17,500	2.8%	7,418.83	51,071.32	31,129.86	10	25	2016/04/01
	(B44)	SS30 (hotel portion)	Other Regions (Others)	Sendai, Miyagi	6,679	1.1%	—	—	24,814.24	—	27	2017/03/30

Properties 3/3 (as of September 28, 2018)

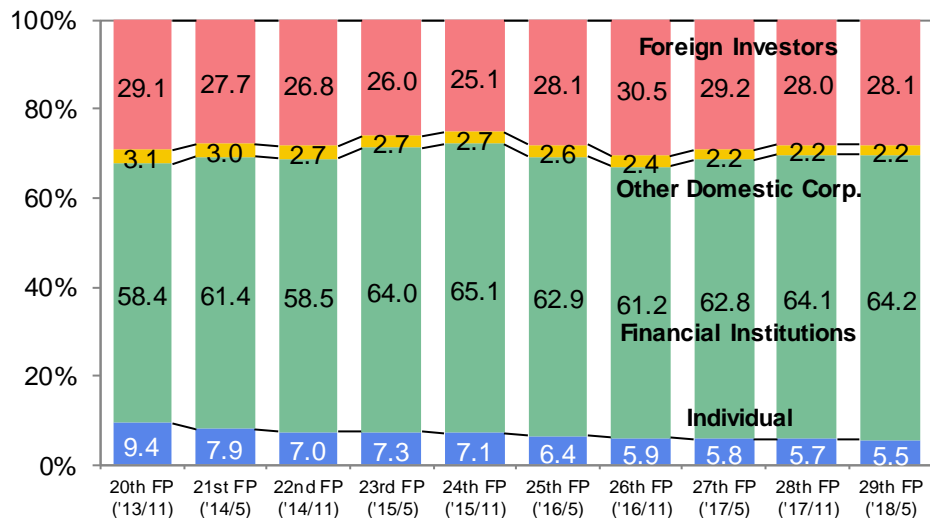
Type	No.	Property Name	Area	Location	Acquisition Price		Site Area (sqm)	Floor Area (sqm)	Rentable Area (sqm)	PML (%)	Acquisition	
					(JPY Mn)	Ratio					Period	Date
	C15	RIHGA Royal Hotel Kokura・ARUARU City	Other Regions (Others)	Kitakyushu, Fukuoka	16,600	2.7%	22,799.65	114,117.54	81,308.50	① 1② 2③ 1	29	2018/01/26
	C16	the b fukuoka tenjin	Other Regions (Others)	Fukuoka, Fukuoka	3,000	0.5%	496.79	3,567.22	3,567.22	1	30	2018/09/27
Residential Property	D1	T&G Higashi-ikebukuro Mansion	23 Wards of Tokyo	Toshima-ku, Tokyo	2,021	0.3%	398.82	3,300.18	2,603.22	12	1	2003/12/26
	D4	Komazawa Court	23 Wards of Tokyo	Setagaya-ku, Tokyo	1,680	0.3%	2,943.33	3,580.44	3,741.17	11	1	2003/12/26
	D6	Sky Court Shiba-Daimon	6 Central Wards of Tokyo	Minato-ku, Tokyo	1,175	0.2%	233.66	1,486.38	1,486.38	17	2	2004/10/15
	D7	Maison Ukima	23 Wards of Tokyo	Kita-ku, Tokyo	3,530	0.6%	6,456.64	12,691.43	12,691.43	14.6	2	2004/10/26
	D9	Aprile Shin-Ohgi Ichibankan	Other Regions (Osaka)	Kobe, Hyogo	3,031	0.5%	3,329.45	12,700.44	12,700.44	8	3	2005/04/13
	D10	UUR Court Sapporo Kita-Sanjo	Other Regions (Others)	Sapporo, Hokkaido	1,278	0.2%	1,249.45	6,588.72	4,790.50	2	5	2006/03/16
	D15	CLIO Bunkyo Koishikawa	23 Wards of Tokyo	Bunkyo-ku, Tokyo	3,170	0.5%	814.54	5,871.77	4,097.51	14.5	5	2006/04/28
	D16	GRAND-ROUGE Sakae	Other Regions (Nagoya)	Nagoya, Aichi	1,570	0.3%	1,009.16	3,912.49	3,697.38	13	6	2006/11/30
	D17	GRAND-ROUGE Sakae II	Other Regions (Nagoya)	Nagoya, Aichi	1,300	0.2%	674.34	3,172.34	2,579.89	13	9	2007/12/26
	D18	MA Sendai Building	Other Regions (Others)	Sendai, Miyagi	3,440	0.6%	3,656.44	12,642.98	11,525.36	11	10	2008/09/24
	D19	UUR Court Nagoya Meieki	Other Regions (Nagoya)	Nagoya, Aichi	1,473	0.2%	639.17	3,207.39	2,958.45	16	10	2008/09/30
	D20	UUR Court Sapporo Shinoro Ichibankan	Other Regions (Others)	Sapporo, Hokkaido	870	0.1%	3,340.48	6,255.74	6,271.74	3	10	2008/11/11
	D21	Park Site IZUMI	Other Regions (Nagoya)	Nagoya, Aichi	900	0.1%	336.55	2,196.97	2,067.95	12	10	2008/11/21
	D22	UUR Court Osaka Juso-honmachi	Other Regions (Osaka)	Osaka, Osaka	1,570	0.3%	1,266.32	4,166.73	3,650.00	16	11	2009/02/26
	D23	UUR Court Kinshicho	23 Wards of Tokyo	Koto-ku, Tokyo	2,900	0.5%	924.27	6,890.13	5,460.39	14.8	16	2011/06/15
	D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Other Regions (Others)	Sapporo, Hokkaido	2,050	0.3%	1,078.42	10,224.31	7,763.23	1	18	2012/06/28
	D25	GRAND-ROUGE Nakanoshima-minami	Other Regions (Osaka)	Osaka, Osaka	1,380	0.2%	405.74	3,741.79	3,090.36	15	20	2013/06/25
	D26	Glenpark Umeda-kita	Other Regions (Osaka)	Osaka, Osaka	5,150	0.8%	2,156.35	14,340.44	12,730.60	15.5	22	2014/08/29
	D27	UUR Court Shiki	Tokyo Metropolitan Area	Shiki, Saitama	2,730	0.4%	6,132.03	9,885.83	9,885.83	11	24	2015/09/18
	D28	GRAND-ROUGE Tanimachi Rokuchome	Other Regions (Osaka)	Osaka, Osaka	1,300	0.2%	817.52	3,607.14	2,792.81	13	27	2016/12/01
	D29	Chatle Otemachi S・N	Other Regions (Others)	Kitakyushu, Fukuoka	3,398	0.6%	3,516.04	12,599.91	12,040.28	① 1② 1	30	2018/07/03
Others	E1	Lily color Tohoku Branch	Other Regions (Others)	Sendai, Miyagi	2,050	0.3%	5,457.02	8,693.79	9,271.16	11	5	2006/05/29
	E2	KDDI Fuchu Building	Tokyo Metropolitan Area	Fuchu, Tokyo	4,920	0.8%	5,479.15	14,165.71	14,490.92	11	19	2013/05/16
	E3	Tsubogawa Square Building	Other Regions (Others)	Naha, Okinawa	4,150	0.7%	5,294.63	14,742.80	10,570.98	8	20	2013/11/01
	E4	THE PLACE of TOKYO	6 Central Wards of Tokyo	Minato-ku, Tokyo	3,500	0.6%	645.87	3,105.31	3,212.21	13	21	2014/05/01
	E5	Logistics Higashi-Ohgishima	Tokyo Metropolitan Area	Kawasaki, Kanagawa	4,233	0.7%	28,351.30	41,949.12	42,113.83	12	22	2014/10/02
	E6	MT Ariake Center Building I&II	23 Wards of Tokyo	Koto-ku, Tokyo	8,000	1.3%	8,307.00	22,917.94	23,872.51	① 12 ② 13	22	2014/11/25
	E7	Quartz Tower	6 Central Wards of Tokyo	Sibuya-ku, Tokyo	5,700	0.9%	354.27	2,720.38	2,940.22	7	24	2015/11/13
	E8	Shin-Narashino Logistics Center	Tokyo Metropolitan Area	Narashino, Chiba	2,555	0.4%	6,968.26	13,268.65	12,909.90	10	24	2015/08/07
	E9	Kawagoe Logistics Center	Tokyo Metropolitan Area	Kawagoe, Saitama	7,550	1.2%	32,665.82	47,284.22	40,060.76	9	26	2016/06/17
	E10	Asuto Nagamachi Dental Clinic	Other Regions (Others)	Sendai, Miyagi	1,200	0.2%	2,009.14	1,554.09	1,554.09	8	26	2016/08/29
	E11	Shin-Narashino Logistics Center II	Tokyo Metropolitan Area	Narashino, Chiba	2,590	0.4%	7,870.01	12,578.45	12,598.46	9	27	2017/01/31
	E12	Yoshikawa Logistics Center	Tokyo Metropolitan Area	Yoshikawa, Saitama	1,960	0.3%	5,705.63	10,806.37	11,096.70	8	28	2017/07/27
					615,015	100.0%	653,423.52	1,654,398.59	1,446,785.36	6.52		

(Notes)

1. In principle, "Site Area", "Floor Area", "Rentable Area" and "PML" show those at the point of May 31, 2018. Data for "Chatle Otemachi S・N" and "the b fukuoka tenjin" are as of July 3 and September 27, 2018 respectively.
2. PML of "B44 SS30", "B45 LOOP-X・M", "C13 Loisir Hotel & Spa Tower Naha", "D29 Chatle Otemachi S・N" and "E6 MT Ariake Center Building I&II" shows PML of each building below.
B44: ①Office building ②Fitness club building ③Hotel building / B45: ①LOOP-X ②LOOP-M / C13: ①Main Building ②Anne / D29: ①S Building ②N Building / E6: ①Building 1 ②Building 2
3. "PML" shown on the line of "Total" indicates PML of UUR's whole portfolio at the end of 29th FP.

Overview of Unitholders and Unit Price

■ Trend of Composition of Unitholders

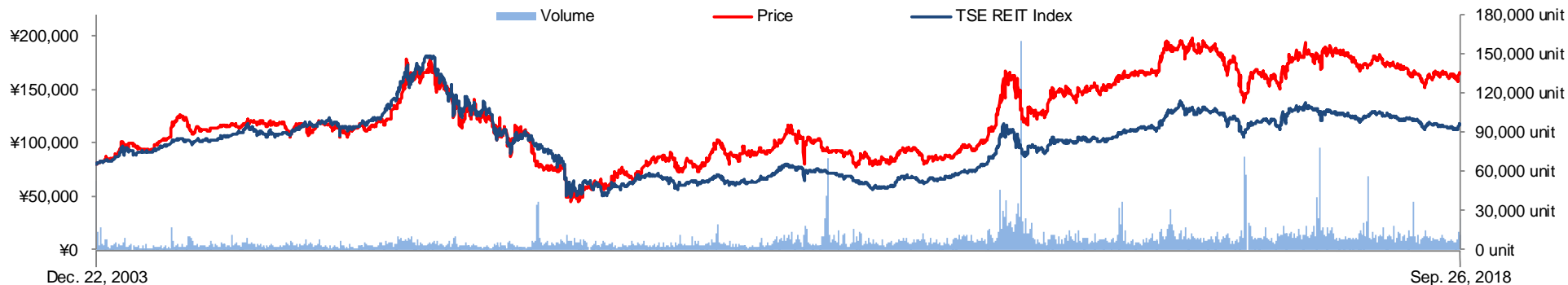


	# of unitholders	# of units issued & outstanding
May 31, 2018	21,303	3,055,087
November 30, 2017	22,182	3,055,087

■ Major unitholders (as of May 31, 2018)

Rank	Unitholder	Number of Units Held	Percentage of Unit Held
1	Japan Trustee Services Bank, Ltd. (trust account)	658,927	21.6%
2	The Master Trust Bank of Japan, Ltd. (trust account)	503,183	16.5%
3	The Nomura Trust and Banking Co., Ltd. (investment trust account)	127,111	4.2%
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	101,918	3.3%
5	STATE STREET BANK WEST CLIENT-TREATY 505234	91,161	3.0%
6	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	62,767	2.1%
7	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	39,011	1.3%
8	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	38,320	1.3%
9	SIX SIS FOR SWISS NATIONAL BANK	31,750	1.0%
10	The Chugoku Bank, Ltd.	28,728	0.9%
11	THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	27,421	0.9%
12	NOMURA BANK (LUXEMBOURG) S.A.	25,800	0.8%
13	JAPAN SECURITIES FINANCE CO., LTD.	22,822	0.7%
14	STATE STREET BANK AND TRUST COMPANY 505223	21,038	0.7%
15	STATE STREET BANK AND TRUST COMPANY 505012	19,875	0.7%
Total		1,799,832	58.9%

■ Unit price and tracking volume (Note1~4)



(Notes) 1. Source: QUICK

2. UUR's unit price and trading volume from Dec. 22, 2003 to Sep. 26, 2018.

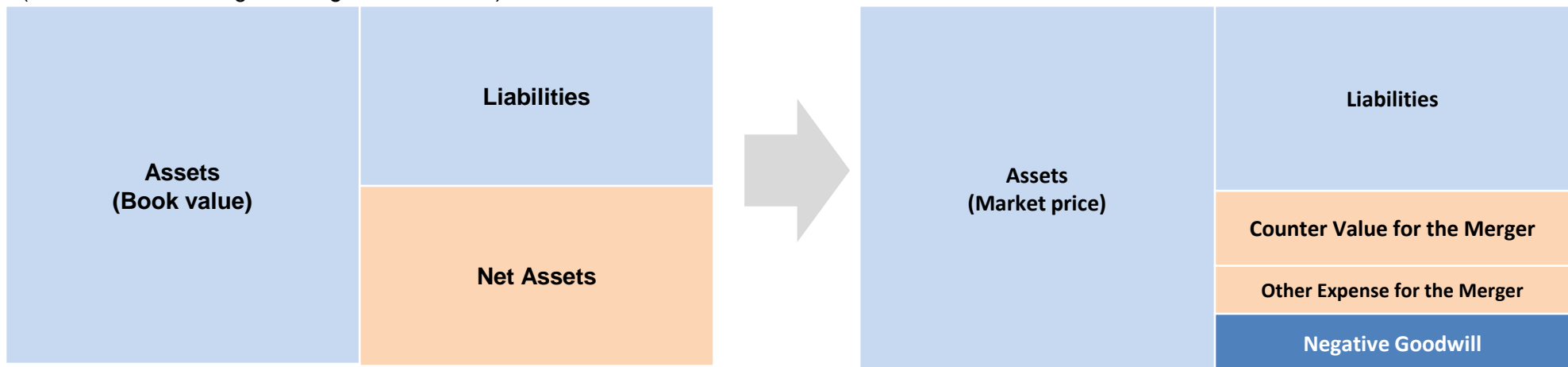
3. In connection with the unit split, before November 25, 2010 (the last trade day in the unit price before the unit split in Tokyo Stock Exchange), unit price are shown divided by 6, and trading volume are shown multiplied by 6.

4. TSE REIT Index are shown indexed based on the unit price as of Dec. 22, 2003.

Retention of Earnings 1/2

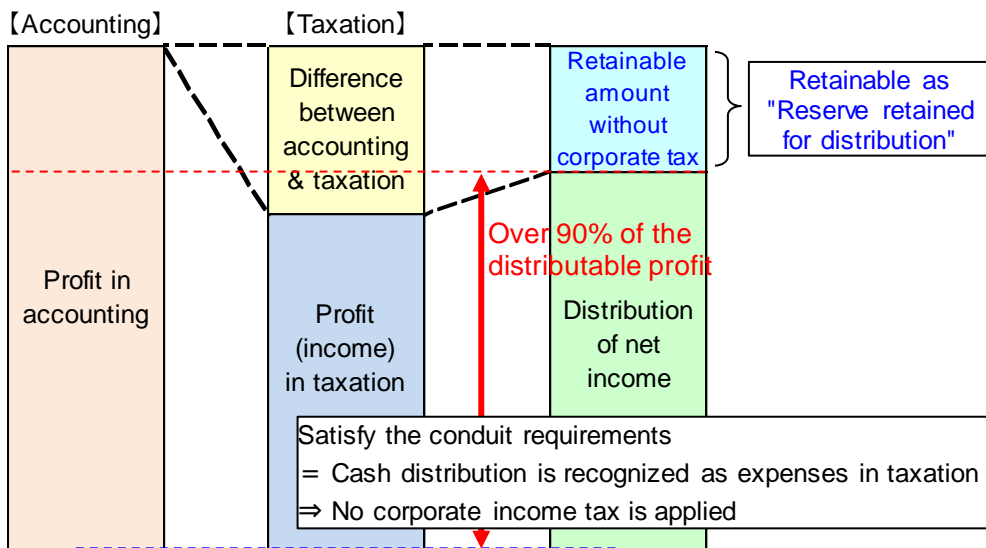
■ Occurrence of Negative Goodwill due to the merger

(The occurrence image of "Negative Goodwill")



■ Retained earnings (Reserve retained for distribution) through utilizing the difference between accounting and taxation

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



Difference between accounting/taxation in case of UUR

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

(Profit in accounting > Profit (income) in taxation)

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

■ Reserve for reduction entry

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

■ The outline of "Reduction Entry System"

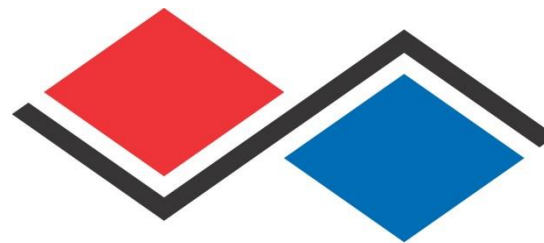
	Replacement of the asset held for a long term	Preceding land acquisition
Applicable conditions	In case that the new land or building is to be acquired during the fiscal period or within one year after the relevant fiscal period ends when the land or building held over 10 years is sold. (Properties acquired within one year before the disposition can be applicable to the system, if the acquisition is notified to a dedicated tax office.)	① The tax payer has the land acquired in 2009 and 2010. (Report to the tax office on acquisition of land is to be made prior to the date for the tax report when the land is acquired.) AND ② Gains on land sale within 10 years after the relevant fiscal period ends (the fiscal period when the land is acquired).
Subject property of reduction	Acquired property (land & building or land or building)	Land mentioned in ① above
Limit of reduction/reduction rate	Acquisition price for reduction entry*1 x Profit ratio*2 x Ratio of Reduction (80% in principle) *1 Lower amount between "the sale price" and "the acquisition price" *2 "the gains on sale" ÷ "the sale price" Note 1: Aggregation of profit and loss on the property sale is not necessary even if these are multiple sales. Note 2: Selection of the subject gains is possible. The taxpayer can choose from gains on "the land and building", "the land" only or "the building" only. Note 3: These are certain requirements on the property to be acquired for application of "Reduction Entry System".	Capital gain of land x Reduction ratio* (No larger than total amount of ① above) *80% is applicable to land(s) acquired in 2009; 60% in 2010. 80% is applicable if lands acquired in both 2009 and 2010 are to be included in the same fiscal year. Note 1: If capital gain is recorded for individual sale of land, such gains is applicable to this system, even in case that total disposition brings capital loss. Note 2: Aggregation of profit and loss is to be required in case that there are multiple sale of land.
Allowable retained earnings	<p>Whichever amount is the lower of A or B, can be retained and no corporate tax is levied in the relevant fiscal period.</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> A: Limit of reduction calculated as per the above </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> B: Amount compliant with conduit requirement (÷ Profit available for dividend × 10% or less) </div> </div>	

	Estimated reserve for reduction entry	Applicable conditions	Subject asset
29th FP (May 2018)	¥ 1.2Bn	Replacement of the asset hold for a long time	Disposition: Himonya Shopping Center (Land: trust beneficiary, 51% quasi co-ownership) Acquisition : RIHGA Royal Hotel Kokura · ARUARU City (Land)
30th FP (Nov 2018)	¥ 1.1Bn	Replacement of the asset hold for a long time	Disposition: Himonya Shopping Center (Land: trust beneficiary, 19% quasi co-ownership) Acquisition : Chatle Otemachi S · N (Land)
31st FP (May 2019)	¥ 1.2Bn	Preceding land acquisition	Disposition: Himonya Shopping Center (Land: trust beneficiary, 30% quasi co-ownership) Asset to be reduced : Land acquired in 2009 and 2010 (Total price: 3.4Bn)

*This page is a summary of accounting system as of July 13, 2018 and can be used for an informational purpose only. Please note that the system mentioned above may not be applicable due to status of United Urban as well as interpretations and ways of handling profits under tax laws and others.

Terms	Definitions
UUR	"United Urban Investment Corporation" may be abbreviated to as "UUR".
JRA	"Japan REIT Advisors Co., Ltd." may be abbreviated to as "JRA".
The Merger	The merger, which made December 1, 2010 the effective date of the merger and made UUR the surviving corporation after the merger.
The Division of Units	The 6-for-1 unit split of UUR units, effective December 1, 2010.
Fiscal period	Each fiscal period is closed on the end of May or of November, and then, each fiscal period and the number of operating days which appeared on this document are as below; ・26th FP: from June 1, 2016 to November 30, 2016 (183 days) ・27th FP: from December 1, 2016 to May 31, 2017 (182 days) ・28th FP: from June 1, 2017 to November 30, 2017 (183 days) ・29th FP: from December 1, 2017 to May 31, 2018 (182 days) ・30th FP: from June 1, 2018 to November 30, 2018 (183 days) ・31st FP: from December 1, 2018 to May 31, 2019 (182 days)
Acquisition (Sale) Price	The price which is described in a purchase and sale agreement etc. is shown in the amount excluding miscellaneous expenses for the acquisition (sale), consumption tax, etc. The Acquisition Price of NCI properties is the acceptance price at the time of the Merger.
EPU	Calculated by "net income / the number of issued investment units outstanding at the end of the fiscal period". So, it is different from the "net income per unit" on accounting which is calculated based on the average number of issued investment units for each fiscal period.
Negative Goodwill (Reserve for temporary difference)	It means "Reserve for temporary difference (after 27th FP)", a reserve account derived from the extraordinary profit on the Merger. Decrease or usage of "Reserve for temporary difference" in accounting is often written as "Use the negative goodwill" or "Add the negative goodwill".
Voluntary reserves	Reserve retained for Distribution and Reserve for Advanced Depreciation not derived from The Merger (separate from Negative Goodwill).
Reserve retained for Distribution	Retained earnings not derived from The Merger (separate from Negative Goodwill).
Retained Earnings	"Negative Goodwill" and "Voluntary reserves". The amount of Voluntary reserves is often written as "(Amount of) Retained Earnings".
Difference between accounting and taxation	It means there is the difference between the profit in accounting and the income in taxation. It is mainly arisen because the costs required to be booked in accounting is not equal to the costs permitted to be booked in taxation. With regard to UUR, there is difference between "book value in accounting" and "book value in taxation" of NCI properties derived from the Merger, so there are the differences between accounting and taxation in depreciation cost and gain (loss) on the property sale, etc.

Terms	Definitions
NOI	"Net Operating Income", the figure equal to the amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues.
Adjusted NOI Yield	Calculated by "Adjusted NOI / Acquisition price / number of operating days * 365 (annualized) * 100(%)". In case of acquired properties, Adjusted NOI is the NOI amount whose taxes (fix asset tax & city planning tax), which are not recognized as operating expenses in each FP, is added to its costs.
Adjusted Profit after Depreciation	Calculated by "Adjusted NOI after depreciation / Acquisition price / number of operating days * 365 (annualized) * 100(%)". It is Adjusted NOI amount deducted depreciation costs (with regard to the part of properties, estimated or adjusted figures) in the FP.
Estimated NOI Yield	Calculated by "estimated NOI (annualized) / Acquisition price * 100(%)". Estimated NOI (annualized) is, concerning about the acquired properties, the annual estimated NOI from acquisition by UUR, and calculated on the leasing conditions after the acquisition.
Estimated NOI Yield after depreciation	Calculated by "estimated NOI after depreciation (annualized) / Acquisition price * 100(%)". Estimated NOI after depreciation (annualized) means, concerning about the acquired properties, the NOI amount that is deducted estimated depreciation amount (annualized) from estimated NOI (annualized). Estimated depreciation amount (annualized) means the annual estimated depreciation amount from acquisition by UUR and is calculated, following with the UUR accounting policy, by the straight line depreciation rate (assumed when in the acquisition) based on the life of each acquired property.
Occupancy Rate	Calculated by "total leased floor space / total leasable floor space"
Cash Flow Occupancy Rate	Calculated based on the floor area which yields rent actually, excluding the floor area which does not yield rent due to free-rent period or so.
GOP	It is the abbreviation for "Gross Operating Profit". It is gross profit amount of hotel operations, which is deducted non-allocation costs (for example, labor costs and utility costs of corporate or sales section which are not be included in operating costs of each section, etc.) from the profit of hotel business (lodging, party and others).
Variable rent system with GOP	It is the rent comprising "the fixed amount" and "the variable amount linked with GOP" defined on the lease agreements.
LTV (Total Assets)	Calculated by "Interest-bearing liabilities (including corporate bonds) / Total Assets * 100(%)".
LTV	Calculated by "Interest-bearing liabilities (including corporate bonds) / Total Assets (Net Assets + Appraised value at the end of fiscal period – Book value at the end of fiscal period) * 100(%)".



United Urban
Investment Corporation

This material is neither a disclosure document nor an investment report under the Act on Sales, etc of Financial Products. Final investment decisions are entirely the responsibility of the investors themselves.

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