

# Semiannual Report

**Twenty-fifth Fiscal Period**

**From December 1, 2015 to May 31, 2016**



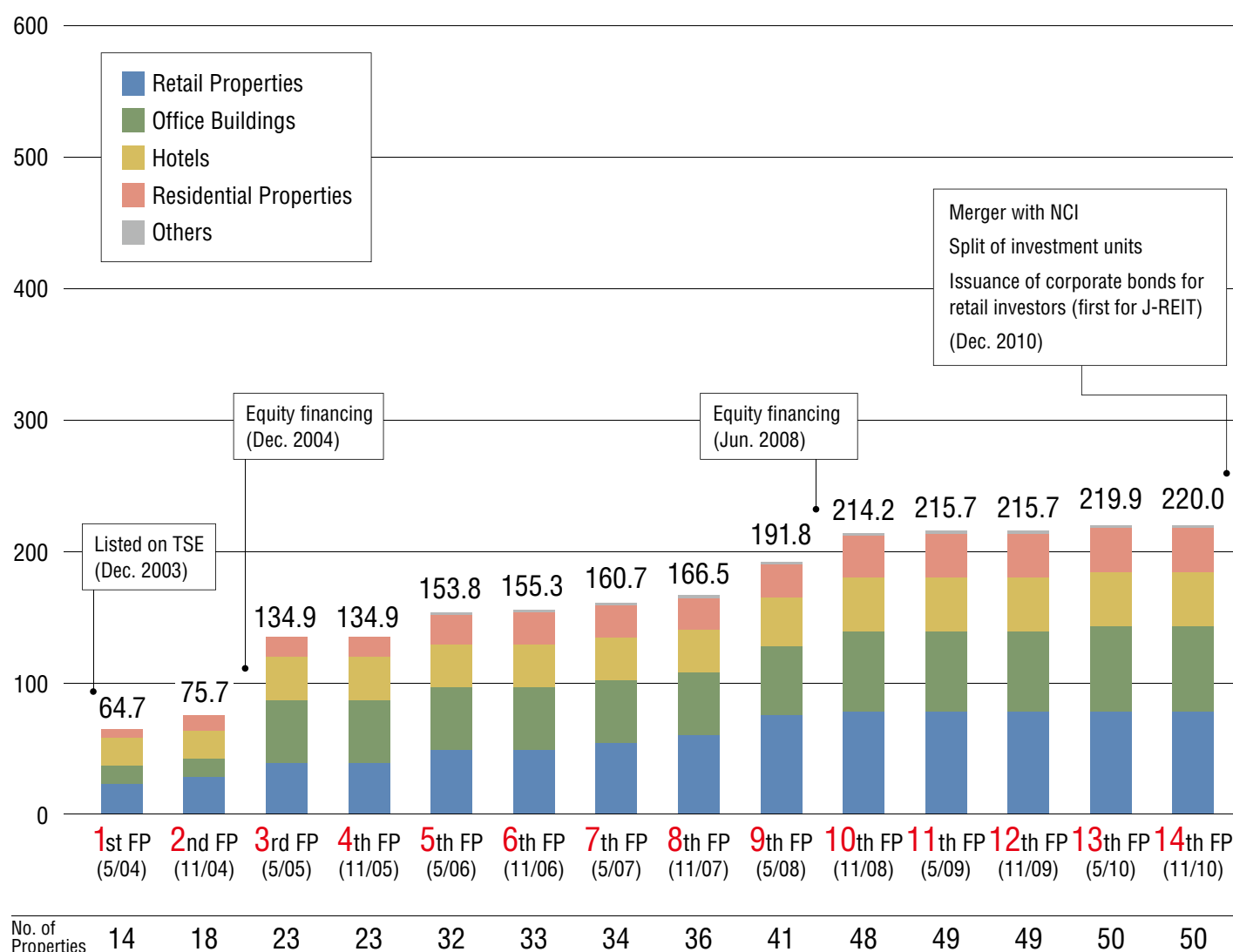
# Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed on the real estate investment trust section (“J-REIT section”) of the Tokyo Stock Exchange (Securities Code: 8960), and United Urban has been growing steadily since its listing. In addition, through the merger with Nippon Commercial Investment Corporation (“NCI”) in December 2010, United Urban considerably expanded the size of its assets.

In order to obtain stable earnings over the medium to long term, United Urban intends to form an optimal portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuations and lead to the mitigation of risks involved.

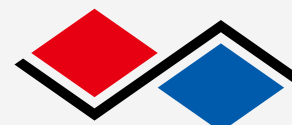
## Growth of Assets (Note 1)

Billions of yen



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

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



**United Urban**  
Investment Corporation

The main sponsor of United Urban is Marubeni Corporation (“Marubeni”), a parent company of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services. United Urban aims to realize its further growth as a diversified J-REIT<sup>(Note)</sup> by taking full advantage of the network and support provided by Marubeni and its affiliate companies.

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

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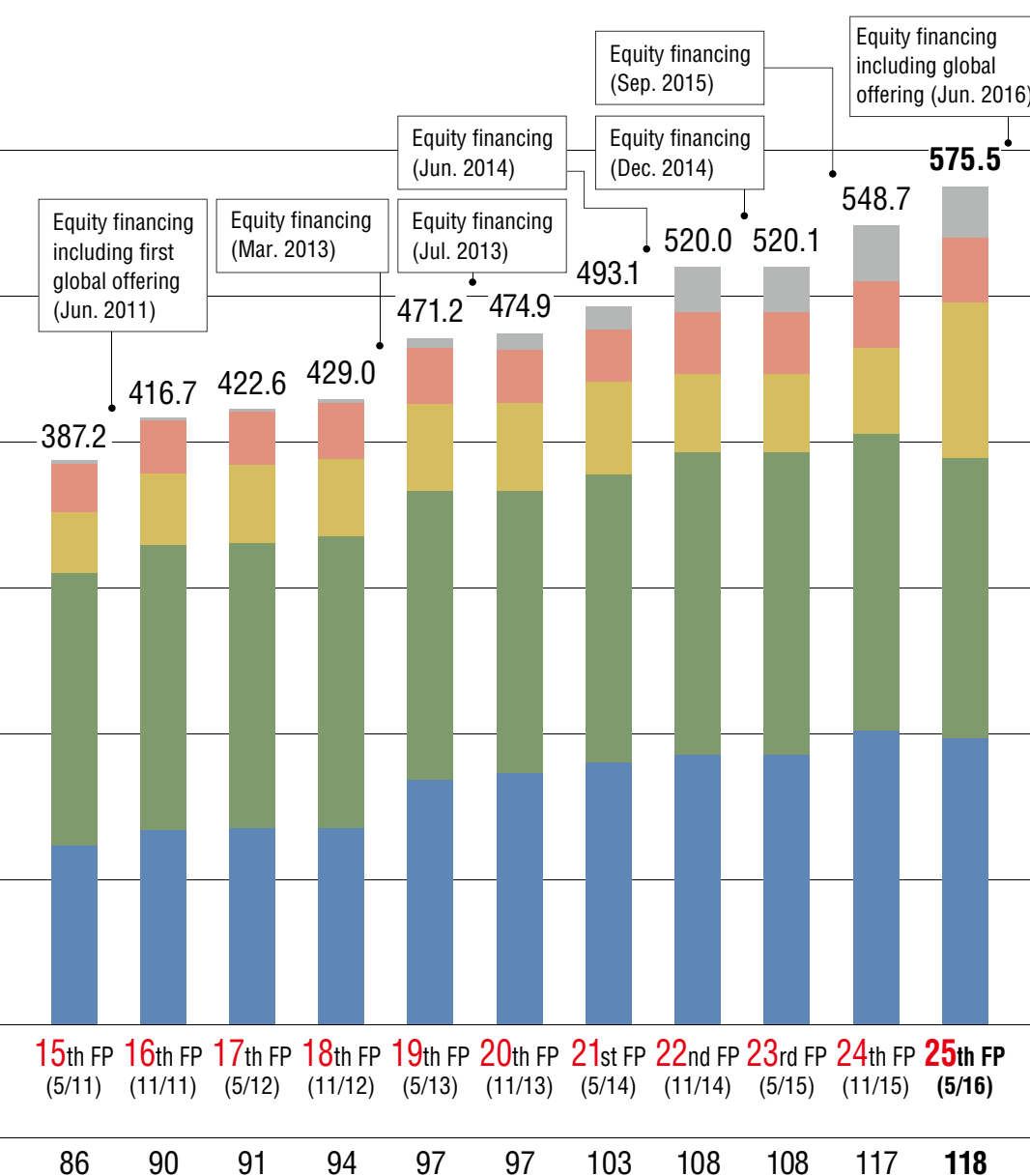
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Financial Section



# Key Figures (As of May 31, 2016)

## Cash Distribution per Unit for the 25th Fiscal Period

¥3,000

## Occupancy Ratio

98.8%

## Total Acquisition Price

¥575 billion

## Number of Properties

118

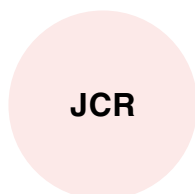
## Loan-to-Value Ratio (LTV) (Note)

41.3%

Note: LTV=Interest-bearing liabilities (including corporate bonds) / (Total assets + Appraisal values at the end of the period - Book value at the end of the period)

## Ratings (As of July 20, 2016)

Long-Term Issuer Rating:



AA

Rating Outlook: Stable

Issuer Rating:



A3

Rating Outlook: Positive

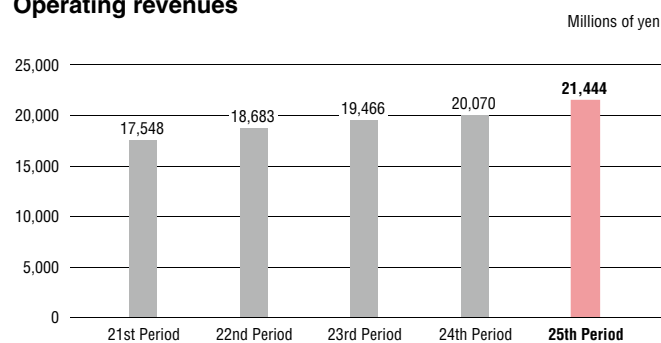
# Financial Highlights

Millions of yen, except per unit information

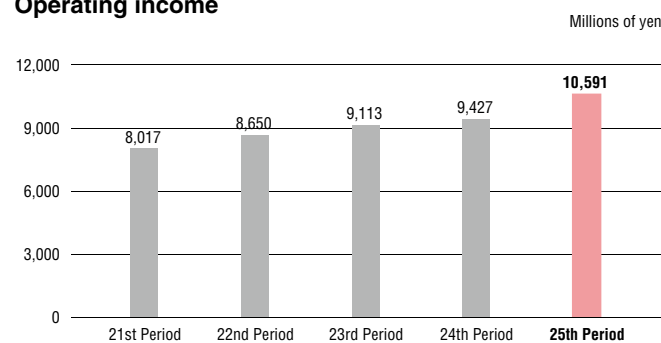
	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period
	December 1, 2013- May 31, 2014	June 1, 2014- November 30, 2014	December 1, 2014- May 31, 2015	June 1, 2015- November 30, 2015	December 1, 2015- May 31, 2016
Operating revenues	¥ 17,548	¥ 18,683	¥ 19,466	¥ 20,070	¥ 21,444
Operating income	8,017	8,650	9,113	9,427	10,591
Ordinary income	6,694	7,276	7,790	8,163	9,224
Net income	6,674	7,275	7,790 <sup>(Note 2)</sup>	7,916 <sup>(Note 1)</sup>	9,089 <sup>(Note 2)</sup>
Cash distribution	6,674	7,275	7,668 <sup>(Note 2)</sup>	8,124 <sup>(Note 1)</sup>	8,254 <sup>(Note 2)</sup>
Cash distribution per unit (Yen)	2,804	2,896	2,900 <sup>(Note 2)</sup>	2,953 <sup>(Note 1)</sup>	3,000 <sup>(Note 2)</sup>
Total assets	527,807	561,415	573,318	598,077	629,262
Total unitholders' equity	237,208	258,335	282,906	297,340	298,009
Unitholders' equity per unit (Yen)	99,659	102,830	106,987	108,069	108,313

Notes: 1. The reversal of reserve for distribution (approximately ¥208 million) was added to the net income as the source of distribution, and the cash distribution per unit became ¥2,953.  
2. For the 23rd fiscal period, United Urban carried forward approximately ¥121 million of the total unappropriated retained earnings to the next fiscal period, and the cash distribution per unit became ¥2,900. For the 25th fiscal period, United Urban reserved approximately ¥834 million from the total unappropriated retained earnings as reserve retained for distribution, and the cash distribution per unit became ¥3,000.

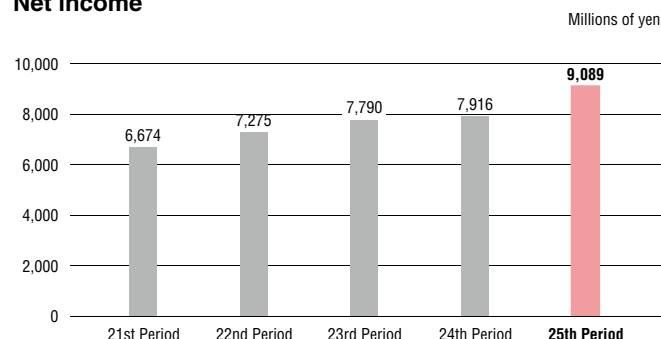
## Operating revenues



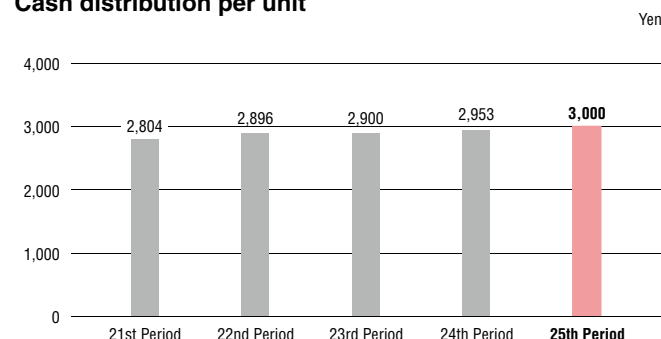
## Operating income



## Net income



## Cash distribution per unit



# To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 25th fiscal period: the six-month period ended May 31, 2016.

United Urban was listed on the J-REIT section of the Tokyo Stock Exchange in December 2003 as a diversified J-REIT, investing in properties varied both in types of use and geographical location. Since its listing, United Urban has been making efforts to maintain and improve its revenues and reduce various risks for the purpose of obtaining stable earnings over the medium to long term. As of May 31, 2016 (the end of the 25th fiscal period), its asset size was ¥575.4 billion, and United Urban is one of the largest among all J-REITs in terms of asset size.

In the 25th fiscal period ended May 31, 2016, United Urban acquired "Loisir Hotel & Spa Tower Naha" and "Urawa Royal Pines Hotel", both of which are the celebrated large-scale hotels located in Okinawa Islands and Saitama Prefecture respectively, together with "455 Ueno Building", a retail property located in Ueno, prominent shopping district of Tokyo. The total acquisition amount of the three properties is ¥40.5 billion. The performance of these hotels has been good due to the rise in the number of overseas tourists, and further increase of our rental revenues based on variable rent system can be expected for the fiscal periods to come. United Urban also acquired preferred equity securities of *Tokutei Mokuteki Kaisha* (specific purpose company) to hold the preferential negotiation right for the property acquisition. On the other hand, we sold three properties (for one property of the three, 49% quasi co-ownership was sold and remaining 51% is still held by United Urban) under our initiatives toward improvements in quality and profitability of our properties, and got gains of ¥847 million on the sale.

The performance of our existing properties has been good due to the favorable business performance of Japanese corporations and the increase in overseas tourists, etc. The properties acquired during the previous fiscal period (24th fiscal period ended November 30, 2015) and the increased rent revenues from properties adopting the variable rent system have also contributed to this fiscal period's profit increase. The interest rate in the market has been declining due to the introduction of the negative interest rate policy by the Bank of Japan in January 2016, and our financial costs have also continued to decrease. United Urban has reinforced its financial standing to cope with fluctuation in the financial markets by lowering LTV and securing liquidity while making continuous effort for reduction of financial costs. In addition, one of our properties was damaged in the 2016 Kumamoto Earthquake. We estimate the repair expenses of ¥135 million related to the relevant restoration work, which will be completed in the 26th fiscal period ending November 2016, and recognize it as an extraordinary loss (provision for loss on disaster) of the 25th fiscal period.

As a result, United Urban was able to achieve continuous revenue and profit increase with operating revenues of ¥21,444 million, operating income of ¥10,591 million and net income of ¥9,089 million. Regarding the cash distribution, United Urban decided to retain ¥834 million from the gains on sale of properties as a reserve retained for distribution in terms of the Investment Corporation's management from a medium- to long- term perspective (corporate tax is not imposed related to this reserve). The cash distribution per unit for the 25th fiscal period came to ¥3,000 (up by ¥47 per unit from the previous fiscal period). We have thus been able to increase cash distribution per unit for five consecutive fiscal periods since the 21st fiscal period.

For the 26th fiscal period ending November 30, 2016, the acquisition of one new property (acquisition price: ¥7.5 billion) was completed in June 2016, and about ¥34 billion of equity was raised through the issuance of new investment units in order to strengthen financial standing and secure room for further external growth.

United Urban, together with its asset manager, Japan REIT Advisors Co., Ltd., will do its best to secure the stability in its earnings over the medium to long term pursuant to its investment policy. Your continuous support and kind attention are highly appreciated.



**Hitoshi Murakami**  
Executive Officer  
United Urban Investment Corporation

**Ikuo Yoshida**  
President and CEO  
Japan REIT Advisors Co., Ltd



# Topics of 25th Fiscal Period

## Acquisitions during the 25th Fiscal Period

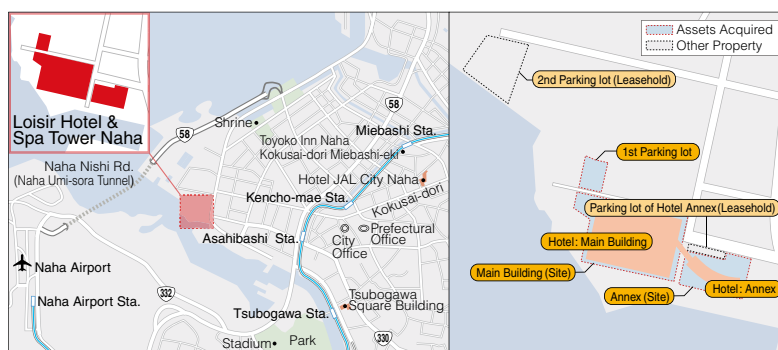
In the 25th fiscal period, United Urban achieved steady external growth through acquisitions of properties including two large-scale local landmark hotels, which are set to benefit from growing market demand with the rise in overseas and domestic tourist numbers. Moreover, United Urban aims to expand revenues and earnings through increased variable rents.

### C13 Loisir Hotel & Spa Tower Naha (Note 1)

Hotels



■ Acquisition Date	February 5, 2016
■ Acquisition Price	¥20,000 million
■ Location	Naha, Okinawa
■ Site Area	11,850.24 m <sup>2</sup> (Note 2)
■ Total Floor Space	45,731.16 m <sup>2</sup> (Note 3)
■ Construction	(Main Building) SRC/RC (Annex) SRC
■ Number of Floors	(Main Building) B1/12F (Annex) 13F
■ Completed	(Main Building) October 1992 (Annex) June 2009
■ Type of Ownership	Land: Right of Site (co-ownership), Proprietary Ownership Building: Compartmentalized Ownership (partly, co-ownership), Proprietary Ownership



Notes: 1. "Loisir Hotel & Spa Tower Naha" consists of two buildings: Main Building (Loisir Hotel Naha) and the Annex (Loisir Hotel Spa Tower Naha (Spa Tower) and Loisir Hotel Naha East (East)), for which separate data are given in some items.

2. "Site Area" indicates the sum total for Main Building (8,213.58 m<sup>2</sup>), Annex (2,654.60 m<sup>2</sup>), and 1st Parking Lot (982.06 m<sup>2</sup>).

3. "Total Floor Space" indicates the sum total for Main Building (34,427.71 m<sup>2</sup>) and Annex (11,303.45 m<sup>2</sup>).

### A39 455 Ueno Building

Retail Properties



■ Acquisition Date	December 4, 2015
■ Acquisition Price	¥3,000 million
■ Location	Taito-ku, Tokyo
■ Site Area	159.59 m <sup>2</sup>
■ Total Floor Space	1,234.99 m <sup>2</sup>
■ Construction	SRC
■ Number of Floors	10F
■ Completed	September 1984
■ Type of Ownership	Land: Surface Right Building: Proprietary Ownership

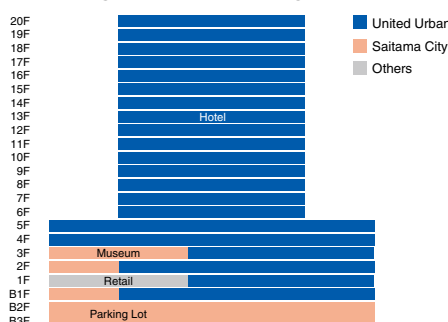
# Topics of 25th Fiscal Period

## C14 Urawa Royal Pines Hotel

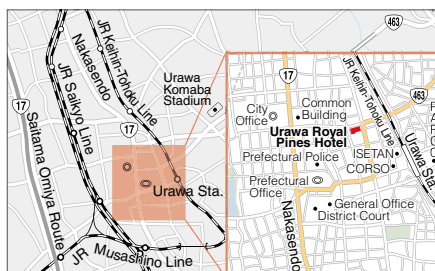
Hotels



[Building Ownership Image (Note)]



Note: This image is conceptual drawing part of the building owned by United Urban, and it might be different from actual building shape, situation, etc or ownership percentage, etc.



Acquisition Date	April 1, 2016
Acquisition Price	¥17,500 million
Location	Saitama, Saitama
Site Area	7,418.83 m <sup>2</sup>
Total Floor Space	51,071.32 m <sup>2</sup>
Construction	SRC/S
Number of Floors	B3/20F
Completed	August 1999
Type of Ownership	Land: Proprietary Ownership, Right of Site (ownership) Building: Compartmentalized Ownership

## Sale of Properties

As part of initiatives to improve the quality and profitability of its properties, United Urban sold three properties (for one property of the three, 49% quasi co-ownership was sold), and got gains of ¥847 million on the sale. United Urban decided to retain ¥834 million from the gains on sale of properties as a reserve retained for distribution in terms of the Investment Corporation's management from a medium- to long-term perspective.

Property Name	UUR Tsukiji Building (NCI Property)	Logistics Higashi-Ohgishima (Note)	Shinsaibashi OPA Kireikan (NCI Property)
Property No.	B12	E5	A16
Location	Chuo-ku, Tokyo	Kawasaki, Kanagawa	Osaka, Osaka
Date of Sale	February 26, 2016		March 25, 2016
Appraisal Value	¥6,550 million	¥4,459 million	¥3,160 million
Sale Price	¥6,620 million	¥4,459 million	¥3,210 million
Gain on Sale of Property	¥50 million	¥253 million	¥542 million
Total Gain on Sale of Property	¥847 million		

Note: A 49% quasi co-ownership interest of the trust beneficial interest in "Logistics Higashi-Ohgishima" was sold and the remaining 51% quasi co-ownership interest has been held by United Urban. Appraisal Value is calculated as 49% of the appraisal value for whole building.

A profit of ¥847 million on the sales of the three properties was recorded for accounting purposes, but the loss was recognized for taxation purposes on the sale of properties succeeded from the former-NCI (it brings about reduction of the taxable income).

As a result, accounting profit is bigger than taxable income and part of the accounting profit can be retained as "reserve retained for distribution" as long as the conduit requirement is satisfied.

¥834 million of the profit of the 25th fiscal period has been retained as "reserve retained for distribution."

### Reserve retained for distribution

23rd fiscal period ..... ¥121 million  
25th fiscal period ..... ¥834 million

Total amount of reserve retained for distribution ..... ¥956 million



# Subsequent Events

## Public Offering (Issuance of New Investment Units)

United Urban implemented the public offering including global offering and third-party allotment in June and July 2016, which was the ninth time since the IPO in 2003, in order to procure funds for new acquisitions and to increase debt financing capacity for future external growth by lowering LTV.

### [Overview]

Resolution Date of the Issuance	May 25, 2016	
Pricing Date	June 7, 2016	
Total Number of Investment Units Newly Issued	201,646 units	Public offering (Japanese): 114,000 units Public offering (international): 76,000 units Third-party allotment: 11,646 units
Offer Price (per unit)	¥175,224	
Issue Price (per unit)	¥169,860	
Total Issue Price	¥34,251 million	Public offering (Japanese): ¥19,364 million Public offering (international): ¥12,909 million Third-party allotment: ¥1,978 million
Payment Date	Public offering (Japanese and international): June 14, 2016 Third-party allotment: July 12, 2016	



After the Offering	
<b>Total Number of Investment Units Issued and Outstanding</b>	2,751,376 units ➡ <b>2,953,022 units</b>
<b>Unitholders' Capital</b>	¥258,160 million ➡ <b>¥292,411 million</b>
<b>LTV</b>	41.3% (As of May 31, 2016) ➡ <b>37.2% (Note)</b>

Note: The ratio is the estimated figure as of December 20, 2016 after allocation of all proceeds from the 9th public offering to repayment or redemption of the interest-bearing debt described in offering circular of the 9th public offering.

## New Acquisition

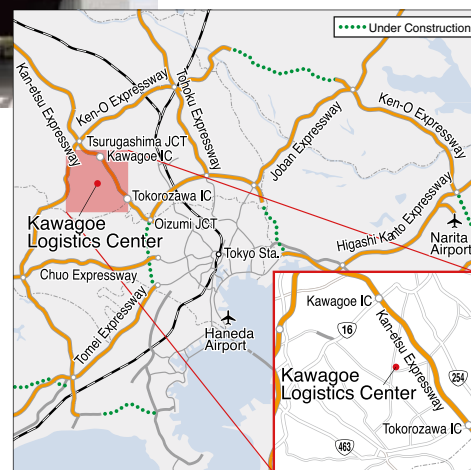
United Urban aims to achieve steady external growth by taking advantage of a diversified investment policy, and acquired "Kawagoe Logistics Center" located in Kawagoe area where there are many logistics facilities due to the easy access to Tokyo metropolitan area and the well-developed transportation system.

### E9 Kawagoe Logistics Center

Others



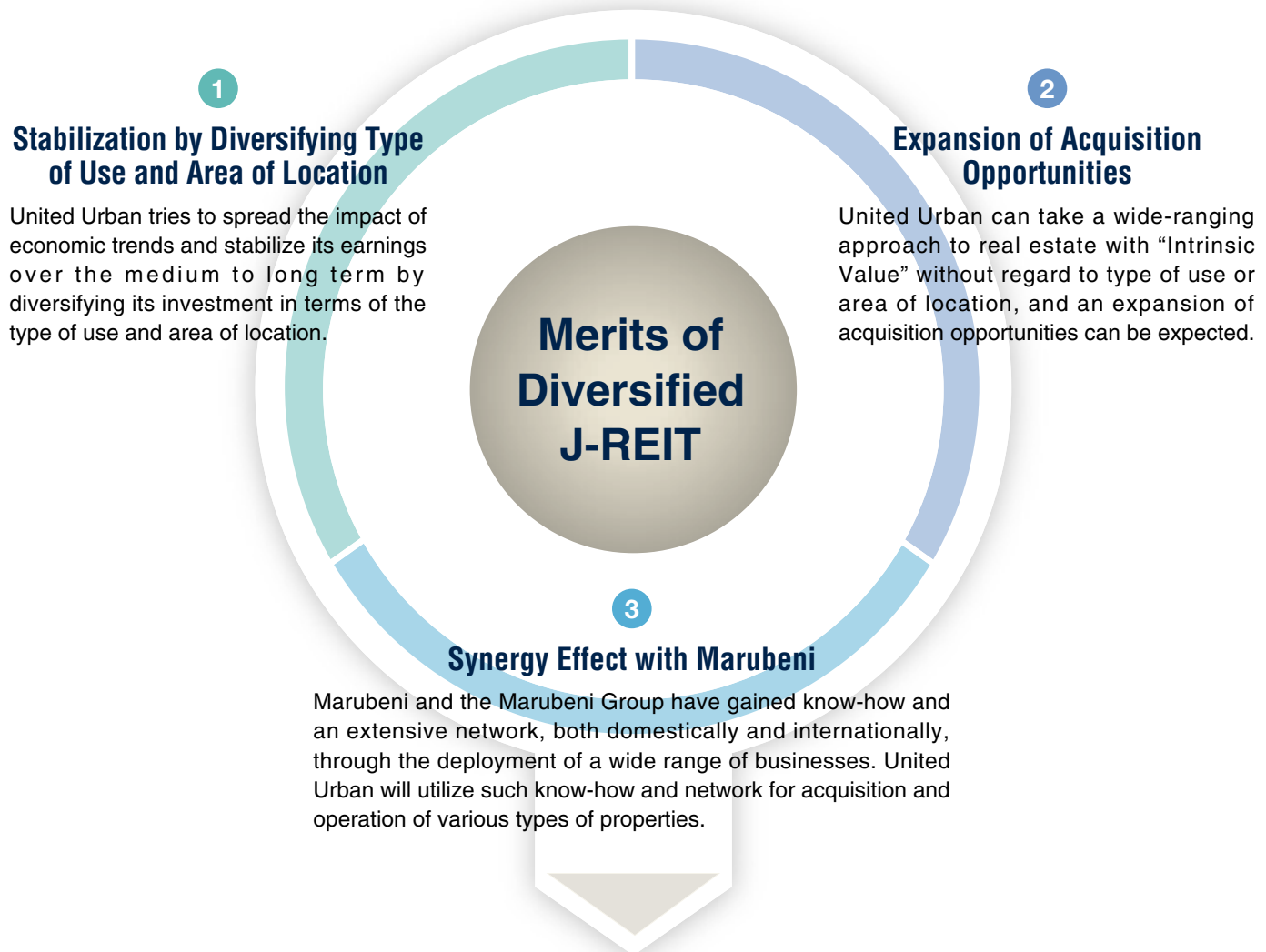
■ Acquisition Date	June 17, 2016
■ Acquisition Price	¥7,550 million
■ Location	Kawagoe, Saitama
■ Site Area	32,665.82 m <sup>2</sup>
■ Total Floor Space	47,284.22 m <sup>2</sup>
■ Construction	RC/S
■ Number of Floors	4F
■ Completed	August 2007
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



# Merits of Diversified J-REIT and Management Strategy of United Urban

## Merits of Diversified J-REIT

United Urban aims to reduce several risks and secure stable earnings over the medium to long term by diversifying its investments in terms of the type of use and area of location as a diversified J-REIT. The main sponsor of United Urban is Marubeni, a general trading company which has connections with a wide range of industries. With comprehensive support from Marubeni, United Urban aims for continuous and stable portfolio management by taking advantage of the functions of the Marubeni Group.



**United Urban Investment Corporation**

**External Growth**

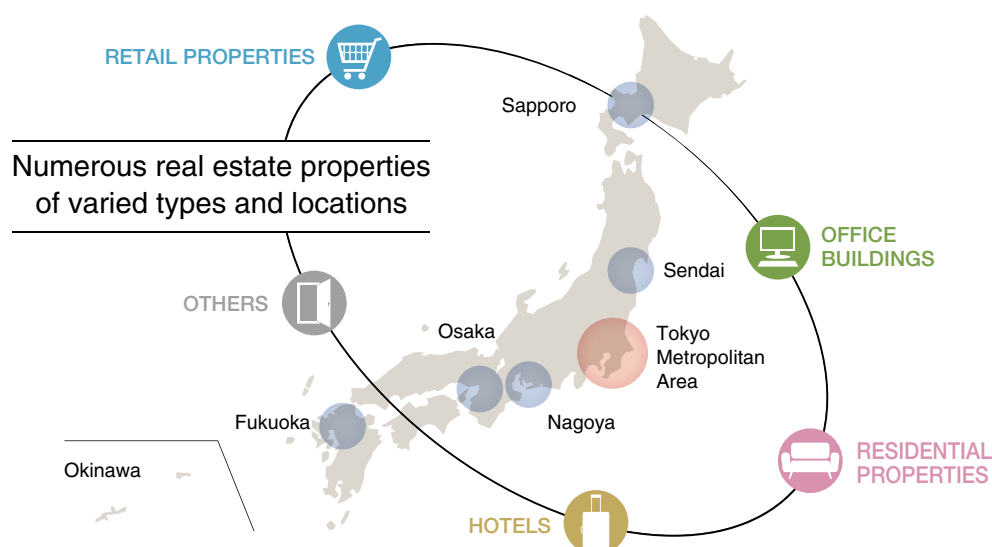
**Internal Growth**

**Financial Strategy**

## Management Strategy

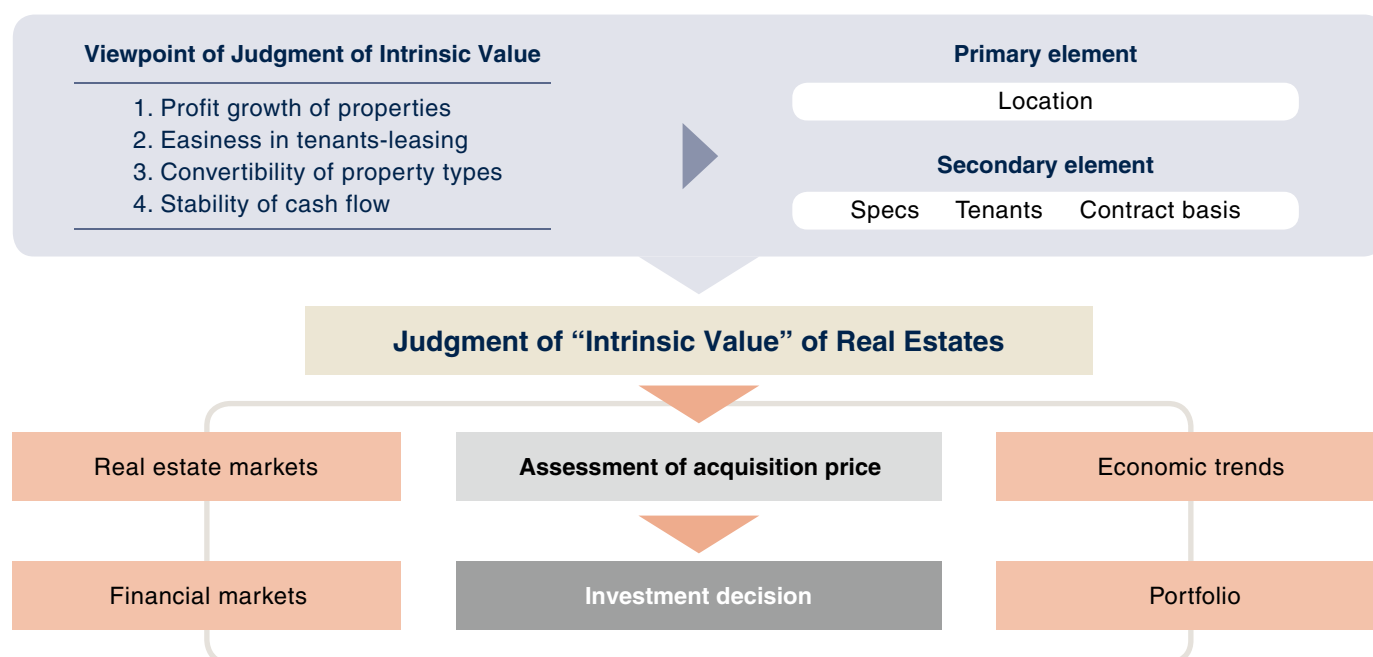
### Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

Revenues obtained from real estate investment and management concentrated on specific property types or regions may be significantly affected if the real estate markets of specific property types or regions stagnate. United Urban aims to secure stable earnings over the medium to long term and reduce risks inherent to real estate market conditions for specific types of use or specific regions by diversifying investment both in property types and regions.



### Selected Investment Policy Focused on Real Estate with “Intrinsic Value”

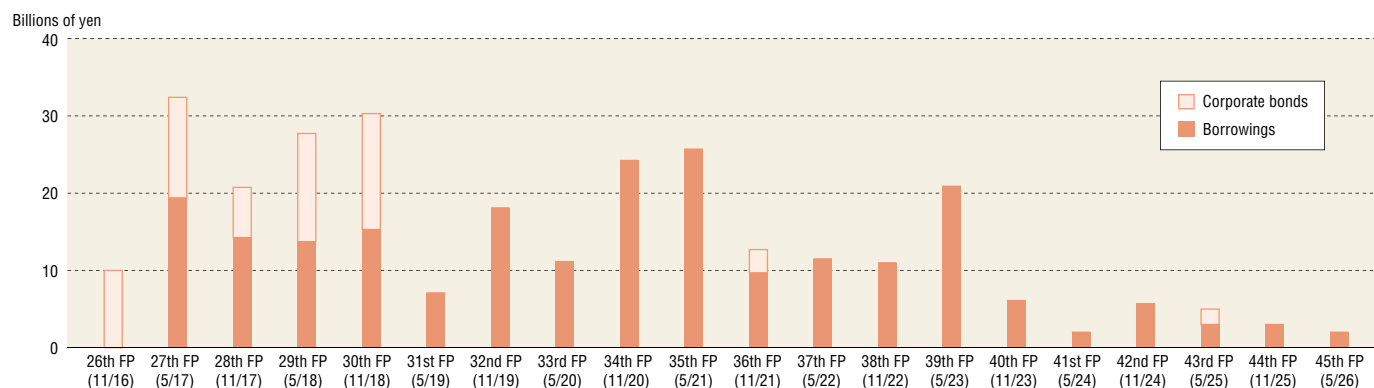
United Urban defines the real estate that can secure stable profitability over the medium to long term as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of various factors such as the external environment including current economic trends and real estate market trends, United Urban makes its final investment decision.



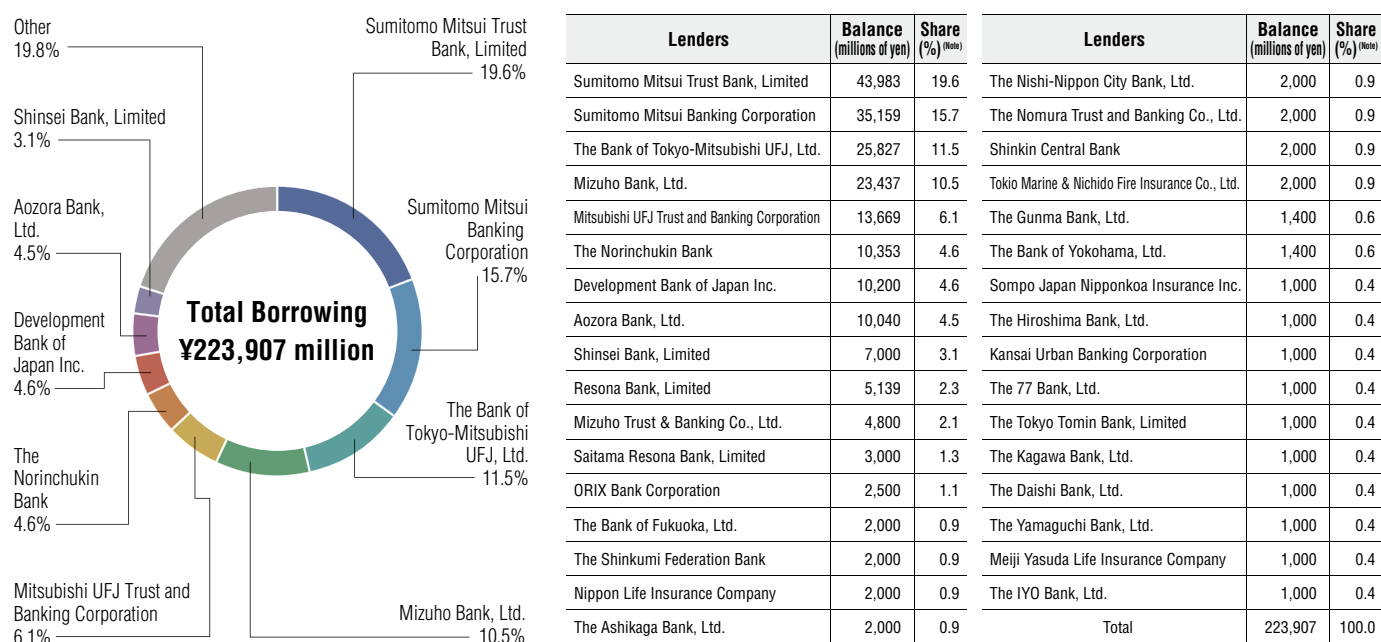
# Financial Status

United Urban carefully considers maintaining the LTV within a range deemed to be appropriate and principally seeks to raise long-term fixed-interest-rate funding to prevent any impact on the procurement of funds for interest-bearing liabilities and ratings. United Urban also intends to select the optimal financing methods and conditions, and aims to strengthen its financial standing to be able to cope with changes in the financial markets and reduce financial costs.

## Diversification of Maturity Date (As of July 20, 2016) <sup>(Note)</sup>



## Lenders and Borrowing Amount (As of July 20, 2016)



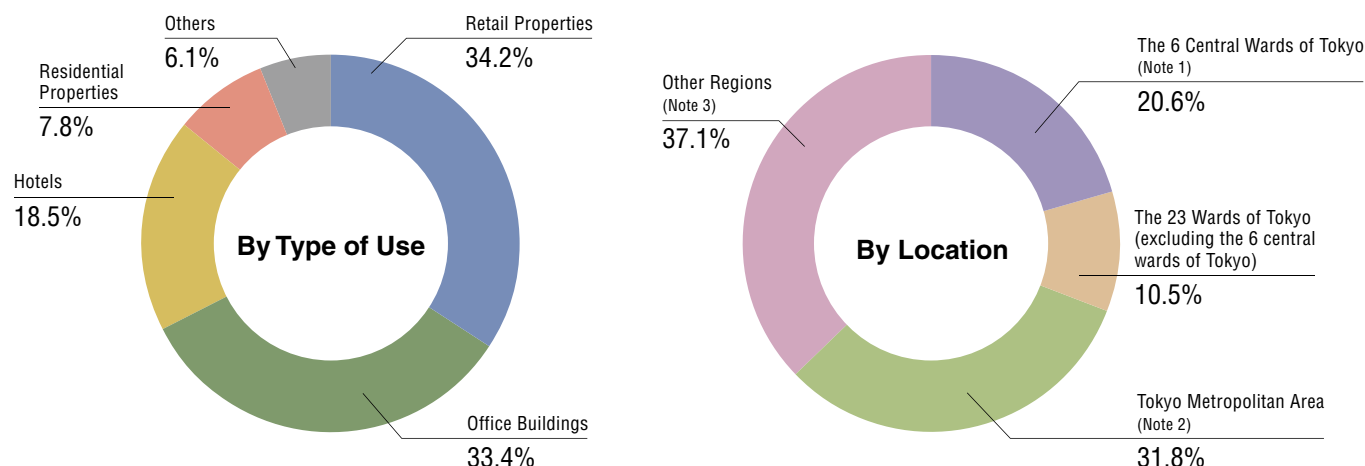
## Committed Line of Credit Agreement (As of July 20, 2016)

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Remarks
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥24.0 billion	From Jun. 17, 2016 to Jun. 26, 2017	None	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited	¥12.0 billion	From Dec. 25, 2015 to Dec. 26, 2016	None	Unsecured Unguaranteed
<b>Total</b>	<b>¥36.0 billion</b>			

# Portfolio Properties

## Portfolio Data

### Portfolio Breakdown (Based on acquisition prices) (As of May 31, 2016)



Notes: 1. The "6 Central Wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi) excluding the 23 Wards of Tokyo.

3. "Other Regions" refers to other major cities in Japan including government designated cities (excluding cities located in Tokyo Metropolitan Area) and surrounding areas thereof. In addition, "Other Regions" includes Osaka, Nagoya, Fukuoka, and other cities.

## Occupancy Ratio

	2015	2016				
	End of December	End of January	End of February	End of March	End of April	End of May
Retail Properties	99.7%	99.8%	99.7%	99.7%	99.6%	99.5%
Office Buildings	94.7%	97.3%	97.3%	97.1%	97.1%	97.1%
Hotels	99.7%	99.4%	99.6%	99.5%	99.6%	99.6%
Residential Properties	97.3%	97.4%	97.6%	98.4%	98.0%	97.5%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	98.2%	98.9%	98.9%	98.9%	98.9%	98.8%

## Approaches to Environmental Issues

### ► Environmental Policies

United Urban, being aware of its corporate social responsibility, has established "Environmental Policies" such as energy saving/measures for global warming and compliance with environment-related laws and regulations in order to contribute to the sustainable prosperity of our society through efforts focused on the environment and reduction of environmental burdens. United Urban will continue to promote environmental improvement and energy conservation, and enhance energy efficiency, with respect to properties owned by United Urban.

### ► DBJ Green Building Certification

"DBJ Green Building Certification" is a comprehensive evaluation system for real estate properties with high environmental and social awareness by the Development Bank of Japan Inc. (DBJ). DBJ conducts assessments based on an original scoring model and certifies real estate properties with one of five ranks according to the assessment score.

"ARENA TOWER" and "Tsubogawa Square Building" owned by United Urban has acquired a "three stars" ranking (properties with excellent environmental & social awareness).



### ► Participation in the GRESB Survey

The "Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark developed by a group of leading European pension funds. It evaluates the sustainability performance of real estate companies and funds, and is becoming a de facto standard among major European, American and Asian institutional investors and is utilized in their investment decision-making processes.

United Urban has been participating in the GRESB survey since 2012, and received the highest evaluation, "Green Star," in the 2015 survey. This evaluation has been given to companies which receive a superior sustainability evaluation in terms of both "Management and Policy" and "Implementation and Measurement."



# Portfolio Properties

## Portfolio Roster (As of May 31, 2016)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Retail Properties</b>						
A1	Himonya Shoppinc Center <sup>(Note 11)</sup>	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A3	Ashiya Kawanishi Shopping Mart <sup>(Note 12)</sup>	Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A5	AEON MALL Uki	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) <sup>(Note 5)</sup>	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Yokohama Kariba Shopping Center	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
A31	Tenjin Loft Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1989	Nov. 29, 2013	
A32	Narumi Shopping Center (Site)	Nagoya, Aichi	Real estate	—	Apr. 8, 2014	
A33	Plussing Wave Enoshima	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Dec. 2007	Aug. 29, 2014	
A34	LIFE Nishikujo (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A35	LIFE Tamatsukuri (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A36	Granbell Ginza Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2006	Jun. 30, 2015	
A37	UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 2010	Jul. 15, 2015	
A38	Luz Shonan Tsujido	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Aug. 2010	Sep. 30, 2015	
A39	455 Ueno Building	Taito-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1984	Dec. 4, 2015	
<b>Office Buildings</b>						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B2	SK Nagoya Building	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) <sup>(Note 6)</sup>	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) <sup>(Note 5)</sup>	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyokocho Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Hamamatsucho 262 Building <sup>(Note 7)</sup>	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	



	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m <sup>2</sup> ) (Note 1)	Total Floor Space (m <sup>2</sup> ) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	2.7%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.2%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.1%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	0.9%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	1.9%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.1%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.6%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	0.9%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.4%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.7%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.7%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.7%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.2%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.4%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	4.0%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.5%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.2%	82,314.45	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	0.8%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.4%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	0.9%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.6%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.5%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.4%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	4.9%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	0.9%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.8%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.1%	60,747.02	—	—	—	Proprietary Ownership	—
	1,800	0.3%	2,449.00	3,471.69	S	4F	Proprietary Ownership	Proprietary Ownership
	1,760	0.3%	3,252.76	—	—	—	Proprietary Ownership	—
	1,880	0.3%	2,391.44	—	—	—	Proprietary Ownership	—
	2,621	0.5%	231.00	1,646.50	RC	B1/9F	Leasehold Rights	Proprietary Ownership
	5,500	1.0%	466.76	1,486.52	S	B1/4F	Proprietary Ownership	Proprietary Ownership
	3,938	0.7%	3,658.25	17,889.43	S/RC	B2/6F	Proprietary Ownership	Proprietary Ownership
	3,000	0.5%	159.59	1,234.99	SRC	10F	Surface Right	Proprietary Ownership
	2,257	0.4%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	0.9%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.4%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.4%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.4%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	2.5%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.3%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	0.9%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.5%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.7%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	2.6%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.1%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.1%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.2%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.7%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	3,290	0.6%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.4%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.4%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.2%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	1.7%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.2%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.5%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.4%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.2%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	0.8%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.5%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	1.7%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.3%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.7%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.4%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership

# Portfolio Properties

## Portfolio Roster (As of May 31, 2016)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Office Buildings</b>						
B40	GRAND-SQUARE Shin-Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	May 2009	Feb. 28, 2014	
B41	GRAND-SQUARE Meieki-minami	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2009	Feb. 28, 2014	
B42	Shiba 520 Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1994	Mar. 28, 2014	
B43	Hirose-dori SE Building	Sendai, Miyagi	Trust beneficial interest in real estate	Nov. 2007	Jun. 13, 2014	
<b>Hotels</b>						
C1	Shinjuku Washington Hotel Honkan <sup>(Note 7)</sup>	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) <sup>(Note 6)</sup>	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Nagoya, Aichi	Trust beneficial interest in real estate	Jun. 2010	Mar. 25, 2013	
C9	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Sep. 2005	Aug. 31, 2015	
C11	Toyoko Inn Hiroshima Heiwa-odori	Hiroshima, Hiroshima	Trust beneficial interest in real estate	Mar. 2004	Aug. 31, 2015	
C12	Toyoko Inn Naha Kokusai-dori Miebashiki-eki	Naha, Okinawa	Trust beneficial interest in real estate	Apr. 2002	Aug. 31, 2015	
C13	Loisir Hotel & Spa Tower Naha <sup>(Note 8)</sup>	Naha, Okinawa	Trust beneficial interest in real estate	(1)Oct. 1992 (2)Jun. 2009	Feb. 5, 2016	
C14	Urawa Royal Pines Hotel	Saitama, Saitama	Trust beneficial interest in real estate	Aug. 1999	Apr. 1, 2016	
<b>Residential Properties</b>						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
D26	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
D27	UUR Court Shiki	Shiki, Saitama	Trust beneficial interest in real estate	Mar. 1999	Sep. 18, 2015	
<b>Others</b>						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
E5	Logistics Higashi-Ohgishima <sup>(Note 10)</sup>	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
E6	MT Ariake Center Building I&II <sup>(Note 9)</sup>	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1)Apr. 1989 (2)Jun. 1992	Nov. 25, 2014	
E7	Quartz Tower	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 2015	Nov. 13, 2015	
E8	Shin-Narashino Logistics Center	Narashino, Chiba	Trust beneficial interest in real estate	Jun. 1991	Aug. 7, 2015	
<b>Total</b>						

Notes: 1. Each piece of information in the "Completion Date," "Site Area," "Total Floor Space," "Construction" and "Number of Floors" is described as it appears on the real estate register unless otherwise stated in this footnote or other footnotes. Some information may differ from the current situations. In regard to the "Site Area" for properties where a part of the site space is for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures are described.

2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as of December 1, 2010, the effective date of the merger.

3. The "Acquisition Price" is an amount (the amount stated in each purchase and sale agreement, excluding consumption taxes) that does not include the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.

4. For properties consisting of several buildings, some information in the "Construction" and "Number of Floors" are applicable to the main building.

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

6. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m <sup>2</sup> ) (Note 1)	Total Floor Space (m <sup>2</sup> ) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	1,480	0.3%	1,294.88	5,333.51	S	7F	Proprietary Ownership	Proprietary Ownership
	1,220	0.2%	1,012.06	5,017.30	S	8F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	3,600	0.6%	2,146.31	10,396.94	S	9F	Proprietary Ownership	Proprietary Ownership
	21,140	3.7%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (partly Co-ownership)	Compartmentalized Ownership (partly, Co-ownership)
	9,721	1.7%	(7,265.79)	(58,882.64)	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	1,884	0.3%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.7%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	0.8%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.3%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.7%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	0.9%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	2,000	0.3%	1,045.37	5,735.24	RC	12F	Proprietary Ownership	Proprietary Ownership
	3,500	0.6%	482.37	3,138.82	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	2,655	0.5%	639.19	4,785.93	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,113	0.4%	660.40	4,345.24	SRC	14F	Proprietary Ownership	Proprietary Ownership
	745	0.1%	384.93	1,566.12	S/RC	9F	Proprietary Ownership	Proprietary Ownership
	20,000	3.5%	11,850.24	45,731.16	(1)SRC/RC (2)SRC	(1)B1/12F (2)13F	Right of Site (Co-ownership), Proprietary Ownership	Compartmentalized Ownership (partly Co-ownership), Proprietary Ownership
	17,500	3.0%	7,418.83	51,071.32	SRC/S	B3/20F	Proprietary Ownership, Right of Site	Compartmentalized Ownership
	2,021	0.4%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,680	0.3%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	1,175	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.6%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.2%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.5%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.2%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.2%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.6%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.3%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.6%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.5%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.2%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	5,150	0.9%	2,156.35	14,340.44	RC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,730	0.5%	6,132.03	9,885.83	SRC/RC	13F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	0.9%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.7%	5,294.63	14,742.80	S	11F	Proprietary Ownership	Proprietary Ownership
	3,500	0.6%	645.87	3,105.31	SRC	B3/7F	Surface Right	Proprietary Ownership
	4,233	0.7%	28,351.30	41,949.12	S	4F	Proprietary Ownership	Proprietary Ownership
	8,000	1.4%	8,307.00	22,917.94	(1)S/SRC (2)S	(1)5F (2)5F	Proprietary Ownership	Proprietary Ownership
	5,700	1.0%	354.27	2,720.38	S/SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	2,555	0.4%	6,968.26	13,268.65	S	6F	Proprietary Ownership	Proprietary Ownership
	575,464	100.0%	741,365.54	1,370,959.25				

Notes: 7. For the "Hamamatsucho 262 Building," the additional acquisitions were executed on October 31, 2011 and January 23, 2013, respectively. In addition, for the "Shinjuku Washington Hotel Honkan," the additional acquisition was executed on September 29, 2010. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition. Furthermore, the "Acquisition Date" above is the initial acquisition date by United Urban.

8. The property comprises two buildings; Main Building and the Annex, and some of the information are shown for each of the two buildings, with the Main Building expressed as (1) and the Annex expressed as (2).

9. The property comprises two buildings; MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and some of the information are shown for each of the two buildings, with the Building I expressed as (1) and the Building II expressed as (2). And "Site Area" of the property is described as it appears on the notification for provisional replotting.

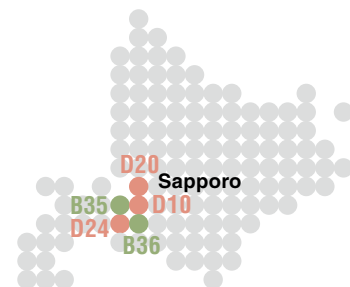
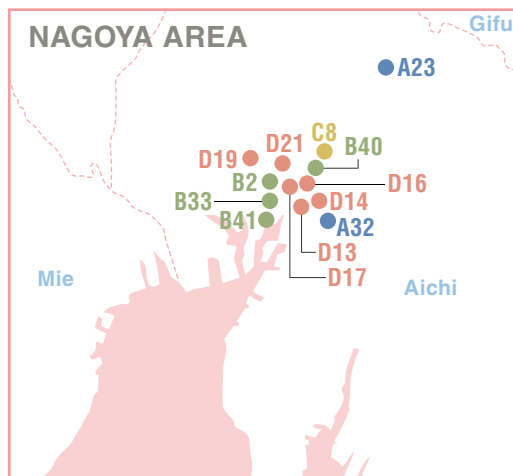
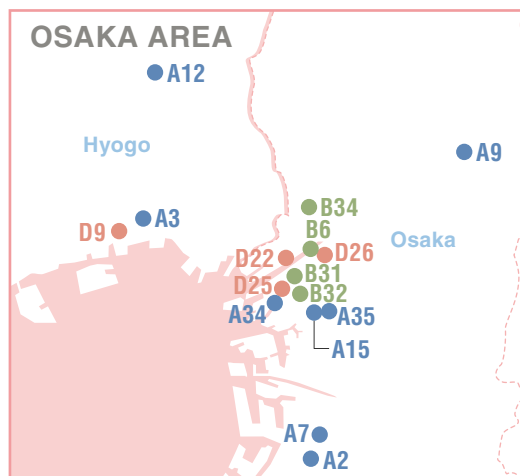
10. United Urban sold its 49% quasi co-ownership of the property and continues to hold the remaining 51% quasi co-ownership. The acquisition price is calculated as 51% of the initial acquisition price (¥8,300 million).

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

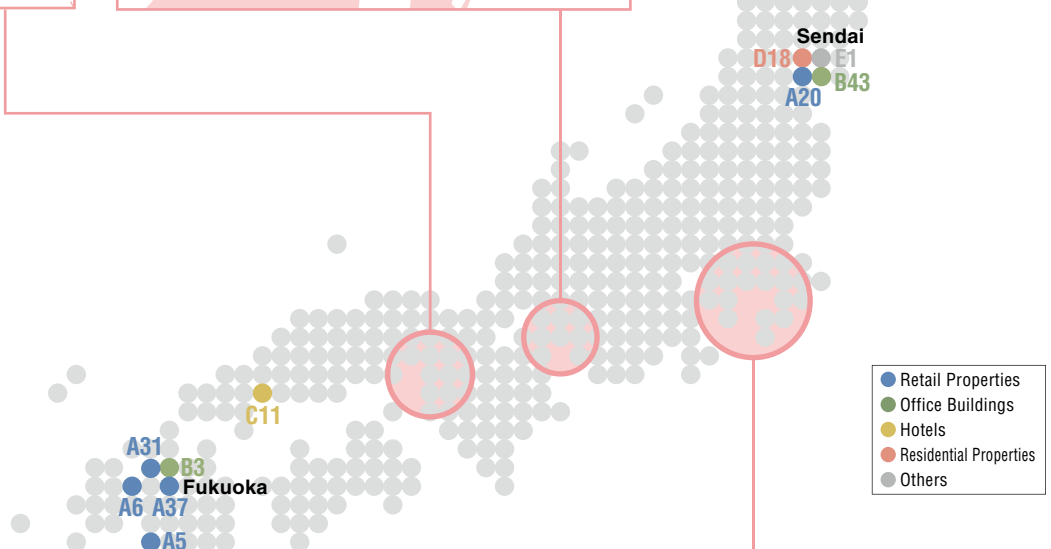
12. The property name was changed from "Daimaru Peacock Ashiya Kawanishi" to "Ashiya Kawanishi Shopping Mart" on July 13, 2016.

# Portfolio Properties

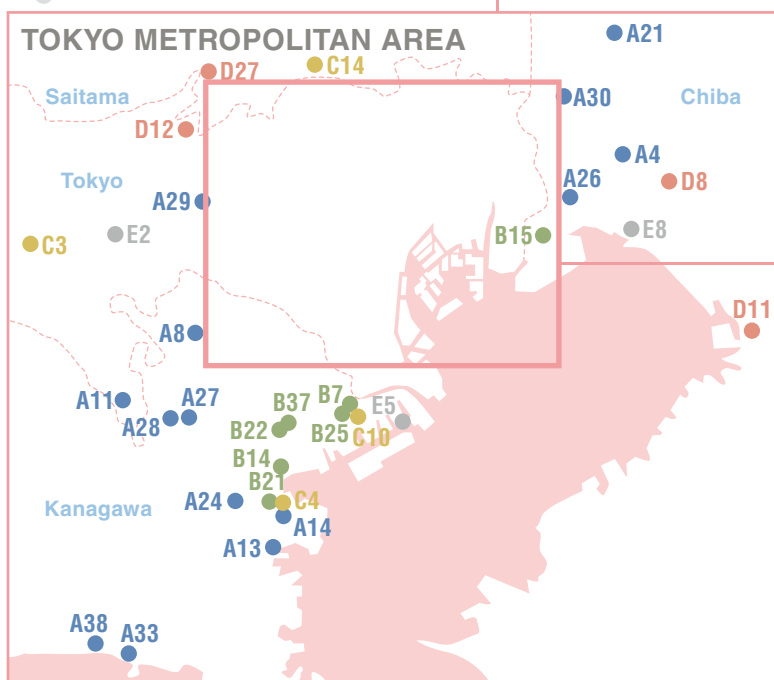
**Portfolio Map** (As of May 31, 2016)



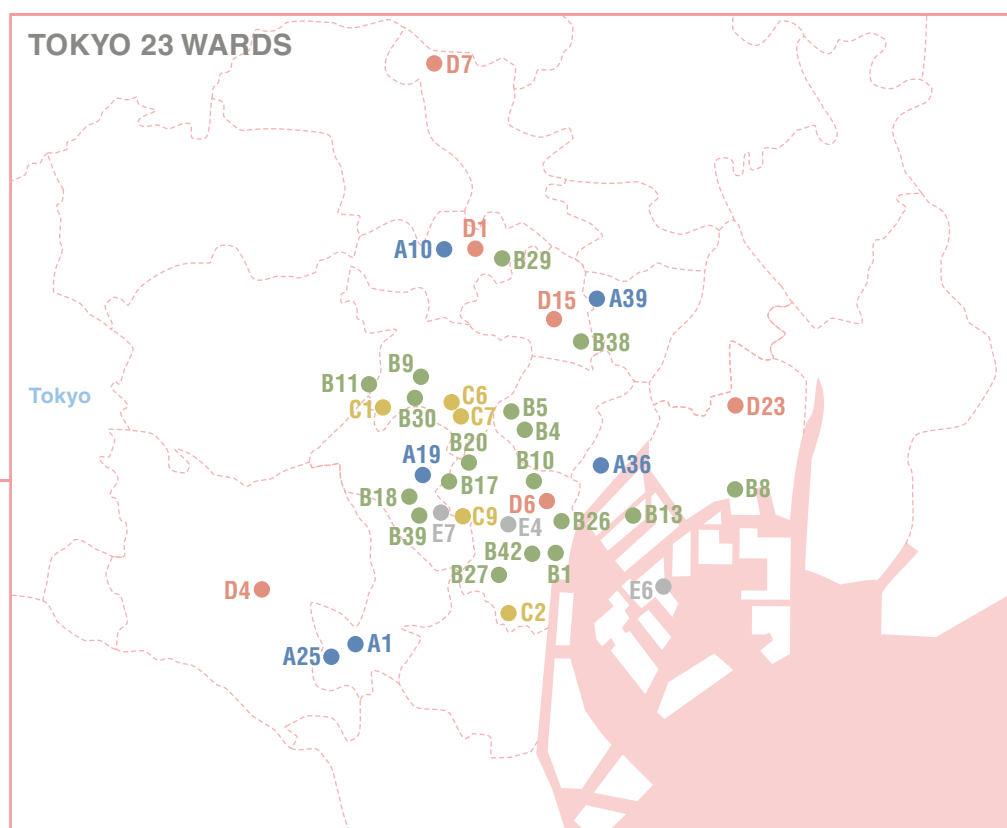
- A1 Himonya Shopping Center
- A2 Joy Park Izumigaoka
- A3 Ashiya Kawanishi Shopping Mart
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- A19 Albore Jingumae
- A20 Albore Sendai
- A21 Mallage Kashiwa
- A23 Ito-Yokado Owariasahi
- A24 Yokohama Kariba Shopping Center
- A25 Luz Jiyugaoka
- A26 ACTIOLE Ichikawa
- A27 VIVAHOME Yokohama Aoba (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Yamada Denki Tecc Land New Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- A33 Plussing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- A36 Granbell Ginza Building
- A37 UUR Tenjin Nishi-dori Building
- A38 Luz Shonan Tsujido
- A39 455 Ueno Building
- B1 T&G Hamamatsucho Building
- B2 SK Nagoya Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building



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



B5	Rokubancho K Building	B39	Dogenzaka Square	D11	UUR Court Chiba Soga
B6	Shin-Osaka Central Tower (Note 2)	B40	GRAND-SQUARE Shin-Sakae	D12	Higashi-kurume Dormitory Shinkan
B7	Kawasaki Toshiba Building	B41	GRAND-SQUARE Meieki-minami	D13	Nanzan Court Ichigokan
B8	UUR Toyokocho Building	B42	Shiba 520 Building	D14	Nanzan Court Nigokan
B9	FOUR SEASONS BLDG	B43	Hirose-dori SE Building	D15	CLIO Bunkyo Koishikawa
B10	Hitachi High-Tech Building	C1	Shinjuku Washington Hotel Honkan	D16	GRAND-ROUGE Sakae
B11	Pacific Marks Shinjuku Parkside	C2	Toyoko Inn Shinagawa-eki	D17	GRAND-ROUGE Sakae II
B13	Pacific Marks Tsukishima		Takanawa-guchi	D18	MA Sendai Building
B14	Pacific Marks Yokohama East	C3	MZ BLD.	D19	UUR Court Nagoya Meieki
B15	Pacific Marks Shin-Urayasu	C4	HOTEL ROUTE-INN Yokohama	D20	UUR Court Sapporo Shinoro Ichibankan
B17	Akasaka Hikawa Building		Bashamichi	D21	Park Site IZUMI
B18	Pacific Marks Shibuya Koen-dori	C5	Hotel JAL City Naha	D22	UUR Court Osaka Juso-honmachi
B20	Pacific Marks Akasaka-mitsuke	C6	UUR Yotsuya Sanchome Building	D23	UUR Court Kinshicho
B21	Yokohama Aioicho Building	C7	Yotsuya 213 Building	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B22	Pacific Marks Shin-Yokohama	C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	D25	GRAND-ROUGE Nakanoshima-minami
B25	Pacific Marks Kawasaki	C9	the b roppongi	D26	Glenpark Umeda-kita
B26	Hamamatsucho 262 Building	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	D27	UUR Court Shiki
B27	Lila Hijirizaka	C11	Toyoko Inn Hiroshima Heiwa-odori	E1	Lilycolor Tohoku Branch
B29	Otsuka HT Building	C12	Toyoko Inn Naha Kokusai-dori Miebashiki-eki	E2	KDDI Fuchu Building
B30	Pacific Marks Shinjuku South-gate	C13	Loisir Hotel & Spa Tower Naha	E3	Tsubogawa Square Building
B31	Pacific Marks Nishi-Umeda	C14	Urawa Royal Pines Hotel	E4	THE PLACE of TOKYO
B32	Pacific Marks Higobashi	D1	T&G Higashi-ikebukuro Mansion	E5	Logistics Higashi-Ohgishima
B33	Nagoya Nishiki City Building	D4	Komazawa Court	E6	MT Ariake Center Building I&II
B34	Pacific Marks Esaka	D6	Sky Court Shiba-Daimon	E7	Quartz Tower
B35	Pacific Marks Sapporo Kita-Ichijo	D7	Maison Ukima	E8	Shin-Narashino Logistics Center
B36	Shin-Sapporo Center Building	D8	Narashino Residence		
B37	ARENA TOWER	D9	Aprile Shin-Ohgi Ichibankan		
B38	Yushima First Building	D10	UUR Court Sapporo Kita-Sanjo		



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



# Portfolio Properties

## Major Properties

*Office Buildings*

**B37 ARENA TOWER**



*Others*

**E7 Quartz Tower**



*Retail Properties*

**A6 TENJIN LUCE**



*Office Buildings*

**B10 Hitachi High-Tech Building**



*Others*

**E4 THE PLACE of TOKYO**





*Retail Properties*

**A29** Yodobashi Camera Multimedia Kichijoji



*Office Buildings/Hotels*

**B6** Shin-Osaka Central Tower



*Retail Properties*

**A15** Shinsaibashi OPA Honkan



*Hotels*

**C1** Shinjuku Washington Hotel Honkan





# Portfolio Properties

*Others*

**E3** Tsubogawa Square Building



*Residential Properties*

**D25** GRAND-ROUGE  
Nakanoshima-minami



*Office Buildings*

**B7** Kawasaki Toshiba Building



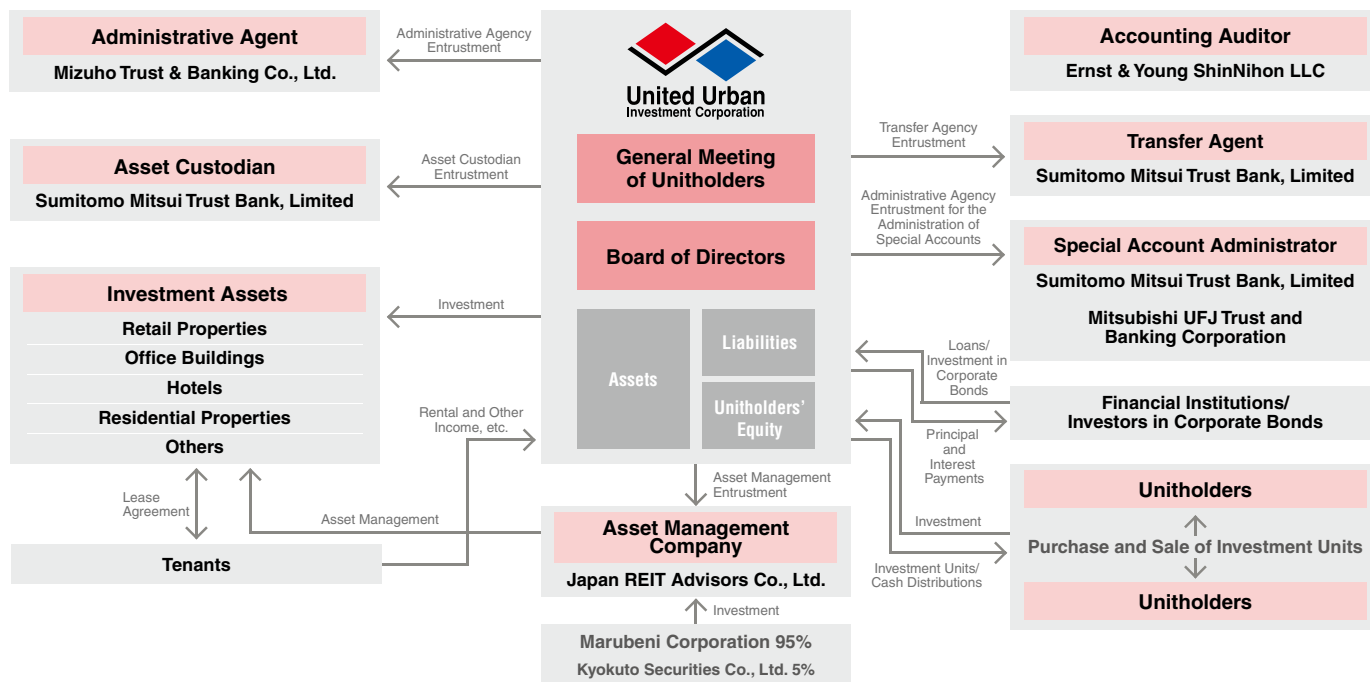
*Hotels*

**C9** the b roppongi

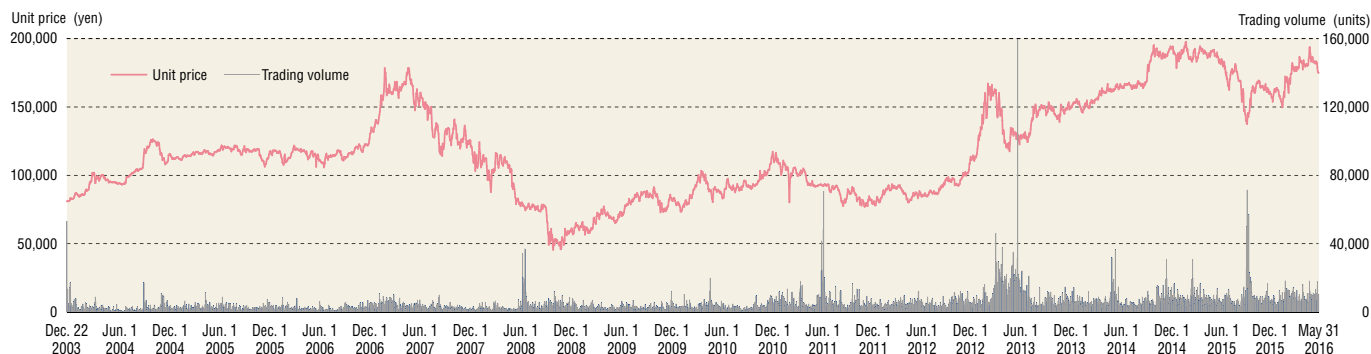


# Structure of United Urban / Investment Unit Information

## Corporate Structure

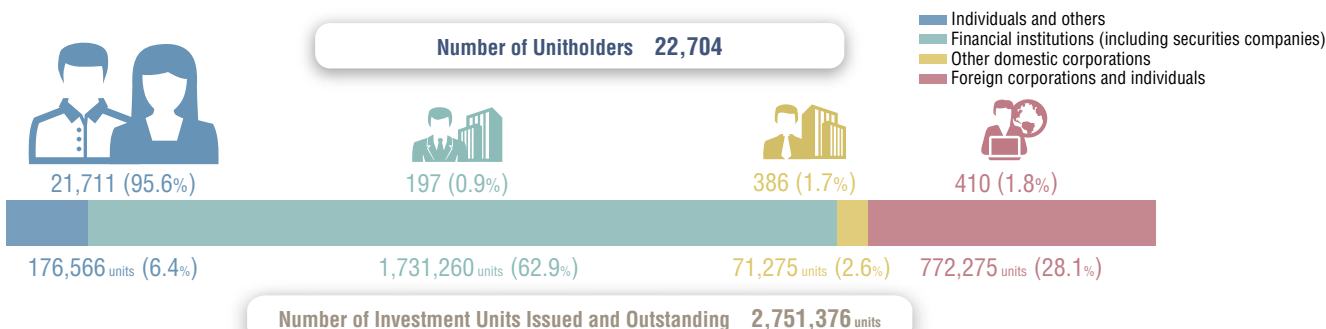


## Unit Price and Trading Volume



Note: In connection with the six-for-one unit split which became effective as of December 1, 2010, United Urban's investment units have been traded at the unit price after the unit split from November 26, 2010. Accordingly, the unit prices on or before November 25, 2010, as indicated in the above chart, are divided by six, and the trading volumes on or before November 25, 2010, as indicated in the above chart, are multiplied by six.

## Breakdown of Unitholders (As of May 31, 2016)



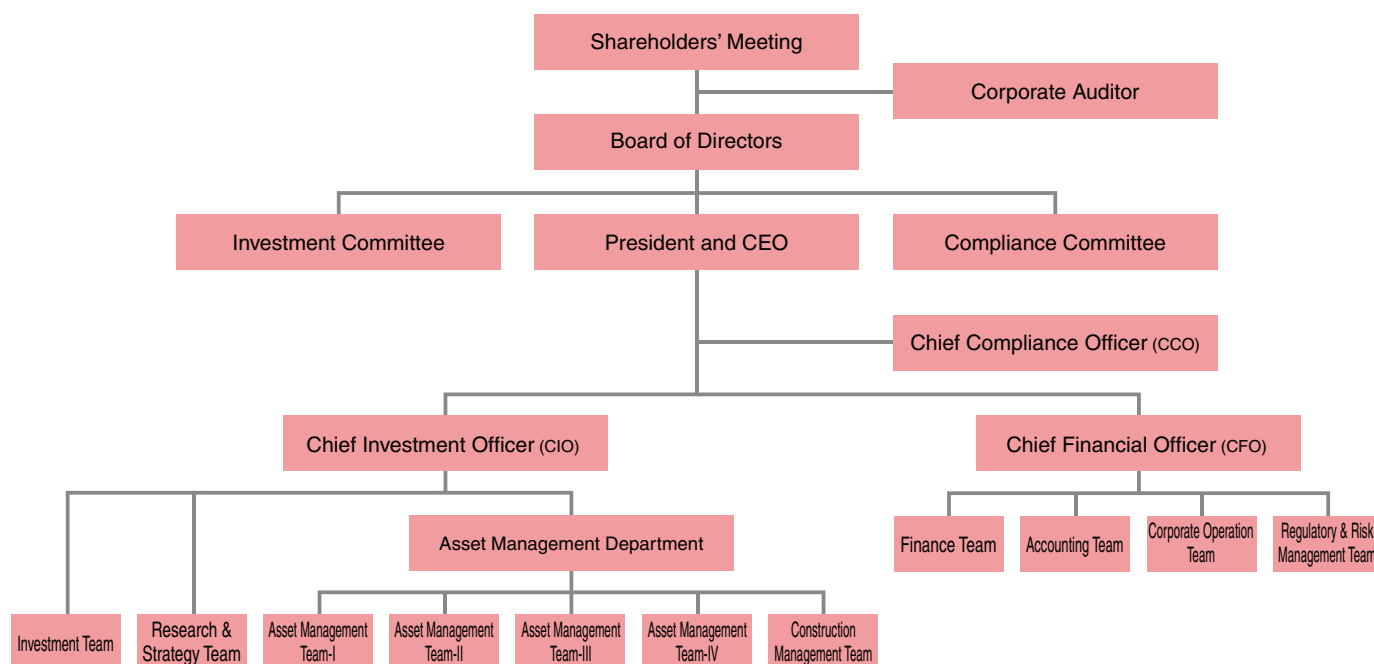
Note: Percentage figures are rounded to the nearest one decimal place.

# Profile of Asset Management Company

## Overview

<b>Corporate Name</b>	Japan REIT Advisors Co., Ltd. ("JRA")		
<b>Address</b>	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo		
<b>Date of Foundation</b>	December 4, 2001		
<b>Capital</b>	¥425 million (As of May 31, 2016)		
<b>Shareholders</b> (As of May 31, 2016)	Marubeni Corporation	95.0%	
	Kyokuto Securities Co., Ltd.	5.0%	
<b>Representative</b>	Ikuo Yoshida, President and CEO		
<b>Description of Business</b>	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act		

## Organization (As of May 31, 2016)



### Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of May 31, 2016, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

### Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of May 31, 2016, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of Corporate Operation Team and one external intellectual (external lawyer).

## ◆ PERFORMANCE REPORT

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## Financial Highlights

### 1. Track Records on Operations

Fiscal Period (Calculation Period)		21st Fiscal Period (December 1, 2013- May 31, 2014)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	23rd Fiscal Period (December 1, 2014- May 31, 2015)	24th Fiscal Period (June 1, 2015- November 30, 2015)	25th Fiscal Period (December 1, 2015- May 31, 2016)
Operating revenues (Note 1) (Millions of yen)		17,548	18,683	19,466	20,070	21,444
(Rental revenues) (Millions of yen)		(17,548)	(18,683)	(19,389)	(20,070)	(20,597)
Operating expenses (Millions of yen)		9,530	10,033	10,352	10,642	10,853
(Property-related expenses) (Millions of yen)		(7,757)	(8,199)	(8,313)	(8,705)	(8,873)
Operating income (Millions of yen)		8,017	8,650	9,113	9,427	10,591
Ordinary income (Millions of yen)		6,694	7,276	7,790	8,163	9,224
Net income (a) (Millions of yen)		6,674	7,275	7,790	7,916	9,089
Total assets (compared to the previous period) (b) (Millions of yen)		527,807 (+0.1%)	561,415 (+6.4%)	573,318 (+2.1%)	598,077 (+4.3%)	629,262 (+5.2%)
Total unitholders' equity (Net assets) (compared to the previous period) (c) (Millions of yen)		237,208 (+0.0%)	258,335 (+8.9%)	282,906 (+9.5%)	297,340 (+5.1%)	298,009 (+0.2%)
Unitholders' capital (compared to the previous period) (Millions of yen)		199,230 (-)	219,768 (+10.3%)	243,869 (+11.0%)	258,160 (+5.9%)	258,160 (-)
Total no. of investment units issued and outstanding (d) (Units)		2,380,181	2,512,246	2,644,311	2,751,376	2,751,376
Net assets per unit (c)/(d) (Yen)		99,659	102,830	106,987	108,069	108,313
Total cash distribution (e) (Millions of yen)		6,674	7,275	7,668	8,124	8,254
Net income per unit (Note 2) (Yen)		2,804	2,905	2,954	2,946	3,303
Cash distribution per unit (e)/(d) (Yen)		2,804	2,896	2,900	2,953	3,000
(Distribution of earnings per unit) (Yen)		(2,804)	(2,896)	(2,900)	(2,953)	(3,000)
(Distribution in excess of earnings per unit) (Yen)		(-)	(-)	(-)	(-)	(-)
Return on assets (Annualized) (Note 3) (%)		1.3 (2.5)	1.3 (2.7)	1.4 (2.8)	1.4 (2.8)	1.5 (3.0)
Return on equity (Annualized) (Note 3) (%)		2.8 (5.6)	2.9 (5.9)	2.9 (5.8)	2.7 (5.4)	3.1 (6.1)
Equity ratio (compared to the previous period) (c)/(b) (%)		44.9 (△0.0%)	46.0 (+1.1%)	49.3 (+3.3%)	49.7 (+0.4%)	47.4 (△2.4%)
Payout ratio (Note 3) (%)		100.0	99.6	98.1	100.2	90.8
<b>Supplementary information</b>						
No. of investment properties at the end of the period (Properties)		103	108	108	117	118
Total leasable floor space at the end of the period (m <sup>2</sup> )		1,087,135.55	1,177,315.20	1,177,654.28	1,229,197.15	1,296,365.99
Total no. of tenants at the end of the period (Tenants)		1,681	1,881	1,860	1,929	2,028
Occupancy ratio at the end of the period (%)		98.0	98.7	98.8	98.5	98.8
Depreciation and amortization (Millions of yen)		3,358	3,409	3,464	3,482	3,697
Capital expenditures (Millions of yen)		2,049	1,084	1,429	2,049	2,970
NOI (Net Operating Income) from leasing (Note 3) (Millions of yen)		13,149	13,894	14,540	14,847	15,420
FFO (Funds From Operations) per unit (Note 3) (Yen)		4,215	4,253	4,293	4,142	4,339
FFO ratio (Note 3) (Times)		19.3	22.5	21.6	19.8	20.2
Debt service coverage ratio (Note 3) (Times)		8.7	9.3	9.8	10.3	11.1
Net income before interest, depreciation and amortization (Note 3) (Millions of yen)		11,335	11,970	12,529	12,624	14,048
Interest expense and interest expenses on corporate bonds (Millions of yen)		1,302	1,284	1,275	1,225	1,262
Interest-bearing liabilities (Note 3) (Millions of yen)		257,707	269,157	255,357	264,707	293,157
Ratio of interest-bearing liabilities to total assets at the end of the period (Note 3) (%)		48.8	47.9	44.5	44.2	46.5
No. of operating days (Days)		182	183	182	183	183

Notes: 1. Operating revenues, etc., do not include consumption taxes.

2. Net income per unit is computed on the basis of the average numbers of investment units during the period set out below.

	21st FP	22nd FP	23rd FP	24th FP	25th FP
Average no. of investment units during the period	2,380,181 units	2,503,839 units	2,636,583 units	2,686,863 units	2,751,376 units



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

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

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

## 2. Performance Review for the Current Period

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

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with “Intrinsic Value” and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of “Intrinsic Value” as a diversified real estate investment trust (REIT), diversifying its investments in terms of the “types of use” and “area of location” (Note).

United Urban merged with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”). As a result of continuous property acquisitions using fund procurement through borrowings and public offering after the Merger, its asset size (on an acquisition price basis) was close to ¥600 billion (as of May 31, 2016).

As a result of performance, a distribution has been made in each of 24 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 24th fiscal period (fiscal period ended November 30, 2015). For the current period (25th fiscal period: fiscal period ended May 31, 2016), United Urban decided to make cash distribution of ¥3,000 per unit.

Note: “Type of use” : Retail properties, office buildings, hotels, residential properties, and others  
“Area of location” : Tokyo metropolitan area and major Japanese cities including government designated cities and surrounding areas thereof

### a. Investment Environment and Operation

#### (i) Investment Environment

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

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

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

(ii) New Acquisitions and Sale of Properties

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

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

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

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

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

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

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

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

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

(iii) Portfolio Overview

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

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

b. Financing Overview

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

The status of interest-bearing liabilities at the end of the previous period and the end of the 25th fiscal period are as follows.

(Millions of yen)

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

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

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

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

### c. Overview of Financial Results and Distribution

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

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

## 3. Issuance of New Investment Units

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

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
June 8, 2011	Additional issue of new investment units through public offering	640,000	2,091,319	56,548	164,858	(Note 1)
July 6, 2011	Additional issue of new investment units through third-party allotment	12,064	2,103,383	1,065	165,924	(Note 2)
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 3)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 4)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 5)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 6)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 7)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 8)

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 9)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 10)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 11)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 12)

Notes: 1. New investment units were issued through public offering at the offer price of ¥91,162 per unit (issue price (underwriter price) ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.

2. New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.

3. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.

4. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.

5. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.

6. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.

7. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.

8. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

9. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.

10. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

11. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.

12. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.

#### Changes in Investment Unit Prices

The highest and lowest closing prices of United Urban's investment units in the J-REIT Section of the Tokyo Stock Exchange are as follows:

	21st Fiscal Period (December 1, 2013 - May 31, 2014)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Highest	162,900	195,300	198,300	188,200	193,800
Lowest	138,500	160,300	179,100	137,700	149,800

#### 4. Distribution Information

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

		21st Fiscal Period (December 1, 2013 - May 31, 2014)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Unappropriated retained earnings at the end of period	Thousands of yen	6,674,349	7,275,845	7,790,400	8,038,171	9,089,092
Retained earnings (Note)	Thousands of yen	7,755,249	7,755,309	7,876,826	7,668,286	8,503,250
Total cash distribution	Thousands of yen	6,674,027	7,275,464	7,668,501	8,124,813	8,254,128
(Cash distribution per unit)	(Yen)	(2,804)	(2,896)	(2,900)	(2,953)	(3,000)
Total profit distribution	Thousands of yen	6,674,027	7,275,464	7,668,501	8,124,813	8,254,128
(Profit distribution per unit)	(Yen)	(2,804)	(2,896)	(2,900)	(2,953)	(3,000)
Total refund of capital	Thousands of yen	-	-	-	-	-
(Refund of capital per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from provision for temporary difference adjustment	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from provision for temporary difference adjustment)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from the distribution associated with investment decrease for tax purpose	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from the distribution associated with investment decrease for tax purpose)	(Yen)	(-)	(-)	(-)	(-)	(-)

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

## 5. Future Policies and Challenges

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

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

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

## 6. Material Facts Arising after the End of 25th Fiscal Period and Other Material Events

### a. Issuance of New Investment Units

In order to procure funds for the acquisition of new specified assets and for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on May 25, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on June 7, 2016. Based on these resolutions, United Urban issued 190,000 new investment units by way of a public offering including a global offering and 11,646 new investment units by way of a third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥34,251 million in connection with the issuance of new investment units by way of the public offering and the third-party allotment were completed on June 14 and July 12, 2016 respectively (the issuance of new investment units by way of both public offering and third-party allotment hereinafter collectively referred to as the "9th Public Offering").

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

(i) Issuance of new investment units by way of public offering

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

(ii) Issuance of new investment units by way of third-party allotment

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

b. Acquisitions of Properties

United Urban decided to acquire "Kawagoe Logistics Center" on May 25, 2016, and acquired the property on June 17, 2016 with proceeds from the 9th Public Offering mentioned above a. Moreover, United Urban decided to acquire four properties (KURURU, K's Denki Nagoya-kita, Scent Hills, and Asuto Nagamachi Dental Clinic) on August 9, 2016. "KURURU" and "Asuto Nagamachi Dental Clinic" will be acquired by using cash on hand. However, the financing method for acquisitions of "K's Denki Nagoya-kita" and "Scent Hills" has not been determined as of August 25, 2016.

Property No.	Property Name	Type	Location	(Anticipated) Acquisition Price (Millions of yen)	(Anticipated) Acquisition Date
E9	Kawagoe Logistics Center	Cargo collecting place (Note 1)	Kawagoe, Saitama	7,550	June 17, 2016
A40	KURURU	Store	Fuchu, Tokyo	9,285	September 1, 2016
A41	K's Denki Nagoya-kita	Store	Nishikasugai-gun, Aichi	1,750	December 1, 2016 (Note 3)
D28	Scent Hills (GRAND-ROUGE Tanimachi) (Note 2)	Apartment	Osaka, Osaka	1,300	
E10	Asuto Nagamachi Dental Clinic	Clinic	Sendai, Miyagi	1,200	August 29, 2016

- Note: 1. The property is a dedicated "Special loading motor truck transportation of LTL business" (Delivery Center), and was constructed in urbanization control area on 2007 with the certification of conforming to the provisions of the City Planning Law by the Mayor of Kawagoe City. "Special loading motor truck transportation of LTL business" means the business in which collected freight is sorted at a worksite, loaded and transported to other worksites, and sorted at the said worksite to be prepared for delivery, while the said loading and transportation are periodically conducted between those worksites.
2. The property name as of today is "Scent Hills", but United Urban will change it to "GRAND-ROUGE Tanimachi" at the anticipated acquisition date.
3. Because the payment and delivery of "K's Denki Nagoya-kita" and "Scent Hills" shall be made at least one month after the conclusion of each purchase and sale agreement (the "PSA") as of August 9, 2016, acquisitions of these properties fall into forward commitments. The PSA provides that either party may terminate the PSA if the other party has materially breached a provision thereof, in which case the party may request the party in breach to pay an amount equivalent to 20% of the transaction price as penalty charges. However, each PSA is subject to the condition precedent of payment of an acquisition price that United Urban's fund procurement is completed for the acquisition of each trust beneficial interest. Therefore, the PSA will be terminated with no penalty if United Urban cannot consummate fund procurement as of the anticipated acquisition date. In view of the current status of the financial market and financial standings of United Urban, we believe that material adverse effect on United Urban's financial standing and the payment of cash distribution and other conditions are not likely to be caused in connection with the acquisition of each trust beneficial interest.

c. New Committed Line of Credit Agreement

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

Outline of the new committed line of credit agreement

Participating financial institutions	: Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: ¥24,000 million



Date of agreement	:	June 17, 2016
Term of agreement	:	From June 17, 2016 to June 26, 2017
Collateral	:	Unsecured, unguaranteed

d. Early Repayment of Existing Borrowing

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

Term Loan 36A

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

## Overall Condition of Investment Corporation

### 1. Summary of Unitholders' Contribution

		21st Fiscal Period (As of May 31, 2014)	22nd Fiscal Period (As of November 30, 2014)	23rd Fiscal Period (As of May 31, 2015)	24th Fiscal Period (As of November 30, 2015)	25th Fiscal Period (As of May 31, 2016)
Total number of investment units authorized	(Units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding	(Units)	2,380,181	2,512,246	2,644,311	2,751,376	2,751,376
Total unitholders' capital	(Millions of yen)	199,230	219,768	243,869	258,160	258,160
Number of unitholders		22,377	23,449	24,156	24,726	22,704

### 2. Major Unitholders

TOP 10 unitholders based on the number of investment units held at the end of the 25th fiscal period were as follows:

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held (%)
Japan Trustee Services Bank, Ltd. (trust account)	691,908	25.15
The Master Trust Bank of Japan, Ltd. (trust account)	243,016	8.83
Trust & Custody Services Bank, Ltd. (securities investment trust account)	178,853	6.50
NOMURA BANK (LUXEMBOURG) S.A.	135,908	4.94
The Nomura Trust and Banking Co., Ltd. (investment trust account)	106,957	3.89
STATE STREET BANK WEST CLIENT-TREATY 505234	71,307	2.59
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	51,507	1.87
STATE STREET BANK AND TRUST COMPANY 505223	37,087	1.35
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	28,675	1.04
SIX SIS FOR SWISS NATIONAL BANK	28,492	1.04
Total	1,573,710	57.20

Note: The percentages of investment units held are rounded to two decimal places.

### 3. Directors and Auditor

a. Board of Directors, etc. of United Urban were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Hitoshi Murakami	—	6,000
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management	2,100
Supervisory Officer	Tetsuo Ozawa	Corporate Auditor, Lawson, Inc. Corporate Auditor, Cemedine Co., Ltd. Corporate Auditor, Sekisui Chemical Co., Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	21,500 (Note 3)
Total			31,700

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. The compensation for Accounting Auditor includes the audit fee of financial statements in English regarding the issuance of new investment units.

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

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

c. Business suspension order issued to an Accounting Auditor in the last two years

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

#### 4. Advisors and Agents

Asset Management Company, Asset Custodian, and Administrative Agents at the end of the 25th fiscal period were as follows:

Role	Name
Asset Management Company (Note 1)	Japan REIT Advisors Co., Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Transfer Agent (unitholder registry)) (Note 2)	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Special Account Administrator) (Note 2) (Note 3)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (accounting, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to corporate bonds)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd.

- Notes: 1. In order to deal with business related to individual number and business concerning collection and registration of corporate number (unless United Urban entrusts such business to any party other than the asset management company directly) conducted based on the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedures (Act No. 27 of 2013, including subsequent amendments, and hereinafter referred to as "Individual Number Act"), United Urban concluded a memorandum with the Asset Management Company on December 21, 2015.
2. Based on the Individual Number Act, United Urban concluded a memorandum for an entrustment of business concerning the handling of individual number and corporate number for unitholders and subscribers with Sumitomo Mitsui Trust Bank, Limited, which is the transfer agent and one of the special account administrators on December 21, 2015.
3. Based on the Individual Number Act, United Urban conclude a memorandum for an entrustment of business concerning the handling of individual number and corporate number for subscribers with Mitsubishi UFJ Trust and Banking Corporation, which is one of the special account administrators, on December 21, 2015.

## Portfolio Profiles

### 1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		24th Fiscal Period (As of November 30, 2015)		25th Fiscal Period (As of May 31, 2016)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,340,960	1.2	7,329,098	1.2
		Other regions		14,031,187	2.3	13,971,239	2.2
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,298,194	2.2	13,260,370	2.1
			The 23 wards of Tokyo	9,736,891	1.6	9,703,828	1.5
			Tokyo metropolitan area	9,344,112	1.6	9,290,979	1.5
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,673,755	0.3	1,659,234	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,291,863	0.7	4,245,721	0.7
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,986,402	0.5	2,962,652	0.5
			Tokyo metropolitan area	-	-	-	-
		Other regions		778,381	0.1	767,128	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
	Subtotal			63,481,749	10.6	63,190,252	10.0
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,294,409	0.7	4,286,995	0.7
			The 23 wards of Tokyo	23,346,261	3.9	23,248,144	3.7
			Tokyo metropolitan area	72,434,847	12.1	75,384,848	12.0
		Other regions		68,131,131	11.4	65,237,809	10.4
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,252,113	10.2	54,658,029	8.7
			The 23 wards of Tokyo	2,104,454	0.4	2,091,242	0.3
			Tokyo metropolitan area	46,437,957	7.8	46,994,646	7.5
		Other regions		53,571,088	9.0	53,423,489	8.5
	Hotels	Capital region	The 6 central wards of Tokyo	34,880,250	5.8	35,529,502	5.6
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	6,085,666	1.0	6,022,262	1.0
		Other regions		22,084,682	3.7	60,185,882	9.6
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,060,747	0.2	1,049,643	0.2
			The 23 wards of Tokyo	9,169,270	1.5	9,080,797	1.4
			Tokyo metropolitan area	5,007,905	0.8	4,976,837	0.8
		Other regions		22,577,085	3.8	22,317,126	3.5
	Others	Capital region	The 6 central wards of Tokyo	9,500,185	1.6	9,457,522	1.5
			The 23 wards of Tokyo	8,059,092	1.3	8,044,293	1.3
			Tokyo metropolitan area	16,015,837	2.7	11,841,729	1.9
		Other regions		5,757,678	1.0	5,684,800	0.9
	Subtotal			471,770,666	78.9	499,515,605	79.4
Preferred Equity Securities (Note 6)			-	-	75,397	0.0	
Bank Deposits and Other Assets			62,825,567	10.5	66,481,015	10.6	
Total Assets			598,077,982	100.0	629,262,270	100.0	

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

## 2. Major Properties

Major properties (top 10 properties based on book value) owned by Untied Urban as of May 31, 2016 were as follows:

Property Name	Book Value (Millions of yen)	Leasable Floor Space (m <sup>2</sup> ) (Note 1)	Leased Floor Space (m <sup>2</sup> ) (Note 1)(Note 2)	Occupancy Ratio (%) (Note 1)	Monthly Rent Ratio at the End of the Period (%) (Note 3)	Type of Use	Granting of Security
Yodobashi Camera Multimedia Kichijoji	28,140	37,932.95	37,932.95	100.0	(Note 4)	Retail Properties	N/A
Shin-Osaka Central Tower	24,232	45,978.59	45,343.55	98.6	5.0	Office / Hotels	N/A
Shinjuku Washington Hotel Honkan	22,609	53,363.11	53,353.75	99.98	4.1	Hotels	N/A
Shinsaibashi OPA Honkan	22,131	27,025.42	27,025.42	100.0	3.6	Retail Properties	N/A
Loisir Hotel & Spa Tower Naha	20,487	45,731.16	45,731.16	100.0	1.9	Hotels	N/A
Kawasaki Toshiba Building	19,685	36,118.31	36,118.31	100.0	4.5	Office Buildings	N/A
Urawa Royal Pines Hotel	17,776	31,129.86	31,129.86	100.0	2.8	Hotels	N/A
Hitachi High-Tech Building	14,546	15,781.64	15,781.64	100.0	2.1	Office Buildings	N/A
Himonya Shopping Center (Note 5)	14,537	26,655.66	26,655.66	100.0	2.5	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,450	52,668.38	52,668.38	100.0	1.6	Retail / Office	N/A
Total	196,597	372,385.08	371,740.68	99.8	(Note 4)		

- Notes: 1. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2016. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The same shall apply hereinafter.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of Shinjuku Washington Hotel Honkan, Loisir Hotel & Spa Tower Naha, Hitachi High-Tech Building and maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site) held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, occupancy ratio of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
2. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
3. "Monthly Rent Ratio at the End of the Period" is calculated based on monthly rent(s) (total of room rent and common area charges) under the lease agreement in effect as of May 31, 2016.
4. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. The property name was changed from "Daiei Himonya" to "Himonya Shopping Center" on July 13, 2016.

## 3. Details of Properties in the Portfolio

Details of properties owned by Untied Urban as of May 31, 2016 were as follows:



Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Himonya Shopping Center (Note 5)	4-1-1 Himonya, Meguro-ku, Tokyo	Trust beneficial interest	26,655.66	15,800	14,537
Joy Park Izumigaoka	1-3 Miharadai 1-cho, Minami-ku, Sakai, Osaka	Trust beneficial interest	13,611.24	4,540	5,236
Ashiya Kawanishi Shopping Mart (Note 6)	3-28 Kawanishicho, Ashiya, Hyogo	Trust beneficial interest	1,558.80	1,170	741
Re-LAND Shopping Center	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest	12,968.84	5,690	4,194
AEON MALL Uki	121-1 Gohnoe Aza Ebata, Ogawa-machi, Uki, Kumamoto, etc.	Trust beneficial interest	72,073.39	8,500 (Note 4)	9,329
TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,194.68	6,100	6,397
Yamada Denki Tecc Land Sakai Honten	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	8,637.63	3,480	2,845
Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest	10,487.92	5,090	5,177
KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest	8,627.58	1,870	1,667
ACTIOLE Minami-ikebukuro	2-26-10 Minami-ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,081.50	3,270	3,689
Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest	6,715.75	4,550	4,236
Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest	16,729.60	3,990	3,312
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	1-1-1 Isogo, Isogo-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	52,668.38	11,200	12,450
ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	1,938.56	2,070	2,318
Shinsaibashi OPA Honkan	1-4-3 Nishi-Shinsaibashi, Chuo-ku, Osaka, Osaka	Trust beneficial interest	27,025.42	25,700	22,131
Albore Jingumae	5-27-7 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	931.14	2,030	1,565
Albore Sendai	2-4-5 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	3,147.29	3,170	2,395
Mallage Kashiwa	2-3-1 Oyamadai, Kashiwa, Chiba, etc.	Trust beneficial interest	41,766.68	8,760	6,894
Ito-Yokado Owariasahi	116-4 Ishihara, Minami-Harayama-cho, Owariasahi, Aichi, etc.	Real estate	54,606.34	4,970	4,274
Yokohama Kariba Shopping Center	164-1 Kariba-cho Hodogaya-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,345.09	1,980	2,282
Luz Jiyugaoka	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	Trust beneficial interest	2,283.47	5,980	5,021
ACTIOLE Ichikawa	1-4-17 Ichikawa, Ichikawa, Chiba	Trust beneficial interest	3,927.49	3,940	3,146
VIVAHOME Yokohama Aoba (Site)	1-2 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	9,193.00	3,110	2,740
Yamada Denki Tecc Land Aoba (Site)	2-3 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	7,650.63	2,450	2,270
Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji-honcho, Musashino, Tokyo	Trust beneficial interest	37,932.95	35,400	28,140
Yamada Denki Tecc Land New Matsudo Honten	2289-3 Matsudo Aza Iwase-sakai, Matsudo, Chiba, etc.	Trust beneficial interest	17,561.23	6,430	5,046
Tenjin Loft Building	4-9-25 Watanabe-dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	7,730.09	5,570	4,499
Narumi Shopping Center (Site)	3-2 Narumicho-aza Denjiyama, Midori-ku, Nagoya, Aichi, etc.	Real estate	60,419.26	6,920	6,850
Plussing Wave Enoshima	1-3-16 Kugenuma-Kaigan, Fujisawa, Kanagawa	Trust beneficial interest	3,155.64	2,130	1,872
Life Nishikujo (Site)	6-41-6 Nishikujo, Konohana-ku, Osaka, Osaka	Trust beneficial interest	3,252.76	1,960	1,842
Life Tamatsukuri (Site)	3-12-1 Nakamichi, Higashinari-ku, Osaka, Osaka	Trust beneficial interest	2,391.44	2,060	1,967
Granbell Ginza Building	2-18-8 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,352.35	2,900	2,721
UUR Tenjin Nishi-dori Building	2-5-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	1,564.70	5,760	5,714
Luz Shonan Tsujido	1-2-12 Tsujido-Kandai, Fujisawa, Kanagawa	Trust beneficial interest	10,454.22	4,310	4,072
455 Ueno Building	4-5-5 Ueno, Taito-ku, Tokyo	Trust beneficial interest	1,167.63	3,430	3,123
T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	2,420.85	3,090	2,095

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
SK Nagoya Building	1-3-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficial interest	8,708.52	4,730	5,550
Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,934.39	2,520	1,653
Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest	2,578.84	2,420	2,431
Rokubancho K Building	2-19 Rokuban-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	4,031.14	3,610	2,301
Shin-Osaka Central Tower	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	45,978.59	27,400	24,232
Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	36,118.31	31,400	19,685
UUR Toyochō Building	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	7,540.30	8,800	8,591
FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	5,000.54	5,290	4,256
Hitachi High-Tech Building	1-24-14 Nishi-Shinbashi, Minato-ku, Tokyo	Trust beneficial interest	15,781.64	15,700	14,546
Pacific Marks Shinjuku Parkside	4-15-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	10,971.90	10,300	12,133
Pacific Marks Tsukishima	1-15-7 Tsukishima, Chuo-ku, Tokyo	Real estate	9,336.27	6,360	5,921
Pacific Marks Yokohama East	3-4 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	10,732.11	7,230	6,904
Pacific Marks Shin-Urayasu	1-9-2 Mihama, Urayasu, Chiba	Trust beneficial interest	8,743.05	3,700	3,762
Akasaka Hikawa Building	6-18-3 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,438.23	3,940	3,247
Pacific Marks Shibuya Koen-dori	1-6-3 Jinnan, Shibuya-ku, Tokyo	Trust beneficial interest	1,972.43	3,020	2,466
Pacific Marks Akasaka-mitsuke	3-20-6 Akasaka, Minato-ku, Tokyo	Real estate	1,675.13	2,180	2,169
Yokohama Aioicho Building	6-103-1 Aioi-cho, Naka-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	2,445.10	1,250	1,080
Pacific Marks Shin-Yokohama	3-18-20 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	3,110.72	1,620	1,577
Pacific Marks Kawasaki	11-1 Ekimae-honcho, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Real estate	7,382.14	11,000	9,290
Hamamatsucho 262 Building	2-6-2 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	6,183.89	7,010	6,658
Lila Hijirizaka	3-4-9 Mita, Minato-ku, Tokyo, etc.	Real estate	4,255.02	2,970	2,655
Otsuka HT Building	3-43-1 Minami-otsuka, Toshima-ku, Tokyo	Real estate	1,774.56	1,220	1,111
Pacific Marks Shinjuku South-gate	4-2-16 Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,723.03	3,140	2,513
Pacific Marks Nishi-Umeda	2-6-13 Umeda, Kita-ku, Osaka, Osaka, etc.	Trust beneficial interest	11,039.44	7,110	6,385
Pacific Marks Higobashi	1-10-8 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	7,623.57	4,610	4,375
Nagoya Nishiki City Building	1-6-5 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficial interest	5,609.97	2,450	2,462
Pacific Marks Esaka	9-1 Toyotsu-cho, Suita, Osaka	Trust beneficial interest	20,005.03	9,370	9,651
Pacific Marks Sapporo Kita-Ichijo	7-4-4 Kita Ichi-jo Nishi, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	4,727.65	2,010	1,827
Shin-Sapporo Center Building	6-2-15 Atsubetsu Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido	Trust beneficial interest	2,797.03	1,100	893
ARENA TOWER	3-1-9 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	17,967.46	11,900	8,732
Yushima First Building	3-19-11 Yushima, Bunkyo-ku, Tokyo	Trust beneficial interest	4,558.77	2,770	2,091
Dogenzaka Square	5-18 Maruyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,233.57	2,770	2,329
GRAND-SQUARE Shin-Sakae	2-19-6 Shin-Sakae, Naka-ku, Nagoya, Aichi, etc.	Trust beneficial interest	4,578.93	1,920	1,451
GRAND-SQUARE Meieki-minami	1-12-9 Meieki-minami, Nakamura-ku, Nagoya, Aichi	Trust beneficial interest	4,003.05	1,960	1,210
Shiba 520 Building	5-20-6 Shiba, Minato-ku, Tokyo	Trust beneficial interest	2,831.94	2,520	2,190
Hirose-dori SE Building	205-1 Nagake-cho, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	8,235.87	4,720	3,544
Shinjuku Washington Hotel Honkan	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	53,363.11	25,800	22,609

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	3,088.85	2,390	1,659
MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest	6,670.21	3,880	3,275
HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Benten Dori, Naka-ku, Yokohama, Kanagawa	Real estate	7,139.44	4,800	4,245
Hotel JAL City Naha	1-3-70 Makishi, Naha, Okinawa	Trust beneficial interest	13,701.80	10,300	7,264
UUR Yotsuya Sanchome Building	3-14-1 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,854.86	5,840	4,231
Yotsuya 213 Building	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,550.16	6,160	5,059
HOTEL ROUTE-INN Nagoya Imaie Ekimae	3-31-7 Uchiyama, Chikusa-ku, Nagoya, Aichi	Trust beneficial interest	5,880.69	2,930	1,889
the b roppongi	3-9-8 Roppongi, Mitato-ku, Tokyo	Trust beneficial interest	2,710.90	4,050	3,629
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2-11-14 Isogo, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	4,874.28	3,070	2,746
Toyoko Inn Hiroshima Heiwa-odori	5-15 Tanakamachi, Naka-ku, Hiroshima, Hiroshima	Trust beneficial interest	4,357.75	2,350	2,181
Toyoko Inn Naha Kokusai-dori Miebashi-eki	1-20-1 Makishi, Naha, Okinawa	Trust beneficial interest	1,529.47	797	772
Loisir Hotel & Spa Tower Naha	3-2-1 Nishi, Naha, Okinawa	Trust beneficial interest	45,731.16	21,700	20,487
Urawa Royal Pines Hotel	2-5-1 Nakachou, Urawa-ku, Saitama, Saitama	Trust beneficial interest	31,129.86	18,000	17,776
T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,603.22	2,220	1,528
Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	3,741.17	2,280	1,528
Sky Court Shiba-Daimon	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	1,486.38	1,290	1,049
Maison Ukima	1-3-1 Ukima, Kita-ku, Tokyo	Trust beneficial interest	12,691.43	4,420	3,216
Narashino Residence	4-83-10 Narashinodai, Funabashi, Chiba	Trust beneficial interest	6,840.86	1,230	1,009
Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest	12,700.44	3,540	2,580
UUR Court Sapporo Kita-Sanjo	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	4,790.50	1,470	1,047
UUR Court Chiba Soga	2-3-5 Minami-cho, Chuo-ku, Chiba, Chiba	Trust beneficial interest	2,931.14	661	582
Higashi-kurume Dormitory Shinkan	1-8-4 Hikawadai, Higashikurume, Tokyo	Trust beneficial interest	1,397.61	537	461
Nanzan Court Ichigokan	6-8 Komagatacho, Showa-ku, Nagoya, Aichi, etc.	Trust beneficial interest	3,576.74	996	931
Nanzan Court Nigokan	5-19 Komagatacho, Showa-ku, Nagoya, Aichi, etc.	Trust beneficial interest	1,890.51	471	383
CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest	4,097.51	3,260	2,807
GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	3,697.38	1,430	1,291
GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	2,579.89	1,330	1,091
MA Sendai Building	1-3-7 Kimachidori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	11,525.36	4,200	2,906
UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest	2,958.45	1,500	1,276
UUR Court Sapporo Shinoro Ichibankan	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	6,271.74	880	767
Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest	2,067.95	744	830
UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	3,650.00	1,680	1,388
UUR Court Kinshicho	1-7-5 Kameido, Koto-ku, Tokyo	Real estate	5,460.39	3,550	2,962
UUR Court Sapporo Minami-Sanjo Premier Tower	2-3 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	7,817.12	2,730	1,927
GRAND-ROUGE Nakanoshima-minami	1-25-27 Edohori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	3,090.36	1,650	1,388
Glenpark Umeda-kita	3-4-22 Nakazaki, Kita-ku, Osaka, Osaka	Trust beneficial interest	12,730.60	5,760	5,273

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
UUR Court Shiki	1-6-5 Saiwaicho, Shiki, Saitama	Trust beneficial interest	9,885.83	3,010	2,923
Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	9,271.16	2,130	1,555
KDDI Fuchu Building	1-43 Nikkocho, Fuchu, Tokyo	Trust beneficial interest	14,490.92	5,490	4,926
Tsubogawa Square Building	3-3-5 Tsubogawa, Naha, Okinawa	Trust beneficial interest	10,570.98	5,320	4,129
THE PLACE of TOKYO	3-5-4 Shibakoen, Mitato-ku, Tokyo	Trust beneficial interest	3,212.21	4,120	3,535
Logistics Higashi-Ohgishima	6-4 Higashi-Ohgishima, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	42,113.83	4,778	4,252
MT Ariake Center Building I&II	1-2-41 Ariake, Koto-ku, Tokyo, etc.	Trust beneficial interest	23,934.32	8,460	8,044
Quartz Tower	2-10-10 Shibuya, Shibuya-ku, Tokyo	Trust beneficial interest	2,940.22	5,920	5,922
Shin-Narashino Logistics Center	2-3-6 Akanehama, Narashino, Chiba	Trust beneficial interest	12,909.90	2,570	2,662
Total			1,296,365.99	643,084	562,705

- Notes: 1. "Location" shows residential indication of each property, in principle. However, as for properties which have no residential indication, location stated in the land register of its building is stated. With regard to maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), VIVAHOME Yokohama Aoba (Site), Yamada Denki Tecc Land Aoba (Site), Narumi Shopping Center (Site), Life Nishikujo (Site), and Life Tamatsukuri (Site), the location of land (lot number) is stated because United Urban acquired only land.
2. "Trust beneficial interest" means trust beneficial interests in trust assets comprised mainly of real estate, and "Real estate" means actual real estate.
3. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2016, based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
4. "Appraisal Value at the End of Period" of AEON MALL Uki falls under cases where there are reasonable reasons to conduct a price survey without complying with the real-estate appraisal standards. Therefore, the appraisal value of the survey report, stating that "Though there are physical damages caused by The 2016 Kumamoto Earthquake, the necessary materials of repairs to determine its impacts on value of the property are not available, and these damages are not taken into account.", is stated above.
5. The property name was changed from "Daiei Himonya" to "Himonya Shopping Center" on July 13, 2016.
6. The property name was changed from "Daimaru Peacock Ashiya Kawanishi" to "Ashiya Kawanishi Shopping Mart" on July 13, 2016.

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

Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)				25th Fiscal Period (December 1, 2015 to May 31, 2016)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Himonya Shopping Center (Note 8)	1	100.0	459	2.3	1	100.0	459	2.2
Joy Park Izumigaoka	22	99.8	269	1.4	22	99.8	263	1.3
Ashiya Kawanishi Shopping Mart (Note 9)	1	100.0	30	0.2	1	100.0	30	0.1
Re-LAND Shopping Center	14	97.8	256	1.3	14	97.8	247	1.2
AEON MALL Uki	1	100.0	419	2.1	1	100.0	312	1.5
TENJIN LUCE	10	100.0	181	0.9	11	100.0	278	1.4
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	193	1.0	3	100.0	187	0.9
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
ACTIOLE Minami-ikebukuro	10	100.0	84	0.4	10	100.0	85	0.4
Tip's Machida Building	10	100.0	248	1.3	9	92.2	196	1.0
Daiei Takarazuka Nakayama	1	100.0	151	0.8	1	100.0	151	0.7
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	298	1.5	4	100.0	299	1.5
ACTIOLE Kannai	9	100.0	62	0.3	9	100.0	57	0.3

Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)				25th Fiscal Period (December 1, 2015 to May 31, 2016)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Shinsaibashi OPA Honkan	1	100.0	683	3.4	1	100.0	684	3.3
Shinsaibashi OPA Kireikan (Note 5)	1	100.0	82	0.4	-	-	51	0.3
Albore Jingumae	4	100.0	50	0.3	4	100.0	49	0.2
Albore Sendai	5	100.0	110	0.6	5	100.0	110	0.5
Mallage Kashiwa	97	99.1	713	3.6	91	97.5	700	3.4
Ito-Yokado Owariasahi	1	100.0	224	1.1	1	100.0	224	1.1
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	22	100.0	172	0.9	20	96.5	163	0.8
ACTIOLE Ichikawa	13	100.0	148	0.7	13	100.0	149	0.7
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	5	100.0	289	1.5	5	100.0	288	1.4
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	7	96.8	80	0.4	7	96.8	77	0.4
Life Nishikujo (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Life Tamatsukuri (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Granbell Ginza Building	11	100.0	64	0.3	11	100.0	81	0.4
UUR Tenjin Nishi-dori Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Shonan Tsujido (Note 4)	31	97.5	113	0.6	32	98.1	289	1.4
455 Ueno Building					6	79.6	87	0.4
T&G Hamamatsucho Building	6	100.0	97	0.5	6	100.0	94	0.5
SK Nagoya Building	10	90.6	187	0.9	12	95.7	188	0.9
Fukuoka Eartheon Building	6	89.3	87	0.4	6	89.3	87	0.4
Marumasu Kojimachi Building	17	100.0	96	0.5	16	100.0	82	0.4
Rokubancho K Building	1	100.0	108	0.5	1	100.0	108	0.5
Shin-Osaka Central Tower	63	98.6	1,066	5.4	61	98.6	1,102	5.4
Kawasaki Toshiba Building	1	100.0	836	4.2	1	100.0	836	4.1
UUR Toyochō Building	1	100.0	280	1.4	1	100.0	275	1.3
FOUR SEASONS BLDG	1	100.0	178	0.9	1	100.0	176	0.9
Hitachi High-Tech Building	2	100.0	395	2.0	2	100.0	398	1.9
Pacific Marks Shinjuku Parkside	23	100.0	313	1.6	21	94.4	323	1.6
UUR Tsukiji Building (Note 6)	4	100.0	189	1.0	-	-	87	0.4
Pacific Marks Tsukishima	48	99.4	263	1.3	46	98.9	256	1.2
Pacific Marks Yokohama East	22	86.2	230	1.2	22	86.2	221	1.1
Pacific Marks Shin-Urayasu	15	93.9	195	1.0	16	85.0	158	0.8
Akasaka Hikawa Building	1	100.0	118	0.6	1	100.0	118	0.6
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.4	1	100.0	84	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	63	0.3	8	100.0	64	0.3
Yokohama Aioicho Building	20	94.8	59	0.3	19	92.1	57	0.3
Pacific Marks Shin-Yokohama	10	100.0	65	0.3	10	100.0	64	0.3
Pacific Marks Kawasaki	37	95.2	334	1.7	38	97.0	321	1.6
Hamamatsucho 262 Building	18	100.0	233	1.2	18	100.0	223	1.1
Lila Hijirizaka	16	100.0	117	0.6	15	98.8	117	0.6



Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)				25th Fiscal Period (December 1, 2015 to May 31, 2016)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Otsuka HT Building	6	90.6	51	0.3	7	100.0	52	0.3
Pacific Marks Shinjuku South-gate	10	100.0	97	0.5	10	100.0	95	0.5
Pacific Marks Nishi-Umeda	30	94.4	268	1.4	31	95.6	271	1.3
Pacific Marks Higobashi	24	100.0	168	0.9	24	100.0	165	0.8
Nagoya Nishiki City Building	28	97.5	95	0.5	29	95.5	98	0.5
Pacific Marks Esaka	36	59.2	489	2.5	45	94.7	291	1.4
Pacific Marks Sapporo Kita-Ichijo	12	100.0	93	0.5	12	100.0	97	0.5
Shin-Sapporo Center Building	18	94.0	60	0.3	20	100.0	63	0.3
ARENA TOWER	13	100.0	438	2.2	13	100.0	432	2.1
Yushima First Building	7	100.0	94	0.5	7	100.0	105	0.5
Dogenzaka Square	31	100.0	97	0.5	29	95.6	99	0.5
GRAND-SQUARE Shin-Sakae	6	100.0	94	0.5	6	100.0	93	0.5
GRAND-SQUARE Meieki-minami	13	100.0	80	0.4	13	100.0	79	0.4
Shiba 520 Building	4	100.0	94	0.5	2	50.0	76	0.4
Hirose-dori SE Building	10	97.5	181	0.9	10	100.0	196	1.0
Shinjuku Washington Hotel Honkan	7	99.8	583	2.9	8	99.98	650	3.2
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.3	1	100.0	57	0.3
MZ BLD.	8	96.2	140	0.7	7	93.2	133	0.6
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	154	0.8	4	100.0	155	0.8
Hotel JAL City Naha	2	100.0	324	1.6	2	100.0	334	1.6
UUR Yotsuya Sanchome Building	3	100.0	186	0.9	2	95.0	178	0.9
Yotsuya 213 Building	4	100.0	180	0.9	4	100.0	181	0.9
HOTEL ROUTE-INN Nagoya Imaike Ekimae	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
the b roppongi	2	100.0	116	0.6	2	100.0	115	0.6
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Hiroshima Heiwa-odori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Naha Kokusai-dori Miebash-eki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Loisir Hotel & Spa Tower Naha					1	100.0	422	2.1
Urawa Royal Pines Hotel					1	100.0	220	1.1
T&G Higashi-ikebukuro Mansion	126	97.7	64	0.3	128	99.2	67	0.3
Komazawa Court	1	100.0	60	0.3	1	100.0	60	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.2	1	100.0	32	0.2
Maison Ukima	1	100.0	124	0.6	1	100.0	124	0.6
Narashino Residence	1	100.0	51	0.3	1	100.0	51	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.3	1	100.0	52	0.3
UUR Court Chiba Soga	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Higashi-kurume Dormitory Shinkan	1	100.0	16	0.1	1	100.0	16	0.1
Nanzan Court Ichigokan	1	100.0	37	0.2	1	100.0	37	0.2
Nanzan Court Nigokan	1	100.0	16	0.1	1	100.0	16	0.1
CLIO Bunkyo Koishikawa	90	99.0	95	0.5	85	94.5	100	0.5
GRAND-ROUGE Sakae	1	100.0	43	0.2	86	89.0	45	0.2
GRAND-ROUGE Sakae II	1	100.0	38	0.2	1	100.0	38	0.2

Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)				25th Fiscal Period (December 1, 2015 to May 31, 2016)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
MA Sendai Building	146	97.7	166	0.8	145	97.1	167	0.8
UUR Court Nagoya Meieki	1	100.0	45	0.2	1	100.0	45	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.2	3	100.0	33	0.2
Park Site IZUMI	28	71.3	23	0.1	40	97.8	25	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.3	1	100.0	52	0.3
UUR Court Kinshicho	187	92.4	113	0.6	192	94.7	118	0.6
UUR Court Sapporo Minami-Sanjo Premier Tower	123	81.6	103	0.5	130	84.9	106	0.5
GRAND-ROUGE Nakanoshima-minami	103	87.3	51	0.3	101	86.5	51	0.2
Glenpark Umeda-kita	182	99.2	188	0.9	178	97.5	189	0.9
UUR Court Shiki	1	100.0	37	0.2	1	100.0	93	0.5
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	286	1.4	5	100.0	276	1.3
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Logistics Higashi-Ohgishima (Note 7)	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
MT Ariake Center Building I&II	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Quartz Tower	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Total	1,929	98.5	19,865	100.0	2,028	98.8	20,597	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan, Loisir Hotel & Spa Tower Naha, KDDI Fuchu Building and Logistics Higashi-Ohgishima held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, occupancy ratio of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement (rent-guarantee type) (it has been changed into a pass-through-type master lease agreement on and after the acquisition date of September 30, 2015) with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally), and has been engaged in subleasing as a master lessee. Though there was the rental revenue regarding the subleasing until the acquisition date of September 30, 2015 (24th fiscal period: ¥205 million), it was not included in the above chart.
5. United Urban sold Shinsaibashi OPA Kireikan on March 25, 2016.
6. United Urban sold UUR Tsukiji Building on February 26, 2016.
7. United Urban sold its 49 % quasi co-ownership interest of the trust beneficial interest in "Logistics Higashi-Ohgishima" on February 26, 2016. In addition, United Urban continues to hold the remaining 51% quasi co-ownership.
8. The property name was changed from "Daiei Himonya" to "Himonya Shopping Center" on July 13, 2016.
9. The property name was changed from "Daimaru Peacock Ashiya Kawanishi" to "Ashiya Kawanishi Shopping Mart" on July 13, 2016.

#### 4. Details of Investment Securities

Overview of investment securities owned by Untied Urban as of May 31, 2016 was as follows:

Name of Asset	Type of Asset	Quantity (Unit)	Book Value (Thousands of yen)		Appraisal Value (Thousands of yen)		Valuation Gain or Loss (Thousands of yen)	Remarks
			Unit price	Amount	Unit price	Amount		
Preferred equity securities of Tenjin 123 Project <i>Tokutei Mokuteki Kaisha</i> (specific purpose company) (Note 1)	Preferred equity securities	1,130	-	75,397	-	75,397 (Note 2)	-	-
Total			-	75,397	-	75,397	-	-

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

Outline of the Property is as follows.

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

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

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

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

Overview of amount of contract and fair values of specified transactions as of May 31, 2016 was as follows:

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2) (Note 3)
			over one year	
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	102,680,000	102,680,000	(1,470,167)
Total		102,680,000	102,680,000	(1,470,167)

Notes: 1. The "Amount of Contract" of the interest-rate swaps is based on the notional principal.

2. The "Fair Value" is evaluated at the prices calculated by the other party of the transaction based on the prevailing market rates, etc.

3. Among the fair value amount, the interest rate swaps for which United Urban applied the special treatment under the "Accounting Standard for Financial Instruments" (Statement No.10 issued by Accounting Standards Board of Japan on March 10, 2008), are not measured at fair value in the balance sheets.

## 6. Status of Other Assets

As of May 31, 2016, trust beneficial interests in real estate, etc. owned by United Urban are stated in "3. Details of Properties in the Portfolio" above and there were no other specified assets.

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

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

## Capital Expenditures

### 1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Investment Real Estate") scheduled as of May 31, 2016. These scheduled amounts include both portions to be capitalized and expensed.

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

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

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

### 2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Investment Real Estate during the 25th fiscal period, which totaled ¥2,970 million. Together with ¥634 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥3,605 million.

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

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

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

Based on the long-term repair and maintenance plan formulated for each of its properties, United Urban sets aside a repair and maintenance reserve out of cash flow during each fiscal period, as outlined below, for the purpose of large-scale repairs and maintenance for the medium to long term.

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



Reserve balance to be carried over to next period	663	692	711	792	971
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Note: When United Urban assumes all or part of the reserve accumulated within the trust assets by the previous owners in connection with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.

## Expenses and Debt

### 1. Asset Management Expenses

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Asset management fees (Note)	1,601,124	1,666,100
Asset custodian fees	17,566	17,661
Administrative agent fees	68,016	68,022
Directors' fees	10,200	10,200
Other expenses	240,391	217,809
Total	1,937,299	1,979,793

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (24th fiscal period: ¥228,456 thousand, 25th fiscal period: ¥324,598 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (25th fiscal period: ¥114,312 thousand).

### 2. Borrowings

Borrowings from financial institutions as of May 31, 2016 were as follows:

	Lenders	Drawdown Date	Balance at the beginning of the 25th FP (Millions of yen) (Note 1)	Balance at the end of the 25th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt due for repayment within one year	Sumitomo Mitsui Banking Corporation	Apr. 12, 2012	1,000	-	0.517	Mar. 20, 2016	Bullet Payment	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		2,000	-					
	Mizuho Trust & Banking Co., Ltd.		1,000	-					
	Resona Bank, Limited		1,000	-					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Oct. 25, 2011	2,000	2,000	0.546	Sep. 20, 2016 (Note 8)		(Note 3)	
	Mizuho Bank, Ltd.		2,500	2,500					
	The Bank of Fukuoka, Ltd.		1,200	1,200					
	Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	-	2,000	0.546	Dec. 20, 2016		(Note 4)	
	Mizuho Bank, Ltd.	Dec. 26, 2011	-	500	0.546	Dec. 20, 2016		(Note 3)	
	The Norinchukin Bank		-	4,000					
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2012	-	1,500	0.546	Mar. 20, 2017		(Note 4)	
	Sumitomo Mitsui Banking Corporation		-	2,400					
	Sompo Japan Nipponkoa Insurance Inc.	Mar. 30, 2012	-	1,000	0.993	Mar. 20, 2017		(Note 4)	
	The Hiroshima Bank, Ltd.		-	500					
	Kansai Urban Banking Corporation		-	1,000					
	Mizuho Bank, Ltd.	Apr. 12, 2012	-	1,500	0.546	Mar. 20, 2017		(Note 5)	
	Mitsubishi UFJ Trust and Banking Corporation		-	1,500					
	Shinsei Bank, Limited		-	1,000					
The Bank of Fukuoka, Ltd.	-		1,000						
The 77 Bank, Ltd.	-		500						

		Drawdown Date	Balance at the beginning of the 25th FP (Millions of yen) (Note 1)	Balance at the end of the 25th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Lenders									
	Shinsei Bank, Limited	May 18, 2012	-	1,000	0.922	Mar. 20, 2017		(Note 3)	
Subtotal			10,700	25,100					
Long-term debt	Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	2,000	-	0.546	Dec. 20, 2016	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Dec. 26, 2011	500	-	0.546	Dec. 20, 2016		(Note 3)	
	The Norinchukin Bank		4,000	-					
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2012	1,500	-	0.546	Mar. 20, 2017		(Note 4)	
	Sumitomo Mitsui Banking Corporation		2,400	-					
	Sompo Japan Nipponkoa Insurance Inc.	Mar. 30, 2012	1,000	-	0.993	Mar. 20, 2017		(Note 4)	
	The Hiroshima Bank, Ltd.		500	-					
	Kansai Urban Banking Corporation		1,000	-					
	Mizuho Bank, Ltd.	Apr. 12, 2012	1,500	-	0.546	Mar. 20, 2017		(Note 5)	
	Mitsubishi UFJ Trust and Banking Corporation		1,500	-					
	Shinsei Bank, Limited		1,000	-					
	The Bank of Fukuoka, Ltd.		1,000	-					
	The 77 Bank, Ltd.		500	-					
	Shinsei Bank, Limited	May 18, 2012	1,000	-	0.922	Mar. 20, 2017		(Note 3)	
	Development Bank of Japan Inc.	Jul. 7, 2010	1,500	1,450	2.142	Jun. 20, 2017	(Note 6)	(Note 5)	
	Resona Bank, Limited	May 18, 2012	1,300	1,300	0.534 (Note 7)	Jun. 20, 2017	Bullet Payment	(Note 3)	
	The Gunma Bank, Ltd.	Jun. 20, 2012	900	900	0.534 (Note 7)	Jun. 20, 2017		(Note 4)	
	The Bank of Yokohama, Ltd.		900	900					
	The Tokyo Tomin Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	2,500	0.484 (Note 7)	Jun. 20, 2017		(Note 4)	
	Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	2,400	0.434 (Note 7)	Jun. 20, 2017		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	4,400	0.740	Sep. 20, 2017		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.611 (Note 7)	Mar. 20, 2018		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	2,200	0.511 (Note 7)	Mar. 20, 2018		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 21, 2013	3,000	3,000	0.461 (Note 7)	Mar. 20, 2018		(Note 3)	
	Aozora Bank, Ltd.	Mar. 21, 2013	1,570	1,570	0.461 (Note 7)	Mar. 20, 2018		(Note 4)	
	The Norinchukin Bank		2,253	2,253					
	Aozora Bank, Ltd.	Mar. 20, 2014	1,700	1,700	0.559	Mar. 20, 2018		(Note 4)	
	Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	2,000	2,000	0.778 (Note 7)	Jun. 20, 2018		(Note 3)	
	The Shinkumi Federation Bank	Jun. 20, 2013	2,000	2,000	0.449 (Note 7)	Jun. 20, 2018		(Note 4)	
The Bank of Fukuoka, Ltd.	500		500						
Saitama Resona Bank, Limited	1,000		1,000						
Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	1,000	1,000	0.735 (Note 7)	Jun. 20, 2018	(Note 4)			
ORIX Bank Corporation	Jun. 20, 2013	1,500	1,500	0.830	Jun. 20, 2018	(Note 4)			
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.464	Sep. 20, 2018	(Note 4)			

	Lenders	Drawdown Date	Balance at the beginning of the 25th FP (Millions of yen) (Note 1)	Balance at the end of the 25th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	1,000	0.453 (Note 7)	Sep. 20, 2018	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	The Nomura Trust and Banking Co., Ltd.		1,000	1,000					
	The Kagawa Bank, Ltd.		500	500					
	The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	1,000	0.781	Sep. 20, 2018		(Note 4)	
	Shinkin Central Bank	Nov. 1, 2013	1,000	1,000	0.688	Sep. 20, 2018		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.524 (Note 7)	Mar. 20, 2019		(Note 3)	
	ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753	Mar. 20, 2019		(Note 3)	
	The Norinchukin Bank	Feb. 28, 2014	1,600	1,600	0.620 (Note 7)	Mar. 20, 2019		(Note 3)	
	Resona Bank, Limited	Apr. 8, 2014	1,000	1,000	0.708	Mar. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.693 (Note 7)	Jun. 20, 2019		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960	Jun. 20, 2019		(Note 3)	
	Aozora Bank, Ltd.	May 16, 2013	2,000	2,000	0.523 (Note 7)	Jun. 20, 2019		(Note 3)	
	Shinsei Bank, Limited	May 16, 2013	1,000	1,000	1.056	Jun. 20, 2019		(Note 3)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	1,000	1,000	0.511	Sep. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	4,000	0.555 (Note 7)	Sep. 20, 2019		(Note 4)	
	Mizuho Bank, Ltd.		637	637					
	Aozora Bank, Ltd.		1,570	1,570					
	Aozora Bank, Ltd.	Aug. 29, 2014	1,200	1,200	0.593	Sep. 20, 2019		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Apr. 1, 2016	-	1,000	0.200	Mar. 23, 2020		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	4,000	4,000	0.800	Mar. 23, 2020		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	2,427	2,427	0.780	Mar. 23, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.617 (Note 7)	Mar. 23, 2020		(Note 4)	
	Mitsubishi UFJ Trust and Banking Corporation		869	869					
	Resona Bank, Limited		339	339					
	Mitsubishi UFJ Trust and Banking Corporation	Mar. 20, 2014	1,300	1,300	0.640 (Note 7)	Mar. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.631 (Note 7)	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation		1,650	1,650					
	Mizuho Bank, Ltd.		1,000	1,000					
	Aozora Bank, Ltd.		2,000	2,000					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	The Daishi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.550 (Note 7)	Jun. 22, 2020		(Note 5)	
	The 77 Bank, Ltd.	Jul. 8, 2015	500	500	0.527 (Note 7)	Sep. 23, 2020		(Note 5)	
	The Bank of Yokohama, Ltd.		500	500					
	The Tokyo Tomin Bank, Limited		500	500					
	The Kagawa Bank, Ltd.		500	500					
	The Bank of Fukuoka, Ltd.	Aug. 7, 2015	500	500	0.428 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.668 (Note 7)	Sep. 23, 2020		(Note 3)	

	Lenders	Drawdown Date	Balance at the beginning of the 25th FP (Millions of yen) (Note 1)	Balance at the end of the 25th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.668 (Note 7)	Sep. 23, 2020	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000	Sep. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826	Sep. 23, 2020		(Note 3)	
	Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888	Sep. 23, 2020		(Note 3)	
	The Norinchukin Bank	Jul. 8, 2015	1,000	1,000	0.509 (Note 7)	Dec. 21, 2020		(Note 5)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Feb. 5, 2016	-	1,000	0.230 (Note 7)	Dec. 21, 2020		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	1,300	1,300	0.858	Dec. 21, 2020		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Feb. 5, 2016	-	1,000	0.217 (Note 7)	Mar. 22, 2021		(Note 3)	
	The IYO Bank, Ltd.	Feb. 5, 2016	-	1,000	0.337	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	5,800	5,800	0.850 (Note 7)	Mar. 22, 2021		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 20, 2014	1,400	1,400	0.830	Mar. 22, 2021		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.841	Mar. 22, 2021		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 28, 2014	2,200	2,200	0.850	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	5,700	5,700	0.883	Mar. 22, 2021		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 29, 2014	1,900	1,900	0.690	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Oct. 2, 2014	2,000	2,000	0.619 (Note 7)	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 22, 2016	-	1,000	0.309	Jun. 21, 2021		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Apr. 1, 2016	-	2,000	0.309	Jun. 21, 2021		(Note 3)	
	The Nomura Trust and Banking Co., Ltd.	Apr. 1, 2016	-	1,000	0.350	Jun. 21, 2021		(Note 3)	
	Mizuho Bank, Ltd.	May 1, 2014	1,700	1,700	0.737 (Note 7)	Jun. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	May 1, 2014	1,000	1,000	0.872 (Note 7)	Jun. 21, 2021		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	May 1, 2014	1,000	1,000	0.770 (Note 7)	Jun. 21, 2021		(Note 3)	
	The Gunma Bank, Ltd.	Jul. 8, 2015	500	500	0.559 (Note 7)	Sep. 21, 2021		(Note 5)	
	The Norinchukin Bank	Apr. 1, 2016	-	1,500	0.309	Sep. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 30, 2015	2,900	2,900	0.612 (Note 7)	Dec. 20, 2021		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2014	3,000	3,000	0.670 (Note 7)	Dec. 20, 2021		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	2,600	1.030	Mar. 22, 2022		(Note 4)	
	Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	3,000	0.661 (Note 7)	Mar. 22, 2022		(Note 3)	
	Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672 (Note 7)	Jun. 20, 2022		(Note 3)	
	Shinkin Central Bank	Jul. 8, 2015	1,000	1,000	0.728	Jun. 20, 2022		(Note 5)	
	Development Bank of Japan Inc.	Aug. 7, 2015	1,200	1,200	0.710	Jun. 20, 2022		(Note 3)	
	The Hiroshima Bank, Ltd.	Jul. 8, 2015	500	500	0.685 (Note 7)	Sep. 20, 2022		(Note 5)	
	Yamaguchi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.885 (Note 7)	Sep. 20, 2022		(Note 5)	
	Nippon Life Insurance Company	Jul. 8, 2015	1,000	1,000	0.861	Sep. 20, 2022		(Note 5)	
	Shinsei Bank, Limited	Jul. 15, 2015	1,500	1,500	0.773	Sep. 20, 2022		(Note 3)	



	Lenders	Drawdown Date	Balance at the beginning of the 25th FP (Millions of yen) (Note 1)	Balance at the end of the 25th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814	Sep. 20, 2022	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	3,400	1.239	Dec. 20, 2022		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	6,500	0.842	Mar. 20, 2023		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	3,500	3,500	0.775	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Feb. 5, 2016	-	1,500	0.370 (Note 7)	Mar. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 22, 2016	-	2,000	0.452	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Mar. 22, 2016	-	1,000	0.359	Mar. 20, 2023		(Note 4)	
	Saitama Resona Bank, Limited	Apr. 1, 2016	-	2,000	0.490 (Note 7)	Mar. 20, 2023		(Note 3)	
	The Ashikaga Bank, Ltd.	Apr. 1, 2016	-	1,000	0.441	Mar. 20, 2023		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Aug. 7, 2015	1,000	1,000	0.798	Jun. 20, 2023		(Note 3)	
	Development Bank of Japan Inc.	Apr. 1, 2016	-	1,500	0.372	Jun. 20, 2023		(Note 3)	
	THE NISHI-NIPPON CITY BANK, LTD.	Apr. 1, 2016	-	1,000	0.409	Jun. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.749 (Note 7)	Sep. 20, 2023		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jul. 15, 2015	1,300	1,300	0.780	Sep. 20, 2023		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Dec. 4, 2015	-	1,000	0.625 (Note 7)	Mar. 21, 2024		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 22, 2016	-	1,000	0.339	Mar. 21, 2024		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 15, 2015	1,700	1,700	0.924	Jun. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 1, 2016	-	2,000	0.523	Jun. 20, 2024		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 4, 2015	-	1,000	0.680	Sep. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Dec. 4, 2015	-	1,000	0.633 (Note 7)	Sep. 20, 2024		(Note 3)	
	Meiji Yasuda Life Insurance Company	Feb. 5, 2016	-	1,000	0.687	Mar. 21, 2025		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 1, 2016	-	2,000	0.430	Mar. 21, 2025		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 1, 2016	-	3,000	0.399	Sep. 22, 2025		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Feb. 5, 2016	-	2,000	0.627	Dec. 22, 2025		(Note 3)	
Subtotal			190,507	204,557					
Total			201,207	229,657					

- Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal to the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. The funds are used for acquisition of real estate or trust beneficial interest in real estate and expenses related to the acquisition.
4. The funds are used for repayment of borrowings.
5. The funds are used for redemption of corporate bonds.
6. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).
7. It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.
8. A maturity date of this borrowing is September 20, 2016. However, this borrowing was repaid in full on July 20, 2016.

### 3. Corporate Bonds

Corporate Bonds as of May 31, 2016 were as follows :

Name	Issue Date	Balance at the beginning of the 25th FP (Millions of yen)	Balance at the end of the 25th FP (Millions of yen)	Interest Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Series 6 of Unsecured Corporate Bonds	Dec. 9, 2011	3,000	3,000	1.120	Dec. 9, 2016	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 7 of Unsecured Corporate Bonds	Jul. 5, 2012	6,500	6,500	0.950	Jul. 5, 2017	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 8 of Unsecured Corporate Bonds	Aug. 6, 2012	10,000	10,000	0.800	Aug. 5, 2016	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 9 of Unsecured Corporate Bonds	Dec. 19, 2012	10,000	10,000	0.620	Dec. 19, 2016	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 10 of Unsecured Corporate Bonds	Dec. 12, 2012	4,000	4,000	0.690	Dec. 12, 2017	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 11 of Unsecured Corporate Bonds	May 30, 2013	8,000	8,000	0.690	May 30, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 12 of Unsecured Corporate Bonds	May 30, 2013	2,000	2,000	0.690	May 30, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 13 of Unsecured Corporate Bonds	Nov. 20, 2013	13,000	13,000	0.470	Nov. 20, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 14 of Unsecured Corporate Bonds	Nov. 20, 2013	2,000	2,000	0.470	Nov. 20, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 15 of Unsecured Corporate Bonds	Oct. 30, 2014	3,000	3,000	0.525	Oct. 29, 2021	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 16 of Unsecured Corporate Bonds	May 29, 2015	2,000	2,000	0.804	May 29, 2025	Bullet payment	(Note 2)	Unsecured (Note 3)
Total		63,500	63,500					

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

### 4. Short-term Corporate Bonds

Not Applicable

### 5. Subscription Rights of New Investment Units

Not Applicable

## Trading Activities during the Period

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

Type of Asset	Name of Properties	Acquisition		Transfer			
		Date	Acquisition price (Millions of yen) (Note 1)	Date	Sale price (Millions of yen) (Note 1)	Book value (Millions of yen)	Gain or loss on sale (Millions of yen)
Trust beneficial interest in real estate	455 Ueno Building	Dec. 4, 2015	3,000	-	-	-	-
Trust beneficial interest in real estate (Note 3)	Loisir Hotel & Spa Tower Naha	Feb. 5, 2016	20,000	-	-	-	-
Trust beneficial interest in real estate	Urawa Royal Pines Hotel	Apr. 1, 2016	17,500	-	-	-	-
Preferred equity securities	Preferred equity securities of Tenjin 123 Project TMK	Apr. 21, 2016	74	-	-	-	-
Trust beneficial interest in real estate	UUR Tsukiji Building	-	-	Feb. 26, 2016	6,620	6,412	50
Trust beneficial interest in real estate (Note 2)	Logistics Higashi-Ohgishima	-	-	Feb. 26, 2016	4,459	4,100	253
Trust beneficial interest in real estate	Shinsaibashi OPA Kireikan	-	-	Mar. 25, 2016	3,210	2,587	542
Total		-	40,574	-	14,289	13,100	847

Notes: 1. The "Acquisition price" and "Sale price" does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer.

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

3. United Urban acquired Loisir Hotel & Spa Tower Naha as a property comprised of several types of assets (trust beneficial interests in real estate and real estate). Then the property was entrusted after the acquisition, and United Urban holds the property in the form of trust beneficial interests in real estate.

### 2. Trading of Other Assets

Major assets other than the transactions stated in "1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets" are generally bank deposits and bank deposits in trust.

### 3. Research for Specified Assets

#### a. Real Estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Properties	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	455 Ueno Building	Dec. 4, 2015	3,000	3,340	Nov. 1, 2015	The Tanizawa Sōgō Appraisal Co., Ltd.
	Trust beneficial interest in real estate	Loisir Hotel & Spa Tower Naha	Feb. 5, 2016	20,000	20,800	Jan. 1, 2016	Japan Real Estate Institute
	Trust beneficial interest in real estate	Urawa Royal Pines Hotel	Apr. 1, 2016	17,500	18,000	Feb. 1, 2016	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	UUR Tsukiji Building	Feb. 26, 2016	6,620	6,550	Nov. 30, 2015	Japan Real Estate Institute
	Trust beneficial interest in real estate	Logistics Higashi-Ohgishima	Feb. 26, 2016	4,459	4,459	Nov. 30, 2015	Japan Real Estate Institute
	Trust beneficial interest in real estate	Shinsaibashi OPA Kireikan	Mar. 25, 2016	3,210	3,160	Nov. 30, 2015	Japan Real Estate Institute

b. Real Estate-backed Securities (Note 3)

Acquisition or Sale	Type of Asset	Name of Assets	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Price Survey of Specified Asset (Millions of yen)
Acquisition	Preferred equity securities	Preferred equity securities of Tenjin 123 Project TMK	Apr. 21, 2016	74	94

Notes: 1. As for transactions that require appraisal values of real estate, etc. regarding specified assets pursuant to Article 201, Paragraph 1 of the Investment Trust Act, the appraisal was conducted by real estate appraisal organizations based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.  
2. The "Acquisition Price or Sale Price" do not include consumption taxes and expenses necessary for making the relevant acquisition or sale.  
3. As for transactions that require research of value, etc. of specified assets pursuant to Article 201, Paragraph 2 of the Investment Trust Act, Ernst & Young ShinNihon LLC conducted the research based on Japanese Institute of Certified Public Accounts Industry Audit Practice Committee Report No. 23, "Research for Specified Assets Value held by Investment Trusts and Investment Corporations", and United Urban received the research results.

c. Others

As for transactions conducted by United Urban other than the transactions stated above in "a. Real estates" and "b. Real estate-backed securities" that require research of value, etc. of specified assets pursuant to Article 201 of the Investment Trust Act, United Urban entrusts the research to Ernst & Young ShinNihon LLC.

During the 25th fiscal period (from December 1, 2015 to May 31, 2016), six interest rate swap transactions were subject to the research, and United Urban has received the results from Ernst & Young ShinNihon LLC. As for the research, United Urban entrusted the research on name, brand, contract value, financial instruments or financial index, transaction period, and other matters related to the interest rate swap transaction.

#### 4. Trading with Related Parties

a. Status of Transactions

There were no purchase and sale transactions concerning the specified assets with related parties.

b. Amount of Commissions Paid to Related Parties

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties		(B) / (A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Brokerage Commission	691,835	Marubeni Real Estate Management Co., Ltd.	691,835	100.0
Property Management Fees	1,325,796	Marubeni Real Estate Management Co., Ltd.	421,936	31.8
Casualty Insurance Premium	25,350	Marubeni Safenet Co., Ltd.	25,071	98.9
Construction Management Fees	69,980	Marubeni Real Estate Management Co., Ltd.	51,567	73.7

Notes: 1. "Related Parties" means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. Among Related Parties, the above-mentioned companies have conducted business or have received payment of commissions during the 25th fiscal period are stated above.  
2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.

Marubeni Real Estate Management Co., Ltd.: ¥40,114 thousand

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

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

## Accounting Status

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

Please refer to the accompanying financial statements.

### 2. Changes in Calculation Method of Depreciation

Not Applicable

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

Not Applicable

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

The status of investment units of United Urban held by Japan REIT Advisors Co., Ltd., its asset management company, were as follows:

#### a. Status of Acquisitions

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

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

#### b. Status of Investment Units Held (fiscal periods in recent five years including the end of the 25th fiscal period)

	Number of Investment Units at the End of the Period (Unit)	Total Value of Investment Units Held at the End of the Period (Thousand of Yen) (Note)	(Reference) Investment Unit Price at the End of the Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at the End of the Period (Unit)
16th Fiscal Period (From Jun. 1, 2011 to Nov. 30, 2011)	4,901	402,372	82,100	0.23	2,103,383
17th Fiscal Period (From Dec. 1, 2011 to May 31, 2012)	4,901	415,114	84,700	0.23	2,103,383
18th Fiscal Period (From Jun. 1, 2012 to Nov. 30, 2012)	4,901	458,243	93,500	0.23	2,103,383

	Number of Investment Units at the End of the Period (Unit)	Total Value of Investment Units Held at the End of the Period (Thousand of Yen) (Note)	(Reference) Investment Unit Price at the End of the Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at the End of the Period (Unit)
19th Fiscal Period (From Dec. 1, 2012 to May 31, 2013)	4,901	639,090	130,400	0.21	2,305,447
20th Fiscal Period (From Jun. 1, 2013 to Nov. 30, 2013)	4,901	719,956	146,900	0.21	2,380,181
21st Fiscal Period (From Dec. 1, 2013 to May 31, 2014)	4,901	798,372	162,900	0.21	2,380,181
22nd Fiscal Period (From Jun. 1, 2014 to Nov. 30, 2014)	4,901	934,620	190,700	0.20	2,512,246
23rd Fiscal Period (From Dec. 1, 2014 to May 31, 2015)	4,901	912,076	186,100	0.19	2,644,311
24th Fiscal Period (From Jun. 1, 2015 to Nov. 30, 2015)	4,901	803,764	164,000	0.18	2,751,376
25th Fiscal Period (From Dec. 1, 2015 to May 31, 2016)	4,901	857,675	175,000	0.18	2,751,376

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

## Others

### 1. Notifications

#### United Urban Board of Directors

The conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 25th fiscal period were as follows:

Issuance of new investment units	United Urban resolved to issue new investment units by way of the public offering (including global offering) and the third-party allotment to SMBC Nikko Securities Inc. on May 25, 2016.
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### 2. Disclosure Relating to Companies Owning Overseas Real Estate

Not Applicable

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

Not Applicable



## ◆ FINANCIAL SECTION

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## BALANCE SHEET

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and bank deposits	¥ 58,186,852	¥ 62,385,401
Rent receivables	403,145	435,304
Consumption taxes refundable	489,075	458,901
Other current assets	1,588,694	847,446
<b>Total current assets</b>	<b>60,667,767</b>	<b>64,127,054</b>
<b>PROPERTY AND EQUIPMENT, AT COST:</b>		
Land	350,241,162	358,715,863
Buildings and structures	222,562,662	241,481,746
Machinery and equipment	2,235,705	2,226,926
Tools, furniture and fixtures	513,729	580,419
Construction in progress	351,781	168,313
<b>Subtotal</b>	<b>575,905,041</b>	<b>603,173,270</b>
Less accumulated depreciation	(46,979,040)	(49,788,120)
<b>Net property and equipment</b>	<b>528,926,000</b>	<b>553,385,149</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Software	35,492	30,476
Leasehold	6,326,414	9,320,707
Other intangible assets	205,772	199,108
Investment securities	-	75,397
Security deposits paid	90,392	90,392
Long-term prepaid expenses	1,826,142	2,033,984
<b>TOTAL ASSETS</b>	<b>¥ 598,077,982</b>	<b>¥ 629,262,270</b>

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	¥ 1,841,303	¥ 2,861,000
Current portion of corporate bonds	10,000,000	23,000,000
Long-term debt due for repayment within one year	10,700,000	25,100,000
Accrued expenses	376,518	534,751
Rent received in advance	2,991,834	3,068,364
Provision for loss on litigation	275,605	-
Provision for loss on disaster	-	135,200
Other current liabilities	77,854	222,875
<b>Total current liabilities</b>	<b>26,263,116</b>	<b>54,922,192</b>
<b>LONG-TERM LIABILITIES:</b>		
Corporate bonds	53,500,000	40,500,000
Long-term debt	190,507,000	204,557,000
Leasehold and security deposits received	30,306,219	30,817,151
Derivatives liabilities	161,237	456,015
<b>Total long-term liabilities</b>	<b>274,474,456</b>	<b>276,330,167</b>
<b>Total liabilities</b>	<b>300,737,572</b>	<b>331,252,359</b>
<b>NET ASSETS</b>		
<b>UNITHOLDERS' EQUITY:</b>		
Units authorized: 10,000,000 units as of November 30, 2015 and May 31, 2016		
Units issued and outstanding: 2,751,376 units as of November 30, 2015 and May 31, 2016	258,160,260	258,160,260
Capital surplus	23,548,287	23,548,287
Reserve for distribution	7,754,927	7,546,388
Reserve retained for distribution	-	121,898
Unappropriated retained earnings	8,038,171	9,089,092
<b>VALUATION AND TRANSLATION ADJUSTMENTS:</b>		
Deferred gains or losses on hedges	(161,237)	(456,015)
<b>Total net assets</b>	<b>297,340,410</b>	<b>298,009,911</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>¥ 598,077,982</b>	<b>¥ 629,262,270</b>

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

## STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
<b>OPERATING REVENUES</b>		
Rental revenues	¥ 18,541,897	¥ 19,227,927
Other rental revenues	1,528,445	1,369,513
Gain on sales of real estate properties	-	847,017
	20,070,343	21,444,457
<b>OPERATING EXPENSES</b>		
Property-related expenses	8,705,601	8,873,554
Asset management fees	1,601,124	1,666,100
Administrative service fees	85,582	85,683
Other operating expenses	250,591	228,009
	10,642,901	10,853,348
<b>OPERATING INCOME</b>	9,427,442	10,591,109
<b>NON-OPERATING REVENUES</b>		
Interest income	3,374	2,700
Reversal of cash distributions payable	2,519	2,474
Insurance income	5,318	19,624
Interest on refund	-	2,627
Reversal of provision for loss on litigation	-	5,959
Other non-operating revenues	925	17,373
	12,138	50,760
<b>NON-OPERATING EXPENSES</b>		
Interest expense	987,597	1,044,114
Interest expense on corporate bonds	238,005	218,701
Investment unit issuance expenses	38,223	135,314
Other non-operating expenses	12,722	18,843
	1,276,547	1,416,973
<b>ORDINARY INCOME</b>	8,163,033	9,224,897
<b>EXTRAORDINARY LOSS</b>		
Provision for loss on litigation	246,154	-
Provision for loss on disaster	-	135,200
	246,154	135,200
<b>INCOME BEFORE INCOME TAXES</b>	7,916,878	9,089,697
<b>INCOME TAXES</b>		
Current	605	605
	605	605
<b>NET INCOME</b>	7,916,273	9,089,092
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	121,898	-
<b>UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD</b>	¥ 8,038,171	¥ 9,089,092

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

## STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

Thousands of yen

	Unitholders' Equity								
	Number of Units	Unitholders' Capital	Capital Surplus	Surplus			Unappropriated Retained Earnings	Total Surplus	Total Unitholders' Equity
				Voluntary Retained Earnings		Total Voluntary Retained Earnings			
				Reserve for Distribution	Reserve Retained for Distribution	Total Voluntary Retained Earnings			
<b>BALANCE AS OF MAY 31, 2015</b>	2,644,311	¥243,869,759	¥ 23,548,287	¥7,754,927	-	¥7,754,927	¥7,790,400	¥39,093,615	¥282,963,375
Issuance of new investment units	107,065	14,290,500	-	-	-	-	-	-	14,290,500
Cash distributions disbursed	-	-	-	-	-	-	(7,668,501)	(7,668,501)	(7,668,501)
Net income	-	-	-	-	-	-	7,916,273	7,916,273	7,916,273
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	-
<b>BALANCE AS OF NOVEMBER 30, 2015</b>	2,751,376	¥258,160,260	¥ 23,548,287	¥7,754,927	-	¥7,754,927	¥8,038,171	¥39,341,387	¥297,501,647
Reversal of reserve for distribution	-	-	-	(208,539)	-	(208,539)	208,539	-	-
Provision of reserve retained for distribution	-	-	-	-	121,898	121,898	(121,898)	-	-
Cash distributions disbursed	-	-	-	-	-	-	(8,124,813)	(8,124,813)	(8,124,813)
Net income	-	-	-	-	-	-	9,089,092	9,089,092	9,089,092
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	-
<b>BALANCE AS OF MAY 31, 2016</b>	2,751,376	¥258,160,260	¥ 23,548,287	¥7,546,388	¥121,898	¥7,668,286	¥9,089,092	¥40,305,666	¥298,465,926

Thousands of yen

	Valuation and Translation Adjustments		Net Assets
	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	
<b>BALANCE AS OF MAY 31, 2015</b>	¥(56,430)	¥(56,430)	¥282,906,944
Issuance of new investment units	-	-	14,290,500
Cash distributions disbursed	-	-	(7,668,501)
Net income	-	-	7,916,273
Net changes of items other than unitholders' equity	(104,806)	(104,806)	(104,806)
<b>BALANCE AS OF NOVEMBER 30, 2015</b>	¥(161,237)	¥(161,237)	¥297,340,410
Reversal of reserve for distribution	-	-	-
Provision of reserve retained for distribution	-	-	-
Cash distributions disbursed	-	-	(8,124,813)
Net income	-	-	9,089,092
Net changes of items other than unitholders' equity	(294,778)	(294,778)	(294,778)
<b>BALANCE AS OF MAY 31, 2016</b>	¥(456,015)	¥(456,015)	¥298,009,911

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

## STATEMENT OF CASH FLOWS

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes	¥ 7,916,878	¥ 9,089,697
Depreciation and amortization	3,482,401	3,697,062
Gain on sales of real estate properties	-	(847,017)
Provision for loss on litigation	246,154	-
Provision for loss on disaster	-	135,200
Interest income and interest on securities	(3,374)	(2,700)
Interest expense and interest expense on corporate bonds	1,225,602	1,262,816
Investment unit issuance expenses	38,223	135,314
Decrease (increase) in rent receivables	6,259	(32,159)
(Increase) decrease in consumption taxes refundable	(419,593)	119,415
Decrease (increase) in prepaid expenses	454,818	(478,966)
Decrease (increase) in long-term prepaid expenses	24,160	(128,898)
Increase (decrease) in trade accounts payable	241,234	(2,334)
(Decrease) increase in accrued expenses	(7,100)	7,636
Decrease in consumption taxes payable	(853,135)	-
Increase in rent received in advance	147,448	76,529
Other, net	750,682	132,795
Subtotal	13,250,659	13,164,391
Interest received	3,395	2,700
Interest paid	(1,263,281)	(1,317,742)
Income taxes paid	(656)	(336)
Net cash provided by operating activities	11,990,116	11,849,014
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from withdrawal of time deposits	1,205,530	-
Sale of property and equipment	-	13,442,272
Purchase of property and equipment	(29,330,352)	(39,523,623)
Purchase of intangible assets	(2,397,631)	(2,994,292)
Purchase of investment securities	-	(74,751)
Proceeds from collection of leasehold and security deposits	138	-
Payments for leasehold and security deposits	(264)	-
Proceeds from leasehold and security deposits received	1,569,048	2,464,502
Payments for leasehold and security deposits received	(416,690)	(1,290,289)
Net cash used in investing activities	(29,370,221)	(27,976,182)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	19,400,000	33,500,000
Repayment of long-term debt	(50,000)	(5,050,000)
Repayment of corporate bonds	(10,000,000)	-
Proceeds from issuance of investment units	14,252,277	-
Distributions to unitholders	(7,667,623)	(8,124,282)
Net cash provided by financing activities	15,934,653	20,325,717
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(1,445,451)</b>	<b>4,198,549</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>59,632,303</b>	<b>58,186,852</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>¥ 58,186,852</b>	<b>¥ 62,385,401</b>

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

# NOTES TO FINANCIAL STATEMENTS

## 1. ORGANIZATION AND BASIS OF PRESENTATION

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### **Organization**

United Urban Investment Corporation ("United Urban") is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. ("JRA"). JRA is currently owned 95% by Marubeni Corporation ("Marubeni") and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

United Urban was founded on November 4, 2003, with an initial capitalization of ¥125 million, under the Act on Investment Trusts and Investment Corporations of Japan (the "Investment Trust Act"). Trinity Investment Trust L.L.C., Marubeni, Credit Suisse Principal Investment Limited, Tokyo Branch, Kyokuto, Yamato Life Insurance Co., and JRA initially established United Urban. On December 20, 2003, United Urban raised ¥36,633 million through an initial public offering of investment units, and on December 22, 2003, United Urban was listed on the J-REIT section of the Tokyo Stock Exchange.

On May 10, 2010, United Urban entered into a merger agreement ("Merger Agreement") with Nippon Commercial Investment Corporation ("NCI"). The Merger was effective December 1, 2010, and United Urban became one of the largest J-REITs in terms of asset size.

As of May 31, 2016, the end of its 25th fiscal period, United Urban had ownership of, or beneficial interests in, 34 retail properties, 36 office buildings, 14 hotels, 24 residential properties, 1 property which consisted of retail properties and an office building, 1 property which consisted of an office building and a hotel, and 8 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

### **Basis of Presentation of Financial Statements**

The accompanying financial statements of United Urban are prepared on the basis of generally accepted accounting principles in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are translations of the audited financial statements of United Urban, prepared in accordance with Japanese GAAP and presented in the Securities Report of United Urban filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts have been rounded down to the nearest thousand yen in the accompanying financial statements and the notes thereto. As a result, the totals shown in the accompanying financial statements and the notes thereto do not necessarily agree with the sums of the individual amounts.

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 25th fiscal period began on December 1, 2015 and ended on May 31, 2016.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### **Securities**

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

### **Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation. The cost of land, buildings and structures includes the purchase prices of property, legal fees and other acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets which are summarized as follows:



	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Buildings and structures	2 - 70 years	2 - 70 years
Machinery and equipment	2 - 17 years	2 - 17 years
Tools, furniture and fixtures	3 - 15 years	3 - 15 years

Expenditures for repairs and maintenance are charged to operating expenses as incurred. Significant renewals and betterments are capitalized.

### ***Intangible Assets***

Amortization of intangible assets is calculated on a straight-line basis. In addition, amortization of the software for internal use is calculated using an estimated useful life of 5 years.

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

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

### ***Provision for Loss on Litigation***

In order to prepare for probable losses on a lawsuit, the estimated amount of the loss at the end of the fiscal period is provided.

### ***Provision for Loss on Disaster***

In order to cover probable repair expenses due to the 2016 Kumamoto Earthquake, the reasonably estimated amount of the loss at the end of the current fiscal period is provided.

### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on hand, cash held in trust, deposits and deposits in trust which can be withdrawn at any time, and short-term investments which are readily convertible to cash with only an insignificant risk of any price fluctuation and with original maturities of three months or less.

### ***Revenue Recognition***

United Urban operates retail properties, office buildings, hotels, residential properties, and other properties which are rented to tenants. Revenues from these leases are recognized on an accrual basis over the life of each lease. Rental revenues include rent received, the recovery of utility charges and certain other income.

### ***Taxes on Property and Equipment***

United Urban allocated the respective portion of property taxes and city planning taxes to the current period and charged this to property-related expenses.

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥46,898 thousand and ¥125,471 thousand of such property taxes and city planning taxes capitalized for the fiscal periods ended November 30, 2015 and May 31, 2016, respectively.

### ***Hedge Accounting***

United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation based on its financial policy. Derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instrument for the purpose of avoiding interest-rate risks relating to debts. In addition, the effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.

### ***Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate***

For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as all income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts.

### ***Income Taxes***

Deferred income taxes are recognized by the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial and tax reporting of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

### ***Consumption Taxes***

Consumption taxes withheld and paid are not included in the accompanying statement of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over the amounts withheld is included in current assets as "Consumption taxes refundable" and the excess of the amounts withheld over the amounts paid is included in current liabilities as "Consumption taxes payable."

Certain consumption tax payments relating to purchases of property and equipment are not deductible from consumption taxes withheld. Such consumption tax payments are capitalized and included in the respective acquisition costs of the property and equipment.

### ***Reclassifications***

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended May 31, 2016.

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

At November 30, 2015 and May 31, 2016, the following assets were pledged as collateral for the following debt:

### ***Pledged Assets***

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Land	¥ 4,204,726	4,204,726
Buildings and structures	3,826,508	3,793,284
Tools, furniture and fixtures	1,997	3,391
Total	¥ 8,033,232	¥ 8,001,402

#### Debt Secured by Pledged Assets

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Leasehold and security deposits received	¥ 1,235,147	¥ 1,127,880
Total	¥ 1,235,147	¥ 1,127,880

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

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

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Total amount of commitment	¥ 36,000,000	¥ 36,000,000
Outstanding borrowings at end of period	-	-
Amount unutilized at end of period	¥ 36,000,000	¥ 36,000,000

#### 5. UNITHOLDERS' EQUITY

United Urban issues only units with no par value in accordance with the Investment Trust Act, under which United Urban is required to maintain at least ¥50 million as minimum net assets.

#### 6. LONG-TERM DEBT

Long-term debt at November 30, 2015 and May 31, 2016 consisted of the following:

	End of 24th Fiscal Period (As of November 30, 2015)		End of 25th Fiscal Period (As of May 31, 2016)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2016	¥ 5,000,000	0.530%	-	-
Unsecured loan from banks at floating interest rate, due September 20, 2016	5,700,000	0.580%	¥ 5,700,000	0.546%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2016	2,000,000	0.580%	2,000,000	0.546%
Unsecured loan from banks at floating interest rate, due December 20, 2016	4,500,000	0.580%	4,500,000	0.546%
Unsecured loan from a bank and a trust bank at floating interest rate, due March 20, 2017	3,900,000	0.580%	3,900,000	0.546%
Unsecured loan from banks and an insurance company at fixed interest rate, due March 20, 2017	2,500,000	0.993%	2,500,000	0.993%
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2017	5,500,000	0.580%	5,500,000	0.546%
Unsecured loan from a bank at fixed interest rate, due March 20, 2017	1,000,000	0.922%	1,000,000	0.922%
Unsecured loan from a bank at fixed interest rate, due June 20, 2017 (Note 2)	1,500,000	2.142%	1,450,000	2.142%
Unsecured loan from a bank at floating interest rate, due June 20, 2017	1,300,000	0.534% (Note 3)	1,300,000	0.534% (Note 3)
Unsecured loan from banks at floating interest rate, due June 20, 2017	2,300,000	0.534% (Note 3)	2,300,000	0.534% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2017	2,500,000	0.484% (Note 3)	2,500,000	0.484% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2017	2,400,000	0.434% (Note 3)	2,400,000	0.434% (Note 3)

	End of 24th Fiscal Period (As of November 30, 2015)		End of 25th Fiscal Period (As of May 31, 2016)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at fixed interest rate, due September 20, 2017	4,400,000	0.740%	4,400,000	0.740%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.611% (Note 3)	3,000,000	0.611% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	2,200,000	0.511% (Note 3)	2,200,000	0.511% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.461% (Note 3)	3,000,000	0.461% (Note 3)
Unsecured loan from banks at floating interest rate, due March 20, 2018	3,823,000	0.461% (Note 3)	3,823,000	0.461% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2018	1,700,000	0.559%	1,700,000	0.559%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	2,000,000	0.778% (Note 3)	2,000,000	0.778% (Note 3)
Unsecured loan from banks and a federation at floating interest rate, due June 20, 2018	3,500,000	0.449% (Note 3)	3,500,000	0.449% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	1,000,000	0.735% (Note 3)	1,000,000	0.735% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2018	1,500,000	0.830%	1,500,000	0.830%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2018	2,500,000	0.453% (Note 3)	2,500,000	0.453% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.781%	1,000,000	0.781%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.688%	1,000,000	0.688%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	3,500,000	0.524% (Note 3)	3,500,000	0.524% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	1,000,000	0.753%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.620% (Note 3)	1,600,000	0.620% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	1,000,000	0.708%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.693% (Note 3)	4,500,000	0.693% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	2,000,000	0.523% (Note 3)	2,000,000	0.523% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	1,000,000	1.056%	1,000,000	1.056%
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2019	1,000,000	0.511%	1,000,000	0.511%
Unsecured loan from banks at floating interest rate, due September 20, 2019	6,207,000	0.555% (Note 3)	6,207,000	0.555% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2019	1,200,000	0.593%	1,200,000	0.593%
Unsecured loan from a trust bank at fixed interest rate, due March 23, 2020	-	-	1,000,000	0.200%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	2,427,000	0.780%	2,427,000	0.780%
Unsecured loan from banks and a trust bank at floating interest rate, due March 23, 2020	2,417,000	0.617% (Note 3)	2,417,000	0.617% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 23, 2020	1,300,000	0.640% (Note 3)	1,300,000	0.640% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from banks and trust banks at floating interest rate, due June 20, 2020	6,150,000	0.631% (Note 3)	6,150,000	0.631% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 22, 2020	1,000,000	0.550% (Note 3)	1,000,000	0.550% (Note 3)
Unsecured loan from banks at floating interest rate, due September 23, 2020	2,000,000	0.527% (Note 3)	2,000,000	0.527% (Note 3)

	End of 24th Fiscal Period (As of November 30, 2015)		End of 25th Fiscal Period (As of May 31, 2016)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at floating interest rate, due September 23, 2020	500,000	0.428% (Note 3)	500,000	0.428% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.668% (Note 3)	4,500,000	0.668% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.668% (Note 3)	3,283,000	0.668% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due September 23, 2020	1,000,000	1.000%	1,000,000	1.000%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,400,000	0.826%	2,400,000	0.826%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,500,000	0.888%	2,500,000	0.888%
Unsecured loan from a bank at floating interest rate, due December 21, 2020	1,000,000	0.509% (Note 3)	1,000,000	0.509% (Note 3)
Unsecured loan from an insurance company at floating interest rate, due December 21, 2020	-	-	1,000,000	0.230% (Note 3)
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2020	1,300,000	0.858%	1,300,000	0.858%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	-	-	1,000,000	0.217% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	-	-	1,000,000	0.337%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	5,800,000	0.850% (Note 3)	5,800,000	0.850% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.830%	1,400,000	0.830%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.841%	1,400,000	0.841%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	2,200,000	0.850%	2,200,000	0.850%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2021	5,700,000	0.883%	5,700,000	0.883%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,900,000	0.690%	1,900,000	0.690%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	2,000,000	0.619% (Note 3)	2,000,000	0.619% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	-	-	1,000,000	0.309%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	-	-	2,000,000	0.309%
Unsecured loan from a trust bank at fixed interest rate, due June 21, 2021	-	-	1,000,000	0.350%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.737% (Note 3)	1,700,000	0.737% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.872% (Note 3)	1,000,000	0.872% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 21, 2021	1,000,000	0.770% (Note 3)	1,000,000	0.770% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	500,000	0.559% (Note 3)	500,000	0.559% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	-	-	1,500,000	0.309%
Unsecured loan from a bank at floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 3)	2,900,000	0.612% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2021	3,000,000	0.670% (Note 3)	3,000,000	0.670% (Note 3)
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	2,600,000	1.030%	2,600,000	1.030%
Unsecured loan from a bank at floating interest rate, due March 22, 2022	3,000,000	0.661% (Note 3)	3,000,000	0.661% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2022	2,000,000	0.672% (Note 3)	2,000,000	0.672% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,000,000	0.728%	1,000,000	0.728%
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,200,000	0.710%	1,200,000	0.710%
Unsecured loan from a bank at floating interest rate, due September 20, 2022	500,000	0.685% (Note 3)	500,000	0.685% (Note 3)

	End of 24th Fiscal Period (As of November 30, 2015)		End of 25th Fiscal Period (As of May 31, 2016)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at floating interest rate, due September 20, 2022	1,000,000	0.885% (Note 3)	1,000,000	0.885% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2022	1,000,000	0.861%	1,000,000	0.861%
Unsecured loan from a bank at fixed interest rate, due September 20, 2022	1,500,000	0.773%	1,500,000	0.773%
Unsecured loan from a trust bank at fixed interest rate, due September 20, 2022	2,800,000	0.814%	2,800,000	0.814%
Unsecured loan from a trust bank at fixed interest rate, due December 20, 2022	3,400,000	1.239%	3,400,000	1.239%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	6,500,000	0.842%	6,500,000	0.842%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	3,500,000	0.775%	3,500,000	0.775%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	-	-	1,500,000	0.370% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	-	-	2,000,000	0.452%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	-	-	1,000,000	0.359%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	-	-	2,000,000	0.490% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	-	-	1,000,000	0.441%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2023	1,000,000	0.798%	1,000,000	0.798%
Unsecured loan from a bank at fixed interest rate, due June 20, 2023	-	-	1,500,000	0.372%
Unsecured loan from a bank at floating interest rate, due June 20, 2023	-	-	1,000,000	0.409%
Unsecured loan from a bank at floating interest rate, due September 20, 2023	1,300,000	0.749% (Note 3)	1,300,000	0.749% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2023	1,300,000	0.780%	1,300,000	0.780%
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	-	-	1,000,000	0.625% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	-	-	1,000,000	0.339%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2024	1,700,000	0.924%	1,700,000	0.924%
Unsecured loan from a bank at fixed interest rate, due June 20, 2024	-	-	2,000,000	0.523%
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	-	-	1,000,000	0.680%
Unsecured loan from a bank at floating interest rate, due September 20, 2024	-	-	1,000,000	0.633% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due March 21, 2025	-	-	1,000,000	0.687%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	-	-	2,000,000	0.430%
Unsecured loan from a trust bank at floating interest rate, due September 22, 2025	-	-	3,000,000	0.399%
Unsecured loan from a trust bank at fixed interest rate, due December 22, 2025	-	-	2,000,000	0.627%
Total	¥ 201,207,000		¥ 229,657,000	

Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.

2. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).

3. These are borrowings with floating interest rates applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rates for these borrowings are, in effect, fixed due to the execution of interest rate swap agreements. The adjusted interest rates in consideration of the swap transactions are stated.

## 7. CORPORATE BONDS

Corporate bonds at November 30, 2015 and May 31, 2016 consisted of the following:

	End of 24th Fiscal Period (As of November 30, 2015)		End of 25th Fiscal Period (As of May 31, 2016)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 6 unsecured bonds, due December 9, 2016	¥ 3,000,000	1.120%	¥ 3,000,000	1.120%
Series 7 unsecured bonds, due July 5, 2017	6,500,000	0.950%	6,500,000	0.950%
Series 8 unsecured bonds, due August 5, 2016	10,000,000	0.800%	10,000,000	0.800%
Series 9 unsecured bonds, due December 19, 2016	10,000,000	0.620%	10,000,000	0.620%
Series 10 unsecured bonds, due December 12, 2017	4,000,000	0.690%	4,000,000	0.690%
Series 11 unsecured bonds, due May 30, 2018	8,000,000	0.690%	8,000,000	0.690%
Series 12 unsecured bonds, due May 30, 2018	2,000,000	0.690%	2,000,000	0.690%
Series 13 unsecured bonds, due November 20, 2018	13,000,000	0.470%	13,000,000	0.470%
Series 14 unsecured bonds, due November 20, 2018	2,000,000	0.470%	2,000,000	0.470%
Series 15 unsecured bonds, due October 29, 2021	3,000,000	0.525%	3,000,000	0.525%
Series 16 unsecured bonds, due May 29, 2025	2,000,000	0.804%	2,000,000	0.804%
<b>Total</b>	<b>¥ 63,500,000</b>		<b>¥ 63,500,000</b>	

## 8. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2015 and May 31, 2016 were as follows:

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
<b>Operating Revenues</b>	¥ 20,070,343	¥ 20,597,440
<b>Rental Revenues</b>	18,541,897	19,227,927
Rental revenues	16,419,263	17,156,571
Common area charges	1,492,930	1,441,603
Parking revenues	507,029	506,952
Other	122,673	122,800
<b>Other Rental Revenues</b>	1,528,445	1,369,513
Incidental revenues	1,289,251	1,123,877
Temporary revenues (including cancellation charges)	146,144	153,037
Other miscellaneous revenues	93,050	92,599
<b>Property-Related Expenses</b>	8,705,601	8,873,554
Property and other taxes	1,567,377	1,613,888
Property management fees	1,317,655	1,325,796
Utilities	1,333,882	1,139,849
Casualty insurance	24,416	25,350
Repairs and maintenance	550,387	634,981
Depreciation and amortization	3,482,401	3,697,062
Other rental expenses	429,481	436,624
<b>Profit from rental activities</b>	<b>¥ 11,364,741</b>	<b>¥ 11,723,886</b>

## 9. GAIN ON SALES OF REAL ESTATE PROPERTIES

There were no sales of real estate properties for the fiscal period ended November 30, 2015. In addition, gain on sales of real estate



properties for the fiscal period ended May 31, 2016 was as follows:

(25th Fiscal Period: December 1, 2015 - May 31, 2016)

<u>UUR Tsukiji Building</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 6,620,000
Cost of sales of real estate properties	6,412,480
Other sales expenses	156,551
Gain on sales of real estate properties	¥ 50,968

<u>Logistics Higashi-Ohgishima (Note)</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 4,459,000
Cost of sales of real estate properties	4,100,137
Other sales expenses	105,643
Gain on sales of real estate properties	¥ 253,219

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

<u>Shinsaibashi OPA Kireikan</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 3,210,000
Cost of sales of real estate properties	2,587,963
Other sales expenses	79,206
Gain on sales of real estate properties	¥ 542,829

## 10. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at November 30, 2015 and May 31, 2016 were summarized as follows:

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

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended November 30, 2015 and May 31, 2016 were summarized as follows:

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

(Revisions to deferred tax assets and deferred tax liabilities due to change in corporate tax rate)

The “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 15 of 2016) and “Act to Amend the Local Taxation Act, etc.” (Act No. 13 of 2016) were passed at National Assembly on March 29, 2016, and corporate tax rate shall be changed from fiscal period beginning on or after April 1, 2016. In line with this, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities will be changed from the existing rate of 32.31% to 31.74% for temporary differences expected to reverse during fiscal period beginning on or after April 1, 2016, to 31.82% for temporary differences expected to reverse during fiscal period beginning on or after April 1, 2017, and to 31.59% for temporary differences expected to reverse during fiscal period beginning on or after April 1, 2018, respectively. This change will have no impact on the results of operations of United Urban.

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes within the limit of the amount of earnings. Based on this policy, for the 24th fiscal period, United Urban deducted ¥121,898 thousand, which is equivalent to the retained earnings brought forward from the previous period, from the unappropriated retained earnings of ¥8,038,171 thousand (an amount equivalent to the net income: ¥7,916,273 thousand), and added the reversal of reserve for distribution of ¥208,539 thousand (of the balance of reserve for distribution, ¥7,754,927 thousand) to the ¥7,916,273 thousand, which is equivalent to the net income. Accordingly, United Urban decided to distribute ¥8,124,813 thousand. In addition, United Urban decided to reserve the aforementioned ¥121,898 thousand, which is equivalent to the retained earnings brought forward from the previous period, as the reserve retained for distribution. For the 25th fiscal period, United Urban reversed ¥834,964 thousand, which is a part of gain on sales of real estate, as reserve retained for distribution from the unappropriated retained earnings of ¥9,089,092 thousand, and then decided to distribute the remaining ¥8,254,128 thousand. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

## 11. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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### ***Matters Concerning Financial Instruments***

#### 1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of real estate properties and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks in debt, etc.

#### 2. Details of financial instruments and their risks and risk management structure

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 25th fiscal period) and by taking other measures.

Moreover, debt with floating interest rates is exposed to risks of fluctuation in the interest payable, however United Urban manages the concerned risks by adjusting the ratio of the debt with floating interest rates to the balance of the total outstanding debt in response to the financial environment, by utilizing or considering derivative transactions (interest rate cap transactions and interest rate swap transactions) as hedging instruments in order to fix interest expenses and by taking other measures. Furthermore, the risks associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

Surplus funds of United Urban invested as large time deposits, etc., are exposed to risks of failure of the financial institutions holding the deposits and to other credit risks, but United Urban manages the concerned risks by diversifying the financial institutions holding the deposits and by taking other measures.

Leasehold and security deposits received including deposits in trust, are deposits from tenants and are exposed to liquidity risks arising from the tenants' vacating their properties before the expiration of lease agreements. United Urban manages the concerned risks by

putting aside an amount sufficient to enable deposits to be returned without interruption and by ensuring liquidity at hand, such as through line-of-credit agreements.

### 3. Supplemental explanation for matters concerning the fair value, etc. of financial instruments

The fair value of a financial instrument, in addition to values based on market prices, includes values based on reasonable calculations when there is no market price. Certain assumptions, etc. are adopted in the calculations of the said values and there may be cases where these values will vary when different assumptions, etc. are adopted.

### **Matters Concerning the Fair Value, etc. of Financial Instruments**

The carrying amounts on the balance sheet, the fair values, and their differences as of November 30, 2015 and May 31, 2016 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(End of 24th Fiscal Period: As of November 30, 2015)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 33,173,051	¥ 33,173,051	-
(2) Cash and bank deposits in trust	25,013,801	25,013,801	-
Total assets	¥ 58,186,852	¥ 58,186,852	-
(3) Current portion of corporate bonds	¥ 10,000,000	¥ 10,039,000	¥ 39,000
(4) Long-term debt due for repayment within one year	10,700,000	10,720,067	20,067
(5) Corporate bonds	53,500,000	53,826,500	326,500
(6) Long-term debt	190,507,000	192,211,462	1,704,462
(7) Leasehold and security deposits received in trust	321,802	332,894	11,091
Total liabilities	¥ 265,028,802	¥ 267,129,923	¥ 2,101,121
(8) Derivative transactions (*)	¥ (161,237)	¥ (161,237)	-
Total derivative transactions	¥ (161,237)	¥ (161,237)	-

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

(End of 25th Fiscal Period: As of May 31, 2016)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 33,519,453	¥ 33,519,453	-
(2) Cash and bank deposits in trust	28,865,948	28,865,948	-
Total assets	¥ 62,385,401	¥ 62,385,401	-
(3) Current portion of corporate bonds	¥ 23,000,000	¥ 23,053,300	¥ 53,300
(4) Long-term debt due for repayment within one year	25,100,000	25,177,212	77,212
(5) Corporate bonds	40,500,000	40,919,450	419,450
(6) Long-term debt	204,557,000	208,015,175	3,458,175
(7) Leasehold and security deposits received in trust	214,534	220,852	6,317
Total liabilities	¥ 293,371,534	¥ 297,385,990	¥ 4,014,455
(8) Derivative transactions (*)	¥ (456,015)	¥ (456,015)	-
Total derivative transactions	¥ (456,015)	¥ (456,015)	-

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

Notes: 1. Calculation method for the fair values of financial instruments

(1) Cash and bank deposits / (2) Cash and bank deposits in trust

As these items are settled within a short period of time and the fair value approximates the book value, the fair value stated above is the book value thereof.

(3) Current portion of corporate bonds / (5) Corporate bonds

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

(4) Long-term debt due for repayment within one year / (6) Long-term debt

The fair value is calculated by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new borrowings corresponding to the remaining loan term. As for long-term debt with

floating interest rate that qualifies for the special treatment of interest rate swaps (please refer to “18. DERIVATIVE TRANSACTIONS”), the fair value is calculated by discounting the total amount of principal and interest, which are accounted for as one transaction with the interest swap, by the rate assumed as being applicable in the event of the same type of new borrowings corresponding to the remaining loan term.

(7) Leasehold and security deposits received in trust

The fair value of these is based on the method of calculating by discounting the future cash flows of such by the rate that takes into account the credit risks and the remaining term until the repayment deadline.

(8) Derivative transactions

Please refer to “18. DERIVATIVE TRANSACTIONS”.

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

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Investment securities (*1)	-	¥ 75,397
Leasehold and security deposits received (*2)	¥ 2,976,940	2,978,030
Leasehold and security deposits received in trust (*2)	¥ 26,517,092	¥ 27,179,083

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

(\*2) Concerning leasehold and security deposits received and leasehold and security deposits received in trust that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3. Amount of monetary claims to be repaid subsequent to the end of the fiscal period

(End of 24th Fiscal Period: As of November 30, 2015)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 33,173,051	-	-	-	-	-
Cash and bank deposits in trust	25,013,801	-	-	-	-	-
Total	¥ 58,186,852	-	-	-	-	-

(End of 25th Fiscal Period: As of May 31, 2016)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 33,519,453	-	-	-	-	-
Cash and bank deposits in trust	28,865,948	-	-	-	-	-
Total	¥ 62,385,401	-	-	-	-	-

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

(End of 24th Fiscal Period: As of November 30, 2015)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 10,000,000	¥ 19,500,000	¥ 29,000,000	-	-	¥ 5,000,000
Long-term debt	10,700,000	33,800,000	29,023,000	¥ 25,207,000	¥ 34,377,000	68,100,000
Total	¥ 20,700,000	¥ 53,300,000	¥ 58,023,000	¥ 25,207,000	¥ 34,377,000	¥ 73,100,000

(End of 25th Fiscal Period: As of May 31, 2016)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 23,000,000	¥ 20,500,000	¥ 15,000,000	-	-	¥ 5,000,000
Long-term debt	25,100,000	28,073,000	22,400,000	¥ 29,251,000	¥ 49,933,000	74,900,000
Total	¥ 48,100,000	¥ 48,573,000	¥ 37,400,000	¥ 29,251,000	¥ 49,933,000	¥ 79,900,000

## 12. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of November 30, 2015 and May 31, 2016 are as follows:

(Thousands of yen)

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

Notes: 1. The carrying amount on the balance sheet is the acquisition cost (including the expenses incidental to the acquisition) less accumulated depreciation.

2. Of the "Change during period" for the 24th fiscal period, the amount of the increase is primarily attributable to acquisition of nine new properties (total: ¥29,872 million) and capital expenditures (¥2,049 million). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,475 million).

Of the "Change during period" for the 25th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥41,469 million) and capital expenditures (¥2,970 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥9,000 million) and a portion of one property (¥4,100 million), and the depreciation and amortization (¥3,690 million).

3. The “Fair value at end of period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of the Investment Trusts Association, Japan.

For the revenues and expenses concerning investment and rental properties, please refer to the aforementioned “8. OPERATING REVENUES AND EXPENSES.”

### 13. TRANSACTIONS WITH RELATED PARTIES

(24th Fiscal Period: June 1, 2015 – November 30, 2015)

#### 1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 118,140	-	-
MG Leasing Corporation	Leasing	-	None	Acquisition of trust beneficial interest in real estate (Note 3)	3,938,000	-	-
				Other rental expenses	59,500	-	-
Marubeni Real Estate Management Co., Ltd.	Real estate	-	None	Property leasing	72,368	Leasehold and security deposits received	¥ 37,497
				Other rental revenues	1,928	Rent receivables	243
				Brokerage commissions	81,900	-	-
				Property management fees	423,943	Trade accounts payable	76,458
				Construction management fees	44,185	Trade accounts payable	6,687
				Construction costs	25,128	Trade accounts payable	13,529
				Other rental expenses	4,544	Trade accounts payable	754
Marubeni Corporation	Wholesale industry	0.3	None	Acquisition of trust beneficial interest in real estate (Note 4)	2,730,000	-	-
				Property leasing	97,291	Leasehold and security deposits received	198,600
						Rent received in advance	25,525
				Utilities	147,983	Trade accounts payable	21,534
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,336	Rent receivables	166
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	4,380	Leasehold and security deposits received	4,200
				Other rental revenues	963	Rent receivables	163
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,260	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	308	Rent receivables	57
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	5,576	Leasehold and security deposits received	12,391
						Rent received in advance	1,737
				Other rental revenues	545	Rent receivables	65

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.  
3. Acquisition of trust beneficial interest in real estate refers to the acquisition of "Luz Shonan Tujido" from MG Leasing Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).  
4. Acquisition of trust beneficial interest in real estate refers to the acquisition of "UUR Court Shiki" from Marubeni Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).

## 2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 1,700,000	Long-term debt	¥ 38,983,000
			Interest expenses	151,843	Accrued expenses	46,655
			Loan expenses	69,339	Prepaid expenses	8,242
					Long-term prepaid expenses	576,433
					Accrued expenses	2,753
			Commissions related to corporate bonds	185	-	-
			Custodian fees	24,584	-	-
			Agent commissions	21,846	Accrued expenses	1,518

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

(25th Fiscal Period: December 1, 2015 – May 31, 2016)

### 1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Real Estate Management Co., Ltd.	Real estate	-	None	Property leasing	¥ 73,003	Leasehold and security deposits received	¥ 45,671
				Other rental revenues	1,769	Rent receivables	298
				Brokerage commissions	691,835	-	-
				Property management fees	421,936	Trade accounts payable	77,028
				Construction management fees	51,567	Trade accounts payable	18,248
				Construction costs	40,114	Trade accounts payable	33,227
				Other rental expenses	4,375	Trade accounts payable	261
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	152,832	Leasehold and security deposits received	198,600
						Rent received in advance	25,525
				Utilities	85,849	-	-
Marubeni Power Retail Corporation	Electricity industry	-	None	Utilities	35,582	Trade accounts payable	21,219
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,234	Rent receivables	153
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	2,260	-	-
				Other rental revenues	422	-	-



Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,260	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	353	Rent receivables	56
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	9,653	Leasehold and security deposits received	12,391
						Rent received in advance	1,737
				Other rental revenues	447	Rent receivables	65

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

## 2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 5,000,000	Long-term debt	¥ 42,483,000
					long-term debt due for repayment within one year	1,500,000
			Interest expenses	157,103	Accrued expenses	51,215
			Loan expenses	71,806	Prepaid expenses	4,723
					Long-term prepaid expenses	617,099
					Accrued expenses	2,794
			Custodian fees	23,684	-	-
			Agent commissions	18,350	Accrued expenses	1,543

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

## 14. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at November 30, 2015 and May 31, 2016 for the fiscal periods then ended are summarized as follows:

	Yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)
Net assets per unit	¥ 108,069	¥ 108,313
Net income per unit	¥ 2,946	¥ 3,303
Average number of investment units during the period (units)	2,686,863	2,751,376

## 15. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at November 30, 2015 and May 31, 2016 were as follows:

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Cash and bank deposits	¥ 58,186,852	¥ 62,385,401
Cash and cash equivalents	¥ 58,186,852	¥ 62,385,401

## 16. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2015 and May 31, 2016, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 25th Fiscal Period (As of May 31, 2016)
Due within one year	¥ 15,149,731	¥ 15,679,299
Due over one year	50,719,012	60,956,347
Total	¥ 65,868,744	¥ 76,635,647

## 17. SECURITIES

(End of 24th Fiscal Period: As of November 30, 2015)

There was no applicable information on other securities to be presented for the fiscal period ended November 30, 2015.

(End of 25th Fiscal Period: As of May 31, 2016)

Concerning the preferred equity securities (Balance sheet amount: ¥75,397 thousand), discerning the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

## 18. DERIVATIVE TRANSACTIONS

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

Fiscal period ended November 30, 2015: None

Fiscal period ended May 31, 2016: None

### 2. Derivative transactions subject to hedge accounting

(End of 24th Fiscal Period: As of November 30, 2015)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 59,080,000	¥ (161,237)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	36,100,000	36,100,000	(Note 1)	-
Total			¥ 95,180,000	¥ 95,180,000	¥ (161,237)	

(End of 25th Fiscal Period: As of May 31, 2016)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 59,080,000	¥ (456,015)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	43,600,000	43,600,000	(Note 1)	-
Total			¥102,680,000	¥102,680,000	¥ (456,015)	

Notes: 1. Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.  
2. The fair value is measured using values which are calculated based on market interest rates by the counterparty to the transaction.

## 19. SUBSEQUENT EVENTS

### **Issuance of New Investment Units**

In order to procure funds for the acquisition of new specified assets and for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on May 25, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on June 7, 2016. Based on these resolutions, United Urban issued 190,000 new investment units by way of a public offering including a global offering and 11,646 new investment units by way of a third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥34,251 million in connection with the issuance of new investment units by way of the public offering and the third-party allotment were completed on June 14 and July 12, 2016 respectively.

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

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

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

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

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

## Independent Auditor's Report

The Board of Directors  
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at May 31, 2016, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at May 31, 2016, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

### *Emphasis of Matter*

We draw attention to Note 19 to the financial statements, which describes, that United Urban Investment Corporation issued new investment units. Our opinion is not qualified in respect of this matter.

*Ernst & Young ShinNihon LLC*

August 25, 2016



## Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of May 31, 2016:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥258,160,260,591
Number of Unitholders:	22,704
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditor:	Ernst & Young ShinNihon LLC Hibiya Kokusai Building, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal periods are the six months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

## About Our Website

<http://www.united-reit.co.jp/eng/>

United Urban’s website offers various contents such as investment policies, basic structure, portfolio information, financial information and press releases, etc. We intend to enhance our website to provide useful information to our unitholders.



## Disclaimer

This semiannual report includes translation of certain documents originally filed and made available in Japan in accordance with Financial Instruments and Exchange Act of Japan and the Act on Investment Trusts and Investment Corporations of Japan. This English language semiannual report was prepared solely for the convenience of readers outside Japan and is not intended to constitute a statutory document for an offer to sell, or seeking an offer to buy, any securities of United Urban.

English terms for Japanese legal, accounting, tax, and business concepts used herein may not be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and the English translation contained herein, the Japanese documents will always govern the meaning and interpretation.

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

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

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

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



**United Urban Investment Corporation**

4-3-1 Toranomom, Minato-ku, Tokyo

<http://www.united-reit.co.jp/eng/>