

(4) Conditions of Cash Flows

	(Millions of yen)			
	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
Twelfth Fiscal Period	5,034	(503)	(3,683)	17,311
Eleventh Fiscal Period	5,322	(2,261)	(1,656)	16,463

2. FORECASTS OF RESULTS FOR THE THIRTEENTH FISCAL PERIOD (December 1, 2009 – May 31, 2010)

	(Millions of yen, unless otherwise indicated)									
	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (Yen)	Distribution in excess of earnings per unit (Yen)
	(Percentage change)		(Percentage change)		(Percentage change)		(Percentage change)			
Thirteenth Fiscal Period	8,449	0.3%	4,236	(2.3)%	3,383	(3.8)%	3,382	(3.8)%	16,800	0

(Notes)

1. "Percentage change" is the percentage of increase or decrease from the previous period.
2. "Distribution per Unit" does not include distribution in excess of earnings per unit.
3. Net income forecast per unit (full business year): ¥16,800

3. OTHERS

(1) Change of Accounting Policies

- A. Changes in accordance with revision of accounting rules: None
- B. Changes other than above A: None

(2) Number of Investment Units Issued and Outstanding

- A. Number of investment units issued and outstanding at the end of the period (including treasury investment units)
 - The twelfth fiscal period (ended November 30, 2009): 201,300 units
 - The eleventh fiscal period (ended May 31, 2009): 201,300 units
- B. Treasury investment units at the end of the period
 - The twelfth fiscal period (ended November 30, 2009): None
 - The eleventh fiscal period (ended May 31, 2009): None

Forward-looking statements contained in this material are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations around United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of assumptions, please refer to the "Assumptions Underlying the Forecast of Financial Results for the Thirteenth Fiscal Period Ending May 31, 2010 (from December 1, 2009 to May 31, 2010)."

4. BALANCE SHEET

(Figures are rounded down to the nearest one thousand yen)

	Eleventh Fiscal Period (as of May 31, 2009)	Twelfth Fiscal Period (as of November 30, 2009)
ASSETS		
Current Assets		
Cash and bank deposit	6,363,932	6,833,211
Cash and bank deposit in trust	10,306,511	10,684,787
Rent receivables	136,524	135,572
Prepaid expenses	223,238	63,604
Differed tax assets	19	18
Other	237	456
Total Current Assets	17,030,464	17,717,651
Fixed Assets		
Property and equipment, at cost		
Buildings	8,072,818	8,073,178
Less accumulated depreciation	459,025	602,002
Buildings, net	7,613,793	7,471,175
Structures	98,262	98,262
Less accumulated depreciation	25,899	32,603
Structures, net	72,362	65,659
Machinery and equipment	93,811	93,811
Less accumulated depreciation	5,589	8,628
Machinery and equipment, net	88,222	85,182
Land	14,422,415	14,422,418
Construction in progress	22	-
Buildings in trust	85,556,141	85,934,738
Less accumulated depreciation	10,819,027	12,112,133
Buildings in trust, net	74,737,113	73,822,604
Structures in trust	835,536	839,498
Less accumulated depreciation	336,496	368,063
Structures in trust, net	499,039	471,434
Machinery and equipment in trust	396,418	406,471
Less accumulated depreciation	98,571	112,779
Machinery and equipment in trust, net	297,846	293,692
Tools, furniture and fixtures in trust	73,111	75,723
Less accumulated depreciation	26,997	32,451
Tools, furniture and fixtures in trust, net	46,113	43,272
Land in trust	115,630,314	115,630,314
Construction in progress in trust	25,344	25,344
Total property and equipment	213,432,588	212,331,098
Intangible assets		
Software	5,306	4,738
Leasehold right in trust	437,174	437,174
Other intangible assets in trust	1,961	1,917
Total intangible assets	444,443	443,830
Investments and other assets		
Security deposits paid	10,000	10,000
Security deposits paid in trust	20,513	20,513
Long-term prepaid expenses	296,205	228,661
Total investments and other assets	326,718	259,174
Total Fixed Assets	214,203,750	213,034,104
TOTAL ASSETS	231,234,215	230,751,756

(Note) The sum may not equal the total due to rounding.

	Eleventh Fiscal Period (as of May 31, 2009)	Twelfth Fiscal Period (as of November 30, 2009)
LIABILITIES		
Current Liabilities		
Trade accounts payable	446,116	348,990
Current portion of corporate bonds	-	15,000,000
Long-term debt due for repayment within one year	15,400,000	15,400,000
Accrued expenses	398,269	411,196
Dividends payable	15,506	15,451
Income taxes payable	904	932
Consumption taxes payable	199,113	123,007
Rent received in advance	106,072	103,075
Rent received in advance in trust	1,108,063	1,099,129
Deposit received	1,844	2,270
Deposit received in trust	31,837	33,662
Total Current Liabilities	<u>17,707,728</u>	<u>32,537,716</u>
Long-term Liabilities		
Corporate bonds	25,000,000	10,000,000
Long-term debt	61,400,000	61,400,000
Leasehold and security deposits received	1,438,269	1,399,890
Leasehold and security deposits received in trust	13,694,455	13,589,105
Total Long-term Liabilities	<u>101,532,725</u>	<u>86,388,996</u>
Total Liabilities	<u>119,240,453</u>	<u>118,926,713</u>
UNITHOLDERS' EQUITY		
Unitholders' Equity		
Unitholders' capital	108,310,509	108,310,509
Retained earnings		
Unappropriated retained earnings (unappropriated deficit)	3,683,252	3,514,532
Total retained earnings	<u>3,683,252</u>	<u>3,514,532</u>
Total unitholders' equity	<u>111,993,762</u>	<u>111,825,042</u>
Total Unitholders' Equity	<u>111,993,762</u>	<u>111,825,042</u>
TOTAL LIABILITIES and UNITHOLDERS' EQUITY	<u>231,234,215</u>	<u>230,751,756</u>

5. STATEMENTS OF INCOME

(Figures are rounded down to the nearest one thousand yen)

	Eleventh Fiscal Period (December 1, 2008- May 31, 2009)	Twelfth Fiscal Period (June 1, 2009- November 30, 2009)
Operating Revenues		
Rental revenues	7,960,112	7,955,015
Other rental revenues	433,789	472,249
Total Operating Revenues	8,393,901	8,427,265
Operating Expenses		
Property-related expenses	3,002,765	3,150,468
Asset management fees	643,988	647,178
Asset custodian fees	30,329	30,707
Administrative service fees	78,874	79,660
Directors' compensation	10,200	10,200
Other operating expenses	162,897	173,757
Total Operating Expenses	3,929,056	4,091,973
Operating Income	4,464,844	4,335,292
Non-operating Revenues		
Interest income	548	234
Other	2,423	970
Total Non-operating Revenues	2,972	1,204
Non-operating Expenses		
Interest expenses	627,407	664,319
Interest expenses on corporate bonds	154,000	154,421
Other	2,187	2,308
Total Non-operating Expenses	783,595	821,049
Ordinary Income	3,684,221	3,515,446
Income before Income Taxes	3,684,221	3,515,446
Current Income Taxes	1,013	978
Deferred Income Taxes	(1)	1
Total Income Taxes	1,011	980
Net Income	3,683,209	3,514,466
Unappropriated Retained Earnings Brought Forward	42	66
Unappropriated Retained Earnings (unappropriated deficit)	3,683,252	3,514,532

Assumptions Underlying the Forecast of Financial Results for the Thirteenth Fiscal Period
Ending May 31, 2010 (from December 1, 2009 to May 31, 2010)

Item	Assumptions
Investment Assets	<ul style="list-style-type: none"> The forecast of financial results is based on 50 properties, 49 of which are owned by United Urban as of November 30, 2009 and “FOUR SEASONS BLDG” which was acquired on December 25, 2009. In addition, the forecast is based on the assumption that there will be no changes in the investment portfolio during the thirteenth fiscal period ending May 31, 2010. (United Urban shall not acquire or sell investment assets.) However, the actual results may fluctuate depending on changes in the investment assets.
Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> The number of investment units issued and outstanding is based on 201,300 units as of the end of the twelfth fiscal period ended November 30, 2009. The forecast is also based on the assumption that there will be no investment units issued during the thirteenth fiscal period ending May 31, 2010.
Operating Revenues	<ul style="list-style-type: none"> Operating revenues are calculated based on the lease agreements valid as of today for existing properties. Rent levels are calculated in view of existing neighboring competitive properties and market trends, etc. Operating revenues are based on the assumption that there is no back rent or nonpayment by tenants.
Operating Expenses	<ul style="list-style-type: none"> Among the property-related expenses, which expenses are the principal component of the operating expenses, the expenses other than depreciation and amortization are calculated based on historical data in the case of existing properties, and reflect factors that may cause fluctuations in expenses. United Urban assumes it will incur approximately ¥ 424 million as property management fees for the thirteenth fiscal period ending May 31, 2010. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period from the time United Urban acquires the assets. However, United Urban does not record the reimbursement as expenses, because an amount equivalent to the reimbursement is included in the cost of acquisition. In addition, United Urban assumes it will incur approximately ¥ 680 million as taxes and public charges (property taxes and city planning taxes, etc.) for the thirteenth fiscal period. Repairs and maintenance of buildings are recorded as expenses, in the amount expected to be necessary for each fiscal period. However, please note that the actual expenses incurred for repairs and maintenance during each fiscal period may differ significantly from the forecasted amount of such expenses for various reasons, including the possibility of emergency repairs and maintenance arising due to damages to buildings owing to unexpected factors, the amount of repair and maintenance costs varying largely with each passing fiscal year, as a general rule, and the expenses for repairs not accruing on a regular basis. Depreciation and amortization are calculated on a straight-line basis, inclusive of ancillary expenses and future additional capital expenditures. In addition, United Urban assumes it will incur approximately ¥ 1,536 million as depreciation and amortization for the thirteenth fiscal period.
Non-Operating Expenses	<ul style="list-style-type: none"> United Urban assumes it will incur approximately ¥ 853 million as interest expense for interest-bearing liabilities (including financing-related expenses, etc.) during the thirteenth fiscal period.
Interest-bearing Liabilities	<ul style="list-style-type: none"> There was refinancing for the existing borrowings on December 2009, during the thirteenth fiscal period. There is no another refinancing during the thirteenth fiscal period. United Urban expects the ratio of interest-bearing liabilities as of November 30, 2009, which is 48.45%, to be approximately the same rate by the end of the thirteenth fiscal period (May 31, 2010). The ratio of interest-bearing liabilities is calculated based on the following formula; $\text{Ratio of interest-bearing liabilities} = \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Unitholders' capital}} \times 100$
Cash Distribution per Unit	<ul style="list-style-type: none"> Cash distributions (cash distribution per unit) are calculated based on the distribution policy stated in the Articles of Incorporation of United Urban.

	<ul style="list-style-type: none"> Actual cash distributions per unit may fluctuate as a result of various factors, including changes in investment assets, fluctuations of rental revenue caused by tenant replacements or unexpected repairs, etc.
Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> United Urban does not currently plan to distribute excess earnings (distributions in excess of earnings per unit).
Others	<ul style="list-style-type: none"> The forecast is based on the assumption that there will be no amendments to laws, the taxation system, accounting standards, listing rules or regulations of the Investment Trust Association, Japan that may affect the aforementioned forecast figures. The forecast is based on the assumption that there will be no unexpected significant change in general economic trends and the real estate market, etc.

DISCLAIMER

This document includes translations of selected information described in the Brief Report on Closing of Accounts Report (*Kessan-Tanshin*) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and Performance Information Report prepared pursuant to the Act on Investment Trusts and Investment Corporations of Japan for the period from June 1, 2009 to November 30, 2009 of United Urban. United Urban makes no assurance or warranty with respect to the completeness or accuracy of this English translation and the Japanese language *Kessan-Tanshin* and the Financial Statements and Performance Information Report for the aforementioned period should always be referred to as originals of this document.

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