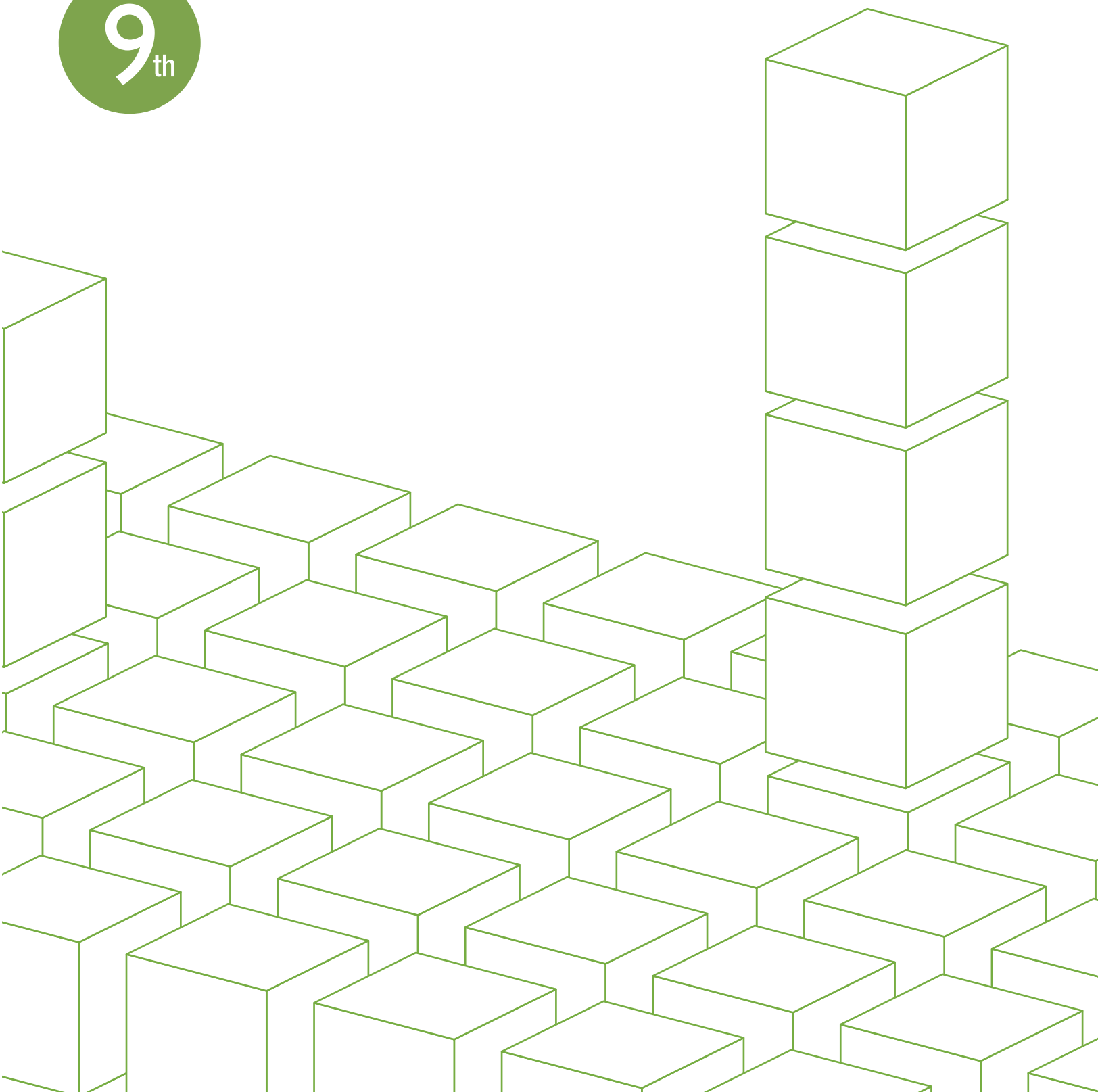


Semiannual Report

Ninth Fiscal Period

From December 1, 2007 to May 31, 2008



Contents

3	To Our Unitholders
4	Financial Highlights
5	Portfolio Highlights
6	Overview of Investment Corporation
8	Topics of the Ninth Fiscal Period
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(Note)

Unless otherwise indicated specifically, all figures in this report are shown being rounded to the units stated in principle.

Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Law Concerning Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed (Securities Code: 8960) on the J-REIT section of the Tokyo Stock Exchange.

In order to obtain steady earnings over the medium to long term, United Urban intends to form the optimum 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.

Diversification by type of use

United Urban invests principally in a diverse range of properties including retail properties, office buildings, hotels, residential properties, and others.

Diversification by location

United Urban invests in real estate in principal cities throughout Japan, including the Tokyo Metropolitan Area and certain big cities as designated by the Government, and surrounding areas thereof.



- 1** A diversified portfolio both in types of use and location
- 2** An optimal investment portfolio in tune with market trends and fluctuations
- 3** The capability of an asset management company well versed in real estate and financial markets

Retail Properties



Daiei Himonya

Office Buildings



Kawasaki Toshiba Building

Hotels



Shinjuku Washington Hotel-Honkan

Residential Properties



Ropponmatsu Court

Others



Lilycolor Tohoku Branch



United Urban Investment Corporation



To Our Unitholders



Yasuhiro Tanaka

Executive Officer, United Urban Investment Corporation

Toshio Kenmochi

Supervisory Officer
United Urban Investment Corporation

Masakazu Watase

Supervisory Officer
United Urban Investment Corporation



Hisamitsu Abe

Chairman of the Board,
CEO of Japan REIT Advisors Co., Ltd.

We are delighted to present this report on our activities during our ninth fiscal period: the six-month period ended May 31, 2008.

Thanks to the continuous support of all our unitholders, United Urban was able to achieve operating revenues of ¥7,184 million, operating income of ¥3,797 million, and net income of ¥3,096 million. As a result, the distribution to unitholders was ¥19,368 per unit.

In accordance with our established investment policies, United Urban, together with Japan REIT Advisors Co., Ltd. (“JRA”), to which the asset management is entrusted, would like to do our best to obtain steady earnings over the medium to long term. We ask for your continuous support and understanding.

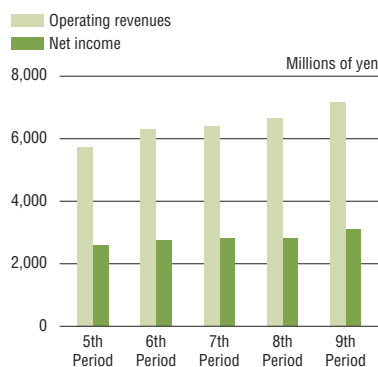
Financial Highlights

Millions of yen, except per unit information

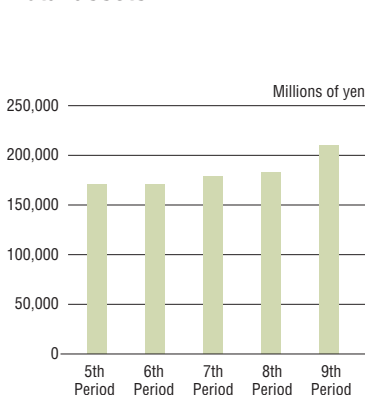
	9th Fiscal Period December 1, 2007- May 31, 2008	8th Fiscal Period June 1, 2007- November 30, 2007	7th Fiscal Period December 1, 2006- May 31, 2007	6th Fiscal Period June 1, 2006- November 30, 2006	5th Fiscal Period December 1, 2005- May 31, 2006
Operating revenues	¥ 7,184	¥ 6,673	¥ 6,408	¥ 6,295	¥ 5,749
Operating income	¥ 3,797	¥ 3,354	¥ 3,278	¥ 3,148	¥ 2,904
Income before income taxes	¥ 3,097	¥ 2,825	¥ 2,808	¥ 2,750	¥ 2,574
Net income	¥ 3,096	¥ 2,824	¥ 2,807	¥ 2,749	¥ 2,573
Cash distributions	¥ 3,096	¥ 2,824	¥ 2,807	¥ 2,749	¥ 2,573
Cash distribution per unit (Yen)	¥ 19,368	¥ 17,667	¥ 17,558	¥ 17,197	¥ 16,100
Dividend payout ratio (%)	99.9	100.0	99.9	99.9	100.0
Total assets	¥ 208,841	¥ 181,878	¥ 177,687	¥ 169,798	¥ 169,554
Total unitholders' equity	¥ 92,935	¥ 92,663	¥ 92,645	¥ 92,588	¥ 92,412
Unitholders' equity per unit (Yen)	¥ 581,411	¥ 579,710	¥ 579,601	¥ 579,240	¥ 578,143

Note: United Urban's 5th fiscal period was for 182 days from December 1, 2005 to May 31, 2006, the 6th fiscal period was for 183 days from June 1, 2006 to November 30, 2006, the 7th fiscal period was for 182 days from December 1, 2006 to May 31, 2007, the 8th fiscal period was for 183 days from June 1, 2007 to November 30, 2007 and the 9th fiscal period was for 183 days from December 1, 2007 to May 31, 2008.

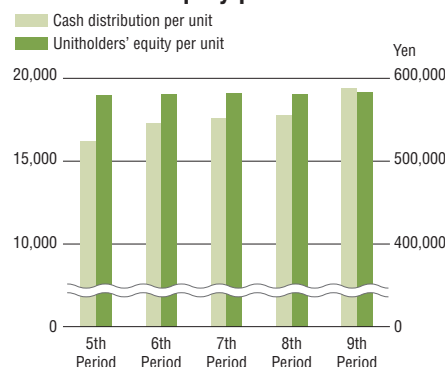
Operating revenues / Net income



Total assets



Cash distribution per unit / Unitholders' equity per unit

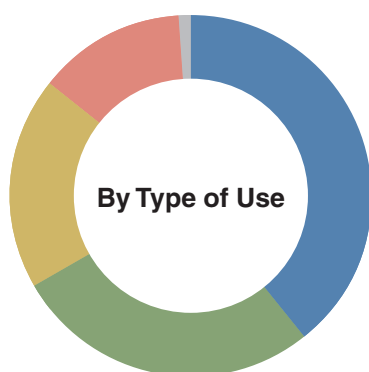


Stock Price Information

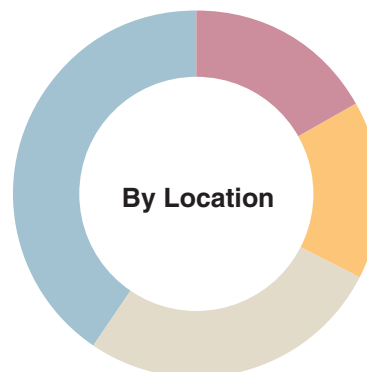


Portfolio Highlights

Portfolio Breakdown (As of May 31, 2008)



Retail Properties	39.2%
Office Buildings	27.5%
Hotels	19.0%
Residential Properties	13.2%
Others	1.1%



The Six Central Wards of Tokyo (Note 1)	16.8%
The 23 Wards of Tokyo (excluding the six central wards)	15.7%
Tokyo Metropolitan Area (excluding the 23 wards of Tokyo) (Note 2)	27.0%
Other Regions	40.5%

Notes 1. The "Six 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.

Occupancy Ratio

	2007	2008				
	December	January	February	March	April	May
Retail Properties	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Office Buildings	99.2%	99.4%	99.6%	99.6%	99.5%	99.5%
Hotels	100.0%	100.0%	100.0%	100.0%	98.9%	98.9%
Residential Properties	99.8%	99.7%	99.8%	99.7%	99.4%	99.3%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	99.7%	99.7%	99.7%	99.7%	99.5%	99.4%

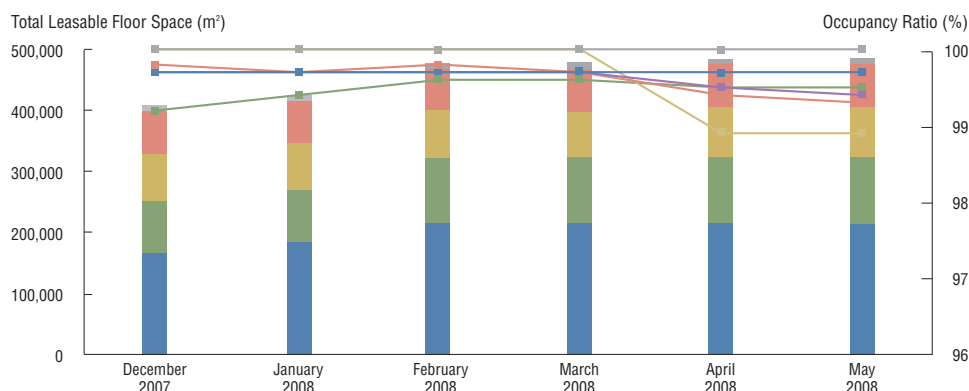
Note: "Occupancy Ratio" is rounded to the nearest one decimal place.

Trends in Total Leasable Floor Space and Occupancy Ratio

Occupancy Ratio



Total Leasable Floor Space



Overview of Investment Corporation

Comprehensive Portfolio Structured to Generate Steady Earnings Maximizing Unitholder Return

United Urban endeavors to secure steady earnings over the medium to long term. To this end, United Urban aims to establish and develop an optimal investment portfolio of real estate assets in terms of types of use (including retail properties, office buildings, hotels, residential properties, and others) and area of location (located in the Tokyo Metropolitan Area and major Japanese cities including government designated cities, and surrounding areas thereof) in tune with economic conditions and trends of the real estate market and other factors. In concert with changes in the general economy and real estate market trends, United Urban makes every effort to minimize risk.

Retail Properties



Daiei Himonya

Office Buildings



Kawasaki Toshiba Building

Hotels



Shinjuku Washington Hotel-Honkan

Residential Properties



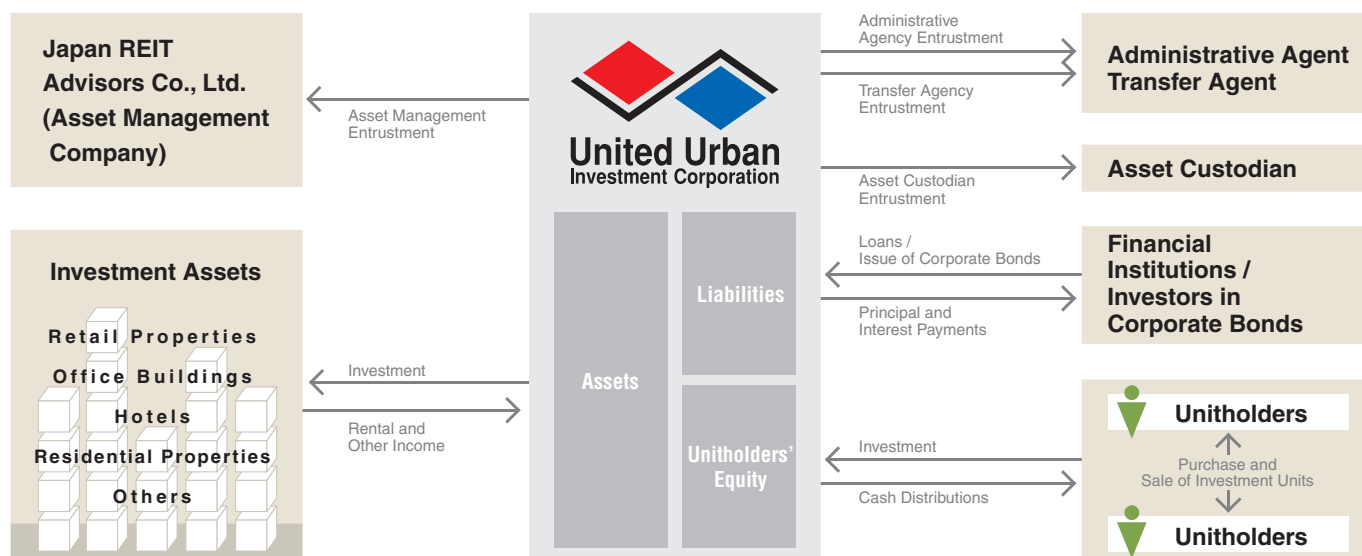
Ropponmatsu Court

Others



Lilycolor Tohoku Branch

Corporate Structure



Advantage as a Comprehensive Investment Policy

United Urban believes that its comprehensive investment policy offers advantages such as the following:

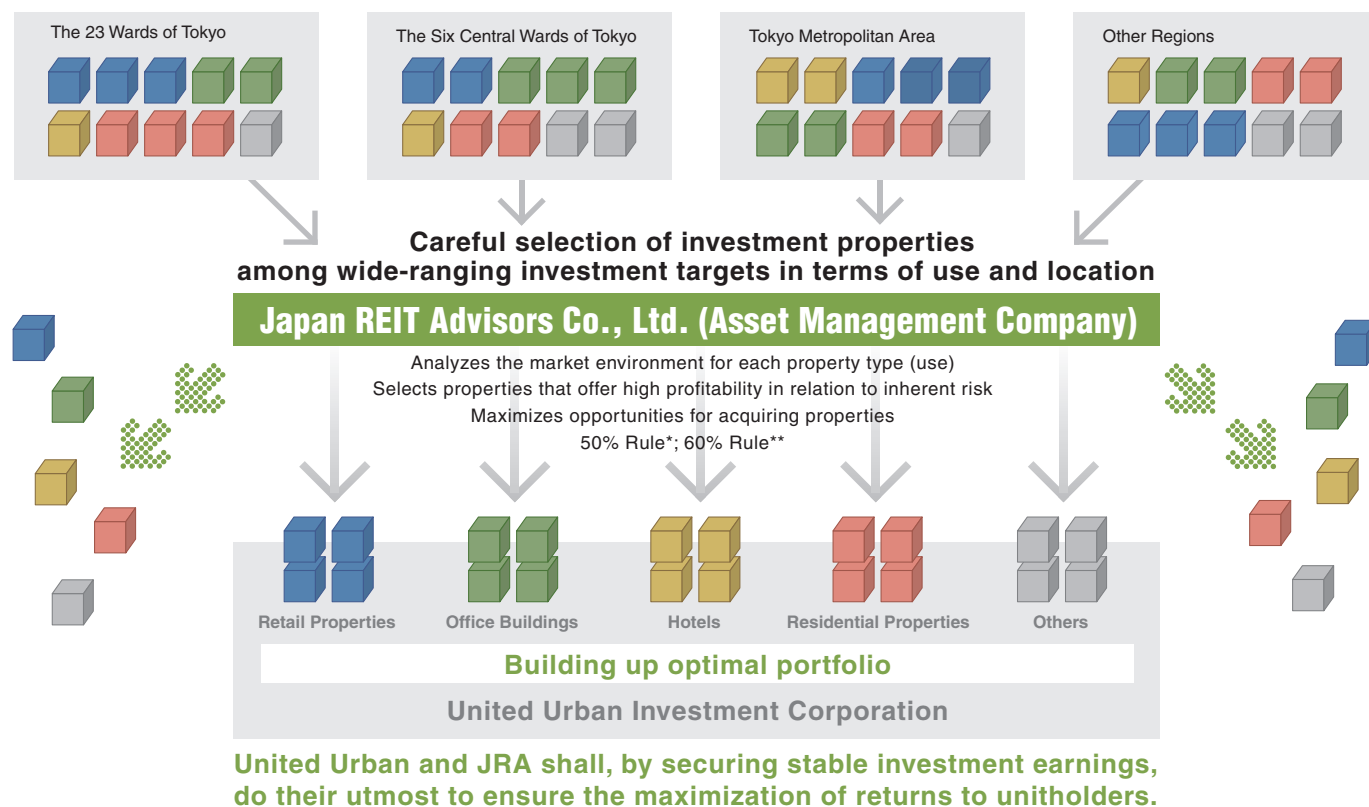
- **Stability of earnings**
Spreads the impact of changes such as those in the market environment for specific property types or regions.
Reduces the risk of loss from natural disasters and other such events.
- **External growth potential**
Opportunities for external growth are enhanced by the absence of limits on property types acquired for investment and by vigorous regional diversification.

Capabilities of an Asset Management Company for Building up an Optimal Portfolio

The management personnel and staff of Japan REIT Advisors Co., Ltd. (“JRA”), which United Urban has entrusted to conduct its asset management, comprise the following:

- Personnel from the Marubeni Group with extensive expertise in the field of real estate, including its development, purchase, management and sale
- Personnel with comprehensive investment experience gained in financial institutions

United Urban is confident that, with these experts forming its core personnel for the conduct of its asset management activities, it is able to build up an optimal investment portfolio.



* 50% Rule: United Urban's investment policy of maintaining the ratio (based on appraisal value) of investment in properties in the Tokyo Metropolitan Area at least 50% of its entire portfolio.

** 60% Rule: United Urban's investment policy of maintaining the ratio (based on appraisal value) of investment in properties in each type of use at no more than 60% of its entire portfolio.

New Acquisitions During the Ninth Fiscal Period

A11 Tip's Machida Building



■Address	6-7-8 Haramachida, Machida-shi, Tokyo
■Site Area	1,596.82 m ²
■Total Floor Space	8,075.04 m ²
■Construction	SRC
■Number of Floors	B1/7F
■Completed	June 1992
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Located a convenient three-minute walk from Machida Station, which is the Odakyu Line's second largest station in terms of passenger numbers after Shinjuku Station, this property is a downtown-type multi-tenant commercial building. The property, which is favored for its high visibility and good access, is located in a bustling shopping and entertainment district with high commercial potential near the railway station. Therefore, stable demand for leaseholds for the property can be expected.

A12 Daiei Takarazuka Nakayama



■Address	21-22 Mefuhigashino-cho, Takarazuka-shi, Hyogo
■Site Area	16,330.14 m ²
■Total Floor Space	16,729.60 m ²
■Construction	S
■Number of Floors	B1/3F
■Completed	November 1997
■Type of Ownership	Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership



Located a convenient walk from the nearest train station, this property is a retail property which has a favorable location on a corner lot with high visibility and accessibility where the national road intersects with the prefectural highway. The commercial sphere of this property constitutes a residential area by virtue of its high accessibility to/from the Osaka and Umeda area and has a high population density with the increase in recent years, even though slightly. This location's characteristics allow the property to enjoy popularity among the local residents for their everyday lives. Continuing rental demand is also expected in the future.

A13

maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (Note)



(Note) The underlying asset of the trust beneficial interest which United Urban acquired is primarily the site, and buildings and structures situated in this site are not included in the underlying asset.



■ Address	1-1-1, etc., Isogo, Isogo-ku, Yokohama-shi, Kanagawa
■ Site Area	53,363.57 m ²
■ Total Floor Space	-
■ Construction	-
■ Number of Floors	-
■ Completed	-
■ Type of Ownership	Land: Proprietary Ownership (co-ownership) Building: -



This property is a trust beneficial interest with underlying asset of a co-ownership in the site (co-ownership ratio: 96%). This property is a commercial complex facility located at the intersection of a national road and a prefectural highway, and is therefore highly accessible by car and visited by many people from neighboring residential districts. Therefore, United Urban evaluates its high potential as commercial land. In addition, with certain commercial facilities, such as home electric appliance and furniture retailers, restaurants and cafes, a computing center, and a futsal ground already established, this property is a very attractive commercial complex facility and stable demand for leasehold of the property can be expected from a wide variety of businesses.

C3 MZ Building



■ Address	2-26-9 Myojin-cho, Hachioji-shi, Tokyo
■ Site Area	1,304.44 m ²
■ Total Floor Space	7,708.88 m ²
■ Construction	S
■ Number of Floors	13F
■ Completed	April 2007
■ Type of Ownership	Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership

This property is located within walking distance of both a JR Line station and a Keio Line station, and also the Hachioji central commercial area, yet occupies in a quiet location commensurate with a hotel environment. The surrounding area features an industrial park that is home to Japanese and foreign blue-chip companies, numerous universities, and many leisure, tourism and other facilities. Consequently, the area is visited by people with diverse accommodation needs all throughout the year, leading to stable occupancy. Moreover, redevelopment plans for the south exit side of Hachioji Station and other initiatives are expected to lead to a higher potential to draw visitors in the future.

D17 GRAND-ROUGE Sakae II



■ Address	5-21-37 Sakae, Naka-ku, Nagoya-shi, Aichi
■ Site Area	674.34 m ²
■ Total Floor Space	3,172.34 m ²
■ Construction	RC
■ Number of Floors	11F
■ Completed	February 2007
■ Number of Units	
Available for Lease	91 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

This property is about a five-minute walk from Yaba-cho Station of Nagoya City Subway Meijo Line. It is located in the Sakae area which is a commercial center, and Fushimi and Marunouchi areas which are business centers. Therefore, a broad rental demand is anticipated due to the excellent convenience for work and school commutes.

Upgrade of Rating

Upgrade of Issuer Rating (R&I) **Issuer Rating: A → A+ (Outlook: Stable)**

United Urban received a new issuer rating of A+ from Rating and Investment Information, Inc. ("R&I") as of February 27, 2008, upgraded from A.

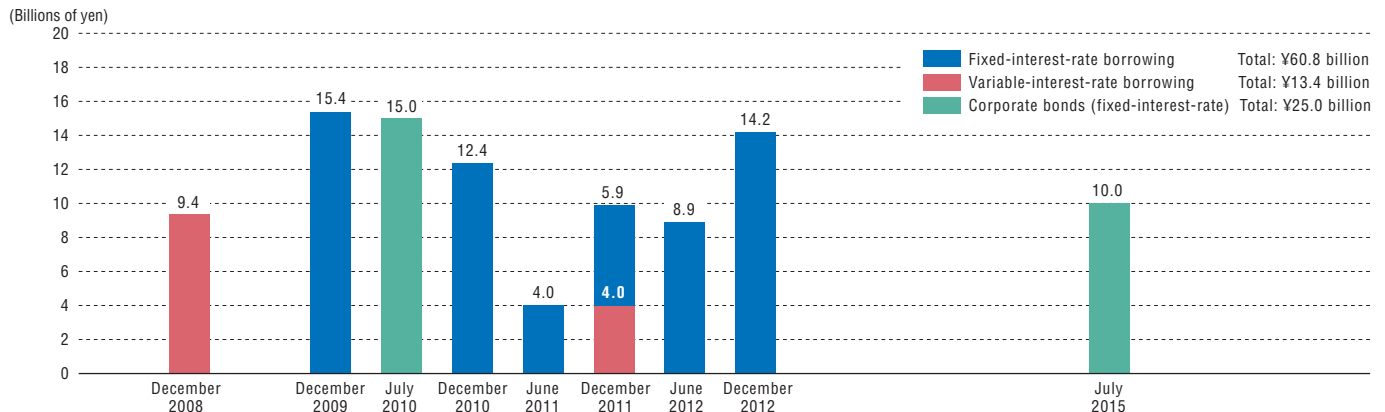
The main reasons for the upgrade in the rating on this occasion are as follows: (1) its portfolio has been diversified with steady external growth, (2) relatively low leverage ratio and high profitability have been maintained consistently while pursuing external growth, and (3) a stable funding base mainly comprising long-term, fixed interest loan has been established (excerpt from R&I news release as of February 27, 2008).

Debt Financing

In a climate of change of financial situations, United Urban procured debt financing, total amount of ¥35,500 million from the following financial institutions with medium- to long-term, fixed interest rates and unsecured during the ninth fiscal period.

Use of Funds	Refinance	Acquisition of Tip's Machida Building	Acquisition of Daiei Takarazuka Nakayama	Acquisition of maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)	Acquisition of MZ Building
Amount of Borrowing	¥10,200 million	¥4,400 million	¥4,500 million	¥12,400 million	¥4,000 million
Lender	Aozora Bank, Ltd. Shinsei Bank, Limited Saitama Resona Bank, Limited The Sumitomo Trust and Baking Co., Ltd. The Dai-ichi Mutual Life Insurance Company Mitsui Sumitomo Insurance Company, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation	The Sumitomo Trust and Baking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Borrowing Date	December 20, 2007	December 27, 2007	January 30, 2008	February 18, 2008	April 10, 2008
Repayment Date	December 20, 2012	June 20, 2012	June 20, 2012	December 20, 2010	June 20, 2011
Interest Rate	1.67119%	1.44618%	1.48031%	1.20861%	1.33256%

Diversification of Repayment Date (As of May 31, 2008)



Subsequent Events

New Acquisitions After the End of the Ninth Fiscal Period

A14 ACTIOLE Kannai



■Address	3-31 Masago-cho, Naka-ku, Yokohama-shi, Kanagawa
■Site Area	375.17 m ²
■Total Floor Space	2,238.82 m ²
■Construction	SRC
■Number of Floors	B1/9F
■Completed	September 2007
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

This property stands in a location with excellent access as it is located almost midway between Kannai Station on the JR Negishi Line and Yokohama City Subway's Kannai Station and is a two-minute walk from both stations. The surrounding area is the site of offices and, thus, an area with strong needs for the opening of restaurants and amusement businesses for workers. Furthermore, Yokohama City Hall and Yokohama Stadium are nearby and the area in front of the station is a flourishing location. The location has high commercial potential as a result. Therefore, ongoing stable rental demand as a commercial district can be expected.

B8 Haseman Building Toyochō



■Address	2-4-18 Toyo, Koto-ku, Tokyo
■Site Area	3,262.50 m ²
■Total Floor Space	10,768.11 m ²
■Construction	SRC
■Number of Floors	B1/6F
■Completed	November 1990
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Located a three-minute walk from Toyochō Station on the Tokyo Metro Tozai Line, this property stands in a location that has particularly excellent access even compared to other favorable locations within the office area based around Toyochō Station and Kiba Station and along Eitai Dori. The surrounding area has superior access to Otemachi in downtown Tokyo and has relatively low rent. Accordingly, there are head offices of many firms and the area is recognized to also have high needs for back offices for financial and IT related firms, etc. This property is favorably located approximately 200 meters from Toyochō Station and has outstanding superiority in terms of floor space and other aspects concerning size. Therefore, ongoing strong demand can be expected.

C4

Hotel Route Inn Yokohama Bashamichi



■Address	4-53-1 Benten Dori, Naka-ku, Yokohama-shi, Kanagawa
■Site Area	970.83 m ²
■Total Floor Space	6,610.51 m ²
■Construction	SRC
■Number of Floors	11F
■Completed	July 2007
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

This property is a hotel situated in the Bashamichi area which is a two-minute walk from Bashamichi Station on the Minatomirai Line and within walking distance of Minato Mirai and Red Brick Warehouse, etc. As this area has streets with character and well-maintained pathways, it forms an exceptional environment as a hotel location. The surrounding area has many tourist and leisure facilities, including historical museums and wedding halls, and is the area that has the greatest concentration of offices within the Yokohama area. Consequently, the area is visited all year round by many people with accommodation needs, and occupancy at the property is stable. Aside from a hotel, there are several stores that draw on the commercial potential of the area and ongoing stable earnings are anticipated.

Planned Acquisition (The sale and purchase agreements have been concluded.)

D MA Sendai Building



D UUR Court Sapporo Shinoro Ichibankan and Nibankan (Note)



D Park Site IZUMI



D UUR Court Nagoya Meieki (Note)



D UUR Court Jusohommachi (Note)



(Note)
These graphical images at completion were created based on design drawings of each property before completion, but cases exist where the actual property after completion differs to a certain extent from the image.

Portfolio Properties

Portfolio Map

A Retail Properties

- A1** Daiei Himonya
- A2** Joy Park Izumigaoka
- A3** Daimaru Peacock Ashiya-Kawanishi Ten
- A4** Re-LAND Shopping Center
- A5** AEON MALL Uki Value
- 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 ISOGO (Site) (Note 1)
- A14** ACTIOLE Kannai (Note 2)

B Office Buildings

- B1** T&G Hamamatsu-Cho Building
- B2** SK Nagoya Building
- B3** Fukuoka Eartheon Building
- B4** Marumasu Koujimachi Building
- B5** Rokuban-Cho K Building
- B6** Shin-Osaka Central Tower (Note 3)
- B7** Kawasaki Toshiba Building
- (A13)** maricom-ISOGO /
SYSTEM PLAZA ISOGO (Site) (Note 1)
- B8** Haseman Building Toyocho (Note 2)

C Hotels

- C1** Shinjuku Washington Hotel-Honkan
- (B6)** Shin-Osaka Central Tower (Note 3)
- C2** Toyoko Inn Shinagawa-Eki Takanawaguchi
- C3** MZ Building
- C4** Hotel Route Inn Yokohama Bashamichi (Note 2)

D Residential Properties

- D1** T&G Higashi-Ikebukuro Mansion
- D2** T&G Yotsuya Mansion
- D3** Excellia Magome
- D4** Komazawa Court
- D5** Ropponmatsu Court
- D6** Sky Court Shiba-Daimon
- D7** Maison Ukima
- D8** Narashino Residence
- D9** Aprile Shin-Ohgi Ichibankan
- D10** UUR Court Sapporo Kitasanjo
- D11** Soga Dormitory
- D12** Higashikurume Dormitory Shinkan
- D13** Nanzan Court Ichigoukan
- D14** Nanzan Court Nigoukan
- D15** CLIO Bunkyo Koishikawa
- D16** GRAND-ROUGE Sakae
- D17** GRAND-ROUGE Sakae II
(Planned Acquisition)

Park Site IZUMI (Note 4)

MA Sendai Building (Note 4)

UUR Court Nagoya Meieki (Note 4)

UUR Court Sapporo Shinoro Ichibankan (Note 4)

UUR Court Sapporo Shinoro Nibankan (Note 4)

UUR Court Jusohommachi (Note 4)

E Others

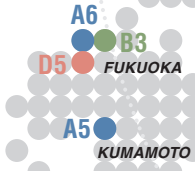
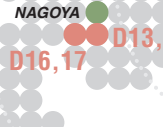
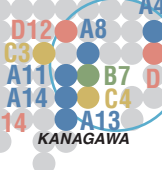
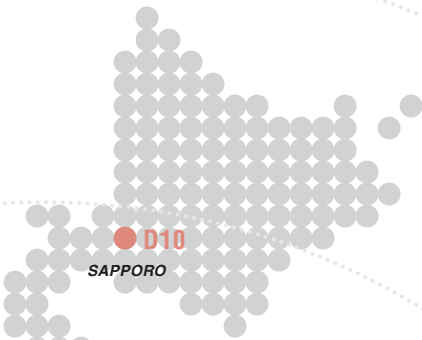
- E1** Lilycolor Tohoku Branch

Notes: 1. "maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)" includes the retail portion and the office portion.

2. New acquisitions after the end of the ninth fiscal period.

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

4. The sale and purchase agreements have been concluded about these properties. However, these properties haven't been acquired yet.



Portfolio Map

Portfolio Roster

(As of May 31, 2008)

No.	Type (Note 1)	Name of Property	Acquisition Price (Millions of yen) (Note 2)	Share in Total Acquisition Price (%)	Share in Type (%)
A1	Retail Properties	Daiei Himonya	15,300	8.0	39.2
A2		Joy Park Izumigaoka	6,770	3.5	
A3		Daimaru Peacock Ashiya-Kawanishi Ten	769	0.4	
A4		Re-LAND Shopping Center	5,200	2.7	
A5		AEON MALL Uki Value (Note 3)	11,100	5.8	
A6		TENJIN LUCE	6,500	3.4	
A7		Yamada Denki Tecc Land Sakai Honten (Note 4)	3,210	1.7	
A8		Miyamae Shopping Center	5,312	2.8	
A9		KONAMI SPORTS CLUB Korigaoka	2,040	1.1	
A10		ACTIOLE minami ikebukuro	3,760	2.0	
A11		Tip's Machida Building	4,100	2.1	
A12		Daiei Takarazuka Nakayama	4,284	2.2	
A13		maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (retail portion)	6,883	3.6	
B1	Office Buildings	T&G Hamamatsu-Cho Building	2,257	1.2	27.5
B2		SK Nagoya Building	5,400	2.8	
B3		Fukuoka Eartheon Building	2,080	1.1	
B4		Marumasu Koujimachi Building	2,350	1.2	
B5		Rokuban-Cho K Building	2,150	1.1	
B6		Shin-Osaka Central Tower (office portion)	14,279	7.4	
B7		Kawasaki Toshiba Building	19,200	10.0	
(A13)		maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (office portion)	5,021	2.6	
C1	Hotels	Shinjuku Washington Hotel-Honkan	21,100	11.0	19.0
(B6)		Shin-Osaka Central Tower (hotel portion)	9,721	5.1	
C2		Toyoko Inn Shinagawa-Eki Takanawaguchi (Note 4)	1,883	1.0	
C3		MZ Building	3,800	2.0	
D1	Residential Properties	T&G Higashi-Ikebukuro Mansion	2,021	1.0	13.2
D2		T&G Yotsuya Mansion	1,355	0.7	
D3		Excellia Magome	697	0.4	
D4		Komazawa Court	1,680	0.9	
D5		Ropponmatsu Court	757	0.4	
D6		Sky Court Shiba-Daimon	1,175	0.6	
D7		Maison Ukima	3,530	1.8	
D8		Narashino Residence	1,140	0.6	
D9		Aprile Shin-Ohgi Ichibankan	3,031	1.6	
D10		UUR Court Sapporo Kitasanjo	1,278	0.7	
D11		Soga Dormitory	620	0.3	
D12		Higashikurume Dormitory Shinkan	480	0.2	
D13		Nanzan Court Ichigoukan	1,070	0.6	
D14		Nanzan Court Nigoukan	450	0.2	
D15		CLIO Bunkyo Koishikawa	3,170	1.6	
D16		GRAND-ROUGE Sakae	1,570	0.8	
D17		GRAND-ROUGE Sakae II	1,300	0.7	
E1	Others	Lilycolor Tohoku Branch	2,050	1.1	1.1
Total			191,843	100.0	

Notes: 1. In accordance with change of the Articles of Incorporation of United Urban as of August 30, 2007, the types of use were changed to "Retail Properties," "Office Buildings," "Hotels," "Residential Properties" and "Others." The former category of "Residential Properties and Others" was changed to two categories as "Residential Properties" and "Others."

2. The acquisition prices above are amounts (the amounts stated in the sales contracts, excluding consumption taxes) that exclude the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions, and are rounded to the nearest one million yen.

3. The name of the shopping center, "Diamond City Value," was changed on September 22, 2007 in accordance with formation of new "AEON MALL Co., Ltd." by merger of Diamond City Co., Ltd., a tenant of the property, and AEON MALL Co., Ltd. as of August 21, 2007.

4. Among the above properties, United Urban acquired "Toyoko-Inn Shinagawa-Eki Takanawaguchi" and "Yamada Denki Tecc Land Sakai Honten" in the form of real estate, and all others in the form of trust beneficiary rights.

Overview

A1

Daiei Himonya

■Address	4-1-1 Himonya, Meguro-ku, Tokyo
■Site Area	5,249.86 m ²
■Total Floor Space	27,032.50 m ²
■Construction	SRC
■Number of Floors	B1 / 7F
■Completed	March 1975
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A2

Joy Park Izumigaoka

■Address	1-3 Miharadai 1-cho, Minami-ku, Sakai-shi, Osaka
■Site Area	10,368.45 m ²
■Total Floor Space	29,250.71 m ²
■Construction	RC / S
■Number of Floors	5F
■Completed	November 2000
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A3

Daimaru Peacock Ashiya-Kawanishi Ten

■Address	3-28 Kawanishicho, Ashiya-shi, Hyogo
■Site Area	3,455.30 m ²
■Total Floor Space	1,488.28 m ²
■Construction	S
■Number of Floors	1F
■Completed	April 1997
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A4

Re-LAND Shopping Center

■ Address	7-2-2 Fujiwara, Funabashi-shi, Chiba
■ Site Area	5,198.20 m ²
■ Total Floor Space	12,944.65 m ²
■ Construction	SRC
■ Number of Floors	B2 / 5F
■ Completed	March 1998
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A5

AEON MALL Uki Value (Note 1)

■ Address	1-1 Gohnoe, Ogawa-machi, Uki-shi, Kumamoto
■ Site Area	173,498.31 m ²
■ Total Floor Space	63,058.78 m ²
■ Construction	S (Note 2)
■ Number of Floors	2F (Note 2)
■ Completed	October 1997 (Note 2)
■ Type of Ownership	Land: Proprietary Ownership and Term Leasehold Interest Building: Proprietary Ownership



Notes: 1. Diamond City Co., Ltd. became a new "AEON MALL Co., Ltd." by merger with AEON MALL Co., Ltd. as of August 21, 2007.
Accordingly, the name of the shopping center, "Diamond City Value," was changed to "AEON MALL Uki Value" on September 22, 2007.
2. Data applicable to the main building

A6

TENJIN LUCE

■ Address	2-3-24 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka
■ Site Area	1,138.66 m ²
■ Total Floor Space	5,369.70 m ²
■ Construction	RC
■ Number of Floors	B1 / 7F
■ Completed	November 2005
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A7

Yamada Denki Tecc Land Sakai Honten

■ Address	5-1 Yashimochi 1-cho, Higashi-ku, Sakai-shi, Osaka
■ Site Area	10,702.86 m ²
■ Total Floor Space	8,637.63 m ²
■ Construction	S
■ Number of Floors	3F
■ Completed	May 2002
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A8**Miyamae Shopping Center**

■Address	3-9-12 Inukura, Miyamae-ku, Kawasaki-shi, Kanagawa
■Site Area	6,937.55 m ²
■Total Floor Space	17,338.54 m ²
■Construction	RC
■Number of Floors	4F
■Completed	October 1993
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**A9****KONAMI SPORTS CLUB Korigaoka**

■Address	3-3-1 Korigaoka, Hirakata-shi, Osaka
■Site Area	4,120.00 m ²
■Total Floor Space	6,381.40 m ²
■Construction	S
■Number of Floors	4F
■Completed	December 2006
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**A10****ACTIOLE minami ikebukuro**

■Address	2-26-10 Minami-Ikebukuro, Toshima-ku, Tokyo
■Site Area	320.39 m ²
■Total Floor Space	2,265.15 m ²
■Construction	RC
■Number of Floors	B1 / 8F
■Completed	November 2006
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**B1****T&G Hamamatsu-Cho Building**

■Address	2-12-10 Shiba-Daimon, Minato-ku, Tokyo
■Site Area	453.81 m ²
■Total Floor Space	3,296.58 m ²
■Construction	SRC
■Number of Floors	B1 / 9F
■Completed	December 1988
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



B2

SK Nagoya Building

■ Address	1-3-7 Nishiki, Naka-ku, Nagoya-shi, Aichi
■ Site Area	1,361.96 m ²
■ Total Floor Space	11,795.38 m ²
■ Construction	SRC
■ Number of Floors	B1 / 9F
■ Completed	February 1986
■ Type of Ownership	Land: Proprietary Ownership Building: Compartmentalized Proprietary Ownership (percentage of ownership: 100%)



B3

Fukuoka Eartheon Building

■ Address	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka-shi, Fukuoka
■ Site Area	1,358.91 m ²
■ Total Floor Space	6,079.35 m ²
■ Construction	SRC
■ Number of Floors	7F
■ Completed	September 1998
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



B4

Marumasu Koujimachi Building

■ Address	3-3-8 Koujimachi, Chiyoda-ku, Tokyo
■ Site Area	703.24 m ²
■ Total Floor Space	5,218.55 m ²
■ Construction	SRC / RC
■ Number of Floors	B1 / 9F
■ Completed	September 1989
■ Type of Ownership	Land: Proprietary Ownership (common ownership) Building: Compartmentalized Proprietary Ownership



B5

Rokuban-Cho K Building

■ Address	2 Rokuban-cho, Chiyoda-ku, Tokyo
■ Site Area	689.70 m ²
■ Total Floor Space	4,031.14 m ²
■ Construction	SRC
■ Number of Floors	B1 / 7F
■ Completed	December 1988
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

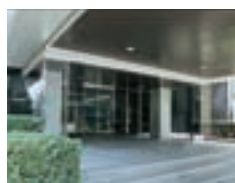


B6**Shin-Osaka Central Tower**

■Address	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka-shi, Osaka
■Site Area	7,265.79 m ²
■Total Floor Space	58,882.64 m ²
■Construction	SRC
■Number of Floors	B1 / 23F
■Completed	June 1989
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**B7****Kawasaki Toshiba Building**

■Address	580-1 Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa
■Site Area	8,615.20 m ²
■Total Floor Space	51,254.06 m ²
■Construction	S / RC / SRC
■Number of Floors	B2 / 14F
■Completed	April 1987
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**C1****Shinjuku Washington Hotel-Honkan**

■Address	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo
■Site Area	6,215.31 m ²
■Total Floor Space	59,985.37 m ²
■Construction	S / SRC
■Number of Floors	B4 / 25F
■Number of Rooms	1,296 rooms
■Completed	October 1983
■Type of Ownership	Land: Proprietary Ownership (part common ownership) Building: Compartmentalized Proprietary Ownership (part common ownership)



C2

Toyoko Inn Shinagawa-Eki Takanawaguchi

■ Address	4-23-2 Takanawa, Minato-ku, Tokyo
■ Site Area	482.10 m ²
■ Total Floor Space	2,928.94 m ²
■ Construction	SRC
■ Number of Floors	14F
■ Number of Rooms	180 rooms
■ Completed	October 1999
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D1

T&G Higashi-Ikebukuro Mansion

■ Address	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo
■ Site Area	398.82 m ²
■ Total Floor Space	3,300.18 m ²
■ Construction	SRC
■ Number of Floors	B1 / 14F
■ Number of Units	129 units
Available for Lease	December 2001
■ Completed	December 2001
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D2

T&G Yotsuya Mansion

■ Address	10-7 Arakicho, Shinjuku-ku, Tokyo
■ Site Area	777.40 m ²
■ Total Floor Space	2,081.19 m ²
■ Construction	RC
■ Number of Floors	B1 / 8F
■ Number of Units	78 units
Available for Lease	May 2002
■ Completed	May 2002
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D3

Excellia Magome

■ Address	5-20-2 Minami-Magome, Ota-ku, Tokyo
■ Site Area	371.29 m ²
■ Total Floor Space	1,110.97 m ²
■ Construction	RC
■ Number of Floors	7F
■ Number of Units	44 units
Available for Lease	February 2002
■ Completed	February 2002
■ Type of Ownership	Land: Proprietary Ownership (site rights) Building: Compartmentalized Proprietary Ownership (percentage of ownership: 100%)



D4

Komazawa Court

■ Address	2-37-1 Komazawa, Setagaya-ku, Tokyo
■ Site Area	2,943.33 m ²
■ Total Floor Space	3,580.44 m ²
■ Construction	RC
■ Number of Floors	3F
■ Number of Units	95 units
Available for Lease	October 1998
■ Completed	October 1998
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D5

Ropponmatsu Court

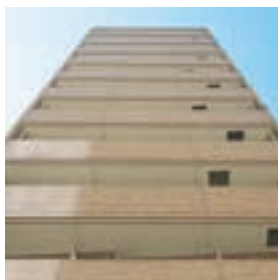
■ Address	4-3-11 Ropponmatsu, Chuo-ku, Fukuoka-shi, Fukuoka
■ Site Area	1,738.67 m ²
■ Total Floor Space	3,294.36 m ²
■ Construction	RC
■ Number of Floors	6F
■ Number of Units	100 units
Available for Lease	March 1994
■ Completed	March 1994
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D6

Sky Court Shiba-Daimon

■Address	1-2-3 Shiba-Daimon, Minato-ku, Tokyo
■Site Area	233.66 m ²
■Total Floor Space	1,486.38 m ²
■Construction	SRC
■Number of Floors	12F
■Number of Units	
Available for Lease	54 units
■Completed	April 2003
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D7

Maison Ukima

■Address	1-3-1 Ukima, Kita-ku, Tokyo
■Site Area	6,456.64 m ²
■Total Floor Space	12,691.43 m ²
■Construction	SRC
■Number of Floors	12F
■Number of Units	
Available for Lease	147 units
■Completed	March 1992
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D8

Narashino Residence

■Address	4-83-10 Narashinodai, Funabashi-shi, Chiba
■Site Area	3,948.67 m ²
■Total Floor Space	6,840.86 m ²
■Construction	SRC
■Number of Floors	B1 / 8F
■Number of Units	
Available for Lease	87 units
■Completed	February 1990
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D9

Aprile Shin-Ohgi Ichibankan

■Address	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe-shi, Hyogo
■Site Area	3,329.45 mm ²
■Total Floor Space	12,700.44 m ²
■Construction	SRC
■Number of Floors	14F
■Number of Units	
Available for Lease	161 units
■Completed	September 1997
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D10

UUR Court
Sapporo Kitasanjo

■Address	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo-shi, Hokkaido
■Site Area	1,249.45 m ²
■Total Floor Space	6,588.72 m ²
■Construction	RC
■Number of Floors	B1 / 14F
■Number of Units	
Available for Lease	130 units
■Completed	February 2006
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D11

Soga Dormitory

■Address	2-3-5 Minami-cho, Chuo-ku, Chiba-shi, Chiba
■Site Area	1,990.13 m ²
■Total Floor Space	2,931.14 m ²
■Construction	RC
■Number of Floors	6F
■Number of Units	
Available for Lease	72 units
■Completed	April 1993
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D12

Higashikurume Dormitory Shinkan

■ Address	1-8-4 Hikawadai, Higashikurume-shi, Tokyo
■ Site Area	2,635.52 m ²
■ Total Floor Space	1,397.61 m ²
■ Construction	RC
■ Number of Floors	B1 / 3F
■ Number of Units	
Available for Lease	52 units
■ Completed	March 1997
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D13

Nanzan Court Ichigoukan

■ Address	6-8 Komagatacho, Showa-ku, Nagoya-shi, Aichi
■ Site Area	2,423.12 m ²
■ Total Floor Space	3,551.60 m ²
■ Construction	RC
■ Number of Floors	5F
■ Number of Units	
Available for Lease	98 units
■ Completed	March 1997
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D14

Nanzan Court Nigoukan

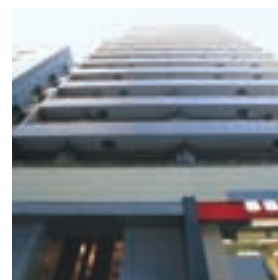
■ Address	5-20 Komagatacho, Showa-ku, Nagoya- shi, Aichi
■ Site Area	1,137.18 m ²
■ Total Floor Space	1,762.40 m ²
■ Construction	RC
■ Number of Floors	5F
■ Number of Units	
Available for Lease	38 units
■ Completed	March 1999
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D15

CLIO Bunkyo Koishikawa

■ Address	1-13-9 Koishikawa, Bunkyo-ku, Tokyo
■ Site Area	814.54 m ²
■ Total Floor Space	5,871.77 m ²
■ Construction	SRC
■ Number of Floors	B1 / 15F
■ Number of Units	
Available for Lease	98 units
■ Completed	February 2005
■ Type of Ownership	Land: Proprietary Ownership (site rights) Building: Compartmentalized Proprietary Ownership (percentage of ownership: 92.28%)



D16

GRAND-ROUGE Sakae

■ Address	5-21-26 Sakae, Naka-ku, Nagoya-shi, Aichi
■ Site Area	1,009.16 m ²
■ Total Floor Space	3,912.49 m ²
■ Construction	RC
■ Number of Floors	10F
■ Number of Units	
Available for Lease	96 units
■ Completed	March 2006
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



E1

Lilycolor Tohoku Branch

■ Address	3-10 Okadanishimachi, Miyagino-ku, Sendai- shi, Miyagi
■ Site Area	5,457.02 m ²
■ Total Floor Space	8,693.79 m ²
■ Construction	RC / S
■ Number of Floors	4F
■ Completed	April 1996
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Profile of Asset Management Company

Overview

Name: Japan REIT Advisors Co., Ltd. ("JRA")

Capital: ¥425 million (As of May 31, 2008)

Registration / License: Registered for a financial instruments business

(Director-General of the Kanto Local Finance Bureau (Kinsho) No. 336)

Description of Business: Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Law

Shareholders

(As of May 31, 2008)		
Name	Number of Shares Owned	Ownership (%)
Marubeni Corporation	4,335	51.0
Credit Suisse Principal Investments Limited, Tokyo Branch	3,740	44.0
Kyokuto Securities Co., Ltd.	425	5.0
Total	8,500	100.0

Management Policy, Investment Philosophy and Basic Policy

1. Investment Philosophy

JRA aims to build a real estate portfolio that is able to provide investors with stable earnings and maximize investor value over the medium to long term.

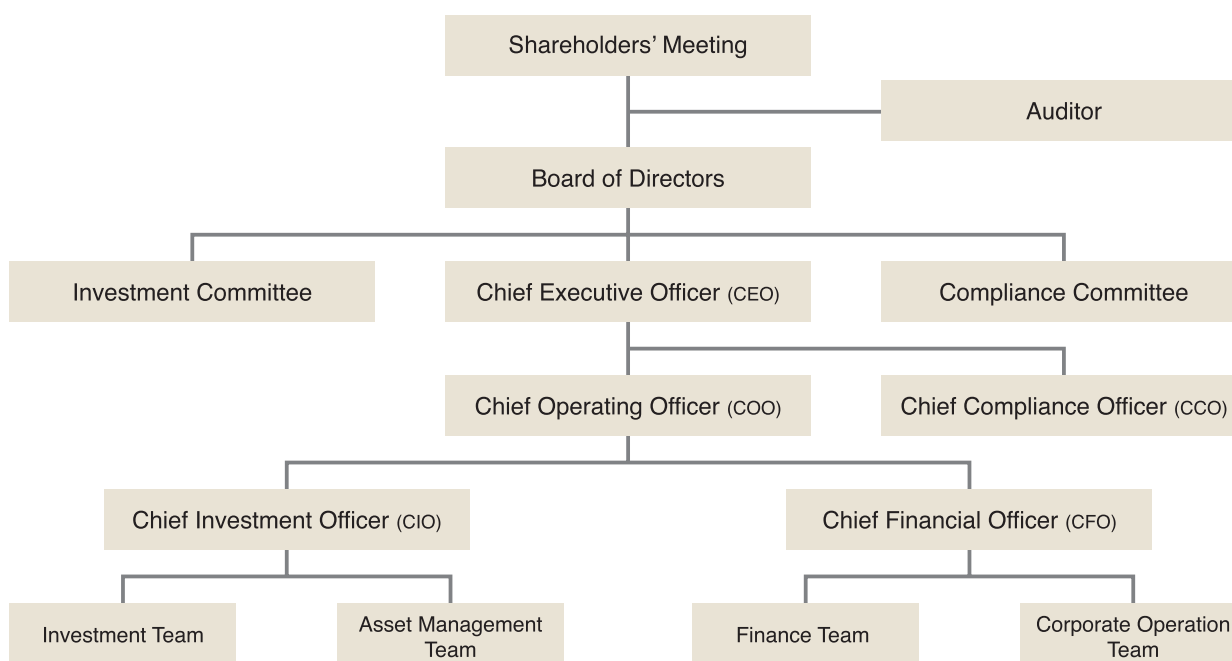
2. Management Stance

- JRA will fulfill its fiduciary duty to United Urban which entrusts asset management to JRA.
- In the acquisition of real estate, JRA will conduct full due diligence and invest in competitive real estate that are deemed high-quality assets.
- JRA will endeavor to maintain and enhance the value of the real estate held by United Urban.
- JRA will actively disclose information from the perspective of the investor and enhance the transparency of management.

3. Fund Concept

- Select superior properties located within Japan for the purpose of securing stable earnings over the medium to long term.
- Invest in diverse types of properties including retail properties, office buildings, hotels, residential properties, and others.
- Invest in real estate in the Tokyo Metropolitan Area and other major cities in Japan, including government-designated cities, and their surrounding areas.

Organization



Investment Team

1. Formulation of basic policy for the acquisition and sale of managed properties
2. Operations relating to the acquisition and sale of managed properties
3. Investigation and assessment of managed properties
4. Research and analysis of real-estate market, etc.

Asset Management Team

1. Formulation of basic policy relating to operation and management of investment real estate (criteria of selecting property management company, criteria of lease contracts, criteria of ordering constructions, criteria of covering insurance, etc.)
2. Formulation of annual operation and management plan of investment real estates held by United Urban
3. Appropriate selection and supervision of property management company
4. Understanding and reporting of management and operation conditions about investment real estates held by United Urban
5. Formulation and implementation of repair and refurbishment plans relating to investment real estates held by United Urban, for maintaining and enhancing medium-to long-term asset value, etc.

Finance Team

1. Formulation of United Urban's financial strategy
2. Operations relating to fund-raising by United Urban
3. Investor-relations for United Urban and the Asset Management Company

Corporate Operation Team

1. Management of the Asset Management Company's general meetings of shareholders and meetings of the Board of Directors
2. Administration of investment performance
3. General and personnel affairs of the Asset Management Company
4. Budgetary control for United Urban and the Asset Management Company
5. Accounting affairs for United Urban and the Asset Management Company
6. Development and maintenance of computer systems
7. Compliance operations (Compliance Committee secretariat)
8. Legal affairs and examination of contracts
9. Affairs attached to execution of agreements (sale and purchase, management, administration, repairs, borrowings)

Compliance Attitude —To assure fulfillment of fiduciary duty and duty of care—

■ **United Urban Investment Corporation’s executive officer has been the company’s full-time executive officer throughout its history.**

■ **Chief Compliance Officer leads the efforts to build the compliance structure.**

■ Establishment of Compliance Committee and its role

The Compliance Committee does not itself pass resolutions or take decisions, but was established for the purpose of submitting certain reports to the Board of Directors, not only on compliance but also broader matters such as professional standards and internal auditing.

It deliberates on the following matters, when necessary submitting reports to or advising the Board of Directors.

- Deliberation on investment decisions from the perspective of compliance
- Response to acts that are, or may prove to be, problematic from the standpoint of the law, professional standards, etc.
- Formulation of internal audit plans and reports on internal audit results
- Institution and revision of internal rule
- Deliberation of other important compliance-related matters

■ Faithful execution of compliance decision process

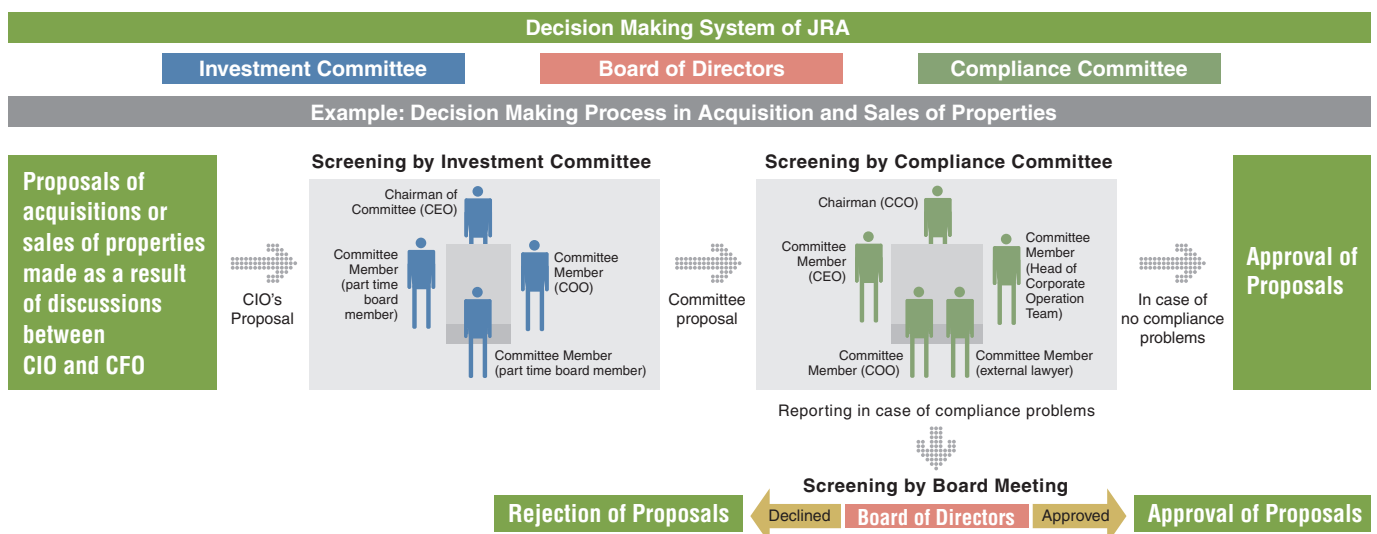
The structure that has been established requires that, in specific transactions such as property acquisitions, approval by the Investment Committee must be obtained, the transactions must then be scrutinized by the Compliance Committee, and if that scrutiny leads to a judgment that there are compliance-related problems or that such problems may arise, a decision by the Board of Directors must be made.

In regard to transactions with “Sponsor/Stakeholder” category* including related parties, steps are taken to ensure that restraints are imposed. These take the form of strict processes to counter conflicts of interest, including the obligation for the chief compliance officer to attend meetings of the Investment Committee and for the approval of all committee members to be obtained.

* “Sponsor/Stakeholder” category are those referred to in internal rule as “the shareholders of the Asset Management Company (Japan REIT Advisors Co., Ltd.), juridical persons that have assigned officers or employees to the Asset Management Company, companies whose majority of voting rights are held by those shareholders or juridical persons, and special purpose companies established on behalf of those shareholders or juridical persons.”

■ **Creation of the company structure through the formulation of compliance regulations and a compliance manual**

Corporate Governance



Optimal investment portfolio and steady earnings



PERFORMANCE REPORT

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Others 49

Appendix 50

Investment Policies

Distribution Policies

1. Track Records on Operations

(Notes)

1. Unless otherwise indicated specifically, all figures above have been rounded to the units stated.
2. Operating revenues, etc., do not include consumption taxes.
3. Net income per unit is computed on the basis of the average numbers of investment units set out below.

Average no. of investment units	7th fiscal period: 159,843units
	8th fiscal period: 159,843units
	9th fiscal period: 159,843units
4. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures. Actual days collapsed in those fiscal periods are 182, 183 and 183, respectively.

from the end of the previous period).

In addition, United Urban received an upgraded issuer rating of A+ from Rating and Investment Information, Inc. as of February 27, 2008. The details of issuer ratings as of May 31, 2008 are as follows:

Rating Agency	Details	
Moody's	Issuer Rating: A3	Rating Outlook:Stable
R&I	Issuer Rating: A+	Rating Outlook:Stable

3. Issuance of New Investment Units

The changes in unitholders' capital and total number of investment units issued and outstanding since its incorporation are shown below.

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
November 4, 2003	Date of incorporation	250	250	125	125	(Note 1)
December 20, 2003	Additional issue of new investment units through initial public offering	79,500	79,750	36,634	36,759	(Note 2)
January 21, 2004	Additional issue of new investment units through third-party allotment	3,988	83,738	1,838	38,597	(Note 3)
December 1, 2004	Additional issue of new investment units through public offering	75,800	159,538	51,037	89,634	(Note 4)
December 22, 2004	Additional issue of new investment units through third-party allotment	305	159,843	205	89,839	(Note 5)

(Notes)

1. United Urban was incorporated with an issue of 250 investment units at ¥500,000 per unit.
2. New investment units were issued by public offering at the issue price of ¥480,000 per unit (underwriter price ¥460,800), for the purpose of procuring funds for property acquisitions, etc.
3. New investment units were issued by third-party allotment at the issue price of ¥460,800 per unit for the purpose of procuring funds for property acquisitions, etc.
4. New investment units were issued by public offering at the issue price of ¥698,250 per unit (underwriter price ¥673,312), for the purpose of procuring funds for property acquisitions, etc.
5. New investment units were issued by third-party allotment at the issue price of ¥673,312 per unit for the purpose of procuring funds for property acquisitions, etc.

Changes in Closing Prices

The highest and lowest closing prices in the J-REIT Section of the Tokyo Stock Exchange are as follows;

	Yen		
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
Highest	817,000	1,000,000	1,070,000
Lowest	524,000	683,000	701,000

4. Distribution Information

With regard to the distribution in the period under review, in view of the special manner in which taxation is applied pursuant to Article 67-15 of the Special Taxation Measures Law, in order to ensure that the maximum amount of distribution of earnings would be deductible, it was decided that the entire amount of unappropriated profit at the end of the period would be distributed, excluding cases in which the distributions per investment unit were fractions of one yen. In consequence, the distribution per investment unit was fixed at ¥19,368 for the 9th fiscal period.

		9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
Unappropriated retained earnings at the end of period	Thousands of yen	3,095,910	2,824,008	2,806,618
Cash distribution	Thousands of yen	3,095,839	2,823,946	2,806,523
Distribution per unit	Yen	19,368	17,667	17,558
Unappropriated retained earnings carried forward to the next period	Thousands of yen	70	62	95

5. Future Policies

A. Acquisition of new properties (External growth)

United Urban strongly recognizes the importance of external growth and has been dedicating to making acquisitions since the first fiscal period in order to build a portfolio where stable earnings are secured over the medium term to long term. United Urban will continue to pursue external growth devotedly in order to build an optimum portfolio, get around excessive competition for property acquisitions with due considerations to an adverse impact on its existing portfolio including utilizing JRA's Sponsor Companies' property pipeline and property information, and monitor market trends closely.

B. Management and administration (Internal growth)

In its management and administration, United Urban will proactively carry out the maintenance works and repairs which lead to the tenants' satisfaction and improvement of its management and service in order to build the better relationship with the tenants considering the facts that the lease contracts of its portfolio are with the relatively longer term. Engaged in the leasing activities based on the study and analysis of the real-estate rental market, United Urban will make continuous efforts to maintain the high occupancy ratio, increase the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

6. Subsequent Events

A. Issue of New Investment Units

United Urban ratified the issue of new investment units through public offering and third-party allotment at meetings of the Board of Directors held on June 2 and 17, 2008. United Urban issued 40,000 units in a public offering on June 24, 2008 and 1,457 units in a third-party allotment through the exercise of a green shoe option on July 24, 2008. Payments of about ¥18.4 billion have been completed. Consequently, unitholders' capital totaled ¥108,310,509,822, and the number of units issued and outstanding totaled 201,300 units. Details on the issue of new investment units are as follows:

(i) Issue of new investment units by public offering

Total number of units issued	: 40,000 units
Offer price	: ¥461,580 per unit
Total offer price	: ¥18,463,200,000
Issue price	: ¥445,566 per unit
Total issue price	: ¥17,822,640,000
Payment date	: June 24, 2008 (Tuesday)
Initial date of reckoning for cash distribution	: June 1, 2008 (Sunday)

(ii) Issue of new investment units by third-party allotment (exercise of green shoe option)

Total number of units issued	: 1,457 units
Issue price	: ¥445,566 per unit
Total issue price	: ¥649,189,662
Application period (Application date)	: July 23, 2008 (Wednesday)
Payment date	: July 24, 2008 (Thursday)
Delivery and settlement date	: July 24, 2008 (Thursday)
Initial date of reckoning for cash distribution	: June 1, 2008 (Sunday)
Allottee and number of units	: Nikko Citigroup Limited, 1,457 units

B. Acquisitions of Properties

United Urban acquired the properties set forth below subsequent to the end of the ninth fiscal period:

< ACTIOLE Kannai >

Summary of Acquisition

Acquired Asset	: Real estate
Acquisition Price	: ¥2,410 million
Date of Acquisition	: June 30, 2008

Outline of Property

Location	: 3-31 Masago-cho, Naka-ku, Yokohama-shi, Kanagawa
Use	: Retail properties / Parking lot
Site Area	: Land: 375.17 m ² Building: 2,238.82 m ²
Structure	: SRC B1/9F
Completion Date	: September 2007
Total Leasable Floor Space	: 1,938.56 m ²

< Haseman Building Toyochō >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥8,500 million
Date of Acquisition	: June 30, 2008

Outline of Property

Location	: 2-4-18 Toyo, Koto-ku, Tokyo
Use	: Office buildings
Site Area	: Land: 3,262.50 m ² Building: 10,768.11 m ²
Structure	: SRC B1/6F

Completion Date : November 1990
 Total Leasable Floor Space : 7,540.30 m²

< Hotel Route Inn Yokohama Bashamichi >

Summary of Acquisition

Acquired Asset : Real estate
 Acquisition Price : ¥4,720 million
 Date of Acquisition : June 30, 2008

Outline of Property

Location : 4-53-1 Benten Dori, Naka-ku, Yokohama-shi, Kanagawa
 Use : Hotel / Retail properties (attached building: parking lot)
 Site Area : Land: 970.83 m² Building: 6,610.51 m²
 (attached building: 45.36 m²)
 Structure : SRC 11F (attached building: S 1F)
 Completion Date : July 2007
 Total Leasable Floor Space : 7,139.44 m²

C. Conclusion of Agreements for Acquisitions of Properties

United Urban has concluded the sale and purchase agreements of trust beneficial interest in real estate for the properties set forth below subsequent to the end of the ninth fiscal period.

< MA Sendai Building >

Summary of Acquisition

Acquired Asset : Trust beneficial interest in real estate
 Date of Agreement : June 2, 2008
 Scheduled Acquisition Price : ¥3,440 million
 Scheduled Date of Acquisition : September 24, 2008

Outline of Property

Location : 1-3-7 Kimachidori, Aoba-ku, Sendai-shi, Miyagi
 Use : Residential properties / Office building / Warehouse /
 Parking (attached building: parking lot)
 Site Area : Land: 3,656.44 m² (Note) Building: 12,642.98 m²
 (attached building: 4,910.70 m²)
 Structure : SRC, RC B1/14F (attached building: S 5F)
 Number of Units Available for Lease : 152 units (residential part) (excluding one office)
 Completion Date : February 2008
 Total Leasable Floor Space : 11,494.24 m²

(Note) The entirety of land which the property is located in is leasehold.

< Park Site IZUMI >

Summary of Acquisition

Acquired Asset : Trust beneficial interest in real estate
 Date of Agreement : June 2, 2008
 Scheduled Acquisition Price : ¥910 million
 Scheduled Date of Acquisition : September 30, 2008 (Note)

Outline of Property

Location : 1-14-6 Izumi, Higashi-ku, Nagoya-shi, Aichi
 Use : Residential properties / Retail properties
 Site Area : Land: 336.55 m² Building: 2,054.05 m²
 Structure : S 12F
 Number of Units Available for Lease : 38 units (residential part) (excluding three compartments)
 Completion Date : September 2002
 Total Leasable Floor Space : 2,067.95 m²

(Note) Although the scheduled date of acquisition was July 1, 2008, United Urban, upon consultation with the seller, pursuant to the provisions of the sale and purchase agreement of trust beneficial interest with conditions precedent, has determined September 30, 2008 to be the new acquisition date.

< UUR Court Jusohommachi >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Date of Agreement	: August 1, 2008
Scheduled Acquisition Price	: ¥1,790 million
Scheduled Date of Acquisition	: February 26, 2009

Outline of Property

Location	: 3-1-7 Jusohommachi, Yodogawa-ku, Osaka-shi, Osaka
Use	: Residential properties
Site Area	: Land: 1,266.32 m ² Building: 4,479.98 m ²
Structure	: RC 11F
Number of Units Available for Lease	: 140 units (scheduled)
Completion Date	: February, 2009 (scheduled)
Total Leasable Floor Space	: 3,650.00 m ²

(Note) UUR Court Jusohommachi is a property under construction, with the completion scheduled in February 2009. To ensure profitability for the property as acquired, the sale and purchase agreement of trust beneficial interest in real estate was concluded on the following conditions:

- Construction of the building should be completed in conformity with the drawings attached to the sale and purchase agreement of trust beneficial interest in real estate (including design changes in accordance with the consent of United Urban).
- A validly existing building lease and property management agreement should be concluded by and between the Seller and J.S.B. Co., Ltd. or a third party as an alternative to the company.

7. Reference Information

A commitment line agreement was concluded on June 26, 2008 as set forth below.

- | | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Maximum loan amount | : ¥10,000 million |
| (2) Date of agreement | : June 26, 2008 |
| (3) Term of agreement | : From June 26, 2008 to June 25, 2009 |
| (4) Collateral | : Unsecured, Unguaranteed |
| (5) Participating financial institutions | : Shinsei Bank, Limited, The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. |

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	9th Fiscal Period (As of May 31, 2008)	8th Fiscal Period (As of November 30, 2007)	7th Fiscal Period (As of May 31, 2007)
Number of investment units authorized (Unit)	2,000,000	2,000,000	2,000,000
Number of investment units issued and outstanding (Unit)	159,843	159,843	159,843
Unitholders' capital (Millions of yen)	89,839	89,839	89,839
Number of unitholders	7,319	7,188	7,485

2. Major Unitholders

Unitholder Name	Investment Units Held (Units)	(As of May 31, 2008) Percentage of Investment Unit Held (%)
Japan Trustee Services Bank, Ltd. (trust account)	14,213	8.89 %
NikkoCiti Trust and Banking Corporation (investment trust account)	11,905	7.45 %
Trust & Custody Services Bank, Ltd. (investment trust account)	10,435	6.53 %
The Master Trust Bank of Japan, Ltd. (trust account)	10,200	6.38 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	5,401	3.38 %
The Bank of Ikeda, Ltd.	4,663	2.92 %
North Pacific Bank, Ltd.	4,466	2.79 %
THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	3,563	2.23 %
UBS AG London Asia Equities	2,852	1.78 %
Sumitomo Mitsui Banking Corpotaion	2,693	1.68 %
Total	70,391	44.04 %

(Note)

The percentages of share of investment unit are rounded to two decimal places.

3. Categories of Unitholders

	(As of May 31,2008)			
	Number of Unitholders by Category		Number of Units by Holder Category	
Individuals and others	6,925	94.6 %	18,356 units	11.5 %
Financial institutions (including securities companies)	140	1.9 %	106,237 units	66.5 %
Other domestic corporations	123	1.7 %	4,804 units	3.0 %
Foreign corporations and individuals	131	1.8 %	30,446 units	19.0 %
Total	7,319	100.0 %	159,843 units	100.0 %

4. Directors and Auditor

A. Board of Directors, etc. of United Urban as of May 31, 2008 were as follows;

Title	Name	Other Title	Total Amount of Compensations for Directors, etc. (thousands of yen)
Executive Officer	Yasuhiro Tanaka	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Toshio Kenmochi	Representative Partner, Kasumigaseki Audit Corporation Representative Director and President, RECS Management Institute Representative Director and President, RECS Technologies Inc. Managing Partner, Baker Tilly Japan	2,100
Accounting Auditor	Ernst & Young ShinNihon		9,647
Total			19,847

(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 Executive Officer and two Supervisory Officers of United Urban were reappointed at the third general meeting of unitholders of United Urban held on August 30, 2007.
4. Ernst & Young ShinNihon became "Ernst & Young ShinNihon LLC" as of July 1, 2008 with the change of the category of auditing firm.

B. Determination policy for dismissal or non-reappointment of Independent Auditor

The dismissal of Independent Auditor shall be considered at the board of directors meeting of United Urban, subject to the Investment Trust Law. 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.

5. Advisors and Agents

(As of May 31, 2008)	
Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Mizuho Trust & Banking Co., Ltd.
Transfer Agent	The Chuo Mitsui Trust and Banking Company, Limited
Administrative Agent	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to Corporate Bonds)	The Sumitomo Trust and Banking Co., Ltd., Mizuho Securities Co., Ltd., Nikko Citigroup Limited and Kyokuto Securities Co., Ltd.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		9th Fiscal Period (As of May 31, 2008)	
				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 areas (Note 5)	-	-
		Other regions		3,269,830	1.6
	Office Buildings	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Hotels	Capital Region	The 6 central wards of Tokyo	1,891,567	0.9
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Residential Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Others	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Subtotal			5,161,397	2.5
Real Estate in Trust	Retail Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	18,895,073	9.0
			Tokyo metropolitan areas	21,870,483	10.5
		Other regions		30,394,711	14.5
	Office Buildings	Capital Region	The 6 central wards of Tokyo	6,809,222	3.3
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	24,367,073	11.7
		Other regions		21,449,089	10.3
	Hotels	Capital Region	The 6 central wards of Tokyo	20,978,959	10.0
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	3,959,542	1.9
		Other regions		9,703,900	4.6
	Residential Properties	Capital Region	The 6 central wards of Tokyo	2,456,997	1.2
			The 23 wards of Tokyo	10,959,603	5.2
			Tokyo metropolitan areas	2,270,994	1.1
		Other regions		9,551,786	4.6
	Others	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		2,006,756	1.0
	Subtotal			185,674,188	88.9
Bank Deposits and Other Assets			18,005,448	8.6	
Total Assets			208,841,033	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 amount of the trust beneficial interest which mainly has 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 “six central wards of Tokyo.”
5. “Tokyo metropolitan area” refers to the Tokyo metropolitan area excluding the “23 wards of Tokyo.”

2. Selected Data by Property

(As of May 31, 2008)

Type of Property	Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value (Millions of yen) (Note 2)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3)	Occupancy Ratio (%) (Note 3)	Granting of Security
Retail Properties	Daiei Himonya	14,991	18,200	26,655.66	26,655.66	100.0	N/A
	Joy Park Izumigaoka	6,148	4,540	13,242.67	13,196.91	99.7	N/A
	Daimaru Peacock Ashiya-Kawanishi Ten	764	1,130	1,558.80	1,558.80	100.0	N/A
	Re-LAND Shopping Center	4,960	6,150	12,968.85	12,818.77	98.8	Applicable (Note 7)
	AEON MALL Uki Value (Note 5)	10,870	11,200	72,073.39	72,073.39	100.0	N/A
	TENJIN LUCE	6,673	6,590	4,194.57	3,702.06 (Note 4)	88.3	N/A
	Yamada Denki Tecc Land Sakai Honten	3,270	3,390	8,637.63	8,637.63	100.0	N/A
	Miyamae Shopping Center	5,443	5,350	10,487.92	10,487.92	100.0	N/A
	KONAMI SPORTS CLUB Korigaoka	2,083	2,060	8,627.58	8,627.58	100.0	N/A
	ACTIOLE minami ikebukuro	3,904	3,840	2,081.50	2,081.50 (Note 4)	100.0	N/A
	Tip's Machida Building	4,268	4,920	6,715.75	6,715.75 (Note 4)	100.0	N/A
	Daiei Takarazuka Nakayama (Note 6)	3,857	4,390	16,729.60	16,729.60	100.0	N/A
	Maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)	12,451	12,400	52,668.39	52,668.39	100.0	N/A
Office Buildings	T&G Hamamatsu-Cho Building	2,167	3,252	2,422.93	2,422.93 (Note 4)	100.0	N/A
	SK Nagoya Building	5,316	6,826	8,708.52	8,708.52	100.0	N/A
	Fukuoka Eartheon Building	1,879	2,900	4,934.39	4,934.39	100.0	N/A
	Marumasu Koujimachi Building	2,421	3,940	2,612.42	2,612.42	100.0	N/A
	Rokuban-Cho K Building	2,221	3,340	4,031.14	4,031.14	100.0	N/A
	Shin-Osaka Central Tower	23,958	29,800	46,024.83	45,431.26	98.7	N/A
	Kawasaki Toshiba Building	19,115	26,370	36,212.28	36,212.28	100.0	N/A
Hotels	Shinjyuku Washington Hotel - Honkan	20,979	24,800	53,317.45	53,317.45	100.0	N/A
	Toyoko Inn Shinagawa-Eki Takanawaguchi	1,892	2,190	3,088.85	3,088.85	100.0	N/A
	MZ Building	3,960	3,820	6,670.21	5,758.22 (Note 4)	86.3	N/A
Residential Properties	T&G Higashi-Ikebukuro Mansion	1,888	2,269	2,603.22	2,401.42 (Note 4)	92.2	N/A
	T&G Yotsuya Mansion	1,275	1,487	1,679.10	1,550.40 (Note 4)	92.3	N/A

	Excellia Magome	658	720	914.98	914.98 (Note 4)	100.0	N/A
	Komazawa Court	1,630	1,810	3,741.17	3,741.17	100.0	N/A
	Ropponmatsu Court	731	864	3,294.36	3,294.36	100.0	N/A
	Sky Court Shiba-Daimon	1,181	1,229	1,486.38	1,486.38	100.0	N/A
	Maison Ukima	3,511	4,200	12,691.43	12,691.43	100.0	N/A
	Narashino Residence	1,139	1,210	6,840.86	6,840.86	100.0	N/A
	Aprile Shin-Ohgi Ichibankan	3,047	3,470	12,700.44	12,700.44	100.0	N/A
	UUR Court Sapporo Kitasanjo	1,315	1,365	4,790.50	4,790.50	100.0	N/A
	Soga Dormitory	633	629	2,931.14	2,931.14	100.0	N/A
	Higashikurume Dormitory Shinkan	500	516	1,397.61	1,397.61	100.0	N/A
	Nanzan Court Ichigoukan	1,066	1,070	3,576.74	3,576.74	100.0	N/A
	Nanzan Court Nigoukan	450	495	1,890.51	1,890.51	100.0	N/A
	CLIO Bunkyo Koishikawa	3,273	3,370	4,097.51	3,942.74 (Note 4)	96.2	N/A
	GRAND-ROUGE Sakae	1,589	1,480	3,697.38	3,697.38	100.0	N/A
	GRAND-ROUGE Sakae II	1,353	1,270	2,579.89	2,579.89	100.0	N/A
Others	Lilycolor Tohoku Branch	2,007	2,040	9,271.16	9,271.16	100.0	N/A
	Total	190,836	220,892	484,849.70	482,170.52	99.4	

(Notes)

1. "Book Value" is stated after being rounded to the units stated.
2. "Appraisal Value" is the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers.
3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2008. "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 followings are the same as above.) "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 Isogo (Site) and Shinjuku Washington Hotel - Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
4. Master lease agreements with no rental guarantees have been concluded. Accordingly, United Urban is able to receive rental revenues only if these holdings of real estate in trust are subleased. In view of this, the "Leased Floor Space" of these properties is stated not as the area rented to the lessees, but as the area subleased by the lessees as of May 31, 2008.
5. The name of the shopping center, Diamond City Value, was changed on September 22, 2007 in accordance with formation of new "AEON MALL Co., Ltd." by merger of Diamond City Co., Ltd., a tenant of the property, and AEON MALL Co., Ltd. as of August 21, 2007.
6. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elutions of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement, as a condition of the sale and purchase agreement of trust beneficial interest. The Book Value at the end of the period of this trust beneficial interest is described as ¥3,856 million reflecting the additional amount of trust.
7. The right to demand restitution of a security deposit against tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.

3. Selected Financial Data by Property

Name of Property	9th Fiscal Period (December 1, 2007 to May 31, 2008)			
	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) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	528	7.4
Joy Park Izumigaoka	12(6)	99.7	245	3.4
Daimaru Peacock Ashiya-Kawanishi Ten	1	100.0	30	0.4
Re-LAND Shopping Center	14	98.8	280	3.9
AEON MALL Uki Value	1(99)	100.0	458	6.4
TENJIN LUCE	2(6)	88.3	188	2.6
Yamada Denki Tecc Land Sakai Honten	1(1)	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3(8)	100.0	140	2.0
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE minami ikebukuro	1(9)	100.0	104	1.5
Tip's Machida Building	2(9)	100.0	193	2.7
Daiei Takarazuka Nakayama	1(14)	100.0	103	1.4
Maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)	4	100.0	161	2.2
T&G Hamamatsu-Cho Building	1(7)	100.0	108	1.5
SK Nagoya Building	8	100.0	274	3.8
Fukuoka Eartheon Building	3(2)	100.0	132	1.8
Marumasu Koujimachi Building	12(1)	100.0	123	1.7
Rokuban-Cho K Building	1(4)	100.0	99	1.4
Shin-Osaka Central Tower	61(1)	98.7	1,180	16.4
Kawasaki Toshiba Building	1(5)	100.0	796	11.1
Shinjyuku Washington Hotel - Honkan	8(1)	100.0	824	11.5
Toyoko Inn Shinagawa-Eki Takanawaguchi	1	100.0	57	0.8
MZ Building	2(4)	86.3	34	0.5
T&G Higashi-Ikebukuro Mansion	1(119 units)	92.2	75	1.0
T&G Yotsuya Mansion	1(72 units)	92.3	48	0.7
Excellia Magome	1(44 units)	100.0	25	0.3
Komazawa Court	1(88 units)	100.0	53	0.7
Ropponmatsu Court	1(85 units)	100.0	35	0.5
Sky Court Shiba-Daimon	1(1)	100.0	32	0.5
Maison Ukima	1	100.0	124	1.7
Narashino Residence	1(1 units)	100.0	51	0.7
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kitasanjo	1(120 units)	100.0	52	0.7
Soga Dormitory	1(1 units)	100.0	26	0.4
Higashikurume Dormitory Shinkan	1	100.0	17	0.2
Nanzan Court Ichigoukan	1(91 units)	100.0	40	0.6
Nanzan Court Nigoukan	1(29 units)	100.0	17	0.2
CLIO Bunkyo Koishikawa	1(88 units)	96.2	98	1.4
GRAND-ROUGE Sakae	1(72 units)	100.0	50	0.7
GRAND-ROUGE Sakae II	1(89 units)	100.0	35	0.5
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	160(1,077)	99.4	7,184	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. In the event that one tenant is renting more than one room, the aggregate number of tenants is stated by treating each such tenant as a single tenant within the same property, and as more than one tenant if the rentals include more than one property. With regard to a property subleased by a lessee, the number of tenants is treated as being one; as of May 31, 2008, the total number of tenants subleasing from lessees and the number of rental units were stated in parentheses.
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 ISOGO (Site) and Shinjuku Washington Hotel - Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
3. "Rental Revenue" is stated after being rounded to the units stated.
4. In 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.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair and other works for properties scheduled as of May 31, 2008. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Works	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 9th fiscal period	Amount already paid
Daiei Himonya	Maintenance of cold and hot water generator (No.1)	From June 2008 to July 2008	22	-	-
Daiei Himonya	Renewal of elevating machine facilities (elevator)	From April 2009 to May 2009	40	-	-
Daiei Himonya	Improvement of electrical power receiving facilities	From May 2009 to May 2009	350	-	-
AEON MALL Uki Value	Repair of toilets (JUSCO wing)	From June 2008 to July 2008	50	-	-
AEON MALL Uki Value	Renewal of luminaries (JUSCO wing 1F)	From August 2008 to September 2008	23	-	-
AEON MALL Uki Value	Repair of toilets (2F, north east, etc. of JUSCO wing)	From December 2008 to January 2009	80	-	-
AEON MALL Uki Value	Renewal of air-conditioner (former HW section of JUSCO wing)	From January 2009 to February 2009	24	-	-
AEON MALL Uki Value	Renewal of luminaries (1F, 2F and outdoor lights of JUSCO wing)	From February 2009 to March 2009	20	-	-
Tip's Machida Building	Renewal work (exterior walls, signs)	From June 2008 to July 2008	100	-	-
Shin-Osaka Central Tower	Repair of parking lot facilities	From July 2008 to July 2008	26	-	-
Shin-Osaka Central Tower	Renewal of emergency broadcasting system	From September 2008 to October 2008	20	-	-
Shin-Osaka Central Tower	Equipment work of digital broadcast (1/2)	From September 2008 to November 2008	166	-	-

Shin-Osaka Central Tower	Renewal of automatic controls	From September 2008 to November 2008	11	-	-
Shin-Osaka Central Tower	Renewal of dimmer controls	From September 2008 to November 2008	20	-	-
Shin-Osaka Central Tower	General work (construction)	From February 2009 to February 2009	12	-	-
Shin-Osaka Central Tower	Repair of air-conditioning facilities (1/4)	From December 2008 to May 2009	250	-	-
Shin-Osaka Central Tower	Equipment work of digital broadcast (1/2)	From April 2009 to May 2009	166	-	-
Kawasaki Toshiba Building	Renewal of dilapidated once-through boiler (1unit/total 2)	From August 2008 to August 2008	16	-	-
Kawasaki Toshiba Building	Renewal of emergency electric lighting and operating DC power supply system	From October 2008 to October 2008	13	-	-
Kawasaki Toshiba Building	Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (1st period)	From October 2008 to October 2008	17	-	-
Kawasaki Toshiba Building	Overhaul of plate heat exchangers (5units)	From January 2009 to January 2009	27	-	-
Kawasaki Toshiba Building	Overhaul of emergency private power generator	From February 2009 to February 2009	21	-	-
Kawasaki Toshiba Building	Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (2nd period)	From March 2009 to March 2009	17	-	-
Shinjuku Washington Hotel - Honkan	Replacement of cooling machine No.1, 2	From December 2008 to February 2009	98	-	-
Komazawa Court	Purchase of television sets for terrestrial digital broad casting	From November 2008 to November 2008	12	-	-
Maison Ukima	Removal and replacement of ceilings	From April 2009 to May 2009	18	-	-
Maison Ukima	Repair of exterior wall tiles	From April 2009 to May 2009	15	-	-
Maison Ukima	Floor waterproofing and ceiling coating of balcony and corridor	From April 2009 to May 2009	14	-	-
Maison Ukima	Repair of grounds	From April 2009 to May 2009	10	-	-
Nanzan Court Ichigoukan	Heat shield work of rooftop	From July 2008 to July 2008	10	-	-

2. Capital Expenditures made during the Period

The table below sets out the amounts of United Urban's capital expenditures for its real estate and other assets during the ninth fiscal period, which totaled ¥375 million. Together with ¥50 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥425 million.

Name of Properties	Description of Works	Period Implemented	Expenditure Amount (Millions of yen)
AEON MALL UKi Value	Renewal of luminaries	From May 2008 to May 2008	19
AEON MALL UKi Value	Renewal of central monitoring room	From May 2008 to May 2008	19
Marumasu Koujimachi Building	Renewal of central monitoring system	From February 2008 to March 2008	14
Shin-Osaka Central Tower	Renewal of common corridors	From December 2007 to March 2008	23
Shin-Osaka Central Tower	Reconstruction of filtration system	From May 2008 to May 2008	13
Kawasaki Toshiba Building	Renewal of cooling water pump (2nd period)	From February 2008 to March 2008	16
Kawasaki Toshiba Building	Renewal of rotor of total heat exchangers (12 units)	From March 2008 to April 2008	13
Shinjuku Washington Hotel - Honkan	Removal and replacement of exterior wall seal and repair of tile detachment	From September 2007 to March 2008	102
Ropponmatsu Court	Large-scale repair work	From November 2007 to January 2008	29
Other capital expenditures			127
Total			375

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		
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
Reserve balance at the beginning of period	1,518	1,297	1,083
Addition	228	221	214
Deduction	20	-	-
Reserve balance at the end of period	1,726	1,518	1,297

(Note)

When part of the reserve accumulated within the trust assets by the previous owners is assumed as a result of the sale 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		
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
Asset management fees	534,843	489,376	472,277
Asset custodian fees	25,304	24,778	23,660
Administrative agent fees	67,305	67,657	66,163
Directors' fees	10,200	10,200	10,200
Other expenses	129,357	135,512	117,557
Total	767,009	727,523	689,857

(Note)

In addition to the amounts stated above, there were asset management fees of ¥42,496 thousand for the 7th fiscal period, ¥46,400 thousand for the 8th fiscal period and ¥203,104 thousand for the 9th fiscal period related to acquisition of properties, which was capitalized and included in acquisition cost of each properties.

2. Borrowings

Borrowings from financial institutions as of May 31, 2008 were as follows;

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

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	6,850	1.26423%	Apr. 14, 2006	Dec. 20, 2008	Unsecured Unguaranteed Floating rate of interest
	2,550	1.26423%	Apr. 28, 2006	Dec. 20, 2008	
Total	9,400				

(Long-term debt)

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	2,000	1.39716%	Dec. 20, 2004	Dec. 20, 2009	Unsecured Unguaranteed Fixed rate of interest
	4,000	1.20861%	Feb. 18, 2008	Dec. 20, 2010	
	2,700	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Mizuho Trust & Banking Co., Ltd.	330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Saitama Resona Bank, Limited	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Shinsei Bank, Limited	1,330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
	1,900	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
	2,500	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Daido Life Insurance Company	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Mizuho Corporate Bank, Ltd.	2,500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	2,000	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
	4,400	1.20861%	Feb. 18, 2008	Dec. 20, 2010	
	2,000	1.33256%	Apr. 10, 2008	Jun. 20, 2011	

Aozora Bank, Ltd.	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	Unsecured Unguaranteed Floating rate of interest
	900	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
	500	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
	2,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
The Bank of Fukuoka, Ltd.	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	800	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	4,000	1.66432%	Sep. 27, 2007	Dec. 20, 2012	
	4,000	1.20861%	Feb. 18, 2008	Dec. 20, 2010	
	2,000	1.33256%	Apr. 10, 2008	Jun. 20, 2011	
	4,400	1.44618%	Dec. 27, 2007	Jun. 20, 2012	
Sumitomo Mitsui Banking Corporation	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	2,800	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
	4,500	1.48031%	Jan. 30, 2008	Jun. 20, 2012	
The National Mutual Insurance Federation of Agricultural Cooperatives	3,400	1.89500%	Apr. 28, 2006	Dec. 20, 2011	
The Dai-ichi Mutual Life Insurance Company	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Mitsui Sumitomo Insurance Company, Limited	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
The Norinchukin Bank	4,000	1.31423%	Dec. 20, 2006	Dec. 20, 2011	
Total	64,800				
Borrowings Total	74,200				

(Note)

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 five decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.

3. Corporate Bonds

Corporate Bonds as of May 31, 2008 were as follows;

Name	Balance (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 1 of Unsecured Corporate Bonds	15,000	0.78%	Jul. 12, 2005	Jul. 12, 2010	Bullet payment
Series 2 of Unsecured Corporate Bonds	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Total	25,000				

Trading Activities during the Period

1. Trading of Real Estate and Real Estate-Backed Securities

(Millions of yen)

Asset Type	Name of Properties	Acquisition		Transfer			
		Date	Price (Note)	Date	Price	Book value	Gain on sale
Beneficiary rights of trusted real estate assets	GRAND-ROUGE Sakae II	December 26, 2007	1,300	-	-	-	-
Beneficiary rights of trusted real estate assets	Tip's Machida Building	December 27, 2007	4,100	-	-	-	-
Beneficiary rights of trusted real estate assets	Daiei Takarazuka Nakayama	January 30, 2008	4,284	-	-	-	-
Beneficiary rights of trusted real estate assets	maricom-ISOGO/SYSTEM PLAZA ISOGO (Site)	February 18, 2008	11,904	-	-	-	-
Beneficiary rights of trusted real estate assets	MZ Building	April 10, 2008	3,800	-	-	-	-
	Total		25,388	-	-	-	-

(Note)

The acquisition price is purchase price stated in the sales and purchase agreement of the asset, excluding consumption taxes and expenses necessary for making the relevant acquisition (e.g. agency fees, taxes and impositions), and is rounded to the nearest one million yen.

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

Sales and purchase transactions concerning the specified assets with related parties and major shareholders were set out below.

(Millions of yen)

Category	Amount of Purchase and Sale Price etc.		
	Purchase price etc.		Sale price etc.
Total Amount	25,388 (100.0%)		-
	Purchase prices from related parties and major shareholders		Sale prices to related parties and major shareholders
	13,484 (53.1%)		-
Breakdown of status of transactions with related parties and major shareholders			
Marubeni Corporation	GRAND-ROUGE Sakae II	1,300 (5.1%)	-
TIPNESS Limited	Tips Machida Building	4,100 (16.1%)	-
Takarazuka Nakayama LLC	Daiei Takarazuka Nakayama	4,284 (16.9%)	-
SJ Mita Investment Co., Ltd.	MZ Building	3,800 (15.0%)	-

(2) Amount of commissions paid to related parties and major shareholders

The amounts of commissions paid to related parties and major shareholders in the ninth fiscal period were set out below.

Category	Total Commission Paid (A) (Thousands of yen)	Description of Transactions with Related Parties and Major Shareholders		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Brokerage Commission	722,640	Marubeni Corporation	128,520	17.8
Property Management Fees	360,854	Marubeni Community Co., Ltd.	42,868	11.9
		Marubeni Real Estate Co., Ltd.	10,183	2.8
		Marubeni Properties Co., Ltd.	94,626	26.2
		The Daiei, Inc.	813	0.2
Casualty Insurance Premium	12,774	Marubeni Safenet Co., Ltd.	12,476	97.7
Construction Management Fees	9,415	Marubeni Community Co., Ltd.	1,085	11.5
		Marubeni Real Estate Co., Ltd.	2,121	22.5
		Marubeni Properties Co., Ltd.	3,470	36.9
Other Rental Expenses	29,532	Marubeni Real Estate Co., Ltd.	50	0.2
		Marubeni Properties Co., Ltd.	8,480	28.9

(Notes)

1. Among the related parties of the asset management company, as stipulated in Article 15, Paragraph 2 of the Investment Trust Law before amended by the Law for Partial Amendments to the Securities and Exchange Law and others, that United Urban has concluded asset management agreement with ("Related Parties"), and major shareholders of the asset management company as defined in Article 9, Paragraph 3 of the said law, the table above indicates Marubeni Corporation, Marubeni Community Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Properties Co., Ltd., Marubeni Safenet Co., Ltd. and The Daiei, Inc. as parties that have conducted business up to the end of the ninth fiscal period and have received payment of commissions.
2. In addition to the commissions stated above, a portion of the commissions paid by United Urban to third parties (administrative agents for corporate bonds) for the handling of payments of principal and interest for United Urban's first and second series corporate bonds was paid by the administrative agents to handling agents of payments of principal and interest (including securities companies).
3. In addition to the transactions above, the amount of repair expense paid to related parties during the period under review was as set forth below.
Marubeni Community Co., Ltd. ¥1,036 thousand

Others

1. Notifications

United Urban Board of Directors

There were no conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the ninth fiscal period.

Appendix

Investment Policies

Investment Policies

The Investment Corporation sets forth in its Articles of Incorporation that it shall invest in investment assets with the aim of securing stable revenues over the medium to long term. The Asset Management Company establishes Asset Management Guidelines as their internal rules and determines the management policies that apply to the Investment Corporation's investment, in accordance with the Articles of Incorporation of the Investment Corporation and the Asset Management Agreement between the Asset Management Company and the Investment Corporation and in consideration of the basic policies provided in the Articles of Incorporation of the Investment Corporation. The Asset Management Company takes due consideration of various factors including the current status and trends in real estate, capital and financial markets, as well as general economic conditions, market trends of real estate-related products and the financial condition of the Investment Corporation, when establishing the Asset Management Guidelines. Furthermore, in order to ensure that the Asset Management Guidelines remain relevant and in tune with changes in market and operating conditions, the Asset Management Guidelines shall be amended promptly and actively in consideration of the Articles of Incorporation of the Investment Corporation and the Asset Management Agreement.

Basic Investment Policy

The Investment Corporation aims to secure stable earnings over the medium to long term when investing in real estate assets. To this end, the Investment Corporation aims to establish and develop an optimal investment portfolio in terms of type of use and area of location in tune with changes in the general economy and real estate market trends and with the intention to minimize risks. The Investment Corporation aims to establish and develop a comprehensive investment portfolio by investing in real estate assets in various types of use in various areas of locations.

(a) Type of Use of Real Estate Assets

The Investment Corporation shall invest primarily in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) such as retail properties (including facilities which are applied to retail, wholesale and restaurant business and services, etc.), office buildings, hotels, residential properties, and others.

(b) Area of Location

The Investment Corporation shall invest in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) located in the Tokyo Metropolitan Area and other major cities in Japan including government designated cities, and surrounding areas thereof.

Investment Stance

- (a) In accordance with its asset management policy, the Investment Corporation shall invest in specified assets of which more than 75% are comprised of investments in Specified Real Estate Assets. Specified Real Estate Assets as used herein shall mean real estate, real estate leases, superficies and beneficiary rights of trust in which real estate, land leases or superficies are entrusted.
- (b) The Investment Corporation shall invest primarily in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) such as retail properties (including facilities which are applied to retail, wholesale and restaurant business and services, etc.), office buildings, hotels, residential properties, and others.
- (c) The area of location of investment shall be in the Tokyo Metropolitan Area and other major cities in Japan including government designated cities, and surrounding areas thereof.
- (d) The Investment Corporation shall conduct necessary due diligence prior to investment in real estate etc. An investment decision shall be made when the investment amount is considered in line with the existing investment environment and other relevant considerations.
- (e) For its asset management, the Investment Corporation shall invest primarily in real estate and trust beneficial interests in real estate, but shall also invest in other Real Estate etc. (excluding real estate and trust beneficial

interests in real estate among real estate assets) and Real Estate-Backed Securities, depending on the investment environment and asset size.

- (f) The Investment Corporation may reinvest proceeds from sales of investment assets, redemption amount of marketable securities, interest etc., dividends from ownership interests in an undisclosed ownership, income from real estate lease and other proceeds.

Management Policy

Based on the aforementioned basic investment policy and investment stance, Japan REIT Advisors Co., Ltd., the Asset Management Company appointed by the Investment Corporation, undertakes management of the Investment Corporation's investment assets in accordance with the following asset management policies:

(a) Portfolio Management Criteria

1. Investment Term

In principle, investment assets shall be acquired for the medium to long term and shall not be acquired for the purpose of short-term sale.

2. Acquisition Criteria

The acquisition of investment assets shall be subject to comprehensive due diligence. Due diligence shall include an assessment of current relevant conditions, the potential for future profitability, risks, location, the status and maintenance of buildings and facilities, historical data relating to repairs and renovations, measures to prevent deterioration and obsolescence, earthquake protection, ownership rights, tenant status, details of building lease agreements, environmental and geological conditions and real estate appraisal (including price surveys by licensed real estate appraisers with the same method of appraisal). In addition, an investment decisions shall be made in line with considerations relating to investment yield in the context of future economic conditions, trends in real estate markets, the property's potential to attract tenants, significant factors and expenses that may impact on future profits, the contribution of the acquisition to the future growth of the investment portfolio as a whole and the level to which the acquisition would enhance investment portfolio value from a medium- to long-term perspective. Furthermore, investment asset acquisitions shall be subject to an assessment of the type, use and location of each property in line with surveys and analyses of medium- and long-term market trends. The investment portfolio shall be subject to constant review and adjustment to ensure an optimal composition of investment assets of varied use and location.

(i) Type of Use of Real Estate Assets

The composition of the investment portfolio by asset type of use shall be determined on an ongoing basis subject to changes in general economic conditions and real estate market trends. The Investment Corporation shall limit investment in real estate categorized in any one particular asset type of use to a maximum of 60% of the total investment portfolio based on the most current real estate appraisal value (including research values by licensed real estate appraisers, and appraisal values calculated reasonably and objectively by the other methods; same in the following (ii)). In an effort to secure stable earnings, however, the Investment Corporation may temporarily maintain an investment portfolio comprised of real estate categorized in one asset type of use in excess of 60% of the total investment portfolio.

(ii) Area of Location

Pursuant to the Asset Management Guidelines, the Investment Corporation shall maintain the investment in real estate assets located in the Tokyo Metropolitan Area, the hub of economic activity in Japan, 50% or more of its total investment portfolio based on the most current real estate appraisal value. In addition, the Investment Corporation shall invest in major metropolitan areas in Japan other than the Tokyo Metropolitan Area subject to the economic environment and markets trends of each region. As a rule, the Investment Corporation shall contain real estate investment in any one major metropolitan area other than the Tokyo Metropolitan Area to a maximum of one-third of the total investment portfolio based on the most current real estate appraisal value. In an effort to secure stable earnings, however, the Investment Corporation may temporarily maintain an investment portfolio comprised of real estate located in one metropolitan area other than the Tokyo Metropolitan Area exceeding one-third of the total investment portfolio.

(b) Leasing Policy

The Asset Management Company shall undertake real estate leasing activities in connection with the Investment Corporation's investment portfolio with the aim of securing stable medium- and long-term revenues

under the following leasing policies in accordance with the Asset Management Guidelines:

1. Selection of High-Quality Tenants

The Asset Management Company shall conclude real estate leasing agreements based on comprehensive credit analyses of the financial condition and business performance of each prospective corporate and individual tenant, as well as conducting thorough checks of the industry in which the prospective tenant operates.

2. Execution and Renewal of Long-Term Real Estate Leasing Agreements (including Fixed Real Estate Lease Agreements)

Whenever possible, the Asset Management Company shall conclude medium- to long-term real estate leasing agreements with new tenants. In addition, the Asset Management Company shall endeavor to increase existing tenant satisfaction through quality real estate management, maintenance and improvement with the aim of continuous extension of real estate leasing agreements for a medium- and long-term period.

Investment Criteria

Types of Investment Assets

The Investment Corporation shall invest primarily in Real Estate etc. and Real Estate-Backed Securities each as defined below.

(a) Real Estate etc. refers to the following:

1. Real estate
2. Real estate leases
3. Superficies
4. Beneficiary interests of trust in which real estate, land leases or superficies are entrusted, including comprehensive trusts in which cash associated with real estate is also entrusted, but excluding the securities ("Marketable Securities") defined in the Enforcement Order of the Investment Trust Law ("Enforcement Order of the Investment Trust Law").
5. Beneficiary interests of trust of money for the purpose of investment in real estate, real estate leases and superficies (excluding Marketable Securities)
6. Equity investment based on an agreement under which one party to the agreement makes contributions for investment in assets set forth in 1. through 5. above, and the other party invests these contributions primarily in acquisition and management of such assets, with the profits from the investment distributed

(b) Real Estate-Backed Securities refers to the following securities having a purpose of investment in Real Estate etc. in an amount exceeding one-half of the asset:

1. Preferred contribution securities as defined in the Asset Liquidation Law
2. Beneficiary securities as defined in the Investment Trust Law
3. Investment securities as defined in the Investment Trust Law
4. Beneficiary securities of special purpose trusts as defined in the Asset Liquidation Law (excluding investments in assets mentioned above (a)-4. and -5.)

(c) The Investment Corporation may invest in the following Specified Assets in an effort to efficiently utilize surplus funds:

1. Deposits
2. Call loans
3. Marketable Securities (excluding securities as defined in above (a) and (b))
4. Monetary claims (with the meaning defined in the Enforcement Order of the Investment Trust Law)
5. Rights relating to financial derivative transactions (with the meaning defined in the Enforcement Order of the Investment Trust Law)

(d) Other than the assets set forth in (a) through (c) above, the Investment Corporation may invest in the following assets, when it is deemed necessary or useful under the basic policy of asset management or its organizational operation (including cases investing in trademarks concerning the trade name of the Investment Corporation.)

1. Trademarks and trademark equivalents under Trademark Law (Trademark rights etc. refers to trademarks, and exclusive or standard trademark use rights.)
2. Right to use the source of hot springs as defined in the Hot Springs Law and facilities attached to the said hot springs
3. Copyrights as defined in the Copyright Law

4. Movable as defined in the Civil Code
5. Easement as defined in the Civil Code
6. Specified capital contribution as defined in the Asset Liquidation Law
7. Trust beneficial interest in the assets set forth in 1. through 6. above.
8. Other than the assets set forth in 1. through 7. above, other rights whose acquisition shall be necessary or useful when investing in Real Estate etc. or Real Estate-Backed Securities.

Investment Restrictions

Restrictions under the Articles of Incorporation of the Investment Corporation

The Investment Corporation may not invest in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities), which are not located in Japan.

Distribution Policies

The Investment Corporation shall, in principle, make cash distributions in accordance with the following distribution policies:

Profit Distribution

- (a) As part of the total amount of the cash distributions payable to unitholders, the amount of profits as defined in the Investment Trust Law shall be calculated in accordance with generally accepted accounting principles in Japan.
- (b) The Investment Corporation shall, in principle, pay cash distributions in an amount that exceeds 90% of the Investment Corporation's distributable income as stipulated in Article 67-15, Paragraph 1 of the Special Taxation Measures Law.

Distributions in Excess of Profits

In the event the distributable amount is less than 90% of distributable income, or when the Investment Corporation deems appropriate based on trends in the real estate market and other factors, the Investment Corporation may distribute an amount in excess of profits, provided that such amount does not exceed the amount of depreciation relating to fixed assets for the relevant business term. In such a case, however, if the cash distribution does not meet the conditions of special tax treatments for Investment Corporations, the amount decided by the Investment Corporation for the purpose of meeting the conditions may be distributed in cash. While the Investment Corporation shall make every effort to ensure stable cash distributions, it shall not make any distribution exceeding profits as long as tax law requires unitholders to individually calculate capital gains and losses each time they receive cash distributions exceeding profits. However, when the Board of Directors of the Investment Corporation decides that distributions exceeding profits is required in order to satisfy the requirements for special tax treatment or otherwise, cash distributions in excess of profits are allowed to be paid subject to the aforementioned cash distribution policies.

Method of Cash Distribution

Distributions shall be paid in cash and, in principle, within three months from the last day of each fiscal period to unitholders and registered investment unit pledgees whose names appear or recorded as such on the registry of unitholders as of the last day of each fiscal period in proportion to the number of investment units held.

Extinctive Prescription for Cash Distributions

The Investment Corporation shall be discharged from the obligation to pay cash distributions of profits to unitholders three calendar years from the date of commencement of payment. Interest shall not accrue on unpaid cash distributions.

Regulations of the Investment Trusts Association of Japan

In addition to the distribution policies set out above, the Investment Corporation shall comply with the relevant regulations of the Investment Trusts Association of Japan.

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BALANCE SHEETS

(As of May 31, 2008 and November 30, 2007)

	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 17,224,783	¥ 15,744,182
Rent receivables	152,805	114,913
Consumption taxes refundable	122,878	-
Other current assets	183,967	21,312
Total current assets	17,684,433	15,880,407
PROPERTY AND EQUIPMENT, AT COST:		
Land	117,549,908	97,846,403
Buildings and structures	81,716,217	75,230,054
Machinery and equipment	355,279	227,417
Tools, furniture and fixtures	65,991	57,152
Construction in progress	22,354	22,570
Subtotal	199,709,749	173,383,596
Less accumulated depreciation	(8,874,164)	(7,582,405)
Net property and equipment	190,835,585	165,801,191
INVESTMENTS AND OTHER ASSETS:		
Intangible assets	2,049	314
Security deposits paid	30,013	10,013
Long-term prepaid expenses	288,953	159,888
Organization costs	-	5,580
Corporate bond issuance expenses	-	20,442
TOTAL ASSETS	¥208,841,033	¥181,877,835

	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
LIABILITIES and UNITHOLDERS' EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 408,237	¥ 206,093
Long-term debt due for repayment within one year	9,400,000	10,200,000
Accrued expenses	381,458	307,666
Income taxes payable	889	896
Consumption taxes payable	-	29,677
Rent received in advance	1,086,851	986,411
Other current liabilities	55,844	27,895
Total current liabilities	11,333,279	11,758,638
LONG-TERM LIABILITIES:		
Corporate bonds	25,000,000	25,000,000
Long-term debt	64,800,000	38,700,000
Leasehold and security deposits received	14,773,164	13,756,509
Total long-term liabilities	104,573,164	77,456,509
Total liabilities	115,906,443	89,215,147
UNITHOLDERS' EQUITY		
Unitholders' capital:		
Units authorized: 2,000,000 units as of May 31, 2008 and November 30, 2007		
Units issued and outstanding: 159,843 units as of May 31, 2008 and November 30, 2007		
	89,838,680	89,838,680
Retained earnings	3,095,910	2,824,008
Total unitholders' equity	92,934,590	92,662,688
TOTAL LIABILITIES and UNITHOLDERS' EQUITY	¥208,841,033	¥181,877,835

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

STATEMENTS OF INCOME

(For the six months ended May 31, 2008 and November 30, 2007)

	Thousands of yen	
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)
OPERATING REVENUES		
Rental revenues	¥6,837,741	¥6,275,608
Other rental revenues	346,345	397,705
	7,184,086	6,673,313
OPERATING EXPENSES		
Property-related expenses	2,620,404	2,591,676
Asset management fees	534,843	489,376
Administrative service fees	92,609	92,435
Other operating expenses	139,557	145,712
	3,387,413	3,319,199
OPERATING INCOME	3,796,673	3,354,114
NON-OPERATING REVENUES		
Interest income	605	395
Other non-operating revenues	1,039	1,641
	1,644	2,036
NON-OPERATING EXPENSES		
Interest expense	518,439	348,696
Interest expense on corporate bonds	154,652	154,390
Amortization of corporate bond issuance expenses	20,442	20,442
Amortization of organization costs	5,580	5,580
Other non-operating expenses	2,353	2,152
	701,466	531,260
INCOME BEFORE INCOME TAXES	3,096,851	2,824,890
INCOME TAXES		
Current	1,005	973
Deferred	(2)	4
	1,003	977
NET INCOME	¥3,095,848	¥2,823,913

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the six months ended May 31, 2008 and November 30, 2007)

				Thousands of yen
	Number of Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity
BALANCE AS OF MAY 31, 2007	159,843	¥ 89,838,680	¥ 2,806,618	¥92,645,298
Cash distributions disbursed	—	—	(2,806,523)	(2,806,523)
Net income	—	—	2,823,913	2,823,913
BALANCE AS OF NOVEMBER 30, 2007	159,843	89,838,680	2,824,008	92,662,688
Cash distributions disbursed	—	—	(2,823,946)	(2,823,946)
Net income	—	—	3,095,848	3,095,848
BALANCE AS OF MAY 31, 2008	159,843	¥ 89,838,680	¥ 3,095,910	¥ 92,934,590

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

STATEMENTS OF CASH FLOWS

(For the six months ended May 31, 2008 and November 30, 2007)

	Thousands of yen	
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 3,096,851	¥ 2,824,890
Depreciation and amortization	1,291,773	1,284,242
Interest income	(605)	(395)
Interest expense and interest expense on corporate bonds	673,091	503,086
Amortization of organization costs	5,580	5,580
Amortization of corporate bond issuance expenses	20,442	20,442
Increase in rent receivables	(37,892)	(8,893)
(Increase) decrease in consumption taxes refundable	(122,877)	41,517
(Increase) decrease in prepaid expenses	(166,126)	143,277
(Increase) decrease in long-term prepaid expenses	(18,932)	10,046
Increase in trade accounts payable	48,125	5,706
(Decrease) increase in accrued expenses	(5,899)	7,862
(Decrease) increase in consumption taxes payable	(29,677)	29,677
Increase in rent received in advance	100,439	29,400
Other, net	13,240	1,951
Subtotal	4,867,533	4,898,388
Interest received	359	396
Interest paid	(694,788)	(513,066)
Income taxes paid	(1,011)	(1,078)
Net cash provided by operating activities	4,172,093	4,384,640
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(26,174,101)	(6,380,667)
Payments for leasehold and security deposits paid	(20,000)	-
Proceeds from leasehold and security deposits received	1,093,192	356,030
Payments for leasehold and security deposits received	(65,616)	(166,582)
Net cash used in investing activities	(25,166,525)	(6,191,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	35,500,000	4,000,000
Repayment of long-term debt	(10,200,000)	-
Distributions to unitholders	(2,825,723)	(2,806,518)
Net cash provided by financing activities	22,474,277	1,193,482
NET CHANGES IN CASH AND CASH EQUIVALENTS	1,479,844	(613,097)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,538,652	16,151,749
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥17,018,496	¥15,538,652

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

NOTES TO FINANCIAL STATEMENTS

(May 31, 2008 and November 30, 2007)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

United Urban Investment Corporation (“United Urban”) is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. (“JRA”). JRA is currently owned 51% by Marubeni Corporation (“Marubeni”), 44% by Credit Suisse Principal Investments Limited, Tokyo Branch (“CSPI”), 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 Law Concerning Investment Trusts and Investment Corporations of Japan (the “Investment Trust Law”). Trinity Investment Trust L.L.C., Marubeni, CSPI, 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 December 1, 2004, United Urban raised ¥51,037 million through the public offering of investment units.

As of May 31, 2008, the end of its ninth fiscal period, United Urban had ownership of, or beneficial interests in, 12 retail properties, 6 office buildings, 3 hotels, 17 residential properties, 1 other, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel.

Basis of Presentation of Financial Statements

The accompanying financial statements of United Urban are prepared on the basis of accounting principles generally accepted in Japan (“Japanese GAAP”) which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the financial statements prepared by United Urban as required by the Securities and Exchange Law and the Investment Trust Law of Japan.

The accompanying financial statements are a translation 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 in the filed financial statements originally prepared in Japanese, which were rounded down to the nearest thousand yen, have been rounded off to the nearest thousand in the accompanying financial statements.

United Urban’s semiannual accounting periods end either at the end of May or November. United Urban’s ninth fiscal period began on December 1, 2007 and ended on May 31, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

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

	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
Buildings and structures	2 - 55 years	2 - 55 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	5 - 15 years	5 - 15 years

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash held in trust, deposits with banks, deposits with banks held in trust and short-term, highly liquid 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 dates 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. ¥122,589 thousand and ¥3,830 thousand of such property taxes and city planning taxes were capitalized for the six-month periods ended May 31, 2008 and November 30, 2007, respectively.

Corporate Bond Issuance Expenses

Corporate bond issuance expenses are amortized over a period of approximately three years, in equal amounts for each semiannual period.

Organization Costs

Organization costs are amortized over a period of approximately five years (comprising ten semiannual periods), in equal amounts for each semiannual period.

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 reporting and the tax bases 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 statements of income. 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 six-month period ended May 31, 2008.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2008 and November 30, 2007 were as follows:

	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
Cash and bank deposits	¥ 17,224,783	¥ 15,744,182
Restricted deposits with a bank	(206,287)	(205,530)
Cash and cash equivalents	¥ 17,018,496	¥ 15,538,652

4. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2008 and November 30, 2007, the following assets were pledged as collateral for the following debt:

Pledged Assets	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
Cash and bank deposits	¥ 206,288	¥ 206,041
Land	2,114,743	2,114,743
Buildings and structures	2,845,433	2,907,199
Total	¥ 5,166,464	¥ 5,227,983

Debt Secured by Pledged Assets	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
Leasehold and security deposits received	¥1,783,378	¥1,783,378
Total	¥1,783,378	¥1,783,378

5. COMMITTED LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
Total amount of commitment	¥10,000,000	¥10,000,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥10,000,000	¥10,000,000

6. UNITHOLDERS' EQUITY

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

7. LONG-TERM DEBT

Long-term debt at May 31, 2008 and November 30, 2007 consisted of the following:

	End of 9th Fiscal Period (As of May 31, 2008)		End of 8th Fiscal Period (As of November 30, 2007)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Unsecured loans from banks, trust banks, and an insurance company at fixed interest rates, due December 20, 2007	¥ -	-	¥ 8,000,000	0.918%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2007	-	-	2,200,000	1.088%
Unsecured loans from banks, trust banks, and an insurance company at fixed interest rates, due December 20, 2009	5,000,000	1.397%	5,000,000	1.397%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008	6,850,000	1.264%	6,850,000	1.155%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008	2,550,000	1.264%	2,550,000	1.155%
Unsecured loan from a federation at a fixed interest rate, due December 20, 2011	3,400,000	1.895%	3,400,000	1.895%
Unsecured loans from banks at fixed interest rates, due December 20, 2009	4,800,000	1.550%	4,800,000	1.550%
Unsecured loans from banks at fixed interest rates, due December 20, 2009	5,600,000	1.477%	5,600,000	1.477%
Unsecured loans from banks at fixed interest rates, due December 20, 2011	2,500,000	1.862%	2,500,000	1.862%
Unsecured loan from a bank at a variable interest rate, due December 20, 2011	4,000,000	1.314%	4,000,000	1.205%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	4,000,000	1.664%
Unsecured loans from banks and a trust bank at fixed interest rates, due December 20, 2010	12,400,000	1.209%	-	-
Unsecured loans from banks at fixed interest rates, due December 20, 2011	4,000,000	1.333%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,400,000	1.446%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,500,000	1.480%	-	-
Unsecured loans from banks, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	-	-
Total	¥ 74,200,000		¥ 48,900,000	

8. CORPORATE BONDS

Corporate bonds at May 31, 2008 and November 30, 2007 consisted of the following:

	End of 9th Fiscal Period (As of May 31, 2008)		End of 8th Fiscal Period (As of November 30, 2007)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Series 1 unsecured bonds, due July 12, 2010	¥ 15,000,000	0.78%	¥ 15,000,000	0.78%
Series 2 unsecured bonds, due July 10, 2015	10,000,000	1.91%	10,000,000	1.91%
Total	¥ 25,000,000		¥ 25,000,000	

9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the six-month periods ended May 31, 2008 and November 30, 2007 were as follows:

	Thousands of yen	
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)
Operating Revenues	¥ 7,184,086	¥ 6,673,313
Rental Revenues	6,837,741	6,275,608
Rental revenues	6,237,631	5,689,130
Common area charges	427,261	418,614
Parking revenues	148,209	147,835
Other	24,640	20,029
Other Rental Revenues	346,345	397,705
Incidental revenues	313,143	323,131
Temporary revenues (including cancellation charges)	20,524	62,639
Other miscellaneous revenues	12,678	11,935
Property-Related Expenses	2,620,404	2,591,676
Property and other taxes	503,714	502,575
Property management fees	360,854	341,629
Utilities	316,131	341,552
Casualty insurance	12,774	11,539
Repairs and maintenance	76,092	69,636
Depreciation and amortization	1,291,773	1,284,242
Other rental expenses	59,066	40,503
Profit from rental activities	¥ 4,563,682	¥ 4,081,637

10. INCOME TAXES

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the six-month periods ended May 31, 2008 and November 30, 2007 is summarized as follows:

	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)
Statutory tax rate	39.39%	39.39%
Distributions of tax-deductible dividends	(39.38)	(39.38)
Other	0.02	0.03
Effective tax rate	0.03%	0.04%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of taxable income for each fiscal period in order to meet the conditions set forth in the Special Taxation Measures Law of Japan concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban made dividend distributions of approximately 100% of its retained earnings in aggregate amounts of ¥3,095,839 thousand and ¥2,823,946 thousand at May 31, 2008 and November 30, 2007, respectively, and treated these distributions as tax deductions. United Urban does not distribute cash dividends in excess of its retained earnings in accordance with its Articles of Incorporation.

11. PER UNIT INFORMATION

The calculation of net assets per unit is based on the number of units outstanding at the period end, and the calculation of net income per unit is based on the weighted-average number of units outstanding during the period. Net assets per unit and net income per unit at May 31, 2008 and November 30, 2007 for the six-month periods then ended are summarized as follows:

	Yen	
	9th Fiscal Period (December 1, 2007 - May 31, 2008)	8th Fiscal Period (June 1, 2007 - November 30, 2007)
Net assets per unit at the period end	¥ 581,411	¥ 579,710
Net income per unit	¥ 19,368	¥ 17,666
Weighted-average number of units	159,843	159,843

12. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2008 and November 30, 2007, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 9th Fiscal Period (As of May 31, 2008)	End of 8th Fiscal Period (As of November 30, 2007)
Due within one year	¥ 5,412,083	¥ 5,483,296
Due after one year	39,028,090	32,446,777
Total	¥ 44,440,173	¥ 37,930,073

13. TRANSACTIONS WITH RELATED PARTIES

(Ninth Fiscal Period: December 1, 2007 – May 31, 2008)

1. Asset Management Companies and Related Parties

							Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Corporation	Wholesale industry	0.7	None	Acquisition of trust beneficial interest in real estate (Note 3)	¥ 1,300,000	-	¥ -
				Brokerage commissions	128,520	-	-
Marubeni Community Co., Ltd.	Real estate management	-	None	Property leasing	144,605	Rent receivables	14,400
						Security deposits received	47,587
				Property management fees	42,868	Trade accounts payable	8,060
				Construction management fees	1,085	Trade accounts payable	155
				Utilities	66	Trade accounts payable	67
				Construction costs	1,036	-	-
				Other rental expenses	1,283	Trade accounts payable	42
Marubeni Real Estate Co., Ltd.	Real estate	-	None	Property management fees	10,183	Trade accounts payable	244
				Construction management fees	2,121	Trade accounts payable	0
				Other rental expenses	50	-	-
				Other rental expenses (communications)	95	Trade accounts payable	10
Marubeni Safenet Co., Ltd.	Insurance agency	-	None	Casualty insurance	12,476	Long-term prepaid expenses	40,596
Marubeni Properties Co., Ltd.	Real estate management	-	None	Property management fees	94,626	Trade accounts payable	16,556
				Construction management fees	3,470	Trade accounts payable	866
				Other rental expenses	8,480	-	-
The Daiei, Inc.	Supermarket	-	None	Property leasing	630,968	Security deposits received	880,000
						Rent received in advance	119,000
				Property management fees	813	-	-
The Maruetsu, Inc.	Supermarket	-	None	Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648
TIPNESS LIMITED	Fitness club operator	-	None	Acquisition of trust beneficial interest in real estate (Note 4)	4,100,000	-	-
				Property leasing	20,926	Security deposits received	48,653
						Rent received in advance	4,257
				Other rental revenues	23,614	Rent receivables	6,119
Takarazuka Nakayama LLC	Real estate	-	None	Acquisition of trust beneficial interest in real estate (Note 5)	4,284,000	-	-
SJ Mita Investment Co., Ltd.	Real estate	-	None	Acquisition of trust beneficial interest in real estate (Note 6)	3,800,000	-	-

Telemarketing Japan, Inc.	Marketing	—	None	Property leasing	17,013	Security deposits received	30,794
						Rent received in advance	2,977
				Property management fees	2,025	Rent receivables	552

2. Asset Custodian

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1, 2)	Account	Balance at the End of the Period (Note 1,2)
Mizuho Trust & Banking Co., Ltd.	Trust bank	—	None	Administrative service fee	¥ 57,674	Accrued expenses	¥ 30,444
				Custodian fee	62,869	—	—
				Brokerage commission	357,120	—	—

(Notes)

1. "Amount of Transactions" is stated exclusive of consumption taxes; however, "Balance at the End of the Period" is stated inclusive of consumption taxes.
2. Figures above have been rounded to the units stated.
3. The above-mentioned acquisition of trust beneficial interest in real estate concerns "GRAND-ROUGE Sakae II," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).
4. The above-mentioned acquisition of trust beneficial interest in real estate concerns "Tip's Machida Building," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).
5. The above-mentioned acquisition of trust beneficial interest in real estate concerns "Daiei Takarazuka Nakayama," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).
6. The above-mentioned acquisition of trust beneficial interest in real estate concerns "MZ Building," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).
7. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

(Eighth Fiscal Period: June 1, 2007 – November 30, 2007)

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions	Account	Balance at the End of the Period
Marubeni Corporation	Wholesale industry	0.7	None	Acquisition of trust beneficial interest in real estate (Note 3)	¥ 3,760,000	—	¥ —
Marubeni Community Co., Ltd. (Benny Estate Service Co., Ltd.)	Real estate management	—	None	Property leasing	146,172	Rent receivables	14,787
						Security deposits received	47,587
				Property management fees	23,129	Trade accounts payable	3,895
				Construction management fees	179	Trade accounts payable	11
				Other rental expenses	289	Trade accounts payable	54
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	10,099	Trade accounts payable	244
				Construction management fees	1,797	Trade accounts payable	63
				Other rental expenses	624	Trade accounts payable	139

				Other rental expenses (communications)	100	Trade accounts payable	17
Marubeni Safenet Co., Ltd.	Insurance agency	—	None	Casualty insurance	11,239	Long-term prepaid expenses	46,695
Marubeni Properties Co., Ltd.	Real estate management	—	None	Property management fees	94,636	Trade accounts payable	16,546
				Construction management fees	1,194	Trade accounts payable	218
				Other rental expenses	1,673	—	—
The Daiei, Inc.	Supermarket	—	None	Property leasing	528,000	Security deposits received	880,000
						Rent received in advance	92,400
The Maruetsu, Inc.	Supermarket	—	None	Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648

2. Asset Custodian

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions	Account	Balance at the End of the Period
Mizuho Trust & Banking Co., Ltd.	Trust bank	0.0	None	Administrative service fee	¥ 56,518	Accrued expenses	¥ 29,510
				Custodian fee	46,311	—	—
				Brokerage commission	61,200	—	—

(Notes)

1. “Amount of Transactions” is stated exclusive of consumption taxes; however, “Balance at the End of the Period” is stated inclusive of consumption taxes.
2. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.
3. The above-mentioned acquisition of trust beneficial interest in real estate concerns “ACTIOLE minami ikebukuro,” and the stated “Amount of Transactions” (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).

14. SUBSEQUENT EVENTS

Cash Distribution

On July 16, 2008, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥19,368 per unit, amounting to ¥3,095,839 thousand in the aggregate, to unitholders of record as of May 31, 2008.

Issue of New Investment Units

United Urban ratified the issue of new investment units through public offering and third-party allotment at meetings of the Board of Directors held on June 2 and 17, 2008. United Urban issued 40,000 units in a public offering on June 24, 2008 and 1,457 units in a third-party allotment through the exercise of a green shoe option on July 24, 2008. Payments of about ¥18.4 billion have been completed. Consequently, unitholders' capital totaled ¥108,310,509,822, and the number of units issued and outstanding totaled 201,300 units. Details on the issue of new investment units are as follows:

A. Issue of new investment units by public offering

Total number of units issued	:	40,000 units
Offer price	:	¥461,580 per unit
Total offer price	:	¥18,463,200,000
Issue price	:	¥445,566 per unit
Total issue price	:	¥17,822,640,000
Payment date	:	June 24, 2008 (Tuesday)
Initial date of reckoning for cash distribution	:	June 1, 2008 (Sunday)

B. Issue of new investment units by third-party allotment (exercise of green shoe option)

Total number of units issued	:	1,457 units
Issue price	:	¥445,566 per unit
Total issue price	:	¥649,189,662
Application period (Application date)	:	July 23, 2008 (Wednesday)
Payment date	:	July 24, 2008 (Thursday)
Delivery and settlement date	:	July 24, 2008 (Thursday)
Initial date of reckoning for cash distribution	:	June 1, 2008 (Sunday)
Allottee and number of units	:	Nikko Citigroup Limited, 1,457 units

Acquisition of Properties

United Urban acquired the properties set forth below subsequent to the end of the ninth fiscal period:

< ACTIOLE Kannai >

Summary of Acquisition

Acquired Asset	:	Real estate
Acquisition Price	:	¥2,410 million
Date of Acquisition	:	June 30, 2008

Outline of Property

Location	:	3-31 Masago-cho, Naka-ku, Yokohama-shi, Kanagawa
Use	:	Retail properties / Parking lot
Site Area	:	Land: 375.17 m ² , Building: 2,238.82 m ²
Structure	:	SRC B1/9F
Completion Date	:	September 2007
Total Leasable Floor Space	:	1,938.56 m ²

< Haseman Building Toyochō >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥8,500 million
Date of Acquisition	: June 30, 2008

Outline of Property

Location	: 2-4-18 Toyo, Koto-ku, Tokyo
Use	: Office buildings
Site Area	: Land: 3,262.50 m ² , Building: 10,786.11 m ²
Structure	: SRC B1/6F
Completion Date	: November 1990
Total Leasable Floor Space	: 7,540.30 m ²

< Hotel Route Inn Yokohama Bashamichi >

Summary of Acquisition

Acquired Asset	: Real estate
Acquisition Price	: ¥4,720 million
Date of Acquisition	: June 30, 2008

Outline of Property

Location	: 4-53-1 Benten Dori, Naka-ku, Yokohama-shi, Kanagawa
Use	: Hotel / Retail properties (attached building: parking lot)
Site Area	: Land: 970.83 m ² , Building: 6,610.51 m ² (attached building: 45.36 m ²)
Structure	: SRC 11F (attached building: S 1F)
Completion Date	: July 2007
Total Leasable Floor Space	: 7,139.44 m ²

Conclusion of Agreements for Acquisitions of Properties

United Urban has concluded the sale and purchase agreements of trust beneficial interest in real estate for the properties set forth below subsequent to the end of the ninth fiscal period.

< MA Sendai Building >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Date of Agreement	: June 2, 2008
Scheduled Acquisition Price	: ¥ 3,440 million
Scheduled Date of Acquisition	: September 24, 2008

Outline of Property

Location	: 1-3-7 Kimachidori, Aoba-ku, Sendai-shi, Miyagi
Use	: Residential properties / Office building / Warehouse / Parking (attached building: parking lot)
Site Area	: Land: 3,656.44 m ² (Note) Building: 12,642.98 m ² (attached building: 4,910.70 m ²)
Structure	: SRC, RC B1/14F (attached building: S 5F)
Number of Units Available for Lease	: 152 units (residential part) (excluding one office)
Completion Date	: February 2008
Total Leasable Floor Space	: 11,494.24 m ²

(Note) The entirety of land which the property is located in is leasehold.

< Park Site IZUMI >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Date of Agreement	: June 2, 2008
Scheduled Acquisition Price	: ¥ 910 million
Scheduled Date of Acquisition	: September 30, 2008 (Note)

Outline of Property

Location	: 1-14-6 Izumi, Higashi-ku, Nagoya-shi, Aichi
Use	: Residential properties / Retail properties
Site Area	: Land: 336.55 m ² Building: 2,054.05 m ²
Structure	: S 12F
Number of Units Available for Lease	: 38 units (residential part) (excluding three compartments)

Completion Date	: September 2002
Total Leasable Floor Space	: 2,067.95 m ²

(Note) Although the scheduled date of acquisition was July 1, 2008, United Urban, upon consultation with the seller, pursuant to the provisions of the sale and purchase agreement of trust beneficial interest with conditions precedent, has determined September 30, 2008 to be the new acquisition date.

< UUR Court Jusohommachi >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Date of Agreement	: August 1, 2008
Scheduled Acquisition Price	: ¥ 1,790 million
Scheduled Date of Acquisition	: February 26, 2009

Outline of Property

Location	: 3-1-7 Jusohommachi, Yodogawa-ku, Osaka-shi, Osaka
Use	: Residential properties
Site Area	: Land: 1,266.32 m ² Building: 4,479.98 m ²
Structure	: RC 11F
Number of Units Available for Lease	: 140 units (scheduled)
Completion Date	: February 2009 (scheduled)
Total Leasable Floor Space	: 3,650.00 m ²

(Note) UUR Court Jusohommachi is a property under construction, with the completion scheduled in February 2009. To ensure profitability for the property as acquired, the sale and purchase agreement of trust beneficial interest in real estate was concluded on the following conditions:

- Construction of the building should be completed in conformity with the drawings attached to the sale and purchase agreement of trust beneficial interest in real estate (including design changes in accordance with the consent of United Urban).
- A validly existing building lease and property management agreement should be concluded by and between the Seller and J.S.B. Co., Ltd. or a third party as an alternative to the company.

Report of Independent Auditors

The Board of Directors and Unitholders of
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of May 31, 2008 and November 30, 2007, and the related statements of income, changes in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation at May 31, 2008 and November 30, 2007, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 14, Subsequent Events, the Company ratified the issue of new investment units.

Ernst & Young ShinNihon LLC

August 27, 2008

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”) as of May 31, 2008:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189 http://www.united-reit.co.jp
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥89,838,680,160
Number of Unitholders:	7,319
Transfer Agent:	The Chuo Mitsui Trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo 105-8574, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Company, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon Hibiya Kokusai Bldg. 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is 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 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189

Disclaimer

This semiannual report includes translation of certain documents originally filed and made available in Japan in accordance with the Financial Instruments and Exchange Law 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 English translation contained herein, the Japanese documents will always govern the meaning and interpretation.

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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 documents.



United Urban Investment Corporation

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