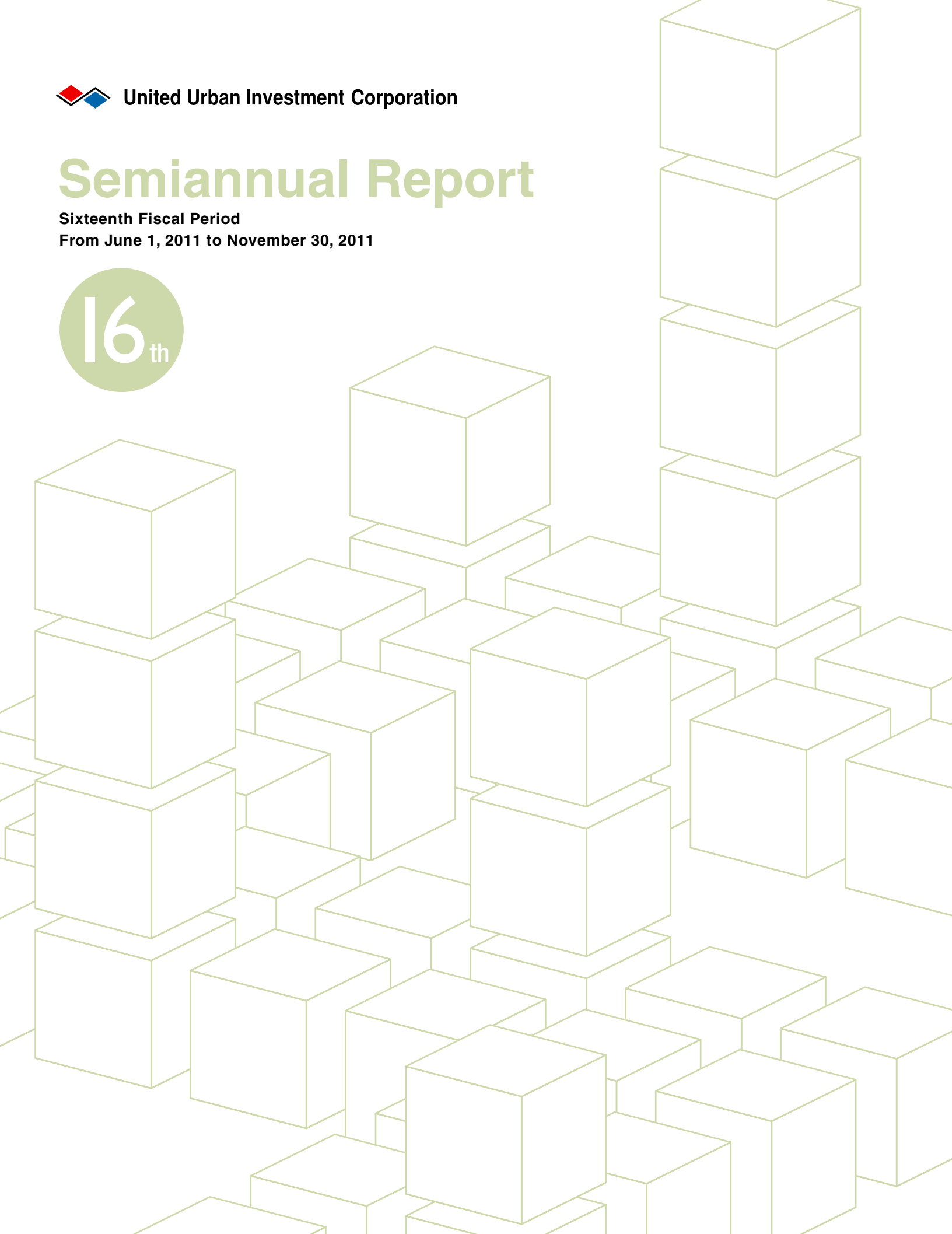


Semiannual Report

Sixteenth Fiscal Period

From June 1, 2011 to November 30, 2011



Profile

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

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

On December 1, 2010, United Urban merged with Nippon Commercial Investment Corporation (“NCI”). United Urban is maintaining its management strategies after the merger and endeavoring to maximize unitholder return.



Retail Properties

Shinsaibashi OPA Honkan



Office Buildings

Kawasaki Toshiba Building



Hotels

Shinjuku Washington Hotel Honkan



Residential Properties

UUR Court Nagoya Meieki



Others

Lillycolor Tohoku Branch

Contents

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2	Key Figures	22	Structure of United Urban / Investment Unit Information
3	Financial Highlights	23	Profile of Asset Management Company
4	Topics of 16th Fiscal Period	25	Performance Report
8	Subsequent Events	53	Financial Section
10	Management Strategy of United Urban		
12	Financial Status		

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

To Our Unitholders



Yasuhiro Tanaka

Executive Officer
United Urban Investment Corporation



Hisamitsu Abe

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

We are delighted to present this report on our business activities during our 16th fiscal period: the six-month period ended November 30, 2011.

After the merger with NCI on December 1, 2010, United Urban achieved significant growth and has become the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size as of November 30, 2011.

During the 16th fiscal period, United Urban procured about ¥57.6 billion through the third public offering (June 2011) since the IPO and the third-party allotment (July 2011). As a result, United Urban has strengthened its financial standing and acquired four new properties (total acquisition price: ¥20,840 million). After the offering, United Urban acquired two properties (total acquisition price: ¥10,250 million) and sold two properties (total sale price: ¥2,095 million), and conducted an additional acquisition of part of an existing property (¥410 million). Accordingly, United Urban achieved an expansion of asset size and improvement in portfolio quality.

As a result of these activities, United Urban was able to achieve operating revenues of ¥15,552 million, operating income of ¥7,027 million and net income of ¥4,649 million. We decided to distribute the reversal of reserve for distribution of ¥1,133 million, and the distribution per unit of the 16th fiscal period was ¥2,750.

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

Key Figures (As of November 30, 2011)

Cash Distribution per Unit
for the 16th Fiscal Period

¥2,750

Occupancy Ratio

96.2%

Total Acquisition Price

¥416.7 billion

Number of Properties

90

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

46.8%

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

Ratings

(As of January 18, 2012)

JCR

Long-Term
Senior Debt Rating:

AA-

Rating Outlook: Stable

R&I

Issuer Rating:

A+

Rating Outlook: Stable

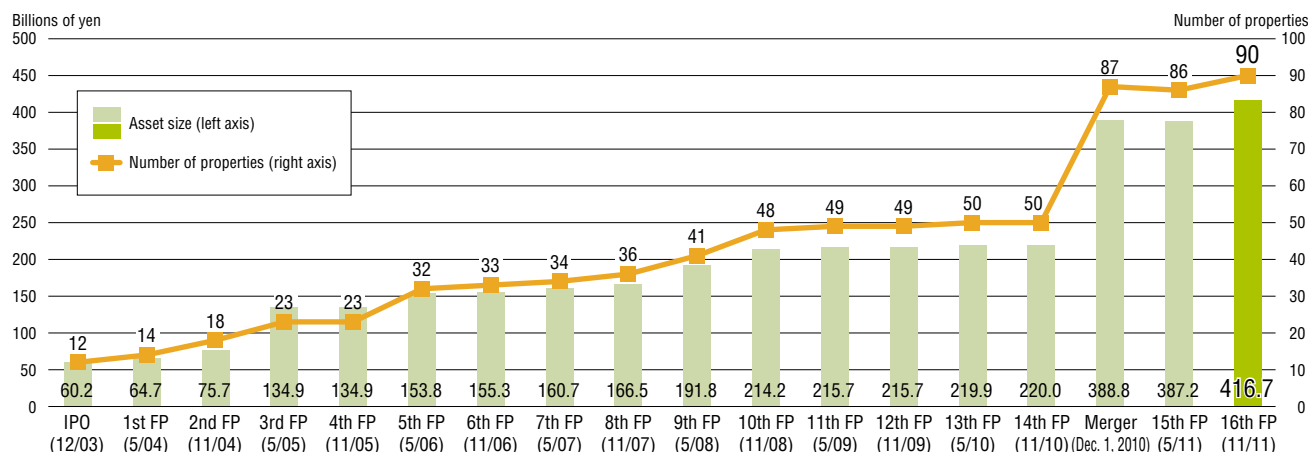
Moody's

Issuer Rating:

A3

Rating Outlook: Stable

Growth of Assets



Note: "Asset size" means total acquisition price of properties owned by United Urban at the end of each fiscal period. The figures have been rounded to the units stated.

Financial Highlights

Millions of yen, except per unit information

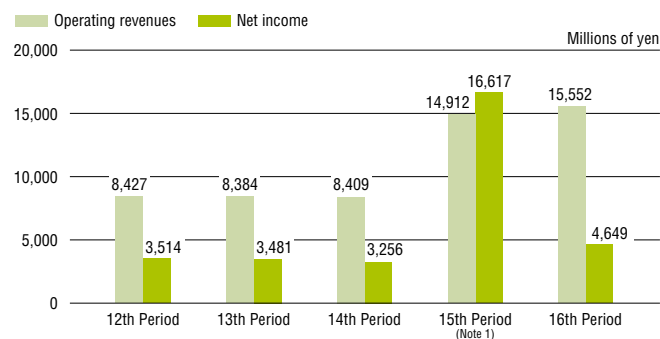
	16th Fiscal Period June 1, 2011- November 30, 2011	15th Fiscal Period December 1, 2010- May 31, 2011	14th Fiscal Period June 1, 2010- November 30, 2010	13th Fiscal Period December 1, 2009- May 31, 2010	12th Fiscal Period June 1, 2009- November 30, 2009
Operating revenues	¥ 15,552	¥ 14,912	¥ 8,409	¥ 8,384	¥ 8,427
Operating income	7,027	7,079	4,249	4,334	4,335
Ordinary income	4,650	4,316	3,257	3,482	3,515
Net income	4,649	16,617 ^(Note 3)	3,256	3,481	3,514
Cash distributions	5,784	4,123	3,256	3,481	3,514
Cash distribution per unit (Yen) ^(Note 2)	2,750	2,841	16,173	17,294	17,459
Total assets	450,963	416,471	230,779	231,043	230,752
Total unitholders' equity	206,586	148,414	111,566	111,792	111,825
Unitholders' equity per unit (Yen) ^(Note 2)	98,215	102,261	554,228	555,349	555,514

Notes: 1. United Urban's 12th fiscal period was for 183 days from June 1, 2009 to November 30, 2009, the 13th fiscal period was for 182 days from December 1, 2009 to May 31, 2010, the 14th fiscal period was for 183 days from June 1, 2010 to November 30, 2010, the 15th fiscal period was 182 days from December 1, 2010 to May 31, 2011 and the 16th fiscal period was for 183 days from June 1, 2011 to November 30, 2011.

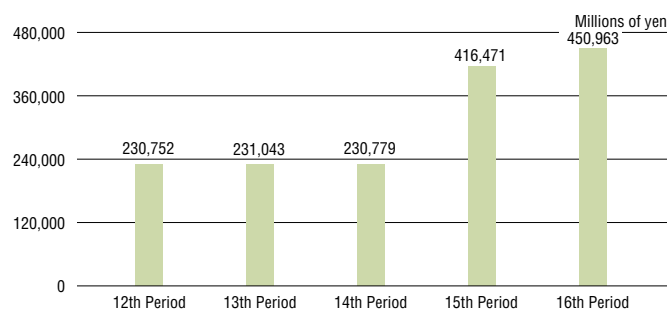
2. The investment unit of United Urban was split into six units as of December 1, 2010.

3. "Net Income" of the 15th fiscal period includes gain on negative goodwill of ¥12,493 million recognized as extraordinary income.

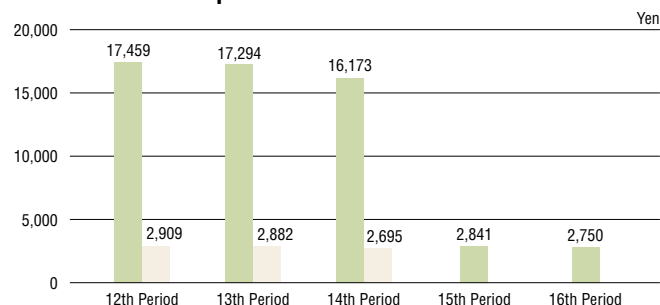
Operating revenues / Net income



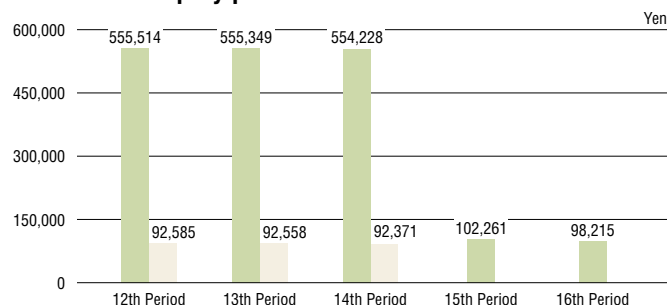
Total assets



Cash distribution per unit ^(Note 2)



Unitholders' equity per unit ^(Note 2)



Notes: 1. "Net Income" of the 15th fiscal period includes gain on negative goodwill of ¥12,493 million recognized as extraordinary income.

2. United Urban split one investment unit into six units as of December 1, 2010. Accordingly, "Cash distribution per unit" and "Unitholders' equity per unit" will be the values after the splitting from the 15th fiscal period. For reference, historical records before the 14th fiscal period, divided by six, are listed (bar graph in beige).

Topics of 16th Fiscal Period

Third Public Offering (Issuance of New Investment Units)

United Urban completed the third public offering since the IPO in June 2011 and the global offering which was a first experiment for United Urban at the same time (hereinafter collectively referred to as the “Offering”). Through the Offering, United Urban has strengthened its financial standing and executed the expansion of asset size for further growth.

Overview

[Issuance of New Investment Units by way of Offering]

Resolution Date of the Issuance	May 23, 2011
Pricing Date	June 1, 2011
Payment Date	June 8, 2011
Total Number of Investment Units Issued	640,000 units Japanese offering: 393,166 units International offering: 246,834 units
Offer Price (per unit)	¥91,162
Total Offer Price	¥58,343,680,000
Issue Price (per unit)	¥88,357
Total Issue Price	¥56,548,480,000

[Secondary Offering through Over-Allotment]

Number of Investment Units Sold	12,064 units
Selling Price (per unit)	¥91,162
Total Selling Price	¥1,099,778,368

[Issuance of New Investment Units by way of Third-Party Allotment]

Total Number of Investment Units Issued	12,064 units
Issue Price (per unit)	¥88,357
Total Issue Price	¥1,065,938,848
Allottee	SMBC Nikko Securities Inc.

	Before the Offering	After the Offering
Number of Investment Units Issued and Outstanding	1,451,319 units	2,103,383 units
Total Unitholders' Equity	¥108,310 million	¥165,924 million

Increased Portfolio Quality by New Acquisition of High-grade Properties

United Urban acquired the following properties with part of the proceeds from the Offering.

Property No.	Type	Property Name	Acquisition Price ^(Note)
A25	Retail Properties	Luz Jiyugaoka	¥5,090 million
A26	Retail Properties	ACTIOLE Ichikawa	¥3,350 million
B37	Office Buildings	ARENA TOWER	¥9,500 million
D23	Residential Properties	Le Monde Koto	¥2,900 million
Total			¥20,840 million

Note: The “Acquisition Price” is based on the purchase price stated in each sale and purchase agreement. In addition, the price is shown in the amount excluding acquisition costs, property taxes, city planning taxes, consumption taxes and other costs.

Strengthening of Financial Standing

United Urban repaid about ¥35.4 billion of former-NCI borrowings.

LTV: 56.3% (as of December 1, 2010)	→	LTV: 45.6% (as of July 20, 2011)
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Improvement and New Acquisition of Credit Rating

Rating Agency	Date of Announcement	Rating	Outlook
Moody's Japan K.K. (Moody's)	June 24, 2011	Issuer Rating: Baa1 → A3	On review for possible upgrade → Stable
Rating and Investment Information, Inc. (R&I)	June 8, 2011	Issuer Rating: A+	Negative → Stable
Japan Credit Rating Agency, Ltd. (JCR)	July 19, 2011	Long-Term Senior Debt Rating: AA- (New)	Stable (New)

New Acquisitions during the 16th Fiscal Period

Retail Properties

A25 Luz Jiyugaoka



■ Acquisition Date	June 15, 2011	■ Construction	S/SRC
■ Acquisition Price	¥5,090 million	■ Number of Floors	B1/8F
■ Address	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	■ Completed	May 2009
■ Site Area	828.70 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	2,771.59 m ²		Building: Proprietary Ownership

Office Buildings

B37 ARENA TOWER



■ Acquisition Date	June 16, 2011	■ Construction	S/SRC
■ Acquisition Price	¥9,500 million	■ Number of Floors	B1/15F
■ Address (Note)	3-1-9, 10, 12~14 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa	■ Completed	May 2008
■ Site Area	2,733.00 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	24,412.67 m ²		Building: Proprietary Ownership

Note: The address of the property shows the address indicated on the real estate register for the building because the property is yet to be assigned an indication of residential address.

Retail Properties

A26 ACTIOLE Ichikawa



■ Acquisition Date	June 15, 2011	■ Construction	S/RC
■ Acquisition Price	¥3,350 million	■ Number of Floors	B1/7F
■ Address	1-4-17 Ichikawa, Ichikawa, Chiba	■ Completed	April 2010
■ Site Area	749.42 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	4,452.39 m ²		Building: Proprietary Ownership

Residential Properties

D23 Le Monde Koto



■ Acquisition Date	June 15, 2011	■ Construction	SRC
■ Acquisition Price	¥2,900 million	■ Number of Floors	B1/14F
■ Address	1-7-5 Kameido, Koto-ku, Tokyo	■ Completed	February 1998
■ Site Area	924.27 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	6,890.13 m ²		Building: Proprietary Ownership

Topics of 16th Fiscal Period

New Acquisitions during the 16th Fiscal Period

Hotels

C5 Hotel JAL City Naha



■ Acquisition Date	October 25, 2011	■ Number of Floors	B1/14F
■ Acquisition Price	¥7,650 million	■ Completed	May 2006
■ Address	1-3-70 Makishi, Naha, Okinawa	■ Type of Ownership	Land: Proprietary Ownership, Leasehold
■ Site Area	3,573.31 m ² (Note)		Building: Proprietary Ownership
■ Total Floor Space	13,655.23 m ²		
■ Construction	SRC/RC		

Note: Site area describes the total site area including the leasehold portion (292 m²) as it appears on the real estate register.

Retail Properties

A27 VIVAHOME Yokohama Aoba (Site) (Note)



■ Acquisition Date	October 31, 2011	■ Construction	—
■ Acquisition Price	¥2,600 million	■ Number of Floors	—
■ Address (lot number)	1-2 · 8 · 24 · 27 Moegino, Aoba-ku, Yokohama, Kanagawa	■ Completed	—
■ Site Area	9,193.00 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	—		

Note: The underlying asset of the property which United Urban acquired is mainly a site. Buildings and structures situated in the site are not included in the underlying asset.

Office Buildings

B26 Towa Hamamatsucho Building (Additional Acquisition)



■ Acquisition Date	October 31, 2011	■ Construction	S/RC
■ Acquisition Price	¥410 million	■ Number of Floors	B2/8F
■ Address	2-6-2 Hamamatsucho, Minato-ku, Tokyo	■ Completed	February 1993
■ Site Area	(Additional acquisition) 115.92 m ² (Note)	■ Type of Ownership	Land: Proprietary Ownership (Co-ownership of Site Rights)
■ Total Floor Space	(Total) 1,401.61 m ² (Additional acquisition) 571.39 m ² (Total) 8,331.90 m ²		Building: Compartmentalized Ownership

Note: Site area of additional acquisition is stated corresponding to expedient ownership of building.

Sale of Properties

In view of the real estate market and financial market trends as well as the stability of cash flows of these properties, United Urban sold the following properties.

Property No.	Type	Property Name	Location	Book Value	Sale Price	Date of Sale
A18	Retail Properties	Albore Tenjin	Fukuoka, Fukuoka	¥819 million	¥850 million	September 30, 2011
B24	Office Buildings	Pacific Marks Mejiro	Toshima-ku, Tokyo	¥1,153 million	¥1,245 million	September 1, 2011

Early Repayment of Borrowing

United Urban repaid the following existing borrowing succeeded from NCI prior to the principal repayment date with (i) the proceeds procured from the sale of “PACIFIQUE Tenjin,” a portion of the proceeds procured from the issuance of the Series 4 of Unsecured Corporate Bonds and cash on hand on January 20, 2011, (ii) a portion of the proceeds procured from the third public offering on June 20, 2011, and (iii) a portion of the proceeds procured from the issuance of new investment units by way of third-party allotment and the new borrowing (Term Loan 33) on July 20, 2011, respectively.

Title	Lenders		Balance of Borrowing	Amount of Repayment	Balance after Repayment	Early Repayment Date
Facility 40-A (mid term)	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Norinchukin Bank The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust and Banking Co., Ltd. Shinsei Bank, Limited. The Chuo Mitsui Trust and Banking Company, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Corporate Bank, Ltd. Resona Bank, Limited	(i)	¥40,008 million	¥1,350 million	¥38,658 million	Jan. 20, 2011
		(ii)	¥38,658 million	¥34,300 million	¥4,358 million	Jun. 20, 2011
		(iii)	¥4,358 million	¥4,358 million	—	Jul. 20, 2011

Debt Financing

United Urban procured debt financing during the 16th fiscal period, as set forth below.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Use of Proceeds
TL32 (mid term)	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥8,700 million	0.78000% (variable) ^(Note)	Jun. 20, 2011	Jun. 20, 2014	Repayment of TL 21, 23 and 26
TL33 (mid term)	The Sumitomo Trust and Banking Co., Ltd.	¥3,400 million	0.78000% (variable) ^(Note)	Jul. 20, 2011	Jun. 20, 2016	Repayment of Facility 40-A
TL34 (mid term)	Mizuho Corporate Bank, Ltd.	¥1,900 million	0.68000% (variable) ^(Note)	Sep. 27, 2011	Sep. 20, 2016	Repayment of Facility K, L and Q
TL35 (long term)	Development Bank of Japan Inc.	¥2,800 million	1.46409%	Sep. 27, 2011	Sep. 20, 2018	
TL36 (mid term)	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Bank of Fukuoka, Ltd.	¥8,300 million	0.63000% (variable) ^(Note)	Oct. 25, 2011	Sep. 20, 2016	Payment for acquisition of Hotel JAL City Naha
TL37 (mid term)	Mitsubishi UFJ Trust and Banking Corporation	¥2,800 million	0.53000% (variable) ^(Note)	Oct. 31, 2011	Sep. 20, 2014	Payment for acquisition of VIVAHOME Yokohama Aoba (site)

Note: From December 20, 2011 to January 20, 2012.

Committed Line of Credit with Leading Japanese Financial Institutions

Though two existing committed line of credit agreements terminated upon their expiration, United Urban reconcluded two committed line of credit agreements with leading Japanese financial institutions on June 24, 2011 to secure expeditious and stable financing.

United Urban believes that these agreements will continue to reduce the refinancing risk and quicken the response to immediate financing needs upon the acquisition of property, etc. United Urban will make continuous efforts to build its robust financial standing in order to cope with rapid changes in the financial market.

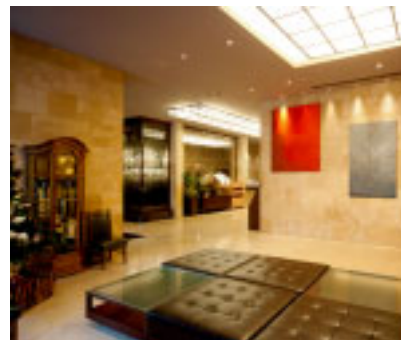
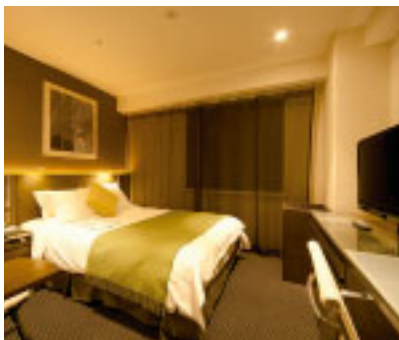
Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Collateral Guarantee
The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥13,500 million	From Jun. 24, 2011 to Jun. 22, 2012	None	Unsecured Unguaranteed
Development Bank of Japan Inc.	¥2,000 million	From Jun. 24, 2011 to Jun. 22, 2012	Refinance	Unsecured Unguaranteed

Subsequent Events

New Acquisition After the End of the 16th Fiscal Period

Hotels

C6 Hotel JAL City Yotsuya Tokyo



■ Acquisition Date	December 26, 2011
■ Acquisition Price	¥4,200 million
■ Address	3-14-1 Yotsuya, Shinjuku-ku, Tokyo
■ Site Area	1,105.23 m ²
■ Total Floor Space	7,854.86 m ²
■ Construction	SRC/RC
■ Number of Floors	B1/13F
■ Completed	January 1997
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Acquisition of Interest for Anonymous Association

For the purpose of realizing steady growth of its portfolio considering the balance of the entire portfolio, United Urban acquired an anonymous association (*tokumei kumiai*) equity interest of a Godo Kaisha, which invests in trust beneficial interest in real estate of “Yodobashi Camera Multimedia Kichijoji” (the “Trust Beneficial Interest”), and obtained a preferential negotiation right to acquire the trust beneficial interest (the “Preferential Negotiation Right”) (Note) on December 26, 2011.

Overview

Acquired Asset	Equity interest in anonymous association which invests in trust beneficial interest in real estate
Name of the Asset	Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest
Property Held in Trust	Yodobashi Camera Multimedia Kichijoji
Contribution Amount	¥2,200 million (29.5% ownership of anonymous association)
Agreement Date	December 26, 2011
Acquisition Date	December 26, 2011
Financing	Cash on hand

Godo Kaisha Kichijoji YCM Funding	
Trust Beneficial Interest in Real Estate, etc. ¥28,750 million	Non-recourse Loan ¥21,300 million
	Anonymous Association ¥7,450 million

- United Urban contributed ¥2,200 million (29.5% ownership).
- Obtained the Preferential Negotiation Right to purchase the Trust Beneficial Interest in the future.

Yodobashi Camera Multimedia Kichijoji

Address	Musashino, Tokyo
Site Area	3,582.39 m ²
Total Floor Space	37,932.95 m ²
Construction	S/SRC
Number of Floors	B4/9F
Completed	May 1974 (new construction) / June 2007 (renovation)
Appraisal Value	¥29,500 million (as of November 30, 2011)
Occupancy Ratio	100.0% (as of November 30, 2011)



Note: The Preferential Negotiation Right is a right granted to United Urban. Therefore, United Urban does not undertake any obligation to acquire the Trust Beneficial Interest in the future. Moreover, even if United Urban exercises the Preferential Negotiation Right, the terms and conditions may not necessarily be agreed upon, and in such case the Trust Beneficial Interest may be sold to a third party other than United Urban, and therefore, United Urban may not necessarily be able to acquire the property. United Urban will carefully consider the exercise of the Preferential Negotiation Right, paying attention to the effect on the composition and profitability of its entire portfolio, and taking into account the management environment of United Urban, such as trends in the stock markets and the financial markets, and real estate market conditions, etc.

Issuance of Corporate Bonds and Refinancing

United Urban issued the Series 5 of Unsecured Corporate Bonds targeted at retail investors on December 16, 2011, after the Series 4 of Unsecured Corporate Bonds which was the first J-REIT corporate bonds targeted at retail investors (issued in December 2010). Moreover, United Urban issued the Series 6 of Unsecured Corporate Bonds on December 9, 2011. United Urban diversified its financing methods through the issuance of corporate bonds, and repaid existing borrowings along with the new borrowing.

[Newly issued corporate bonds and new borrowing]

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating
3 years	Series 5 of Unsecured Corporate Bonds (nickname: <i>Yu Yu Sai</i>)	¥7,000 million	1.00% p.a.	Dec. 16, 2011	Dec. 16, 2014	Unsecured Unguaranteed	AA-(JCR)
5 years	Series 6 of Unsecured Corporate Bonds	¥3,000 million	1.12% p.a.	Dec. 9, 2011	Dec. 9, 2016	Unsecured Unguaranteed	AA-(JCR)

Title	Lender	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Term
TL38 (long term)	Mitsubishi UFJ Trust and Banking Corporation	¥2,000 million	0.63000% (variable) ^(Note)	Dec. 20, 2011	Dec. 20, 2016	Unsecured Unguaranteed	5 years

[Repayment of existing borrowings]

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Term
TL9 (long term)	National Mutual Insurance Federation of Agricultural Cooperatives	¥3,400 million	1.89500%	Apr. 28, 2006	Dec. 20, 2011	Unsecured Unguaranteed	5 years and 8 months
TL13 (long term)	Aozora Bank, Ltd. Mizuho Corporate Bank, Ltd.	¥2,500 million	1.86167%	Dec. 20, 2006		Unsecured Unguaranteed	5 years
TL14 (long term)	The Norinchukin Bank	¥4,000 million	0.78643% (variable) ^(Note)	Dec. 20, 2006		Unsecured Unguaranteed	5 years
TL27 (mid term)	Mitsubishi UFJ Trust and Banking Corporation	¥2,000 million	1.35914%	Dec. 21, 2009		Unsecured Unguaranteed	2 years

Note: Each interest rate was recorded as at the time of new debt financing or repayment.

Debt Financing

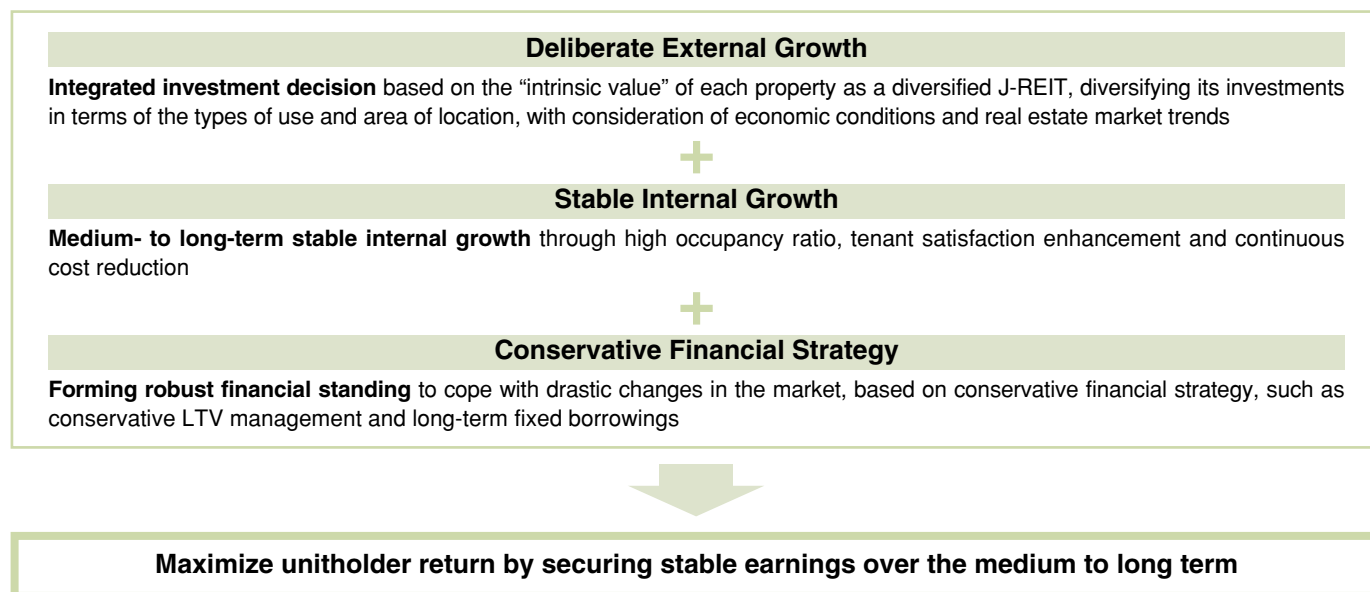
United Urban procured debt financing to support the payment for acquiring “Hotel JAL City Yotsuya Tokyo” on December 26, 2011.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Term
TL39 (mid term)	The Norinchukin Bank Mizuho Corporate Bank, Ltd.	¥4,500 million	0.63000% (variable) ^(Note)	Dec. 26, 2011	Dec. 20, 2016	Unsecured Unguaranteed	Approx. 5 years

Note: The interest rate was recorded as at the time of new debt financing.

Management Strategy of United Urban

Management Strategy

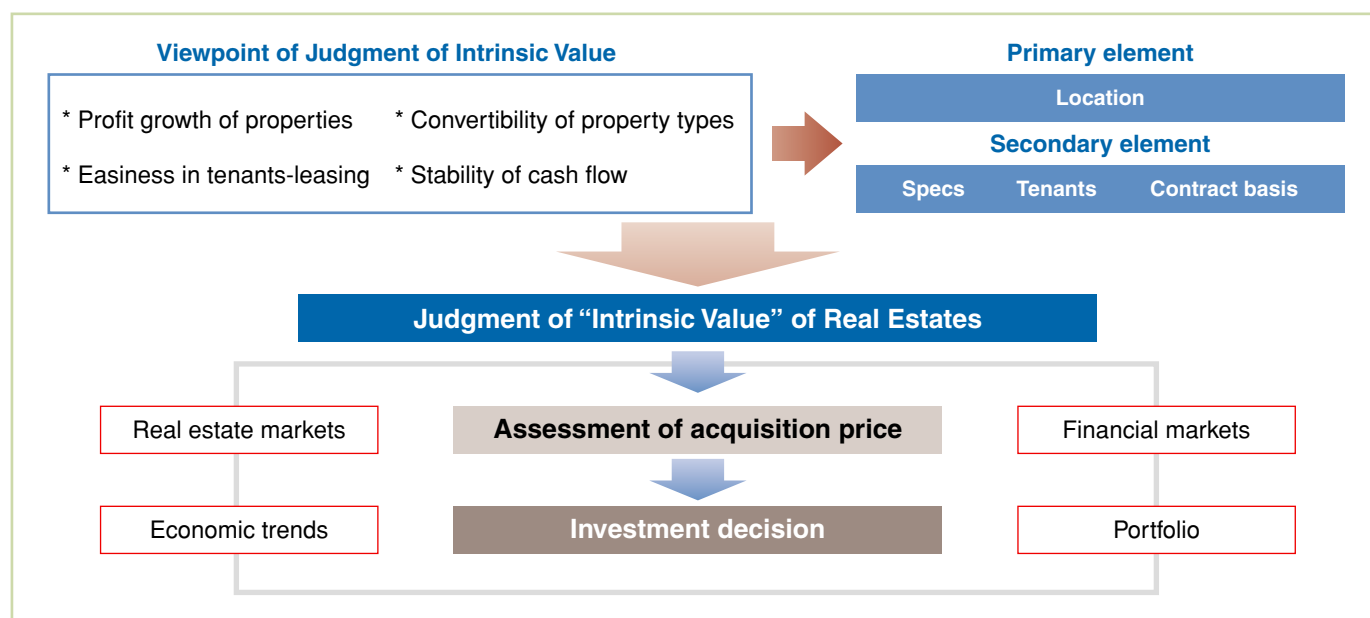


External Growth Strategy

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

United Urban defines the real estate that can secure stable profitability over the medium to long term, as the real estate with “Intrinsic Value” and aims to implement procedures which seek to invest in real estate with “Intrinsic Value.”

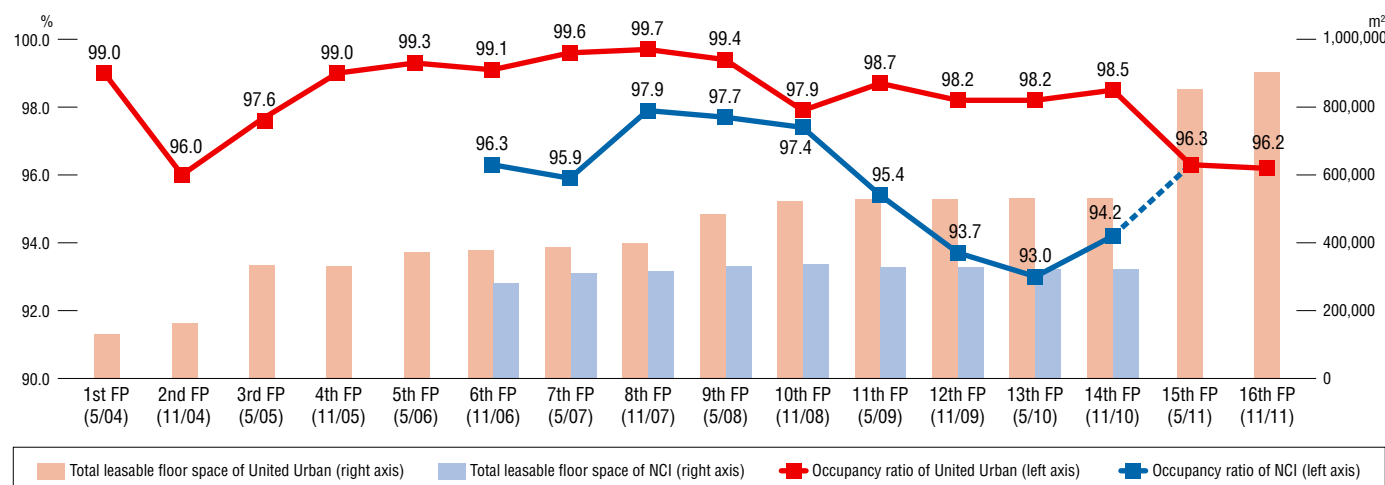
Through analysis of several factors such as the external environment, United Urban makes a final investment decision.



Internal Growth Strategy

United Urban has managed its properties with a relatively high occupancy ratio. United Urban aims to stabilize its occupancy ratio and rent level, maintain the stable profitability of its properties, and reduce the costs of its operation to obtain the stable internal growth over the medium to long term.

The changes in occupancy ratio (Note 1) and total leasable floor space (Note 2) of both United Urban properties and former NCI properties are as follows.



Notes: 1. "Occupancy ratio" is rounded to the nearest one decimal place.

2. For both United Urban and NCI, each occupancy ratio and total leasable space for the entire portfolio at the end of each fiscal period of United Urban (end of May and November) are shown.

Financial Strategy

Basic Policy of Financial Strategy

1. Maintaining the LTV level below 50%

2. Fixed and long-term financing

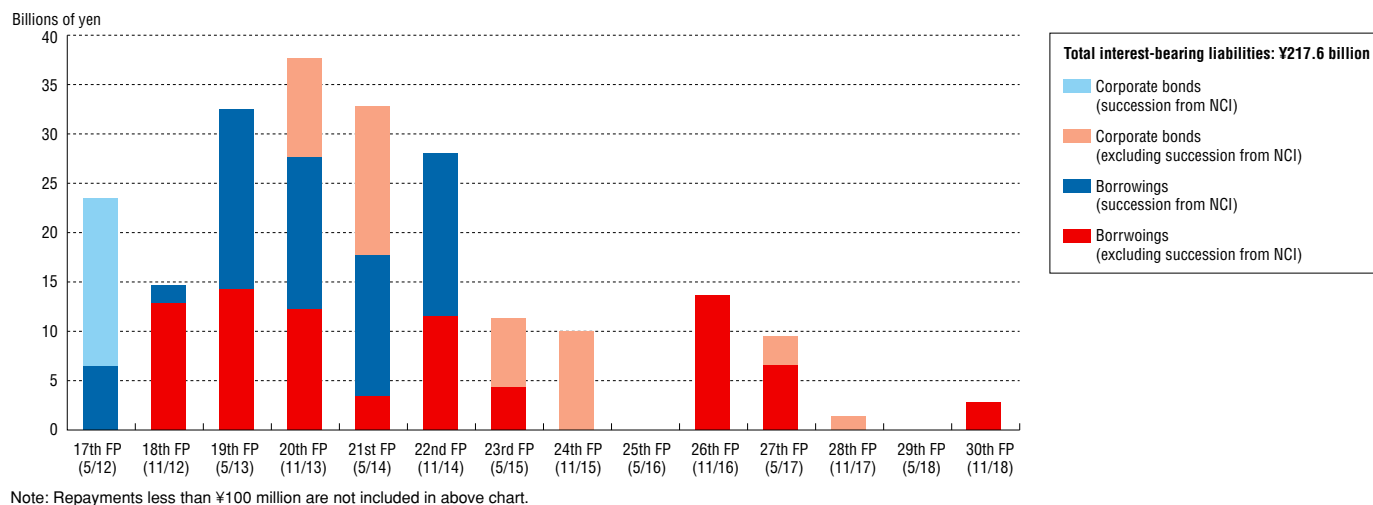
3. Selection of optimal financing methods and conditions

- A. Dispersed debt maturity to minimize refinancing risk and interest rate volatility
- B. Maintaining committed line of credit to secure financial stability and liquidity
- C. Close monitoring of market trends in order to select efficient financing methods and appropriate duration

Strengthening the financial standing to cope with drastic market changes

Financial Status

Diversification of Repayment Date (As of January 18, 2012)



Borrowings (As of January 18, 2012)

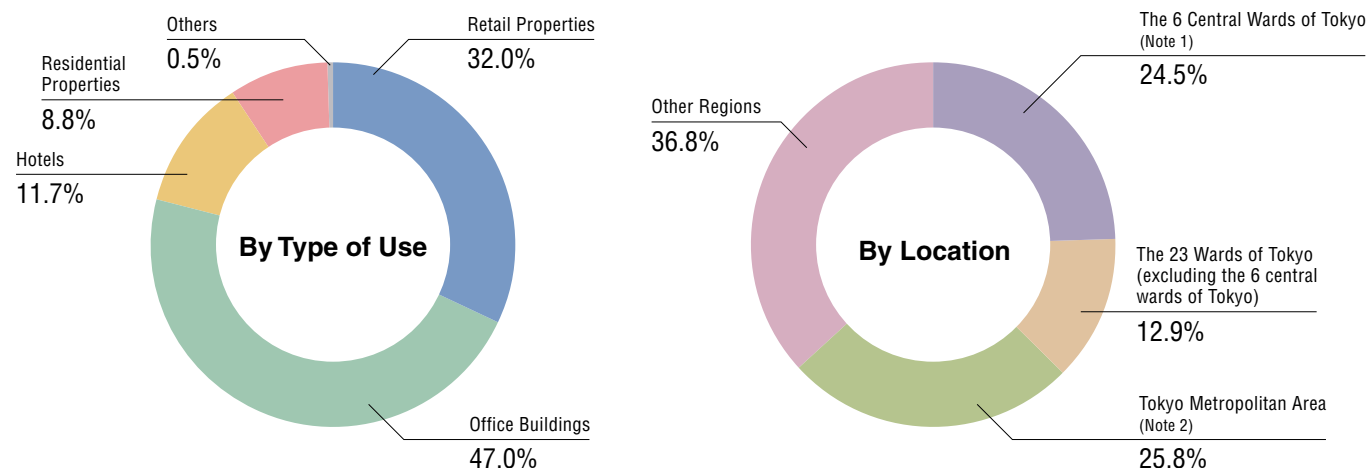
Lenders	Balance (millions of yen) (Note)	Share (%)
Sumitomo Mitsui Banking Corporation	33,442	21.5
The Sumitomo Trust and Banking Co., Ltd.	26,796	17.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	17,896	11.5
Aozora Bank, Ltd.	14,814	9.5
Mizuho Corporate Bank, Ltd.	12,290	7.9
Mitsubishi UFJ Trust and Banking Corporation	9,267	6.0
The Norinchukin Bank	8,506	5.5
Shinsei Bank, Limited	6,077	3.9
Development Bank of Japan Inc.	5,550	3.6
DAIDO LIFE INSURANCE COMPANY	3,662	2.3
The Chuo Mitsui Trust and Banking Company, Limited	3,483	2.2
Saitama Resona Bank, Limited	2,000	1.3
The Shinkumi Federation Bank	2,000	1.3
The Bank of Fukuoka Ltd.	1,700	1.1
ORIX Bank Corporation	1,500	1.0
Resona Bank, Limited	1,352	0.9
Mizuho Trust & Banking Co., Ltd.	1,000	0.6
Mitsui Sumitomo Insurance Company, Limited	1,000	0.6
The Dai-ichi Life Insurance Company, Limited	1,000	0.6
Sompo Japan Insurance Inc.	915	0.6
THE MIE BANK, LTD	915	0.6
The Hiroshima Bank, Ltd.	457	0.3
Total	155,626	100.0

Note: "Balance" is rounded down to the unit stated.

Portfolio Properties

Portfolio Data

Portfolio Breakdown (As of November 30, 2011)



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

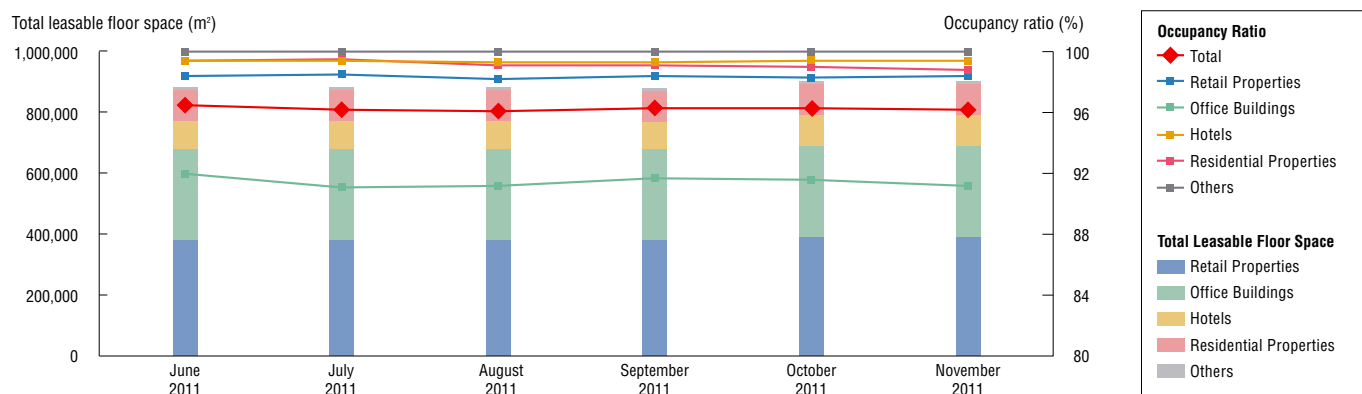
2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi) excluding the 23 Wards of Tokyo.

Occupancy Ratio (Note)

	2011					
	June	July	August	September	October	November
Retail Properties	98.4%	98.5%	98.2%	98.4%	98.3%	98.4%
Office Buildings	92.0%	91.1%	91.2%	91.7%	91.6%	91.2%
Hotels	99.4%	99.4%	99.3%	99.3%	99.4%	99.4%
Residential Properties	99.4%	99.5%	99.1%	99.1%	99.0%	98.8%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.5%	96.2%	96.1%	96.3%	96.3%	96.2%

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

Trends in Total Leasable Floor Space and Occupancy Ratio



Portfolio Properties

Portfolio Roster (As of November 30, 2011)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Retail Properties						
A1	Daiei Himonya	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A3	Daimaru Peacock Ashiya Kawanishi	Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A5	AEON MALL Uki (Note 5)	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 6)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 1, 2010	
A16	Shinsaibashi OPA Kireikan	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 1998	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A22	Bellfa Uji	Uji, Kyoto	Real estate	Mar. 1995	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Nitori Yokohama Kariba I.C.	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
Office Buildings						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B2	SK Nagoya Building	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) (Note 7)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 6)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	Haseman Building Toyoko (Note 8)	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B12	UUR Tsukiji Building (Note 9)	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1999	Dec. 1, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 1, 2010	
B16	Omori City Building	Ota-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1980	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B19	Pacific Marks Nihonbashi-Tomizawacho	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1991	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B23	Pacific Marks Shinkawa	Chuo-ku, Tokyo	Trust beneficial interest in real estate	May 1992	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Notes 1 and 4)	Number of Floors (Notes 1 and 4)	Type of Ownership	
							Land	Building
	15,300	3.7%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.6%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.2%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	1.2%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.7%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.5%	1,138.66	5,369.70	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.8%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	1.3%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.5%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.9%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	1.0%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	1.0%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.6%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.6%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	5.5%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	2,770	0.7%	946.53	4,923.95	S/SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	1,580	0.4%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.6%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.7%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	511	0.1%	19,570.19	35,007.38	S/SRC	B2/4F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	1.2%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.6%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	1.2%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.8%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.6%	9,193.00	—	—	—	Proprietary Ownership	—
	2,257	0.5%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.3%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.5%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.6%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.5%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	3.4%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	4.6%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.2%	(53,363.57)	(—)	(—)	(—)	Proprietary Ownership (Co-ownership)	—
	8,500	2.0%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	1.0%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	3.6%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.9%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.6%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.5%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.7%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.9%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	4,120	1.0%	1,041.44	6,550.12	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	3,290	0.8%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.6%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	1,890	0.5%	550.67	3,627.03	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.5%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.3%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.4%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	2,790	0.7%	949.85	6,058.75	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	9,890	2.4%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership

Portfolio Properties

Portfolio Roster (As of November 30, 2011)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Office Buildings						
B26	Towa Hamamatsucho Building (Note 10)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B28	Pacific Marks Aobadai	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1993	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
Hotels						
C1	Shinjuku Washington Hotel Honkan (Note 10)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) (Note 7)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D2	T&G Yotsuya Mansion	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	May 2002	Dec. 26, 2003	
D3	Excellia Magome	Ota-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2002	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D5	Ropponmatsu Court	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1994	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga (Note 11)	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	Le Monde Koto	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	

Total

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

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

3. The "Acquisition Price" is an amount (the amounts stated in each sale and purchase agreements, excluding consumption taxes) that excludes the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Notes 1 and 4)	Number of Floors (Notes 1 and 4)	Type of Ownership	
							Land	Building
	6,260	1.5%	1,401.61	8,331.90	S/RC	B2/8F	Proprietary Ownership (Co-ownership of Site Rights)	Compartmentalized Ownership
	2,750	0.7%	1,474.05	6,598.52	SRC	B1/7F	Proprietary Ownership (Co-ownership of Site Rights)	Compartmentalized Ownership
	1,620	0.4%	701.83	3,215.11	SRC	B1/7F	Proprietary Ownership	Compartmentalized Ownership
	1,160	0.3%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.6%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.6%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	1.1%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.6%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	2.3%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.4%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	2.3%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	21,140	5.1%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (In Some Parts, Co-ownership)	Compartmentalized Ownership (In Some Parts, Co-ownership)
	9,721	2.3%	(7,265.79)	(58,882.64)	(SRC)	(B1/23F)	(Proprietary Ownership)	(Proprietary Ownership)
	1,884	0.5%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.9%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Right	Proprietary Ownership
	4,720	1.1%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.8%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,021	0.5%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,355	0.3%	777.40	2,081.19	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	697	0.2%	371.29	1,110.97	RC	7F	Proprietary Ownership (Site Rights)	Compartmentalized Ownership
	1,680	0.4%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	757	0.2%	1,738.67	3,294.36	RC	6F	Proprietary Ownership	Proprietary Ownership
	1,175	0.3%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.8%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.3%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.7%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.3%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.3%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.8%	814.54	5,871.77	SRC	B1/15F	Proprietary Ownership (Site Rights)	Compartmentalized Ownership
	1,570	0.4%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.3%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.8%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.4%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.4%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.7%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.5%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	416,744	100.0%	580,372.41	1,035,097.78				

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

5. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.

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

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

8. The property name will be changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.

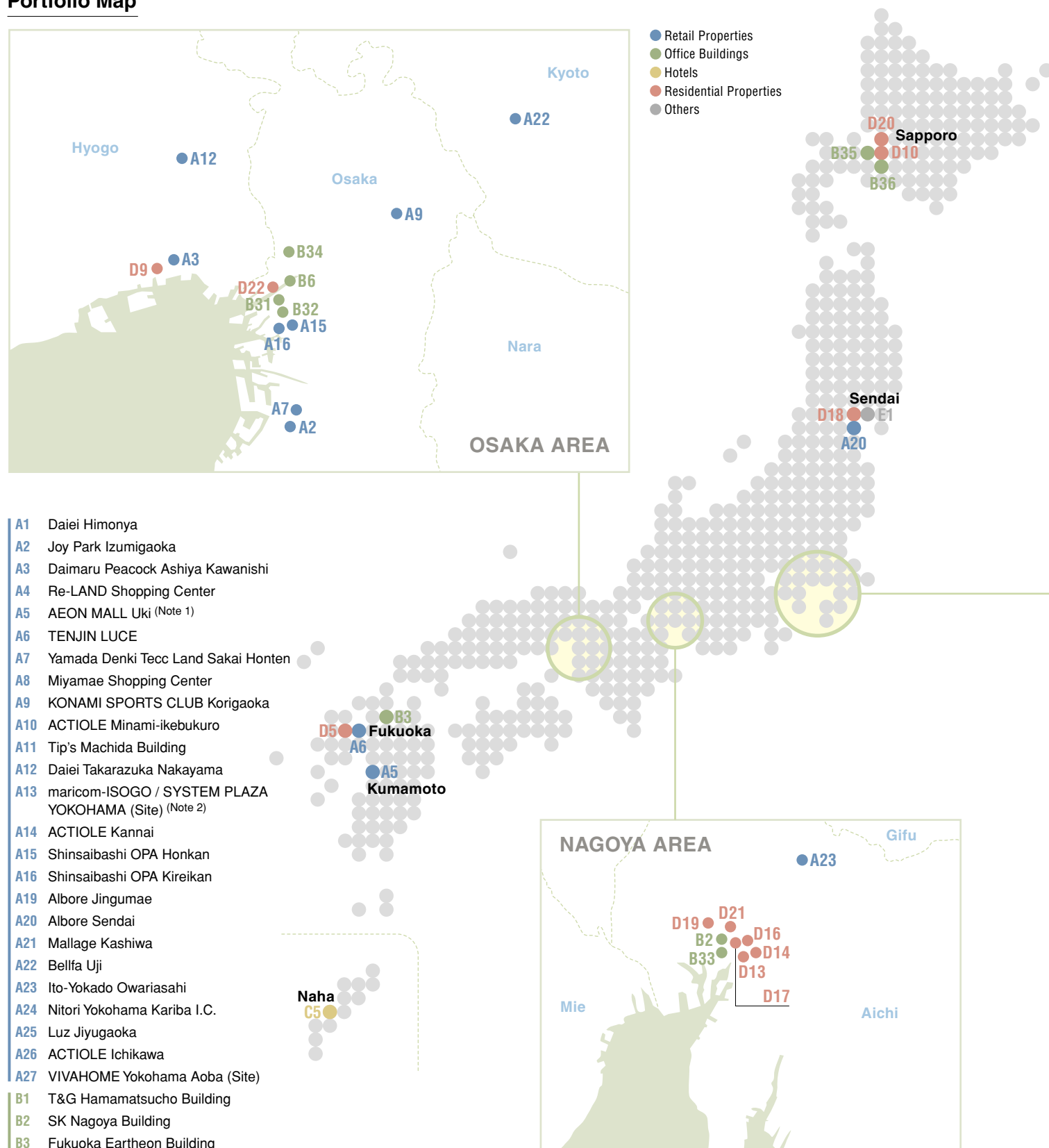
9. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.

10. For the "Shinjuku Washington Hotel Honkan" and the "Towa Hamamatsucho Building," the additional acquisitions were executed on September 29, 2010 and October 31, 2011, respectively. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition.

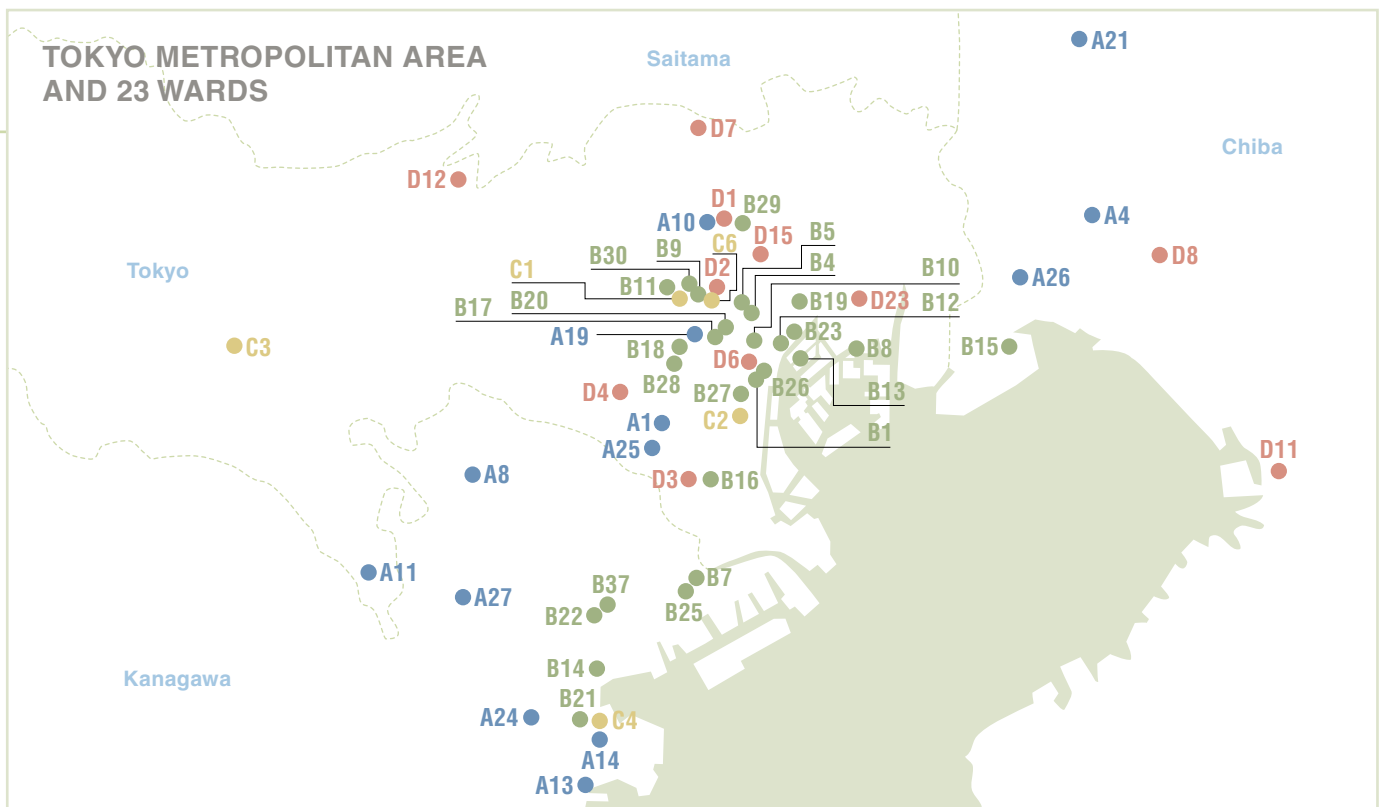
11. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.

Portfolio Properties

Portfolio Map



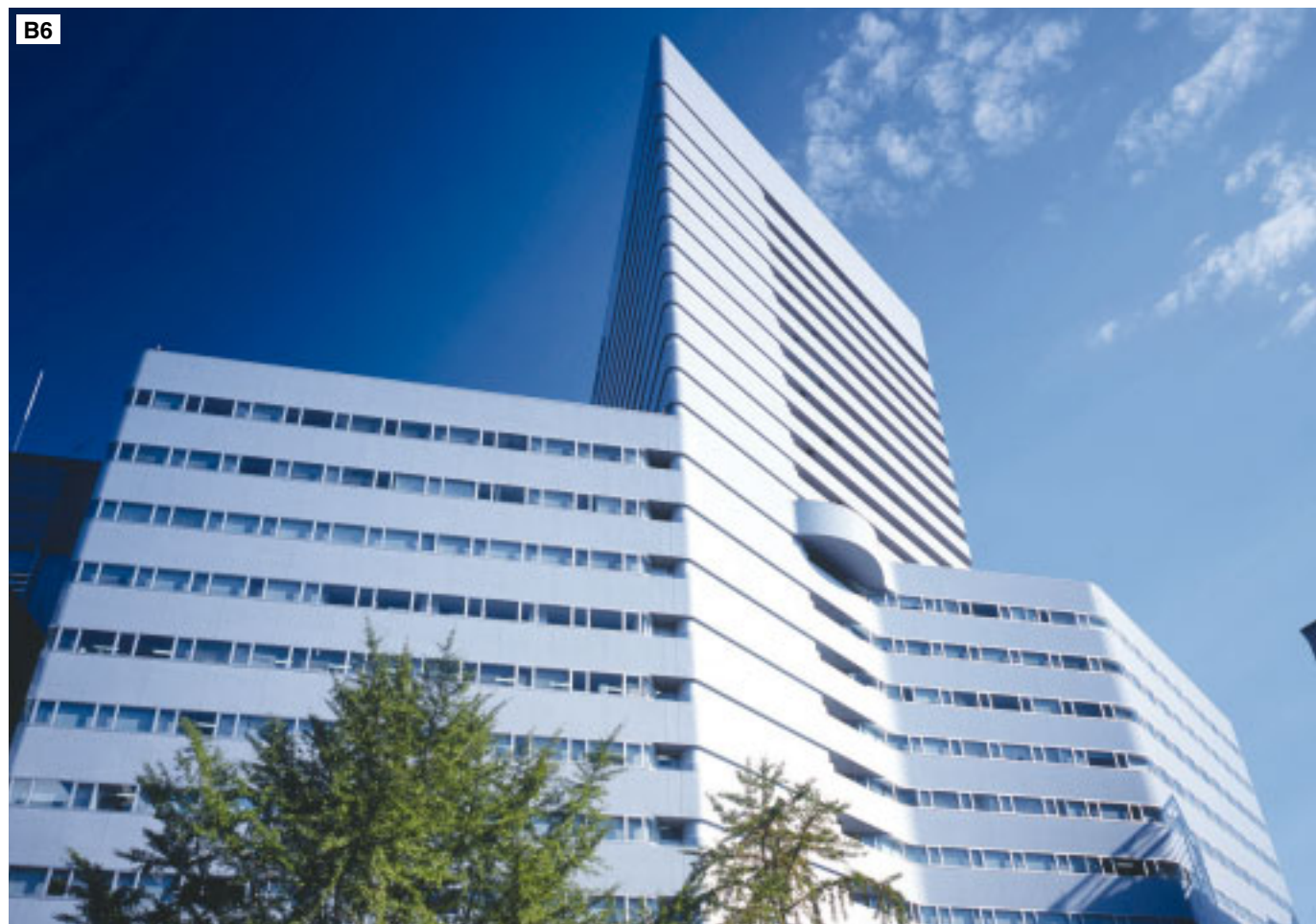
B4	Marumasu Kojimachi Building	B26	Towa Hamamatsucho Building	D3	Excellia Magome
B5	Rokubancho K Building	B27	Lila Hijirizaka	D4	Komazawa Court
B6	Shin-Osaka Central Tower (Note 3)	B28	Pacific Marks Aobadai	D5	Ropponmatsu Court
B7	Kawasaki Toshiba Building	B29	Otsuka HT Building	D6	Sky Court Shiba-Daimon
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 2)	B30	Pacific Marks Shinjuku South-gate	D7	Maison Ukima
B8	Haseman Building Toyochi (Note 4)	B31	Pacific Marks Nishi-Umeda	D8	Narashino Residence
B9	FOUR SEASONS BLDG	B32	Pacific Marks Higobashi	D9	Aprile Shin-Ohgi Ichibankan
B10	Hitachi High-Tech Building	B33	Nagoya Nishiki City Building	D10	UUR Court Sapporo Kita-Sanjo
B11	Pacific Marks Shinjuku Parkside	B34	Pacific Marks Esaka	D11	UUR Court Chiba Soga (Note 7)
B12	UUR Tsukiji Building (Note 5)	B35	Pacific Marks Sapporo Kita-Ichijo	D12	Higashi-kurume Dormitory Shinkan
B13	Pacific Marks Tsukushima	B36	Shin-Sapporo Center Building	D13	Nanzan Court Ichigokan
B14	Pacific Marks Yokohama East	B37	ARENA TOWER	D14	Nanzan Court Nigokan
B15	Pacific Marks Shin-Urayasu	C1	Shinjuku Washington Hotel Honkan	D15	CLIO Bunkyo Koishikawa
B16	Omori City Building	(B6)	Shin-Osaka Central Tower (Note 3)	D16	GRAND-ROUGE Sakae
B17	Akasaka Hikawa Building	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D17	GRAND-ROUGE Sakae II
B18	Pacific Marks Shibuya Koen-dori	C3	MZ BLD.	D18	MA Sendai Building
B19	Pacific Marks Nihonbashi-Tomizawacho	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D19	UUR Court Nagoya Meieki
B20	Pacific Marks Akasaka-mitsuke	C5	Hotel JAL City Naha	D20	UUR Court Sapporo Shinoro Ichibankan
B21	Yokohama Aioicho Building	C6	Hotel JAL City Yotsuya Tokyo (Note 6)	D21	Park Site IZUMI
B22	Pacific Marks Shin-Yokohama	D1	T&G Higashi-ikebukuro Mansion	D22	UUR Court Osaka Juso-honmachi
B23	Pacific Marks Shinkawa	D2	T&G Yotsuya Mansion	D23	Le Monde Koto
B25	Pacific Marks Kawasaki			I E1	Lilycolor Tohoku Branch



- Notes: 1. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.
2. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.
3. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.
4. The property name will be changed from "Haseman Building Toyochi" to "UUR Toyochi Building" on April 17, 2012.
5. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.
6. "Hotel JAL City Yotsuya Tokyo" was acquired in the 17th fiscal period.
7. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.

Portfolio Properties

Major Properties



Retail Properties

A1 **Daiei Himonya**

Retail Properties

A15 **Shinsaibashi
OPA Honkan**

Office Buildings

B6 **Shin-Osaka
Central Tower**



C1



B10



D22



B7

Office Buildings

B7 **Kawasaki
Toshiba Building**

Office Buildings

B10 **Hitachi
High-Tech Building**

Hotels

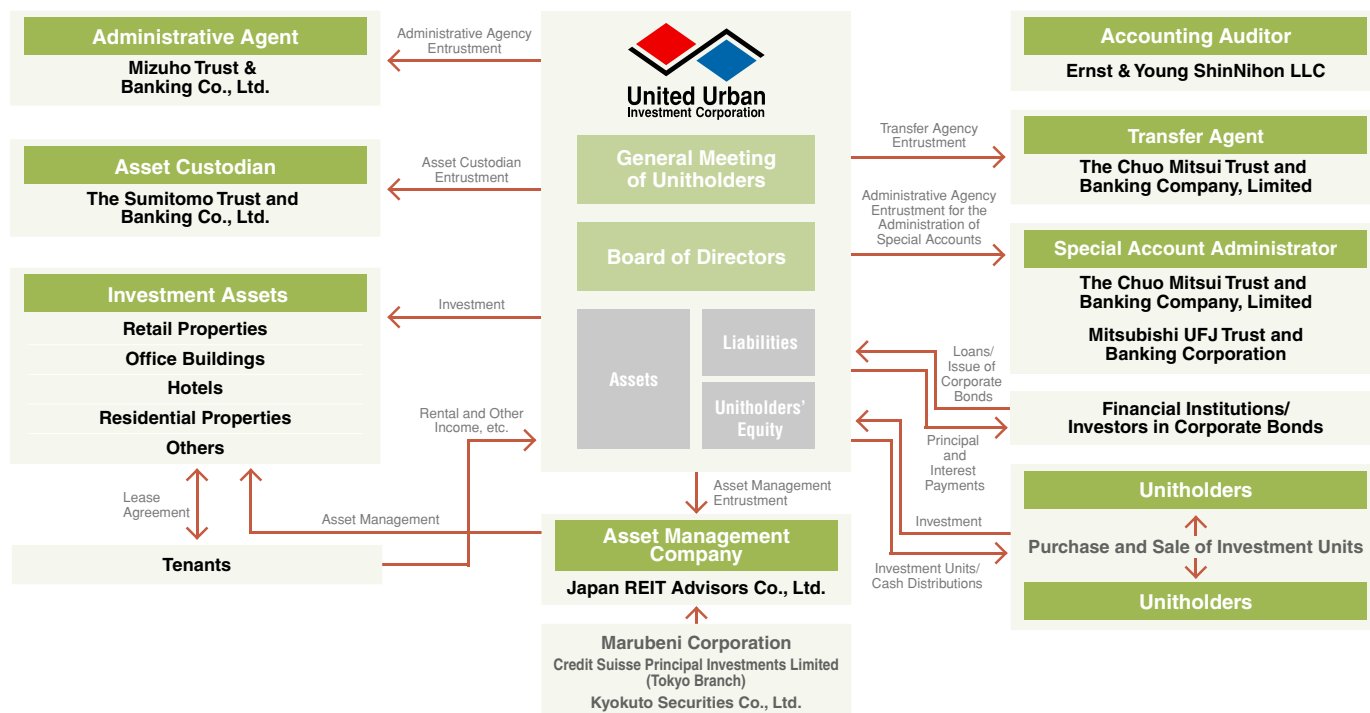
C1 **Shinjuku
Washington Hotel Honkan**

Residential Properties

D22 **UUR Court Osaka
Juso-honmachi**

Structure of United Urban / Investment Unit Information

Corporate Structure

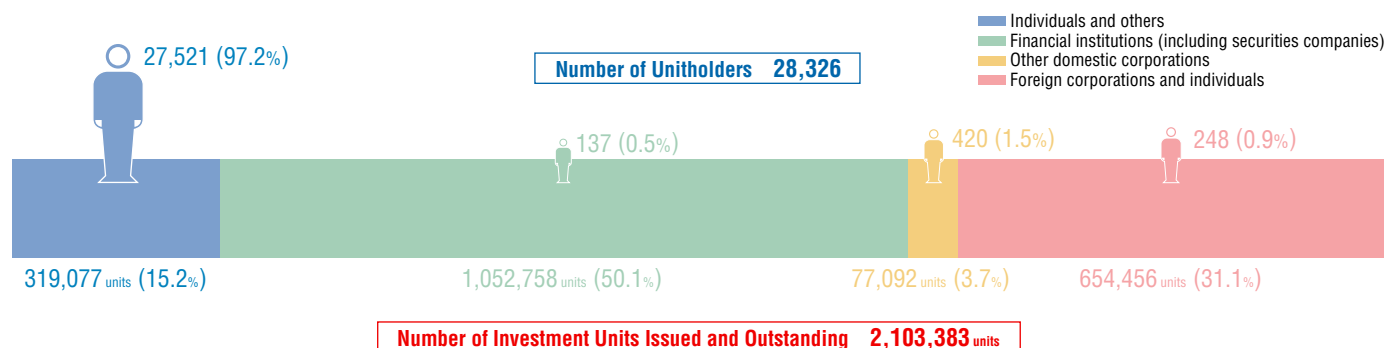


Unit Price and Trading Volume



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

Breakdown of Unitholders (As of November 30, 2011)

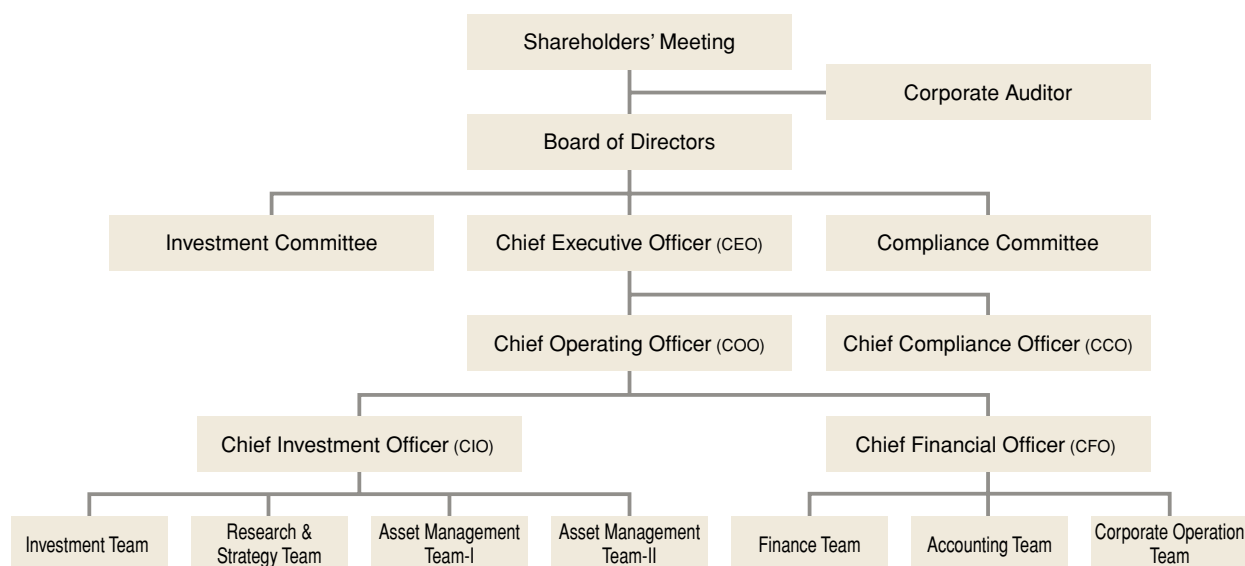


Profile of Asset Management Company

Overview

Corporate Name	Japan REIT Advisors Co., Ltd. ("JRA")	
Address	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo	
Date of Foundation	December 4, 2001	
Capital	¥425 million (As of November 30, 2011)	
Shareholders	Marubeni Corporation	51.0%
	Credit Suisse Principal Investments Limited, Tokyo Branch	44.0%
	Kyokuto Securities Co., Ltd.	5.0%
Representative	Hisamitsu Abe, Chairman of the Board, CEO and COO	
Description of Business	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act	

Organization



Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of the end of the 16th fiscal period, the chairman of the committee is the CEO of JRA, and the committee members are three part-time directors.

Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. The chairman of the committee and its members are appointed by the Board of Directors. As of the end of the 16th fiscal period, the chairman of the committee is the CCO of JRA, and committee members are the CEO, the head of Corporate Operation Team and an external intellectual (external lawyer).



Optimal investment portfolio and stable earnings

◆ PERFORMANCE REPORT

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Others	52

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Average use of investment units during the period: 1.44th financial period: 204,200 units

15th fiscal period: 1 451 240 units

10th fiscal period: 9,079,594 units

5. The indicators stated above are computed by the methods set out below. The figures in parentheses are the unweighted figures, and

But, as we have seen, the *Journal* was not alone in its efforts to

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NOVA 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675,

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1. *What is the purpose of this study?*

- FFO (Funds from operations) per unit
(Net income + Depreciation + Amortization of deferred assets – Gain or loss on sales of real estate) / No. of investment units at the end of the period
 *The gain or loss on sales of real estate is deducted from the 16th fiscal period.
- FFO ratioInvestment unit price at the end of the period / Annualized FFO per unit
 (Investment units are traded at ex-dividend unit price from November 26, 2010 due to the six-for-one unit split which became effective as of December 1, 2010. Accordingly, for the 14th fiscal period, the unit price at the end of the period is deemed the price which is calculated by multiplying the unit price at the end of the period by six.)
- Debt service coverage ratio
Net income before interest, depreciation and amortization / Interest expense and Interest expense on corporate bonds
6. Fractions are rounded to the nearest one decimal place.
 7. Payout ratios are computed by the method set out below, and are rounded down to one decimal place.
Cash distribution per unit / Net income per unit
 8. Net income, which was used for calculating both the "FFO" and the "Debt service coverage ratio", does not include a gain on negative goodwill.

2. Performance Review for the Current Period

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

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with "Intrinsic Value" and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of "Intrinsic Value" as a comprehensive real estate investment trust (REIT), diversifying its investments in terms of the types of use and area of location (Note). As a result of strategy, a distribution has been made in each of 15 fiscal periods from the 1st fiscal period ended on May 31, 2004 to the 15th fiscal period ended on May 31, 2011.

In addition, United Urban merged with Nippon Commercial Investment Corporation ("NCI") on December 1, 2010 (the "Merger"). Accordingly, United Urban became the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size (as of November 30, 2011).

United Urban ratified the issuance of new investment units on May 23, 2011, and payments of around ¥56.5 billion for 640,000 units by way of offering were completed on June 8, 2011, at the beginning of the 16th fiscal period. Moreover, the payment of over ¥1.0 billion related to issuance of new investment units by way of the third-party allotment for SMBC Nikko Securities Inc. (12,064 units) was completed on July 6, 2011 (hereinafter, the issuance of investment units by way of both offering and the third party allotment is collectively referred to as the "Offering"). As a result, United Urban acquired four new properties (total acquisition price: ¥20,840 million) and repaid a portion of the existing borrowing prior to the principal repayment date with the proceeds procured from the Offering.

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

A. Performance during the period

During the period under review, United Urban acquired the following two properties (Hotel JAL City Naha and VIVAHOME Yokohama Aoba (Site)) (total acquisition price: ¥10,250 million) in addition to acquisitions of four properties by the Offering. Moreover, United Urban conducted an additional acquisition of a part of the property already owned by United Urban (Towa Hamamatsucho Building).

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
C5	Hotel JAL City Naha	Hotel, Parking, Machinery room	1-3-70 Makishi, Naha, Okinawa	¥7,650 million	October 25, 2011
A27	VIVAHOME Yokohama Aoba (Site)	-	1-2-8-24-27 Moegino, Aoba-ku, Yokohama, Kanagawa	¥2,600 million	October 31, 2011
B26	Towa Hamamatsucho Building (Additional Acquisition)	Office	2-6-2 Hamamatsucho, Minato-ku, Tokyo	¥410 million	October 31, 2011
Total				¥10,660 million	-

Notes: 1. Of the type of use indicated in the real estate register, the primary types are shown.
 2. The acquisition prices shown are based on the purchase prices stated in the sale and purchase agreements. In addition, the prices are shown in an amount excluding acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.

On the other hand, United Urban sold “Albore Tenjin” (sale price: ¥850 million) and “Pacific Marks Mejiro” (sale price: ¥1,245 million), which were the properties succeeded to from NCI. As a result of aforementioned acquisitions and sales of properties, as of November 30, 2011, United Urban’s assets totaled 90 properties, comprising 24 retail properties, 35 office buildings, 1 retail and office complex, 5 hotels, 1 office and hotel complex, 23 residential properties and 1 others, with an aggregate acquisition price totaled ¥416,744 million. In addition, the total leasable floor space was increased from 852,455.43 sq. m. to 903,322.07 sq. m. and the number of tenants increased from 1,216 to 1,434.

In addition, United Urban has ensured stable occupancy ratios by devoting its attention to the improvement in the quality of assets with a focus on the management and operation of existing properties during this period. The occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 96.1% and 96.5%, and stood at 96.2% on November 30, 2011.

B. Financing

During this period, United Urban repaid a portion (¥34,300 million) of assumed borrowing from NCI (Facility 40-A: remaining amount ¥38,658 million) prior to the principal repayment date with the proceeds procured from the Offering and procured debt financing (¥8,700 million) for repayment of long-term borrowings upon their maturity. Subsequently, United Urban repaid all of remaining amount of Facility 40-A (¥4,358 million) prior to the principal repayment date with new debt financing (¥3,400 million) and a portion of the proceeds procured from the Offering in July 2011.

In addition, United Urban procured debt financing of ¥4,700 million to repay existing long-term borrowings at their maturity in September 2011 and debt financing of ¥11,100 million to acquire specified assets in October 2011. As a result, the balance of outstanding borrowings on November 30, 2011, totaled ¥161,076 million (down by ¥24,086 million from the end of the previous period), comprising no short-term borrowings (unchanged from the end of the previous period), ¥32,941 million of long-term borrowings due for repayment within one year (up by ¥1,352 million from the end of the previous period), ¥128,135 million of long-term borrowings (down by ¥25,439 million from the end of the previous period), and ¥52,000 million of corporate bonds (unchanged from the end of the previous period) with ¥17,000 million of the current portion of corporate bonds (unchanged from the end of the previous period).

In addition, the details of issuer ratings as of January 18, 2012 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency Ltd. (JCR)	Long-Term Senior Debt Rating: AA-	Rating Outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer Rating: A+	Rating Outlook: Stable
Moody's Japan K.K. (Moody's)	Issuer Rating: A3	Rating Outlook: Stable

C. Financial results and overview of distribution

Under above operations, United Urban achieved operating revenues of ¥15,552 million including gain on sales of real estate (up by 4.3% from the previous period), profit from rental activities of ¥8,572 million (up by 1.1% from the previous period), operating income after expenses such as loss on sales of real estates, asset management fees, asset custodian fees and other commissions of ¥7,027 million (down by 0.7% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥4,650 million (up by 7.7% from the previous period), and a net income of ¥4,649 million (down by 72.0% from the previous period).

With regard to the distribution in the period under review, by the application of Article 67-15 of the Act on Special Measures Concerning Taxation and by the utilization of reserve for distribution, it was decided that an amount of ¥5,784 million, which is a total of unappropriated profit at the end of the period of ¥4,650 million and reversal of reserve for distribution of ¥1,134 million would be distributed. As a result, the cash distribution per unit was ¥2,750.

United Urban will continue to promote effective use of reserve for distribution from the viewpoint of strategic management and growth of its portfolio over a medium to long term perspective, while paying heed to the level of cash distribution.

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)
June 24, 2008	Additional issue of new investment units through public offering	40,000	199,843	17,823	107,662	(Note 6)
July 24, 2008	Additional issue of new investment units through third-party allotment	1,457	201,300	649	108,311	(Note 7)
December 1, 2010	Split of investment units	1,006,500	1,207,800	-	108,311	(Note 8)
December 1, 2010	Merger with NCI	243,519	1,451,319	-	108,311	(Note 9)
June 8, 2011	Additional issue of new investment units through public offering	640,000	2,091,319	56,548	164,859	(Note 10)
July 6, 2011	Additional issue of new investment units through third-party allotment	12,064	2,103,383	1,066	165,925	(Note 11)

- Notes:
1. United Urban was incorporated with an issue of 250 investment units at ¥500,000 per unit.
 2. New investment units were issued through 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 through 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 through 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 through third-party allotment at the issue price of ¥673,312 per unit for the purpose of procuring funds for property acquisitions, etc.
 6. New investment units were issued through public offering at the issue price of ¥461,580 per unit (underwriter price ¥445,566), for the purpose of procuring funds for property acquisitions.
 7. New investment units were issued through third-party allotment at the issue price of ¥445,566 per unit for the purpose of procuring funds for property acquisitions.
 8. One investment unit was split into six units.
 9. United Urban conducted an absorption-type merger based on article 147 of the Investment Trust Act under which United Urban remained as the surviving company and NCI as the absorbed company. Due to the absorption-type merger, one United Urban unit after the split of units was allocated per one NCI unit (257,400 NCI outstanding units prior to the merger, minus 13,881 NCI units for which appraisal rights were invoked).
 10. New investment units were issued through public offering at the issue price of ¥91,162 per unit (underwriter price ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.
 11. New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.

Changes in Investment Unit Prices

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

	Yen		
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (Note) (June 1, 2010 - November 30, 2010)
Highest	95,600	117,000	618,000
Lowest	77,100	79,900	480,000

Note: During the 14th fiscal period, investment units are traded at ex-dividend unit price from November 26, 2010 due to the six-for-one unit split which became effective as of December 1, 2010. Accordingly, as to the highest and lowest price of the 14th fiscal period above, each unit price after ex-dividend date is deemed the price which is calculated by multiplying the ex-dividend unit price by six.

4. Distribution Information

With regard to the distribution in the period under review, by application of the Article 67-15 of the Act on Special Measures Concerning Taxation and by utilization of reserve for distribution, it was decided to distribute ¥5,784 million, which is a total of unappropriated profit at the end of the period of ¥4,650 million and reversal of reserve for distribution of ¥1,134 million. In consequence, the distribution per investment unit was fixed at ¥2,750 for the 16th fiscal period.

		16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Unappropriated retained earnings at the end of period	Thousands of yen	4,650,445	16,617,025	3,255,669
Cash distribution	Thousands of yen	5,784,303	4,123,197	3,255,625
Cash distribution per unit	Yen	2,750	2,841	16,173
Unappropriated retained earnings carried forward to the next period	Thousands of yen	-	12,493,828	44

5. Future Policies and Challenges

A. Acquisition of new properties (External growth)

Although United Urban has achieved an expansion of its asset size with the Merger and the Offering, etc., we strongly recognizes the importance of external growth. To build a portfolio where stable earnings are secured over the medium term to long term, United Urban will work to realize external growth to build an optimum portfolio by utilizing its wide-ranging networks including Marubeni Corporation, JRA's main sponsor, under a policy of carefully selecting blue-chip properties in consideration of "Intrinsic Value of real estate" by (i) giving due consideration to any adverse impact that the acquisition will have on its existing portfolio and (ii) accurately grasping market trends. Moreover, United Urban plans to implement strategic and expeditious changes in its portfolio from a long-term perspective.

B. Management and administration (Internal growth)

In the future, United Urban will make continuous efforts to achieve the internal growth by making use of synergy effects with the Merger. Because some properties succeeded to from NCI by the Merger, are inferior to United Urban's properties in occupancy ratio or profitability, United Urban will focus on improving their performance. In addition, United Urban will try to carry out the maintenance works and repairs which lead to the tenants' satisfaction proactively, and to improve building management and service in order to build the better relationship with the tenants. Moreover, 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 or improve the high occupancy ratio and the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

C. Financial strategy

Though United Urban sets the upper limit of LTV (Note) at 60%, in practice, United Urban has tried to maintain conservative management practices by targeting the upper limit of LTV at 50%.

United Urban has achieved the enhancement of capital adequacy and the reduction of interest-bearing liabilities through the Offering, which are mentioned before, and improved its financial standing.

In the future, United Urban aims to create robust and stable financial standing by raising funds, in principle with long-term and fixed-interest-rate loans, and by ensuring enough liquidity through dispersion and lengthening of debt maturity and the establishment of committed lines of credit. In addition, United Urban will make continuous efforts to reduce the financial costs.

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

6. Subsequent Events

Issuance of corporate bonds

United Urban ratified the issuance of Series 5 of Unsecured Corporate Bonds in the amount of ¥7.0 billion (the "5th Bond") and Series 6 of Unsecured Corporate Bonds in the amount of ¥3.0 billion (the "6th Bond") on December 2, 2011, in accordance with the approval at the board of directors' meeting of United Urban held on November 24, 2011, for repayment of existing borrowings at their maturity on December 20, 2011. United Urban issued the 5th Bond on December 16, 2011 and the 6th Bond on December 9, 2011, and those payments have been completed. Details on the issuance of each series of corporate bonds are as follows:

Series 5 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 5 of Unsecured Corporate Bonds (with pari passu conditions among corporate bonds)
Total amount issued	: ¥ 7,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 1.00% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 16, 2011
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 16, 2014. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 16 and December 16 of each year
Corporate bond trustee	: Mitsubishi UFJ Trust and Banking Corporation
Use of proceeds	: The proceeds were used to repay existing borrowings.

Series 6 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 6 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥ 3,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 1.12% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 9, 2011
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 9, 2016. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 9 and December 9 of each year
Fiscal agent	: The Sumitomo Trust and Banking Co., Ltd.
Use of proceeds	: The proceeds were used to repay existing borrowings.

7. Reference Information

A. Debt financing and repayment of existing borrowings

- a. United Urban procured debt financing for repayment of the existing borrowings upon their maturity on December 20, 2011, as set forth below.

Term Loan 38

Lenders	: Mitsubishi UFJ Trust and Banking Corporation
Amount of borrowing	: ¥2,000 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.45%
Drawdown date	: December 20, 2011
Repayment method	: Bullet payment at maturity
Repayment date	: December 20, 2016
Remarks	: Unsecured, unguaranteed

Note: * Interest payment date are January 20, 2012 as the first interest payment date, and the 20th day of every month thereafter (or if such date is not a business day, immediately following business day) to the principal repayment date.
* The basic interest rate applicable to a computation period of interest which is paid on the interest payment date (JBA one month JPY TIBOR) is determined two business days prior to each interest payment date.
* For the basic interest rate (JBA one month JPY TIBOR), please see the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/en/tibor/>).

- b. United Urban repaid the following existing borrowings with the new borrowing mentioned above in “a” (Term Loan 38: ¥2,000 million) and the proceeds procured from the issuance of the 5th Bond and the 6th Bond, as set forth below.

	Lender	Amount of Borrowings	Drawdown Date	Repayment Date
TL9	National Mutual Insurance Federation of Agricultural Cooperatives	¥3,400 million	April 28, 2006	December 20, 2011
TL13	Aozora Bank, Ltd. Mizuho Corporate Bank, Ltd.	¥2,500 million	December 20, 2006	
TL14	The Norinchukin Bank	¥4,000 million	December 20, 2006	
TL27	Mitsubishi UFJ Trust and Banking Corporation	¥2,000 million	December 21, 2009	
Total		¥11,900 million	-	-

B. Acquisition of Property and Debt Financing

- a. United Urban acquired the trust beneficial interest in real estate on December 26, 2011 with the new borrowing mentioned below “b”.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
C6	Hotel JAL City Yotsuya Tokyo	Hotel	3-14-1 Yotsuya, Shinjuku-ku, Tokyo	¥4,200 million	December 26, 2011

Notes: 1. Of the types indicated on the real estate register, the primary type is shown.
2. The acquisition price shown is based on the purchase price stated in the sale and purchase agreement. In addition, the price is shown in the amount excluding acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.

- b. United Urban procured debt financing to support the payment for acquiring the property mentioned above “a”, as set forth below.

Term Loan 39

Lender	: The Norinchukin Bank Mizuho Corporate Bank, Ltd.
Amount of borrowing	: ¥4,500 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.45%
Drawdown date	: December 26, 2011
Repayment method	: Bullet payment at maturity
Repayment date	: December 20, 2016
Remarks	: Unsecured, unguaranteed

Note: * Interest payment date are January 20, 2012 as the first interest payment date, and the 20th day of every month thereafter (or if such date is not a business day, immediately following business day) to the principal repayment date.
* The basic interest rate applicable to a computation period of interest which is paid on the interest payment date (JBA one month JPY TIBOR) is determined two business days prior to each interest payment date.
* For the basic interest rate (JBA one month JPY TIBOR), please see the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/en/tibor/>).

C. Acquisition of Interest for Anonymous Association

United Urban acquired the following anonymous association equity interest on December 26, 2011.

Acquired asset	: Equity interest in anonymous association which invests in trust beneficial interest in real estate
Name of asset	: Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest
Property held in trust	: Yodobashi Camera Multimedia Kichijoji
Contribution amount	: ¥2,200 million (29.5% ownership of anonymous association)
Agreement date	: December 26, 2011
Acquisition date	: December 26, 2011
Financing	: Cash on hand
Payment date	: December 26, 2011

D. Lawsuits, etc.

Upon the merger, six NCI unitholders invoked their rights for their investment units to be purchased by United Urban based on the Investment Trust Act. Subsequently, the petition cases for determining the purchase prices for 13,881 NCI units (the “Case”s)

were brought before the Tokyo District Court by United Urban and the respective unitholders. During the 15th period (the six-month period ended on May 31, 2011), a settlement was made with one of the unitholders (100 units), while the remaining Cases continued with five unitholders (13,781 units).

The Tokyo District Court held an order to determine the purchase prices for such 13,781 units on February 20, 2012. Three unitholders (13,663units), out of five unitholders, appealed to the Tokyo High Court, and these Cases are on trial with the respective three unitholders as of March 2, 2012.

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	16th Fiscal Period (As of November 30, 2011)	15th Fiscal Period (As of May 31, 2011)	14th Fiscal Period (As of November 30, 2010)
Number of investment units authorized (Units)	10,000,000	10,000,000	2,000,000
Number of investment units issued and outstanding (Units)	2,103,383	1,451,319	201,300
Unitholders' capital (Millions of yen)	165,925	108,311	108,311
Number of unitholders	28,326	19,793	9,179

2. Major Unitholders

(As of November 30, 2011)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	289,978	13.79 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	176,455	8.39 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	139,824	6.65 %
The Master Trust Bank of Japan, Ltd. (trust account)	100,731	4.79 %
NOMURA BANK (LUXEMBOURG) S.A.	50,450	2.40 %
North Pacific Bank, Ltd.	27,756	1.32 %
THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	25,135	1.19 %
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	24,734	1.18 %
MELLON BANK ABN AMRO GLOBAL CUSTODY N.V.	21,492	1.02 %
NIPPONVEST	20,000	0.95 %
Total	876,555	41.67 %

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

3. Directors and Auditor

A. Board of Directors, etc. of United Urban as of November 30, 2011 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Yasuhiro Tanaka	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Masaaki Akiyama (Note 1)	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, Mitsubishi Kakoki Kaisha, Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	22,600
Total			32,800

Notes: 1. At the general meeting of unitholders of United Urban held on August 31, 2011, the Temporary Supervisory Officer, Masaaki Akiyama was appointed as the Supervisory Officer of United Urban.

2. 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.
3. 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.
4. At the general meeting of unitholders of United Urban held on August 31, 2011, Hisamitsu Abe, the Chairman of the Board of JRA, was appointed as the Substitute Executive Officer of United Urban.
5. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of new investment units.

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

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

4. Advisors and Agents

(As of November 30, 2011)	
Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	The Sumitomo Trust and Banking Co., Ltd.
Transfer Agent	The Chuo Mitsui Trust and Banking Company, Limited
Special Account Administrator	The Chuo Mitsui Trust and Banking Company, Limited Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Accounting, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to Corporate Bonds)	The Sumitomo Trust and Banking Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd., Mizuho Securities Co., Ltd., Citigroup Global Markets Japan Inc., and Kyokuto Securities Co., Ltd.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		16th Fiscal Period (As of November 30, 2011)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	—	—
			The 23 wards of Tokyo (Note 4)	—	—
			Tokyo metropolitan area (Note 5)	5,164,698	1.1
		Other regions		8,330,539	1.8
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,389,831	3.0
			The 23 wards of Tokyo	9,804,417	2.2
			Tokyo metropolitan area	9,776,819	2.2
		Other regions		—	—
	Hotels	Capital region	The 6 central wards of Tokyo	1,789,921	0.4
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	4,646,335	1.0
		Other regions		—	—
	Residential Properties	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	3,111,146	0.7
			Tokyo metropolitan area	—	—
		Other regions		854,754	0.2
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
		Other regions		—	—
	Subtotal			56,868,460	12.6
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,573,937	0.3
			The 23 wards of Tokyo	23,962,831	5.3
			Tokyo metropolitan area	34,067,289	7.6
		Other regions		56,666,839	12.6
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,397,832	13.6
			The 23 wards of Tokyo	5,700,447	1.3
			Tokyo metropolitan area	47,621,044	10.6
		Other regions		47,480,002	10.5
	Hotels	Capital region	The 6 central wards of Tokyo	20,839,036	4.6
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	3,698,000	0.8
		Other regions		17,714,220	3.9
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,282,262	0.5
			The 23 wards of Tokyo	10,388,014	2.3
			Tokyo metropolitan area	2,155,559	0.5
		Other regions		15,977,418	3.5
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
		Other regions		1,762,052	0.4
	Subtotal			353,286,782	78.3
Bank Deposits and Other Assets			40,807,983	9.0	
Total Assets			450,963,225	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 "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital region excluding the "23 wards of Tokyo."

2. Selected Data by Property

(As of November 30, 2011)

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)(Note 4)	Occupancy Ratio (%) (Note 3)	Type of Property	Granting of Security
Daiei Himonya	14,882	14,000	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,596	3,630	13,306.45	13,260.69	99.7	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	751	1,050	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,563	5,460	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 6)
AEON MALL Uki (Note 8)	10,247	9,970	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,539	4,010	4,194.66	3,638.86	86.7	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	3,076	3,000	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,279	4,220	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,903	1,640	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,808	3,160	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,148	4,260	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,627 (Note 5)	3,720	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,451	11,100	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,433	1,910	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,737	22,800	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,717	2,780	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,574	1,530	931.04	419.70	45.1	Retail Properties	N/A
Albore Sendai	2,551	2,580	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,961	7,050	39,964.87	39,562.31	99.0	Retail Properties	N/A
Bellfa Uji	505	501	14,823.51	10,268.21	69.3	Retail Properties	N/A
Ito-Yokado Owariasahi	4,750	4,740	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 7)
Nitori Yokohama Kariba I.C.	2,457	1,940	11,345.09	11,345.09	100.0	Retail Properties	N/A
Luz Jiyugaoka	5,273	5,090	2,283.47	2,265.26	99.2	Retail Properties	N/A
ACTIOLE Ichikawa	3,461	3,330	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,731	2,860	9,193.00	9,193.00	100.0	Retail Properties	N/A
T&G Hamamatsucho Building	2,141	2,790	2,420.85	1,849.31	76.4	Office Buildings	N/A
SK Nagoya Building	5,227	4,990	8,708.52	6,059.63	69.6	Office Buildings	N/A
Fukuoka Eartheon Building	1,715	2,190	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,508	2,270	2,590.70	1,484.63	57.3	Office Buildings	N/A
Rokubancho K Building	2,255	3,290	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,417	24,400	45,984.60	45,830.38	99.7	Office / Hotels	N/A
Kawasaki Toshiba Building	19,157	30,200	36,118.31	36,118.31	100.0	Office Buildings	N/A

Haseman Building Toyochō (Note 9)	8,666	7,780	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,273	4,730	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,776	14,100	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,027	11,200	11,372.59	7,306.51	64.2	Office Buildings	N/A
UUR Tsukiji Building (Note 10)	6,782	6,410	5,971.42	2,646.27	44.3	Office Buildings	N/A
Pacific Marks Tsukishima	6,010	6,030	9,336.27	8,849.19	94.8	Office Buildings	N/A
Pacific Marks Yokohama East	6,925	6,970	10,793.68	7,689.07	71.2	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,862	3,850	8,743.05	7,327.30	83.8	Office Buildings	N/A
Omori City Building	4,080	4,240	4,925.86	4,592.09	93.2	Office Buildings	N/A
Akasaka Hikawa Building	3,258	3,410	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,543	2,660	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Nihonbashi-Tomizawacho	1,872	1,900	2,631.17	2,227.56	84.7	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,197	2,250	1,675.13	1,675.13	100.0	Office Buildings	N/A
Yokohama Aioicho Building	1,046	1,080	2,444.45	2,216.37	90.7	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,709	1,540	3,137.42	1,780.90	56.8	Office Buildings	N/A
Pacific Marks Shinkawa	2,752	2,920	4,116.33	4,116.33	100.0	Office Buildings	N/A
Pacific Marks Kawasaki	9,777	9,890	7,383.23	6,627.00	89.8	Office Buildings	N/A
Towa Hamamatsucho Building (Note 11)	6,210	6,380	5,340.87	4,788.50	89.7	Office Buildings	N/A
Lila Hijirizaka	2,726	2,710	4,255.02	4,143.30	97.4	Office Buildings	N/A
Pacific Marks Aobadai	1,621	1,650	2,486.40	2,206.30	88.7	Office Buildings	N/A
Otsuka HT Building	1,138	1,180	1,794.71	1,496.17	83.4	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,457	2,520	1,751.69	1,609.47	91.9	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,741	6,820	11,039.17	10,141.12	91.9	Office Buildings	N/A
Pacific Marks Higobashi	4,505	4,490	7,621.89	6,546.00	85.9	Office Buildings	N/A
Nagoya Nishiki City Building	2,583	2,620	5,617.28	4,144.27	73.8	Office Buildings	N/A
Pacific Marks Esaka	9,399	9,630	20,046.11	19,830.33	98.9	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,809	1,790	4,761.87	4,657.10	97.8	Office Buildings	N/A
Shin-Sapporo Center Building	973	984	2,797.03	2,415.59	86.4	Office Buildings	N/A
ARENA TOWER	9,671	10,100	17,967.45	16,992.17	94.6	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	20,839	22,200	53,363.11	53,244.88	99.8	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,790	2,070	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,698	3,190	6,670.21	6,329.18	94.9	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,646	4,020	7,139.44	6,969.35	97.6	Hotels	N/A
Hotel JAL City Naha	7,825	7,740	13,701.80	13,701.80	100.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,711	1,970	2,603.22	2,401.42	92.2	Residential Properties	N/A
T&G Yotsuya Mansion	1,168	1,250	1,679.10	1,636.20	97.4	Residential Properties	N/A

Excellia Magome	600	620	914.98	893.15	97.6	Residential Properties	N/A
Komazawa Court	1,580	2,040	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	675	547	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,114	1,110	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,427	3,850	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,089	1,120	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,779	3,100	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,198	1,240	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga (Note 12)	586	586	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	480	477	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	1,001	980	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	424	458	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	3,069	3,080	4,097.51	3,979.85	97.1	Residential Properties	N/A
GRAND-ROUGE Sakae	1,459	1,210	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,238	1,110	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,298	3,320	11,525.36	11,493.99	99.7	Residential Properties	N/A
UUR Court Nagoya Meieki	1,441	1,270	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	855	755	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	906	656	2,067.95	1,515.22	73.3	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,558	1,420	3,650.00	3,650.00	100.0	Residential Properties	N/A
Le Monde Koto	3,111	3,110	5,420.18	5,114.90	94.4	Residential Properties	N/A
Lilycolor Tohoku Branch	1,762	1,810	9,271.16	9,271.16	100.0	Others	N/A
Total	410,155	414,604	903,322.07	868,589.86	96.2		

- 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 November 30, 2011. "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 YOKOHAMA (Site), Hitachi High-Tech Building 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. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
5. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the 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 ¥3,627 million reflecting the additional amount of trust.

However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.

6. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
7. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the building and the land of the property.
8. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.
9. The property name will be changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.
10. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.
11. For Towa Hamamatsucho Building, United Urban additionally acquired a) a portion of the compartmentalized ownership and b) a portion of the co-ownership of site right (ownership) of the land on which the property is located (acquisition price: ¥410 million) on October 31, 2011. Therefore, overview after the additional acquisition is stated in the above chart.
12. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.

3. Selected Financial Data by Property

Name of Property	16th Fiscal Period (June 1, 2011 to November 30, 2011)			
	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	459	3.0
Joy Park Izumigaoka	17	99.7	249	1.6
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	15	97.9	268	1.7
AEON MALL Uki (Note 5)	1	100.0	454	2.9
TENJIN LUCE	7	86.7	137	0.9
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3	100.0	138	0.9
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE Minami-ikebukuro	9	100.0	98	0.6
Tip's Machida Building	10	100.0	217	1.4
Daiei Takarazuka Nakayama	1	100.0	152	1.0
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.9
ACTIOLE Kannai	9	100.0	59	0.4
Shinsaibashi OPA Honkan	1	100.0	709	4.6
Shinsaibashi OPA Kireikan	1	100.0	88	0.6
Albore Tenjin (Note 6)	-	-	24	0.2
Albore Jingumae	1	45.1	32	0.2
Albore Sendai	5	100.0	99	0.6
Mallage Kashiwa	102	99.0	666	4.3
Bellfa Uji	26	69.3	134	0.9
Ito-Yokado Owariasahi	1	100.0	227	1.5
Nitori Yokohama Kariba I.C.	1	100.0	94	0.6
Luz Jiyugaoka	20	99.2	161	1.0
ACTIOLE Ichikawa	13	100.0	136	0.9
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 4)	(Note 4)
T&G Hamamatsucho Building	5	76.4	83	0.5
SK Nagoya Building	6	69.6	168	1.1

Fukuoka Eartheon Building	4	100.0	119	0.8
Marumasu Kojimachi Building	11	57.3	45	0.3
Rokubancho K Building	1	100.0	116	0.7
Shin-Osaka Central Tower	61	99.7	1,165	7.5
Kawasaki Toshiba Building	1	100.0	969	6.2
Haseman Building Toyoko (Note7)	1	100.0	280	1.8
FOUR SEASONS BLDG	2	100.0	197	1.3
Hitachi High-Tech Building	2	100.0	433	2.8
Pacific Marks Shinjuku Parkside	12	64.2	384	2.5
UUR Tsukiji Building (Note 8)	1	44.3	21	0.1
Pacific Marks Tsukishima	44	94.8	261	1.7
Pacific Marks Yokohama East	10	71.2	227	1.5
Pacific Marks Shin-Urayasu	12	83.8	177	1.1
Omori City Building	8	93.2	168	1.1
Akasaka Hikawa Building	1	100.0	119	0.8
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.5
Pacific Marks Nihonbashi-Tomizawacho	7	84.7	70	0.4
Pacific Marks Akasaka-mitsuke	7	100.0	73	0.5
Yokohama Aioicho Building	16	90.7	63	0.4
Pacific Marks Shin-Yokohama	8	56.8	48	0.3
Pacific Marks Shinkawa	10	100.0	125	0.8
Pacific Marks Mejiro (Note 9)	-	-	28	0.2
Pacific Marks Kawasaki	37	89.8	331	2.1
Towa Hamamatsucho Building (Note 10)	16	89.7	167	1.1
Lila Hijirizaka	14	97.4	82	0.5
Pacific Marks Aobadai	5	88.7	69	0.4
Otsuka HT Building	5	83.4	57	0.4
Pacific Marks Shinjuku South-gate	9	91.9	87	0.6
Pacific Marks Nishi-Umeda	23	91.9	300	1.9
Pacific Marks Higobashi	19	85.9	173	1.1
Nagoya Nishiki City Building	13	73.8	107	0.7
Pacific Marks Esaka	31	98.9	520	3.4
Pacific Marks Sapporo Kita-Ichijo	13	97.8	98	0.6
Shin-Sapporo Center Building	17	86.4	58	0.4
ARENA TOWER	12	94.6	354	2.3
Shinjuku Washington Hotel Honkan	7	99.8	826	5.3
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.4
MZ BLD.	8	94.9	133	0.9
HOTEL ROUTE-INN Yokohama Bashamichi	3	97.6	161	1.0
Hotel JAL City Naha	2	100.0	32	0.2
T&G Higashi-ikebukuro Mansion	119	92.2	68	0.4
T&G Yotsuya Mansion	76	97.4	44	0.3

Excellia Magome	43	97.6	22	0.1
Komazawa Court	1	100.0	61	0.4
Ropponmatsu Court	1	100.0	22	0.1
Sky Court Shiba-Daimon	1	100.0	32	0.2
Maison Ukima	1	100.0	124	0.8
Narashino Residence	1	100.0	51	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kita-Sanjo	1	100.0	53	0.3
UUR Court Chiba Soga (Note 11)	1	100.0	(Note 4)	(Note 4)
Higashi-kurume Dormitory Shinkan	1	100.0	17	0.1
Nanzan Court Ichigokan	1	100.0	39	0.3
Nanzan Court Nigokan	1	100.0	17	0.1
CLIO Bunkyo Koishikawa	88	97.1	97	0.6
GRAND-ROUGE Sakae	1	100.0	45	0.3
GRAND-ROUGE Sakae II	1	100.0	39	0.3
MA Sendai Building	152	99.7	159	1.0
UUR Court Nagoya Meieki	1	100.0	45	0.3
UUR Court Sapporo Shinoro Ichibankan	2	100.0	33	0.2
Park Site IZUMI	30	73.3	29	0.2
UUR Court Osaka Juso-honmachi	1	100.0	56	0.4
Le Monde Koto	190	94.4	109	0.7
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	1,434	96.2	15,510	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building 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.
5. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.
6. United Urban sold Albore Tenjin on September 30, 2011.
7. The property name will be changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.
8. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.
9. United Urban sold Pacific Marks Mejiro on September 1, 2011.
10. For Towa Hamamatsucho Building, United Urban additionally acquired a) a portion of the compartmentalized ownership and b) a portion of the co-ownership of site right (ownership) of the land on which the property is located (acquisition price: ¥410 million) on October 31, 2011. Therefore, overview after the additional acquisition is stated in the above chart.
11. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.

4. Amount of Contract and Fair Value of Specified Transactions

(As of November 30, 2011)

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2)	Remarks
			over one year		
Transaction other than market transactions	Interest-rate swaps	4,578,490	—	(30,869)	
Total		4,578,490	—	(30,869)	

Notes: 1. The "Amount of Contract" is based on the notional principal.
2. The "Fair Value" is based on the prices offered by financial institutions, etc.

5. Status of Other Assets

There were no other specified assets other than properties stated in "2. Selected Data by Property", above as of November 30, 2011.

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 November 30, 2011. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Work	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 16th fiscal period	Amount already paid
Tip's Machida Building	Renewal work (exterior walls, signs, etc.)	From December 2011 to May 2012	132	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning of hotel (1st period)	From December 2011 to May 2012	155	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning of hotel (2nd period)	From June 2012 to November 2012	152	—	—
Shin-Osaka Central Tower	Renewal of guest rooms of hotel (including renewal of prefabricated baths)	From June 2012 to November 2012	606	—	—
Haseman Building Toyochō	Renewal of air-conditioning (1st period)	From March 2012 to May 2012	112	—	—
Haseman Building Toyochō	Renewal of air-conditioning (2nd period)	From September 2012 to November 2012	112	—	—
Pacific Marks Shinjuku Parkside	Renewal of air-conditioning (1st period)	From December 2011 to April 2012	102	—	—
Pacific Marks Shinjuku Parkside	Renewal of air-conditioning (2nd period)	From July 2012 to November 2012	102	—	—
Pacific Marks Yokohama East	Renewal of air-conditioning (1st period)	From March 2012 to May 2012	152	—	—
Pacific Marks Yokohama East	Renewal of air-conditioning (2nd period)	From September 2012 to November 2012	152	—	—
Lila Hijirizaka	Renewal of air-conditioning	From November 2012 to November 2012	101	—	—
Nagoya Nishiki City Building	Renewal of air-conditioning	From June 2012 to October 2012	305	—	—

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 16th fiscal period, which totaled ¥1,262 million. Together with ¥240 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥1,502 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of elevator	From March 2011 to October 2011	40
Daiei Himonya	Repair of elevated water tank	From November 2011 to November 2011	13
Daiei Himonya	Battery replacement of direct-current power supply	From November 2011 to November 2011	11
Miyamae Shopping Center	Exterior repair work	From March 2011 to July 2011	53
Shinsaibashi OPA Honkan	Repair of supervisory control board for disaster prevention	From August 2011 to November 2011	87
Mallage Kashiwa	Renewal of surveillance camera	From September 2011 to September 2011	12
Mallage Kashiwa	New construction of kids' corner in food court	From September 2011 to October 2011	10
Marumasu Kojimachi Building	Renewal of air-conditioning	From July 2011 to September 2011	55

Marumasu Kojimachi Building	Restoration work	From September 2011 to November 2011	33
Shin-Osaka Central Tower	Renewal of batteries	From October 2011 to November 2011	14
Shin-Osaka Central Tower	Removal of analog broadcasting system	From October 2011 to November 2011	13
Shin-Osaka Central Tower	Renewal of overall supervisory control board for disaster prevention	From April 2011 to November 2011	141
Kawasaki Toshiba Building	Renewal of electrical-controlled temperature and humidity controllers	From July 2011 to August 2011	15
Kawasaki Toshiba Building	Overhaul of several pumps	From September 2011 to November 2011	18
Kawasaki Toshiba Building	Inverter control of illumination and renewal of speaker devices (2nd period)	From June 2011 to September 2011	62
Kawasaki Toshiba Building	Repair of elevator (3rd period)	From June 2011 to November 2011	101
Hitachi High-Tech Building	Repair of exterior walls	From July 2011 to November 2011	40
Pacific Marks Shinjuku Parkside	Individual air-conditioning work (1st and 2nd period)	From May 2011 to November 2011	57
Pacific Marks Shin-Yokohama	Renewal of air-conditioning	From November 2011 to November 2011	15
Pacific Marks Aobadai	Renewal of air-conditioning (1st period)	From October 2011 to November 2011	17
Pacific Marks Sapporo Kita-Ichijo	Repair of exterior walls	From September 2011 to November 2011	16
Pacific Marks Sapporo Kita-Ichijo	Repair of multi-level parking structure	From November 2011 to November 2011	22
Shinjuku Washington Hotel Honkan	Installation of terrestrial digital broadcasting system	From June 2011 to September 2011	14
MZ BLD.	Interior finish work	From November 2011 to November 2011	23
Komazawa Court	Major renovation work and interior finish work of common corridor	From April 2011 to July 2011	29
Other capital expenditures			351
Total			1,262

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		
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Reserve balance at the beginning of period	3,368	2,468	2,233
Addition (Note 1)	463	926 (Note 2)	237
Deduction	78	26	2
Reserve balance at the end of period	3,753	3,368	2,468

Notes: 1. When United Urban takes over all or part of the reserve which was accumulated within the trust assets by the previous owners with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.

2. The reserve which was assumed from NCI along with the Merger is included.

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Asset management fees	1,209,756	1,037,033	659,809
Asset custodian fees	15,330	9,923	9,931
Administrative agent fees	61,207	62,685	34,041
Directors' fees	10,200	10,200	10,200
Other expenses	288,450	216,344	169,840
Total	1,548,943	1,336,185	883,821

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (14th fiscal period: ¥320 thousand, 16th fiscal period: ¥252,000 thousand), asset management fees related to sale of properties which was deducted from gains from sale of real estate (15th fiscal period: ¥12,649 thousand, 16th fiscal period: ¥16,760 thousand), and fees which was deducted from a gain on negative goodwill in accordance with the Merger (15th fiscal period: ¥675,380 thousand).

2. Borrowings

Borrowings from financial institutions as of November 30, 2011 were as follows:

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

Lenders	Drawdown Date	Balance at the beginning of the 16th FP (Millions of yen)	Balance at the end of the 16th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
Mizuho Corporate Bank, Ltd.	Apr. 10, 2008	2,000	-	1.33256%	Jun. 20, 2011	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	-			
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	3,000	-	0.89000%	Jun. 20, 2011	Unsecured Unguaranteed Variable interest rate
The Sumitomo Trust and Banking Co., Ltd.	Feb. 26, 2009	850	-	1.67585%	Jun. 20, 2011	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.		850	-			
Aioi Nissay Dowa Insurance Co., Ltd.	Sep. 27, 2007 (Note 3)	915	-	1.83125%	Sep. 27, 2011	
National Mutual Insurance Federation of Agricultural Cooperatives		915	-			
Development Bank of Japan Inc.	Sep. 27, 2007 (Note 3)	915	-	1.81750%	Sep. 27, 2011	
Development Bank of Japan Inc.	Jul. 25, 2008 (Note 3)	1,831	-	1.95670%	Sep. 27, 2011	
National Mutual Insurance Federation of Agricultural Cooperatives	Apr. 28, 2006	3,400	3,400	1.89500%	Dec. 20, 2011	
Aozora Bank, Ltd.	Dec. 20, 2006	500	500	1.86167%	Dec. 20, 2011	
Mizuho Corporate Bank, Ltd.		2,000	2,000			
The Norinchukin Bank	Dec. 20, 2006	4,000	4,000	0.78860%	Dec. 20, 2011	Unsecured Unguaranteed Variable interest rate
Mitsubishi UFJ Trust and Banking Corporation	Dec. 21, 2009	2,000	2,000	1.35914%	Dec. 20, 2011	Unsecured Unguaranteed Fixed interest rate

The Sumitomo Trust and Banking Co., Ltd.	Mar. 30, 2007 (Note 3)	915	915	0.83860% (Note 4)	Mar. 30, 2012	Unsecured Unguaranteed (Note 4)
Sompo Japan Insurance Inc.		915	915			
The Hiroshima Bank, Ltd.		457	457			
THE MIE BANK, LTD.		915	915			
Sumitomo Mitsui Banking Corporation		1,373	1,373			
DAIDO LIFE INSURANCE COMPANY	Mar. 30, 2007 (Note 3)	1,831	1,831	1.87000%	Mar. 30, 2012	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 27, 2007	-	4,400	1.44618%	Jun. 20, 2012	
Sumitomo Mitsui Banking Corporation	Jan. 30, 2008	-	4,500	1.48031%	Jun. 20, 2012	
Development Bank of Japan Inc.	Nov. 11, 2008	-	900	1.63568%	Jun. 20, 2012	
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	-	3,000	0.93860%	Jun. 20, 2012	Unsecured Unguaranteed Variable interest rate
DAIDO LIFE INSURANCE COMPANY	Jun. 26, 2007 (Note 3)	-	1,831	2.25750%	Jun. 26, 2012	Unsecured Unguaranteed Fixed interest rate
Total		31,588	32,941			

(Long-term debt)

Lenders	Drawdown Date	Balance at the beginning of the 16th FP (Millions of yen)	Balance at the end of the 16th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 27, 2007	4,400	-	1.44618%	Jun. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Jan. 30, 2008	4,500	-	1.48031%	Jun. 20, 2012	
Development Bank of Japan Inc.	Nov. 11, 2008	900	-	1.63568%	Jun. 20, 2012	
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	3,000	-	0.93860%	Jun. 20, 2012	Unsecured Unguaranteed Variable interest rate
DAIDO LIFE INSURANCE COMPANY	Jun. 26, 2007 (Note 3)	1,831	-	2.25750%	Jun. 26, 2012	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	4,406	-	1.48000%	Sep. 20, 2012 (Note 5)	Unsecured Unguaranteed Variable interest rate
Shinsei Bank, Limited		3,467	-			
The Sumitomo Trust and Banking Co., Ltd.		3,520	-			
The Chuo Mitsui Trust and Banking Company, Limited		3,376	-			
Mizuho Corporate Bank, Ltd.		2,462	-			
Sumitomo Mitsui Banking Corporation		8,800	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,582	-			
Mitsubishi UFJ Trust and Banking Corporation		3,361	-			
Resona Bank, Limited		1,310	-			
The Norinchukin Bank		4,369	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	4,000	4,000	1.66432%	Dec. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Dec. 20, 2007	2,000	2,000	1.67119%	Dec. 20, 2012	
Saitama Resona Bank, Limited		1,000	1,000			
Shinsei Bank, Limited		2,500	2,500			
The Sumitomo Trust and Banking Co., Ltd.		2,700	2,700			
The Dai-ichi Life Insurance Company, Limited		1,000	1,000			
Mitsui Sumitomo Insurance Company, Limited		1,000	1,000			

Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,140	1,140	1.58345%	Mar. 20, 2013	Unsecured Unguaranteed Fixed interest rate
The Sumitomo Trust and Banking Co., Ltd.		910	910			
The Chuo Mitsui Trust and Banking Company, Limited		873	873			
Mizuho Corporate Bank, Ltd.		637	637			
Sumitomo Mitsui Banking Corporation		2,277	2,277			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		927	927			
Mitsubishi UFJ Trust and Banking Corporation		869	869			
Resona Bank, Limited		339	339			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	2,253	1.38860%	Mar. 20, 2013	Unsecured Unguaranteed Variable interest rate
Aozora Bank, Ltd.	Nov. 30, 2010 (Note 3)	2,000	2,000	1.65513%	Mar. 20, 2013	Unsecured Unguaranteed Fixed interest rate
The Sumitomo Trust and Banking Co., Ltd.		1,500	1,500			
Sumitomo Mitsui Banking Corporation		2,932	2,932			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,500	1,500			
Aozora Bank, Ltd.	Dec. 21, 2009	2,000	2,000	1.64157%	Jun. 20, 2013	
ORIX Bank Corporation (Note 6)		1,500	1,500			
Saitama Resona Bank, Limited		1,000	1,000			
The Shinkumi Federation Bank		2,000	2,000			
The Bank of Fukuoka, Ltd.		500	500			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Banking Corporation		1,650	1,650			
The Sumitomo Trust and Banking Co., Ltd.	Jul. 7, 2010	1,000	1,000	1.61216%	Jun. 20, 2013	
Mizuho Corporate Bank, Ltd.		1,000	1,000			
Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,710	1,710	1.68843%	Sep. 20, 2013	
Shinsei Bank, Limited		3,577	3,577			
The Sumitomo Trust and Banking Co., Ltd.		1,366	1,366			
The Chuo Mitsui Trust and Banking Company, Limited		1,310	1,310			
Mizuho Corporate Bank, Ltd.		955	955			
Sumitomo Mitsui Banking Corporation		1,000	1,000			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,390	1,390			
Mitsubishi UFJ Trust and Banking Corporation		1,304	1,304			
Resona Bank, Limited		508	508			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	2,253	1.48860%	Sep. 20, 2013	Unsecured Unguaranteed Variable interest rate
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	3,400	3,400	1.03860%	Dec. 20, 2013	
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,695	1,695	1.80652%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
The Sumitomo Trust and Banking Co., Ltd.		1,355	1,355			
The Chuo Mitsui Trust and Banking Company, Limited		1,300	1,300			
Mizuho Corporate Bank, Ltd.		948	948			
Sumitomo Mitsui Banking Corporation		5,800	5,800			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,379	1,379			
Mitsubishi UFJ Trust and Banking Corporation		1,294	1,294			
Resona Bank, Limited		505	505			

The Sumitomo Trust and Banking Co., Ltd.	Jun. 20, 2011	-	3,850	0.78000%	Jun. 20, 2014	Unsecured Unguaranteed Variable interest rate
Mizuho Corporate Bank, Ltd.		-	2,850			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	2,000			
Mitsubishi UFJ Trust and Banking Corporation	Oct. 31, 2011	-	2,800	0.53000%	Sep. 20, 2014	
Sumitomo Mitsui Banking Corporation	Oct. 29, 2010 (Note 3)	12,260	12,260	1.94316%	Sep. 22, 2014	
Aozora Bank, Ltd.	Nov. 29, 2010 (Note 3)	4,269	4,269	2.01602%	Sep. 22, 2014	
The Sumitomo Trust and Banking Co., Ltd.	Dec. 21, 2009	800	800	1.97537%	Dec. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.		1,000	1,000			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Banking Corporation		1,650	1,650			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		300	300			
The Sumitomo Trust and Banking Co., Ltd.	Jul. 20, 2011	-	3,400	0.78000%	Jun. 20, 2016	
Mizuho Corporate Bank, Ltd.	Sep. 27, 2011	-	1,900	0.68000%	Sep. 20, 2016	
The Sumitomo Trust and Banking Co., Ltd.	Oct. 25, 2011	-	2,600	0.63000%	Sep. 20, 2016	Unsecured Unguaranteed Variable interest rate
Mizuho Corporate Bank, Ltd.		-	2,500			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	2,000			
The Bank of Fukuoka, Ltd.		-	1,200			
Development Bank of Japan Inc.	Jul. 7, 2010	1,950	1,900	2.14169%	Jun. 20, 2017	Unsecured Unguaranteed
Development Bank of Japan Inc.	Sep. 27, 2011	-	2,800	1.46409%	Sep. 20, 2018	Fixed interest rate
Total		153,574	128,135			

Borrowings Total	185,162	161,076	
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- Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest 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. United Urban assumed these borrowings from NCI along with the Merger as of December 1, 2010.
4. The interest rate has been actually set fixed interest rate through the contract of an interest rate swap transaction. Accordingly, the substantive average interest rate during the period was 2.19000%.
5. As for this borrowing, United Urban repaid ¥34,300 million on June 20, 2011 and ¥4,358 million on July 20, 2011 prior to the principal repayment date (completion of repayment).
6. "ORIX Trust and Banking Corporation" changed its name to "ORIX Bank Corporation" as of October 1, 2011.

3. Corporate Bonds

Corporate Bonds as of November 30, 2011 were as follows:

Name	Balance (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 3 of Unsecured Corporate Bonds	10,000	1.55%	Jun. 17, 2010	Jun. 17, 2013	Bullet payment
Series 4 of Unsecured Corporate Bonds	15,000	1.38%	Dec. 17, 2010	Dec. 17, 2013	Bullet payment
NCI Series 2 of Unsecured Corporate Bonds (Note)	17,000	1.96%	Apr. 13, 2007	Apr. 13, 2012	Bullet payment
Total	52,000				

Note: United Urban assumed the corporate bonds from NCI along with the Merger as of December 1, 2010.

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	Acquisition price (Note 1)	Date	Sale price (Note 2)	Book value	Gain or loss on sale
Trust beneficial interest in real estate	Luz Jiyugaoka	June 15, 2011	5,090	-	-	-	-
Trust beneficial interest in real estate	ACTIOLE Ichikawa	June 15, 2011	3,350	-	-	-	-
Real estate	Le Monde Koto	June 15, 2011	2,900	-	-	-	-
Trust beneficial interest in real estate	ARENA TOWER	June 16, 2011	9,500	-	-	-	-
Trust beneficial interest in real estate	Hotel JAL City Naha	October 25, 2011	7,650	-	-	-	-
Real estate	VIVAHOME Yokohama Aoba (Site)	October 31, 2011	2,600	-	-	-	-
Real estate (Note 3)	Towa Hamamatsucho Building (Note 4)	October 31, 2011	410	-	-	-	-
Trust beneficial interest in real estate	Pacific Marks Mejiro	-	-	September 1, 2011	1,245	1,153	42
Real estate	Albore Tenjin	-	-	September 30, 2011	850	820	(3)
Total			31,500	—	2,095	1,973	39

- Notes: 1. The "Acquisition price" is the purchase price stated in the sale 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 million yen.
2. The "Sale price" is the sale price stated in the sale and purchase agreement of the asset, excluding consumption taxes and expenses necessary for making the relevant sale (e.g. agency fees, taxes and impositions), and is rounded to the nearest million yen.
3. United Urban entrusted the property to the asset custodian on the same date as the acquisition. Therefore, United Urban currently owns this property as a trust beneficial interest.
4. United Urban has already owned the trust beneficial interest of a portion of the property. United Urban additionally acquired a portion of compartmentalized ownership of the property and a portion of co-ownership of the site right of the land in which the property is located.

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

Sale 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	31,500 (100.0%)	2,095 (100.0%)
	Purchase prices from related parties and major shareholders	Sale prices to related parties and major shareholders
	8,440 (26.8%)	—
Breakdown of status of transactions with related parties and major shareholders		
Jiyugaoka Kahihatsu Godo Kaisha	Luz Jiyugaoka 5,090 (16.2%)	—
Ichikawa Kahihatsu Godo Kaisha	ACTIOLE Ichikawa 3,350 (10.6%)	—

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

The amounts of commissions paid to related parties and major shareholders in the 16th fiscal period are set out below.

Category	Total Commissions 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	741,350	Marubeni Asset Management Co., Ltd.	394,050	53.2
Property Management Fees	1,059,680	Marubeni Community Co., Ltd.	104,355	9.8
		Marubeni Real Estate Co., Ltd.	40,287	3.8
		The Daiei, Inc.	1,500	0.1
Casualty Insurance Premium	17,062	Marubeni Safenet Co., Ltd.	16,793	98.4
Construction Management Fees	28,118	Marubeni Community Co., Ltd.	1,702	6.1
		Marubeni Real Estate Co., Ltd.	10,350	36.8
Other Rental Expenses	85,866	Marubeni Community Co., Ltd.	2,382	2.8
		Marubeni Real Estate Co., Ltd.	2,147	2.5

- Notes: 1. Among the related parties of the asset management company, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan, that United Urban has concluded asset management agreement with ("Related Parties"), and major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, the table above indicates Marubeni Asset Management Co., Ltd., Marubeni Community Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Safenet Co., Ltd. and The Daiei, Inc. as parties that have conducted business up to the end of the 16th fiscal period or have received payment of commissions.
2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.
- Marubeni Community Co., Ltd.: ¥4,935 thousand

Others

Notifications

1. General Meeting of Unitholders

The Sixth General Meeting of Unitholders of United Urban was held on August 31, 2011. The summaries of major matters approved by the General Meeting of Unitholders were as follows:

Proposal	Summary
Partial amendments to the Articles of Incorporation	The following items for the Articles of Incorporation were amended. 1. Establishment of new provisions and amendments of provisions necessary to expand and clarify the categories and scope of properties targeted for investment for the purpose of maintaining and improving profitability. 2. Clarification of the definition which becomes the basis for calculation of the asset management fees paid to JRA in connection with revisions mentioned in 1. above. 3. Clarification of the categories of the asset which are subject to calculation of the acquisition fees, disposition fees and merger fees paid to JRA in connection with revisions mentioned in 1. above. 4. Necessary amendments due to the amendments of the Act on Special Measures Concerning Taxation (amendment of the requirements for the offerings of investment units in Japan). 5. Establishment of new provisions for the effective term of the resolution regarding election of a substitute officer. 6. Amendments, unification and clarification of wording and expressions.
Election of one Executive Officer	Yasuhiro Tanaka was elected as the Executive Officer.
Election of two Supervisory Officer	Masakazu Watase and Masaaki Akiyama were elected as the Supervisory Officers.
Election of the Substitute Executive Officer	Hisamitsu Abe was elected as the Substitute Executive Officer.

2. United Urban Board of Directors

The conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 16th fiscal period were as follows:

Conclusion of the agreement regarding amendments of the asset management agreement	In connection with the expansion and clarification of the categories and scope of properties targeted for investment under the Article of Incorporation, which was approved at the Sixth General Meeting of Unitholders of United Urban held on August 31, 2011, United Urban ratified to execute the amendments to the asset management agreement concluded between United Urban and JRA.
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◆ FINANCIAL SECTION

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BALANCE SHEETS

(As of November 30, 2011 and May 31, 2011)

	Thousands of yen	
	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 37,892,901	¥ 32,500,938
Rent receivables	291,225	291,576
Consumption taxes refundable	574,924	-
Other current assets	113,249	441,172
Total current assets	38,872,299	33,233,686
PROPERTY AND EQUIPMENT, AT COST:		
Land	262,595,916	248,014,631
Buildings and structures	166,362,210	149,497,609
Machinery and equipment	1,291,329	950,780
Tools, furniture and fixtures	128,242	100,798
Construction in progress	921	43,208
Subtotal	430,378,618	398,607,026
Less accumulated depreciation	(21,958,306)	(19,049,257)
Net property and equipment	408,420,312	379,557,769
INVESTMENTS AND OTHER ASSETS:		
Software	2,464	3,033
Leasehold	1,734,931	1,586,530
Intangible assets	259,043	249,972
Investment securities	-	9,911
Security deposits paid	113,275	113,055
Long-term prepaid expenses	1,560,901	1,717,427
TOTAL ASSETS	¥ 450,963,225	¥ 416,471,383

		Thousands of yen	
		End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
LIABILITIES			
CURRENT LIABILITIES:			
Trade accounts payable	¥ 1,473,617	¥ 1,035,150	
Current portion of corporate bonds	17,000,000	17,000,000	
Long-term debt due for repayment within one year	32,941,281	31,588,375	
Accrued expenses	949,045	954,274	
Income taxes payable	605	605	
Rent received in advance	2,269,461	2,152,651	
Allowance for loss on disaster	-	110,384	
Other current liabilities	1,337,561	1,771,461	
Total current liabilities	55,971,570	54,612,900	
LONG-TERM LIABILITIES:			
Corporate bonds	35,000,000	35,000,000	
Long-term debt	128,135,000	153,574,396	
Leasehold and security deposits received	25,270,990	24,870,215	
Total long-term liabilities	188,405,990	213,444,611	
Total liabilities	244,377,560	268,057,511	
NET ASSETS			
UNITHOLDERS' EQUITY:			
Units authorized: 10,000,000 units as of November 30, 2011 and May 31, 2011			
Units issued and outstanding: 2,103,383 units as of November 30, 2011 and 1,451,319 units as of May 31, 2011			
	165,924,929	108,310,510	
Capital surplus	23,548,287	23,548,287	
Reserve for distribution	12,492,873	-	
Retained earnings	4,650,445	16,617,025	
VALUATION and TRANSLATION ADJUSTMENTS:			
Unrealized losses on deferred hedge transactions	(30,869)	(61,950)	
Total net assets	206,585,665	148,413,872	
TOTAL LIABILITIES and NET ASSETS	¥ 450,963,225	¥ 416,471,383	

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

STATEMENTS OF INCOME AND RETAINED EARNINGS

(For the fiscal periods ended November 30, 2011 and May 31, 2011)

	Thousands of yen	
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
OPERATING REVENUES		
Rental revenues	¥ 14,321,899	¥ 13,870,262
Other rental revenues	1,188,077	1,041,847
Gain on sales of real estates	42,118	-
	15,552,094	14,912,109
OPERATING EXPENSES		
Property-related expenses	6,937,205	6,435,930
Loss on sales of real estate	2,923	61,276
Asset management fees	1,209,756	1,037,033
Administrative service fees	76,537	72,608
Other operating expenses	298,649	226,544
	8,525,070	7,833,391
OPERATING INCOME	7,027,024	7,078,718
NON-OPERATING REVENUES		
Interest income	1,956	1,791
Insurance income	30,118	661
Gain on reversal of allowance for loss on disaster	13,201	-
Subsidy income	-	11,763
Other non-operating revenues	2,439	1,804
	47,714	16,019
NON-OPERATING EXPENSES		
Interest expense	1,799,259	1,978,990
Interest expense on corporate bonds	443,857	432,701
Corporate bond issuance expenses	1,897	104,026
Investment unit issuance expenses	96,639	259,707
Other non-operating expenses	82,991	3,524
	2,424,643	2,778,948
ORDINARY INCOME	4,650,095	4,315,789
EXTRAORDINARY INCOME		
Gain on negative goodwill	-	12,492,874
	-	12,492,874
EXTRAORDINARY LOSS		
Loss on disaster	-	191,058
	-	191,058
INCOME BEFORE INCOME TAXES	4,650,095	16,617,605
INCOME TAXES		
Current	605	605
Deferred	-	19
	605	624
NET INCOME	4,649,490	16,616,981
RETAINED EARNINGS BROUGHT FORWARD	955	44
RETAINED EARNINGS AT THE END OF PERIOD	¥ 4,650,445	¥16,617,025

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the fiscal periods ended November 30, 2011 and May 31, 2011)

							Thousands of yen	
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Retained Earnings	Total Unitholders' Equity	Valuation and Translation Adjustments	Net Assets
BALANCE AS OF NOVEMBER 30, 2010	201,300	¥108,310,510	-	-	¥ 3,255,669	¥111,566,179	-	¥111,566,179
Increase by merger	1,250,019	-	¥23,548,287	-	-	23,548,287	-	23,548,287
Cash distributions disbursed	-	-	-	-	(3,255,625)	(3,255,625)	-	(3,255,625)
Net income	-	-	-	-	16,616,981	16,616,981	-	16,616,981
Net changes during the period	-	-	-	-	-	-	¥ (61,950)	(61,950)
BALANCE AS OF MAY 31, 2011	1,451,319	¥108,310,510	¥23,548,287	-	¥16,617,025	¥148,475,822	¥ (61,950)	¥148,413,872
Issuance of new investment units	652,064	57,614,419	-	-	-	57,614,419	-	57,614,419
Provision of reserve for distribution	-	-	-	¥12,492,873	(12,492,873)	-	-	-
Cash distributions disbursed	-	-	-	-	(4,123,197)	(4,123,197)	-	(4,123,197)
Net income	-	-	-	-	4,649,490	4,649,490	-	4,649,490
Net changes during the period	-	-	-	-	-	-	31,081	31,081
BALANCE AS OF NOVEMBER 30, 2011	2,103,383	¥165,924,929	¥ 23,548,287	¥12,492,873	¥4,650,445	¥206,616,534	¥ (30,869)	¥206,585,665

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

STATEMENTS OF CASH FLOWS

(For the fiscal periods ended November 30, 2011 and May 31, 2011)

	Thousands of yen	
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 4,650,095	¥ 16,617,605
Depreciation and amortization	2,934,278	2,737,020
Gain on sale of properties	(42,118)	-
Loss on sale of properties	2,923	61,276
Loss on disaster	-	191,058
Gain on negative goodwill	-	(12,492,873)
Interest income and interest on securities	(1,956)	(1,791)
Interest expense and interest expense on corporate bonds	2,243,116	2,411,691
Corporate bond issuance expenses	1,897	104,026
Investment unit issuance expenses	96,639	259,707
Decrease in rent receivables	351	25,927
(Increase) decrease in consumption taxes refundable	(572,847)	30,726
Decrease (increase) in prepaid expenses	346,607	(370,516)
Decrease in long-term prepaid expenses	12,936	17,081
Increase (decrease) in trade accounts payable	125,599	(351,567)
Decrease in accrued expenses	(28,824)	(146,050)
(Decrease) increase in consumption taxes payable	(275,932)	153,657
Increase (decrease) in rent received in advance	116,810	(59,922)
Other, net	(175,060)	(201,291)
Subtotal	9,434,514	8,985,764
Payment for loss on disaster	(116,376)	(17,417)
Interest received	1,924	1,738
Interest paid	(2,125,783)	(1,867,456)
Income taxes paid	(995)	(23,152)
Net cash provided by operating activities	7,193,284	7,079,477
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	1,863,851	1,460,851
Purchase of property and equipment	(33,233,032)	(650,276)
Purchase of intangible assets	(393,125)	(5,591)
Sale of investment securities	9,976	-
Payments for lease and guarantee deposits	(220)	-
Proceeds from leasehold and security deposits received	1,241,346	367,466
Payments for leasehold and security deposits received	(599,374)	(1,031,024)
Net cash (used in) provided by investing activities	(31,110,578)	141,426
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	27,900,000	-
Repayment of long-term debt	(51,986,489)	(13,800,000)
Proceed from issuing corporate bonds	-	14,895,974
Payment of investment unit issuance expenses	-	(225,328)
Proceeds from issuance of investment units	57,517,780	-
Distributions to unitholders	(4,122,058)	(3,299,940)
Net cash provided by (used in) financing activities	29,309,233	(2,429,294)
NET CHANGES IN CASH AND CASH EQUIVALENTS	5,391,939	4,791,609
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	32,293,881	13,724,426
INCREASE IN CASH AND CASH EQUIVALENTS BY MERGER	-	13,777,846
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 37,685,820	¥ 32,293,881

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

NOTES TO FINANCIAL STATEMENTS

(November 30, 2011 and May 31, 2011)

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 Act on Investment Trusts and Investment Corporations of Japan (the "Investment Trust Act"). 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 a public offering of investment units. In addition, United Urban raised ¥18,471 million through the issuance of additional investment units by way of its second public offering on June 24, 2008 and a third-party allotment on July 24, 2008.

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

During the 16th fiscal period, United Urban raised ¥57,614 million through the issuance of additional investment units by way of its third public offering (June 2011) and a third-party allotment (July 2011). As of November 30, 2011, the end of its 16th fiscal period, United Urban had ownership of, or beneficial interests in, 24 retail properties, 35 office buildings, 5 hotels, 23 residential properties, 1 other property, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

The accompanying financial statements of United Urban are prepared on the basis of 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.

The accompanying financial statements are translations of the audited financial statements of United Urban, prepared in accordance with Japanese GAAP and presented in the Securities Report of United Urban filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts 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 six-month fiscal periods end either at the end of May or November. United Urban's 16th fiscal period began on June 1, 2011 and ended on November 30, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities

Debt securities held to maturity are stated using the amortized cost method (straight-line method).

Property and Equipment

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

	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
Buildings and structures	2 - 67 years	2 - 64 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	4 - 15 years	4 - 15 years

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

Intangible Assets

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

Corporate Bond Issuance Expenses

Corporate bond issuance expenses are expensed at once at the time of payment.

Investment Unit Issuance Expenses

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

Allowance for Loss on Disaster

Allowance for loss on disaster is provided in the estimated amount considered sufficient to cover possible repair expenses due to The 2011 off the Pacific coast of Tohoku Earthquake.

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. There were no capitalized property taxes and city planning taxes for the fiscal period ended May 31, 2011. ¥71,892 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended November 30, 2011.

Hedge Accounting

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

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

Consumption taxes withheld and paid are not included in the accompanying 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 fiscal period ended November 30, 2011.

3. CHANGES IN ACCOUNTING POLICY

Effective December 1, 2010, United Urban adopted the "Accounting Standard for Business Combinations" (Statement No. 21 issued by the Accounting Standards Board of Japan ("ASBJ") on December 26, 2008) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Guidance No. 10 revised by ASBJ on December 26, 2008).

4. ADDITIONAL INFORMATION

As for accounting changes and error corrections after the beginning of the fiscal period ended November 30, 2011, United Urban adopted the "Accounting Standard for Accounting Changes and Error Corrections" (Statement No. 24 issued by ASBJ on December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (Guidance No. 24 issued by ASBJ on December 4, 2009).

5. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2011 and May 31, 2011, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
Cash and bank deposits	¥ 207,082	¥ 207,056
Land	4,204,726	4,204,726
Buildings and structures	4,639,232	4,753,817
Tools, furniture and fixtures	1,547	1,736
Total	¥ 9,052,587	¥ 9,167,335

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
Leasehold and security deposits received	¥ 1,869,748	¥ 1,869,748
Total	¥ 1,869,748	¥ 1,869,748

6. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
Total amount of commitment	¥15,500,000	¥15,500,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥15,500,000	¥15,500,000

7. UNITHOLDERS' EQUITY

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

8. LONG-TERM DEBT

Long-term debt at November 30, 2011 and May 31, 2011 consisted of the following:

	End of 16th Fiscal Period (As of November 30, 2011)		End of 15th Fiscal Period (As of May 31, 2011)	
	Amount (Thousands of yen)	Weighted-average interest rate	Amount (Thousands of yen)	Weighted-average interest rate
Unsecured loans from banks at fixed interest rates, due June 20, 2011	-	-	4,000,000	1.333%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2011	-	-	3,000,000	0.892%
Unsecured loans from a bank and a trust bank at fixed interest rates, due June 20, 2011	-	-	1,700,000	1.676%

Unsecured loans from an insurance company and a federation at fixed interest rates, due September 27, 2011	-	-	1,831,396	1.853%
Unsecured loan from a bank at a fixed interest rate, due September 27, 2011	-	-	915,698	1.840%
Unsecured loan from a bank at a fixed interest rate, due September 27, 2011	-	-	1,831,396	2.005%
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, 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	0.789%	4,000,000	0.792%
Unsecured loan from a trust bank at a fixed interest rate, due December 20, 2011	2,000,000	1.359%	2,000,000	1.359%
Unsecured loans from banks, a trust bank and an insurance company at variable interest rates, due March 30, 2012	4,578,489	0.839% (Note)	4,578,489	0.867% (Note)
Unsecured loans from an insurance company at fixed interest rates, due March 30, 2012	1,831,396	1.870%	1,831,396	1.968%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,400,000	1.446%	4,400,000	1.446%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,500,000	1.480%	4,500,000	1.480%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	900,000	1.636%	900,000	1.636%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2012	3,000,000	0.939%	3,000,000	0.942%
Unsecured loan from an insurance company at a fixed interest rate, due June 26, 2012	1,831,396	2.258%	1,831,396	2.279%
Unsecured loans from banks and trust banks at variable interest rates, due September 20, 2012	-	-	38,658,000	1.480%
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, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	10,200,000	1.671%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2013	7,972,000	1.583%	7,972,000	1.583%
Unsecured loan from a bank at variable interest rates, due March 20, 2013	2,253,000	1.389%	2,253,000	1.392%
Unsecured loans from banks and a trust bank at fixed interest rates, due March 20, 2013	7,932,000	1.655%	7,932,000	1.655%
Unsecured loans from banks, a trust bank, and a federation at fixed interest rates, due June 20, 2013	9,150,000	1.642%	9,150,000	1.642%
Unsecured loans from a bank and trust banks at fixed interest rates, due June 20, 2013	3,000,000	1.612%	3,000,000	1.612%
Unsecured loans from banks and trust banks at fixed interest rates, due September 20, 2013	13,120,000	1.688%	13,120,000	1.688%
Unsecured loan from a bank at variable interest rates, due September 20, 2013	2,253,000	1.489%	2,253,000	1.492%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	1.039%	3,400,000	1.042%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2014	14,276,000	1.807%	14,276,000	1.807%
Unsecured loan from banks and a trust bank at a variable interest rate, due June 20, 2014	8,700,000	0.780%	-	-
Unsecured loan from a trust bank at a variable interest rate, due September 20, 2014	2,800,000	0.530%	-	-
Unsecured loan from a bank at fixed interest rates, due September 22, 2014	12,260,000	1.943%	12,260,000	1.943%
Unsecured loan from a bank at fixed interest rates, due September 22, 2014	4,269,000	2.016%	4,269,000	2.016%
Unsecured loans from banks and trust banks at a fixed interest rates, due December 20, 2014	4,250,000	1.975%	4,250,000	1.975%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2016	3,400,000	0.780%	-	-
Unsecured loan from a bank at a variable interest rate, due September 20, 2016	1,900,000	0.680%	-	-

Unsecured loan from banks and a trust bank at a variable interest rate, due September 20, 2016	8,300,000	0.630%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2017	1,900,000	2.142%	1,950,000	2.142%
Unsecured loan from a bank at a fixed interest rate, due September 20, 2018	2,800,000	1.464%	-	-
Total	¥ 161,076,281		¥ 185,162,771	

Note: The interest rate has been actually set fixed interest rate through the contract of an interest rate swap transaction. Accordingly, the substantive average interest rate during the period was 2.19000% for the 16th fiscal period and 2.21390% for the 15th fiscal period (the applicable interest rate was changed during the 15th fiscal period under the provision of the agreement).

9. CORPORATE BONDS

Corporate bonds at November 30, 2011 and May 31, 2011 consisted of the following:

	End of 16th Fiscal Period (As of November 30, 2011)		End of 15th Fiscal Period (As of May 31, 2011)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 2 unsecured bonds, due July 10, 2015	¥10,000,000	1.91%	¥ 10,000,000	1.91%
Series 3 unsecured bonds, due June 17, 2013	10,000,000	1.55%	10,000,000	1.55%
Series 4 unsecured bonds, due December 17, 2013	15,000,000	1.38%	15,000,000	1.38%
NCI Series 2 unsecured bonds, due April 13, 2012	17,000,000	1.96%	17,000,000	1.96%
Total	¥ 52,000,000		¥ 52,000,000	

10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2011 and May 31, 2011 were as follows:

	Thousands of yen	
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Operating Revenues	¥ 15,509,976	¥ 14,912,109
Rental Revenues	14,321,899	13,870,262
Rental revenues	12,439,788	12,085,917
Common area charges	1,377,799	1,289,024
Parking revenues	406,741	401,391
Other	97,571	93,930
Other Rental Revenues	1,188,077	1,041,847
Incidental revenues	998,418	807,677
Temporary revenues (including cancellation charges)	123,935	169,006
Other miscellaneous revenues	65,724	65,164
Property-Related Expenses	6,937,205	6,435,930
Property and other taxes	1,334,069	1,254,299
Property management fees	1,059,680	987,970
Utilities	1,025,678	801,431
Casualty insurance	17,062	15,954
Repairs and maintenance	240,200	278,680
Depreciation and amortization	2,934,278	2,737,020
Other rental expenses	326,238	360,576
Profit from rental activities	¥ 8,572,771	¥ 8,476,179

11. GAIN ON SALE OF PROPERTIES

Gain on sale of properties for the fiscal periods ended November 30, 2011 and May 31, 2011 were as follows:

	Thousands of yen	
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Revenue from sale of properties	¥ 1,245,000	-
Cost of sale of properties	1,153,006	-
Other sales expenses	49,876	-
Gain on sale of properties	¥ 42,118	-

12. LOSS ON SALE OF PROPERTIES

Loss on sale of properties for the fiscal periods ended November 30, 2011 and May 31, 2011 were as follows:

	Thousands of yen	
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Revenue from sale of properties	¥ 850,000	¥ 1,581,106
Cost of sale of properties	819,801	1,578,084
Other sales expenses	33,121	64,298
Loss on sale of properties	¥ 2,922	¥ 61,276

13. LOSS ON DISASTER

Losses related to the 2011 off the Pacific Coast of Tohoku Earthquake (repair expenses of assets, etc.) are recognized for the fiscal period ended May 31, 2011. In addition, the amount of loss on disaster includes allowance for loss on disaster of ¥110,384 thousand.

14. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities for the fiscal periods ended November 30, 2011 and May 31, 2011 were summarized as follows:

		(Thousands of yen)	
16th Fiscal Period (June 1, 2011 - November 30, 2011)		15th Fiscal Period (December 1, 2010 - May 31, 2011)	
(Deferred tax assets - current)		(Deferred tax assets - current)	
Deferred gains or losses on hedges	8,505	Allowance for loss on disaster	43,414
Other	746	Deferred gains or losses on hedges	24,365
Subtotal	9,251	Subtotal	67,779
Valuation reserve	(9,251)	Valuation reserve	(67,779)
Total	-	Total	-
(Deferred tax assets - non current)		(Deferred tax assets - non current)	
Valuation difference on assets acquired by merger	29,354,744	Valuation difference on assets acquired by merger	30,025,567
Other	1,058	Other	1,175
Subtotal	29,355,802	Subtotal	30,026,742
Valuation allowance	(29,355,802)	Valuation allowance	(30,026,742)
Total	-	Total	-
Total deferred tax assets	-	Total deferred tax assets	-
(Net deferred tax assets)	-	(Net deferred tax assets)	-

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the fiscal periods ended November 30, 2011 and May 31, 2011 were summarized as follows:

	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010- May 31, 2011)
Statutory tax rate	39.33%	39.33%
Gain on negative goodwill	-	(32.23)
Distributions of tax-deductible dividends	(25.36)	(2.70)
Changes in valuation allowance	(13.97)	(4.13)
Other	0.01	(0.27)
Effective tax rate	0.01%	0.00%

(Change of tax rate subsequent to the fiscal period ended November 30, 2011)

On December 2, 2011, "The Law to Revise the Income Tax, etc. in Order to Construct a Tax System Addressing Changes in the Socio-Economic Structure" (Act No. 114 of 2011) and "The Act on Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake" (Act No. 117 of 2011) were issued. In line with this, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities concerning temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2012 will be changed to 36.59%. Moreover, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities concerning temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2015 will be changed to 34.16%. These changes will have no impact on the settlement of United Urban.

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of taxable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, as for the 15th fiscal period ended May 31, 2011, United Urban decided to distribute ¥4,123,197 thousand, the entire amount remaining after deducting ¥12,492,873 thousand of a gain of negative goodwill from ¥16,617,025 thousand of unappropriated profit at the end of the period excluding cases in which the distributions per investment unit were fractions of one yen. As for the 16th fiscal period, United Urban decided to distribute ¥5,784,303 thousand, which is a total of unappropriated profit at the end of the period of ¥4,650,445 thousand and reversal of reserve for distribution ¥1,133,859 thousand (of the balance of reserve for distribution, ¥12,492,873 thousand). United Urban does not distribute cash dividends in excess of its retained earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

15. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Matters Concerning Financial Instruments

1. Approach to financial instruments

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

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

Funds are procured in the form of short-term debt, long-term debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 16th fiscal period) and by taking other measures.

Moreover, debt with variable interest rates is exposed to risks of fluctuation in the interest payable, however United Urban manages the concerned risks by adjusting the ratio of the debt with variable interest rates to the balance of the total outstanding debt and, in response to the financial environment, by utilizing derivative transactions (interest rate cap transactions and interest rate swap

transactions) as hedging instruments in order to fix interest expenses and by taking other measures. Furthermore, the risks associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

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

Leasehold and security deposits received including deposits in trust, are deposits from tenants and are exposed to liquidity risks arising from the tenants' vacating their properties upon the expiration of lease agreements. United Urban manages the concerned risks by putting aside an amount sufficient to enable deposits to be returned without interruption and by ensuring liquidity at hand, such as through line-of-credit agreements.

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

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

Matters Concerning the Fair Value of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of November 30, 2011 and May 31, 2011, are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 13,358,289	¥ 13,358,289	-
(2) Cash and bank deposits in trust	24,534,612	24,534,612	-
Total assets	¥ 37,892,901	¥ 37,892,901	-
(3) Current portion of corporate bonds	17,000,000	17,051,000	¥ 51,000
(4) Long-term debt due for repayment within one year	32,941,281	33,049,423	108,142
(5) Corporate bonds	35,000,000	35,197,000	197,000
(6) Long-term debt	128,135,000	127,508,933	(626,067)
(7) Leasehold and security deposits received in trust	750,872	771,196	20,324
Total liabilities	¥ 213,827,153	¥ 213,577,552	¥ (249,601)
(8) Derivative transactions *	¥ (30,869)	¥ (30,869)	-
Total derivative transactions	¥ (30,869)	¥ (30,869)	-

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

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

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

As these items are settled within a short period of time, the fair value approximates the book value.

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

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

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

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

(7) Leasehold and security deposits received in trust

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

(8) Derivative transactions

Please refer to "23. DERIVATIVE TRANSACTIONS".

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

Concerning leasehold and security deposits received (carrying amount: ¥2,843,665 thousand) and leasehold and security deposits received in trust (carrying amount: ¥21,045,590 thousand) that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

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

(Thousands of yen)	
	Within one year
Cash and bank deposits	¥ 13,358,289
Cash and bank deposits in trust	24,534,612
Total	¥ 37,892,901

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

(Thousands of yen)			
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years
Long-term debt	¥ 32,941,282	¥ 59,880,000	¥ 45,705,000
Corporate bonds	17,000,000	10,000,000	15,000,000
Total	¥ 49,941,282	¥ 69,880,000	¥ 60,705,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 4,250,000	¥ 13,600,000	¥ 4,700,000
Corporate bonds	10,000,000	-	-
Total	¥ 14,250,000	¥ 13,600,000	¥ 4,700,000

(15th Fiscal Period: December 1, 2010 – May 31, 2011)

(Thousands of yen)			
	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 9,197,549	¥ 9,197,549	-
(2) Cash and bank deposits in trust	23,303,389	23,303,389	-
(3) Investment securities	9,911	9,975	¥ 64
Total assets	¥ 32,510,849	¥ 32,510,913	¥ 64
(4) Current portion of corporate bonds	17,000,000	17,054,400	54,400
(5) Long-term debt due for repayment within one year	31,588,375	31,743,002	154,627
(6) Corporate bonds	35,000,000	35,177,000	177,000
(7) Long-term debt	153,574,396	155,276,107	1,701,711
(8) Leasehold and security deposits received in trust	750,872	737,698	(13,174)
Total liabilities	¥ 237,913,643	¥ 239,988,207	¥ 2,074,564
(9) Derivative transactions *	¥ (61,951)	¥ (61,951)	-
Total derivative transactions	¥ (61,951)	¥ (61,951)	-

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

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

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

As these items are settled within a short period of time, the fair value approximates the book value.

(3) Investment securities

The fair value of these is based on the values offered by financial institutions, etc.

(4) Current portion of corporate bonds / (6) Corporate bonds

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

(5) Long-term debt due for repayment within one year / (7) Long-term debt

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

(8) Leasehold and security deposits received in trust

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

(9) Derivative transactions

Please refer to 23. DERIVATIVE TRANSACTIONS".

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

Concerning leasehold and security deposits received (carrying amount: ¥2,731,572 thousand) and leasehold and security deposits received in trust (carrying amount: ¥20,724,824 thousand) that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3 Amount of monetary claims and held-to maturity securities to be repaid after the end of the fiscal period

(Thousands of yen)		
	Within one year	Over 1 year, less than 2 years
Cash and bank deposits	¥ 9,197,549	-
Cash and bank deposits in trust	23,303,389	-
Investment securities	-	¥ 10,000
Total	¥ 32,500,938	¥ 10,000

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

(Thousands of yen)			
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years
Long-term debt	¥ 31,588,375	¥ 85,646,396	¥ 45,199,000
Corporate bonds	17,000,000	-	25,000,000
Total	¥ 48,588,375	¥ 85,646,396	¥ 70,199,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 20,779,000	-	¥ 1,950,000
Corporate bonds	-	¥ 10,000,000	-
Total	¥ 20,779,000	¥ 10,000,000	¥ 1,950,000

16. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during this period and the fair values as of November 30, 2011 and May 31, 2011, are as follows:

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

	Carrying amount on the balance sheet (Note 1)			Fair value at the end of the 16th Fiscal Period (Note 3)
	Balance at the beginning of the 16th Fiscal Period	Change during the 16th Fiscal Period (Note 2)	Balance at the end of the 16th Fiscal Period (As of November 30, 2011)	(As of November 30, 2011)
Retail properties	¥ 119,680,292	¥ 10,085,840	¥ 129,766,132	¥ 121,649,000
Office buildings	186,708,564	8,461,829	195,170,393	206,763,000
Hotels	40,976,960	7,710,553	48,687,513	49,103,000
Residential properties	31,981,007	2,788,146	34,769,153	35,279,000

Others	1,797,476	(35,424)	1,762,052	1,810,000
Total	¥ 381,144,299	¥ 29,010,944	¥ 410,155,243	¥ 414,604,000

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the "Change during the 16th Fiscal Period," the amount of the increase is primarily attributable to acquisition of six new properties and an additional acquisition of the existing property with compartmentalized ownership (total: ¥32,711,037 thousand) and capital expenditures (¥1,261,821 thousand). And the amount of the decrease is primarily attributable to the sale of two properties (¥1,972,807 thousand), depreciation and amortization (¥2,934,278 thousand) and disposal of existing properties.
- 3 The "Fair value at the end of the 16th Fiscal Period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

(15th Fiscal Period: December 1, 2010 – May 31, 2011)

	Carrying amount on the balance sheet (Note 1)			(Thousands of yen)
	Balance at the beginning of the 15th Fiscal Period	Change during the 15th Fiscal Period (Note 2)	Balance at the end of the 15th Fiscal Period (As of May 31, 2011)	Fair value at the end of the 15th Fiscal Period (Note 3) (As of May 31, 2011)
Retail properties	¥ 74,946,376	¥ 44,733,916	¥ 119,680,292	¥ 111,344,000
Office buildings	65,662,392	121,046,172	186,708,564	198,204,000
Hotels	41,166,073	(189,113)	40,976,960	41,312,000
Residential properties	31,894,636	86,371	31,981,007	31,756,000
Others	1,832,901	(35,425)	1,797,476	1,780,000
Total	¥ 215,502,378	¥ 165,641,921	¥ 381,144,299	¥ 384,396,000

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the "Change during the 15th Fiscal Period," the amount of the increase is primarily attributable to succession of properties from NCI with the Merger (37 properties, ¥168,845,000 thousand) and capital expenditures (¥906,449 thousand). And the amount of the decrease is primarily attributable to the sale of PACIFIQUE Tenjin (¥1,578,083 thousand) and depreciation and amortization (¥2,737,020 thousand).
- 3 The "Fair value at the end of the 15th Fiscal Period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

For the revenues and expenses concerning investment and rental properties during the 16th fiscal period and the 15th fiscal period, please refer to the aforementioned "10. OPERATING REVENUES AND EXPENSES."

17. TRANSACTIONS WITH RELATED PARTIES

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Asset Management Co., Ltd.	Investing	–	None	Brokerage commissions	¥ 394,050	–	–
Marubeni Community Co., Ltd.	Real estate management	–	None	Property leasing	78,133	Rent receivables	¥ 3,668
						Security deposits received	30,655
				Property management fees	104,355	Trade accounts payable	32,486
				Construction management fees	1,702	Trade accounts payable	877
				Construction costs	4,935	Trade accounts payable	729
				Utilities	1,361	Trade accounts payable	193
				Other rental expenses	9,205	Trade accounts payable	365
Marubeni Real Estate Co., Ltd.	Real estate	–	None	Property management fees	40,287	Trade accounts payable	19,909
				Construction management fees	10,350	Trade accounts payable	7,555
				Other rental expenses (including communication expenses)	2,264	Trade accounts payable	435
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Security deposits received	19,800
						Rent received in advance	9,900
				Utilities	101,015	Trade accounts payable	16,176
The Daiei, Inc.	Supermarket	–	None	Property leasing	611,360	Security deposits received	765,600
						Rent received in advance	106,988
				Construction costs	886	–	–
The Maruetsu, Inc.	Supermarket	–	None	Property management fees	1,500	–	–
				Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648
TIPNESS LIMITED	Fitness club operator	–	None	Property leasing	32,244	Security deposits received	70,246
						Rent received in advance	7,532
				Other rental revenues	23,896	Rent receivables	4,270

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd.	Trust bank	–	New long-term debt	9,850,000	Long-term debt	22,881,000
			Repayment of long-term debt	3,520,073	Long-term debt due for repayment within one year	3,915,698
			Repayment of long-term debt due for repayment within one year	3,850,000	–	–

			Interest expenses	144,175	Accrued expenses	46,807
			Loan expenses	81,718	Long-term prepaid expenses	234,292
					Prepaid expenses	7,122
					Accrued expenses	2,524
			Commissions related to corporate bonds	802	Prepaid expenses	182
			Custodian fees	12,908	–	–
			Agent commissions	2,153	–	–

Notes: 1. "Amount of Transaction" 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 nearest whole number.

3. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

(15th Fiscal Period: December 1, 2010 – May 31, 2011)

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Asset Management Co., Ltd.	Investing	–	None	Brokerage commissions	¥ 47,433	–	–
Marubeni Community Co., Ltd.	Real estate management	–	None	Property leasing	78,981	Rent receivables	¥ 3,700
						Security deposits received	30,655
				Property management fees	84,801	Trade accounts payable	13,428
				Construction management fees	1,626	Trade accounts payable	1,175
				Construction costs	2,487	Trade accounts payable	1,523
				Other rental expenses	10,478	Trade accounts payable	2,514
Marubeni Real Estate Co., Ltd.	Real estate	–	None	Property management fees	40,572	Trade accounts payable	6,310
				Construction management fees	8,775	Trade accounts payable	5,013
				Utilities	782	–	–
				Other rental expenses (including communication expenses)	8,288	Trade accounts payable	2,453
Marubeni Corporation	Wholesale industry	0.5	None	Property leasing	59,400	Security deposits received	19,800
						Rent received in advance	9,900
				Utilities	95,738	Trade accounts payable	15,590
The Daiei, Inc.	Supermarket	–	None	Property leasing	611,360	Security deposits received	765,600
						Rent received in advance	106,988
				Property management fees	1,350	–	–
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	Property leasing	30,085	Security deposits received	70,246
						Rent received in advance	5,265
				Other rental revenues	25,209	Rent receivables	4,203

2. Asset Custodian

						Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd.	Trust bank	—	Repayment of long-term debt	122,927	Long-term debt	19,551,073
			Repayment of long-term debt due for repayment within one year	4,000,000	Long-term debt due for repayment within one year	4,765,698
			Interest expenses	85,521	Accrued expenses	55,847
			Loan expenses	77,568	Long-term prepaid expenses	182,684
					Prepaid expenses	3,626
					Accrued expenses	6,058
			Commissions related to corporate bonds	798	Prepaid expenses	185
			Custodian fees	13,488	—	—

Notes: 1. "Amount of Transaction" 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 nearest whole number.
3. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

18. BUSINESS COMBINATION

(15th Fiscal Period: December 1, 2010 – May 31, 2011)

Overview of Business Combination

1. Name of acquired corporation

Nippon Commercial Investment Corporation ("NCI")

2. Description of business of acquired corporation

To invest and manage mainly specified assets, etc, under the Investment Trust Act

3. Reasons for business combination

United Urban and NCI have, through mutual detailed evaluation and analysis of the potential of the other's respective portfolios, growth strategies and financial strategies, among others, diligently evaluated strategies to improve the unitholder value of both investment corporations. As a result, the conclusion was reached that the implementation of the Merger would be likely to have sufficient synergy effects with respect to asset management including increased asset value, increased portfolio quality attendant with the increased asset value, and improved stability of revenue due to more diversity in properties/regions/tenants of the merged investment corporation, among others. United Urban and NCI entered into a memorandum of understanding concerning the Merger on April 22, 2010, and executed the Merger Agreement on May 10, 2010.

4. Date of business combination

December 1, 2010

5. Method of business combination

The business combination was an absorption-type merger method under which United Urban remains as a surviving company and NCI was dissolved as an absorbed company.

6. Name of investment corporation after the Merger

United Urban Investment Corporation

7. Major reasons for determining the acquiring corporation

In accordance with the Accounting Standard for Business Combinations, etc., United Urban became the acquiring corporation

following comprehensive considerations of company size (total assets, net income, etc.), relative share of voting rights accounted for by unitholders as a whole, presence of a unitholder with the largest share of voting rights, presence of unitholders who have the power to appoint and dismiss directors and auditors, composition of the board of directors, etc. as well as other factors.

Business Period of Acquired Corporation Included in the Financial Statements

From December 1, 2010 to May 31, 2011

Matters Related to Calculation of Acquisition Cost

1. Acquisition cost and breakdown

	Thousands of yen
Consideration	
Fair value of investment units issued by United Urban at the Merger	¥ 23,548,287
Cash and bank deposits	421,775
Direct cost necessary for acquisition	
Due diligence fee	1,099,353
Acquisition cost	¥ 25,069,415

2. Allocation ratio of investment units

United Urban allocated units of United Urban at an allocation ratio of one (1) United Urban unit as consideration per one (1) NCI unit. United Urban made a split of the investment units, held as at the record date of November 30, 2010, whereby it split one (1) unit into six units effective as of December 1, 2010.

3. Basis for calculation of the allocation ratio

- (1) Analysis of the exchange ratio is conducted by comprehensively considering the results of the analysis based on the market unit price analysis, comparable REITs analysis, dividend capitalization analysis, discounted cash flow analysis and market net asset value analysis.
- (2) In order to assure fairness in calculating the exchange ratio to be used for the Merger, United Urban and NCI both appointed third-party evaluators respectively for the calculation of the exchange ratio. After comprehensive consideration of factors such as the calculation results, discussions and negotiations, it was determined that the above exchange ratio is appropriate.

4. Number of investment units issued

243,519 units

Matters Related to Allocation of Acquisition Cost

1. Amount and details of acquired assets and assumed liabilities on the date of business combination

	Thousands of yen
Current assets	¥ 15,561,240
Fixed assets	170,576,133
Total Assets	186,137,373
Current liabilities	8,151,033
Long-term liabilities	140,424,052
Total Liabilities	¥ 148,575,085

2. Negative goodwill

- Amount of negative goodwill : ¥12,492,873 thousand
- Cause : Because the market net asset values of NCI exceeded the acquisition cost at the time of the Merger, the difference was recognized as negative goodwill.
- Accounting treatment : The entire amount was recognized as extraordinary income for the current period.

Comparative Information

There are no appropriate matters because the date of business combination was the beginning of the current fiscal period.

19. 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 November 30, 2011 and May 31, 2011 for the fiscal periods then ended are summarized as follows:

	Yen	
	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Net assets per unit at the period end	¥ 98,215	¥ 102,261
Net income per unit	¥ 2,238	¥ 11,449
Weighted-average number of units (units)	2,076,594	1,451,319

20. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and Cash Equivalents

Cash and cash equivalents at November 30, 2011 and May 31, 2011 were as follows:

	Thousands of yen	
	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
Cash and bank deposits	¥ 37,892,901	¥ 32,500,938
Restricted deposits with a bank	(207,081)	(207,057)
Cash and cash equivalents	¥ 37,685,820	¥ 32,293,881

Significant Non-cash Transactions

Breakdown of acquired assets and assumed liabilities from NCI with the Merger as of December 1, 2010 were as follows. In addition, capital surplus increased by ¥23,548,287 thousand by the Merger.

	Thousands of yen
	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Current assets	¥ 15,561,240
Fixed assets	170,576,133
Total Assets	186,137,373
Current liabilities	8,151,033
Long-term liabilities	140,424,052
Total Liabilities	¥ 148,575,085

21. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2011 and May 31, 2011, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 16th Fiscal Period (As of November 30, 2011)	End of 15th Fiscal Period (As of May 31, 2011)
Due within one year	¥ 10,138,115	¥ 9,527,523
Due after one year	40,542,298	41,101,497
Total	¥ 50,680,413	¥ 50,629,020

22. SECURITIES

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

There was no applicable information on securities transactions to be presented for the fiscal period ended November 30, 2011.

(15th Fiscal Period: December 1, 2010 – May 31, 2011)

Debt securities held to maturity at May 31, 2011 are summarized as follows:

	Type	Balance Sheet Amount (Thousands of yen)	Fair Value (Thousands of yen)	Differences (Thousands of yen)
Securities whose fair value exceeds balance sheet amount	Government bonds	¥ 9,911	¥ 9,975	¥ 64
Total		¥ 9,911	¥ 9,975	¥ 64

23. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended November 30, 2011: None

Fiscal period ended May 31, 2011: None

2. Derivative transactions subject to hedge accounting for the fiscal periods ended November 30, 2011 and May 31, 2011 were as follows:

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principle method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 4,578,490	—	¥ (30,869)	(Note)
Total			¥ 4,578,490	—	¥ (30,869)	

(15th Fiscal Period: December 1, 2010 – May 31, 2011)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principle method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 4,578,490	—	¥ (61,951)	(Note)
Total			¥ 4,578,490	—	¥ (61,951)	

Note: The "Fair Value" is based on the prices offered by financial institutions, etc.

24. SUBSEQUENT EVENTS

Cash Distribution

On January 18, 2012, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥2,750 per unit, amounting to ¥5,784,303 thousand in the aggregate, to unitholders of record as of November 30, 2011.

Issuance of Corporate Bonds

United Urban ratified the issuance of Series 5 of Unsecured Corporate Bonds in the amount of ¥7.0 billion (the "5th Bond") and Series 6 of Unsecured Corporate Bonds in the amount of ¥3.0 billion (the "6th Bond") on December 2, 2011, in accordance with the approval at the board of directors' meeting of United Urban held on November 24, 2011 for repayment of existing borrowings at their maturity on December 20, 2011. United Urban issued the 5th Bond on December 16, 2011 and the 6th Bond on December 9, 2011, and those payments have been completed. Details on the issuance of each series of corporate bonds are as follows:

Series 5 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 5 of Unsecured Corporate Bonds (with pari passu conditions among corporate bonds)
Total amount issued	: ¥ 7,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 1.00% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 16, 2011
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 16, 2014. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 16 and December 16 of each year
Corporate bond trustee	: Mitsubishi UFJ Trust and Banking Corporation
Use of proceeds	: The proceeds were used to repay existing borrowings.

Series 6 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 6 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥ 3,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 1.12% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 9, 2011
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 9, 2016. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 9 and December 9 of each year
Fiscal agent	: The Sumitomo Trust and Banking Co., Ltd.
Use of proceeds	: The proceeds were used to repay existing borrowings.

Report of Independent Auditors

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of November 30, 2011 and May 31, 2011, and the related statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation at November 30, 2011 and May 31, 2011, 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.

Emphasis of Matter

As described in Note 24, Subsequent Events, the Company issued the Series 5 Bonds on December 16, 2011 and the Series 6 Bonds on December 9, 2011. Our opinion is not qualified in respect of this matter.

Ernst & Young ShinNihon LLC

February 28, 2012

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation ("United Urban"), as of November 30, 2011:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥165,924,928,670
Number of Unitholders:	28,326
Transfer Agent: (Note)	(Before March 31, 2012) The Chuo Mitsui Trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo 105-8754, Japan (After April 1, 2012) Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent: (Note)	(Before March 31, 2012) Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Company, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan (After April 1, 2012) Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon LLC 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 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

Note: The Chuo Mitsui Trust and Banking Company Limited, a transfer agent of United Urban, will merge with the Sumitomo Trust and Banking Co., Ltd. and Chuo Mitsui Asset Trust and Banking Company, Limited, as of April 1, 2012, and the company name will be changed to "Sumitomo Mitsui Trust Bank, Limited".

About Our Website

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

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



Disclaimer

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

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

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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 document.



United Urban Investment Corporation

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