

Semiannual Report

Twenty-first Fiscal Period

From December 1, 2013 to May 31, 2014



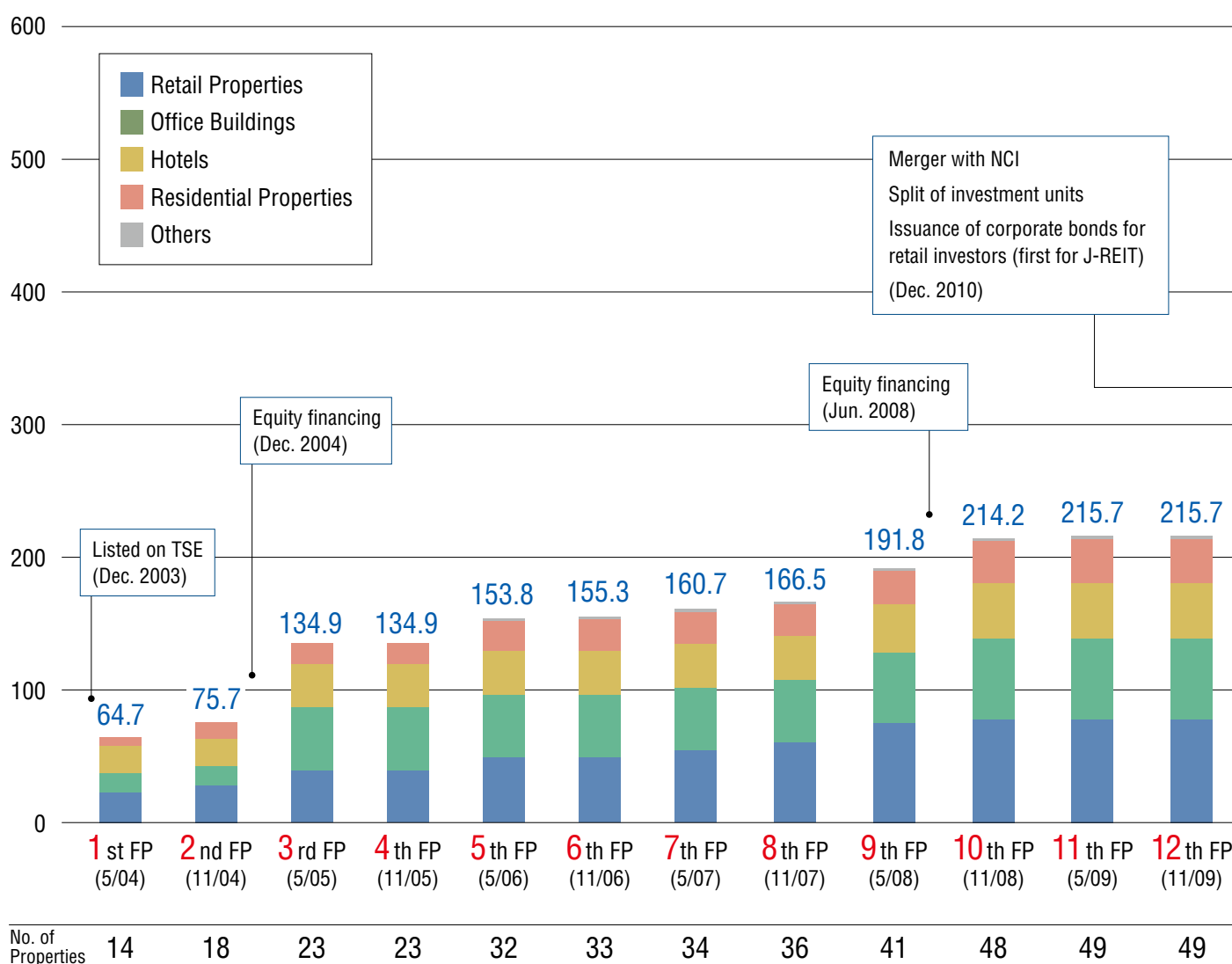
Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed on the real estate investment trust section (“J-REIT section”) of the Tokyo Stock Exchange (Securities Code: 8960), and United Urban has been growing steadily over the past 10 years since its listing. In addition, through the merger with Nippon Commercial Investment Corporation (“NCI”) in December 2010, United Urban considerably expanded the size of its assets.

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

Growth of Assets (Note 1)

Billions of yen



Notes: 1. The total acquisition prices of properties owned by United Urban at the end of each fiscal period are shown above, and figures are rounded to the units stated.
2. Unless otherwise indicated, in principle, all figures in this report are rounded down to the nearest unit.

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

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



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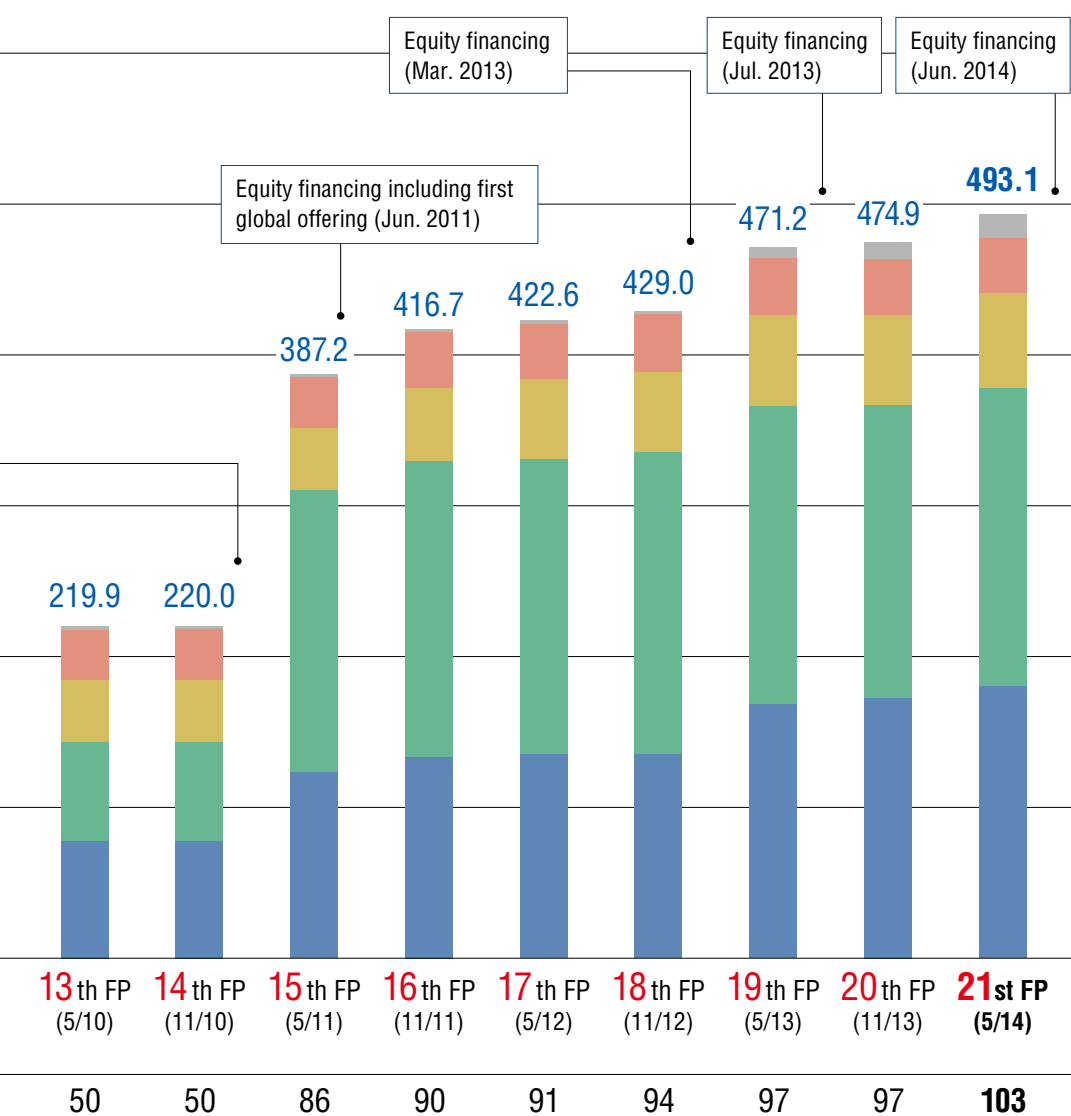
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Financial Section



Key Figures (As of May 31, 2014)

Cash Distribution per Unit for the 21st Fiscal Period

¥2,804

Occupancy Ratio

98.0%

Total Acquisition Price

¥493.1 billion

Number of Properties

103

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

46.5%

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

Ratings

(As of July 31, 2014)

JCR

Long-Term
Issuer Rating:

AA-

Rating Outlook: Positive

R&I

Issuer Rating:

A+

Rating Outlook: Stable

Moody's

Issuer Rating:

A3

Rating Outlook: Stable

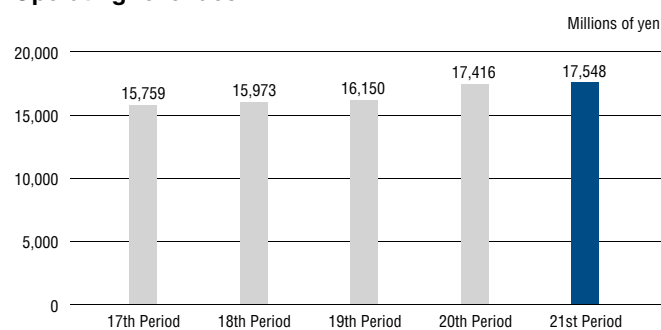
Financial Highlights

Millions of yen, except per unit information

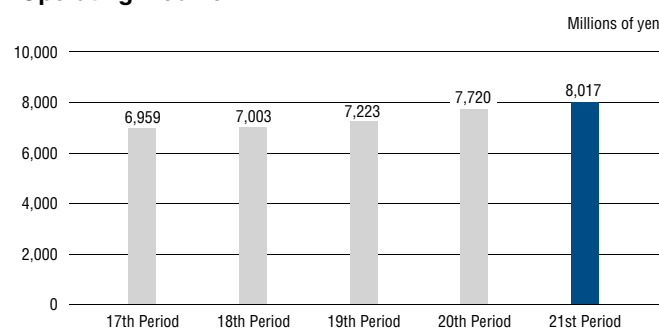
	21st Fiscal Period December 1, 2013- May 31, 2014	20th Fiscal Period June 1, 2013- November 30, 2013	19th Fiscal Period December 1, 2012- May 31, 2013	18th Fiscal Period June 1, 2012- November 30, 2012	17th Fiscal Period December 1, 2011- May 31, 2012
Operating revenues	¥ 17,548	¥ 17,416	¥ 16,150	¥ 15,973	¥ 15,759
Operating income	8,017	7,720	7,223	7,003	6,959
Ordinary income	6,694	6,113	5,252	4,635	4,850
Net income	6,674	6,113	5,251	4,635	4,849
Cash distribution	6,674	6,545	6,339	5,784	5,784
Cash distribution per unit (Yen)	2,804	2,750	2,750	2,750	2,750
Total assets	527,807	527,025	516,739	462,503	457,026
Total unitholders' equity	237,208	237,079	228,142	204,533	205,682
Unitholders' equity per unit (Yen)	99,659	99,605	98,958	97,240	97,786

Note: United Urban's 17th fiscal period was for 183 days from December 1, 2011 to May 31, 2012, the 18th fiscal period was for 183 days from June 1, 2012 to November 30, 2012, the 19th fiscal period was for 182 days from December 1, 2012 to May 31, 2013, the 20th fiscal period was for 183 days from June 1, 2013 to November 30, 2013 and the 21st fiscal period was for 182 days from December 1, 2013 to May 31, 2014.

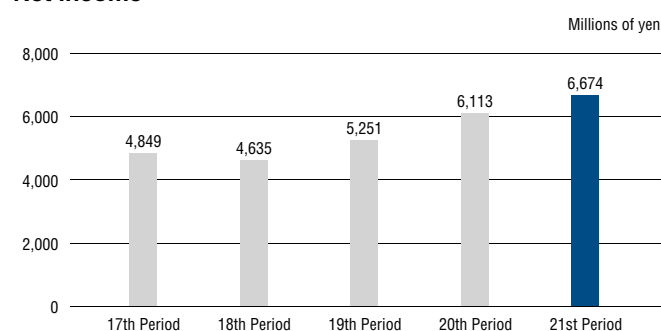
Operating revenues



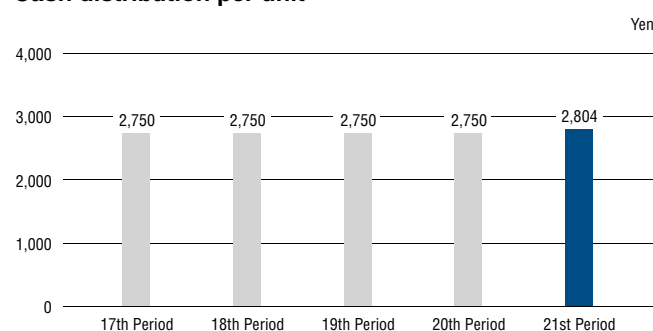
Operating income



Net income



Cash distribution per unit



To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 21st fiscal period: the six-month period ended May 31, 2014.

United Urban was listed on the J-REIT section of the Tokyo Stock Exchange in December 2003. As of May 31, 2014 (at the end of the 21st fiscal period), United Urban is the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size.

In the 21st fiscal period, United Urban acquired six new properties (total acquisition price: ¥18.2 billion), and realized growth in its asset size and improvement in profitability. In order to make early redemption of all the interest-bearing liabilities United Urban assumed as the result of the merger with Nippon Commercial Investment Corporation in December 2010 (the “Merger”), United Urban made every effort including prepayment of loans and it finally completed the repayment of the assumed liabilities in March 2014. In addition to these factors, revenues from properties acquired during the previous fiscal period contributed to this fiscal period’s profit in the full-term. As a result, United Urban achieved revenue and profit growth with operating revenues of ¥17,548 million, operating income of ¥8,017 million and net income of ¥6,674 million. United Urban decided that the distribution amount for this fiscal period would be ¥6,674 million or ¥2,804 per unit. United Urban continued to make the distribution per unit of ¥2,750 by utilizing the negative goodwill (reserve for distribution) over the past five fiscal periods to cope with the temporary profit decline due to the succession of high cost interest-bearing liabilities, etc. in connection with the Merger. In the 21st fiscal period, our distribution per unit exceeded ¥2,750 without using the negative goodwill. United Urban achieved this goal one fiscal period earlier than as announced in January 2014. Moreover, it is expected that our distribution per unit for the 22nd and 23rd fiscal periods will increase further without using the negative goodwill.

United Urban resolved to implement the issuance of new investment units through the sixth public offering and third-party allotment on May 23, 2014 and raised the equity capital of ¥20.5 billion. United Urban aims for further external growth by utilizing its enhanced acquisition capacity through this capital increase.

As a diversified J-REIT, investing in properties varied both in types of use and geographical location, United Urban, together with its asset manager, Japan REIT Advisors Co., Ltd., will do its best to secure the stability in its earnings over the medium to long term pursuant to its investment policy. Your continuous support and kind attention are highly appreciated.



Hitoshi Murakami
Executive Officer
United Urban Investment Corporation

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

Topics of 21st Fiscal Period

Acquisitions during the 21st Fiscal Period

A32 Narumi Shopping Center (Site)

Retail Properties



■ Acquisition Date	April 8, 2014
■ Acquisition Price	¥6,460 million
■ Location	Midori-ku, Nagoya, Aichi
■ Site Area	60,747.02 m ²
■ Total Floor Space	—
■ Construction	—
■ Number of Floors	—
■ Completed	—
■ Type of Ownership	Land: Proprietary Ownership Building: —

Note: United Urban mainly acquired the site of the property. Buildings and structures situated on the site are not included in the assets of United Urban.

E4 THE PLACE of TOKYO

Others



■ Acquisition Date	May 1, 2014
■ Acquisition Price	¥3,500 million
■ Location	Minato-ku, Tokyo
■ Site Area	645.87 m ²
■ Total Floor Space	3,105.31 m ²
■ Construction	SRC
■ Number of Floors	B3/7F
■ Completed	October 1964 ^(Note)
■ Type of Ownership	Land: Surface Right Building: Proprietary Ownership



Note: The building pertaining to the property was repaired in 2012 in connection with the conversion of its use, and the building equipment and the interior and exterior decoration (except for the body of building) were renovated fully at that time. The date of conversion of use in the real estate register is June 2012.

C9 the b roppongi

Hotels



■ Acquisition Date	May 1, 2014	■ Number of Floors	B2/9F
■ Acquisition Price	¥3,500 million	■ Completed	January 2001
■ Location	Minato-ku, Tokyo	■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership
■ Site Area	482.37 m ²		
■ Total Floor Space	3,138.82 m ²		
■ Construction	SRC		



Topics of 21st Fiscal Period

B40 GRAND-SQUARE Shin-Sakae

Office Buildings



■ Acquisition Date	February 28, 2014
■ Acquisition Price	¥1,480 million
■ Location	Naka-ku, Nagoya, Aichi
■ Site Area	1,177.99 m ² (Note)
■ Total Floor Space	5,295.31 m ² (Note)

■ Construction	S (Note)
■ Number of Floors	7F (Note)
■ Completed	May 2009 (Note)
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: The above information is applicable to the main building.

B41 GRAND-SQUARE Meieki-minami

Office Buildings



■ Acquisition Date	February 28, 2014
■ Acquisition Price	¥1,220 million
■ Location	Nakamura-ku, Nagoya, Aichi
■ Site Area	1,012.06 m ²
■ Total Floor Space	5,017.30 m ²

■ Construction	S
■ Number of Floors	8F
■ Completed	February 2009
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

B42 Shiba 520 Building (Note)

Office Buildings



■ Acquisition Date	March 28, 2014
■ Acquisition Price	¥2,100 million
■ Location	Minato-ku, Tokyo
■ Site Area	727.86 m ²
■ Total Floor Space	3,781.22 m ²

■ Construction	SRC/S
■ Number of Floors	7F
■ Completed	July 1994
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.

Renewal of Joypark Izumigaoka

Taking advantage of the situation where the contract with some tenants terminated, United Urban conducted comprehensive renovation work on the first floor of Joy Park Izumigaoka (Sakai, Osaka). The property was invigorated into a retail facility with "fun," "brightness," and "lightheartedness" by attracting specialized stores expected to produce a synergistic effect for the entire floor, including a supermarket, drugstore, 100-yen store. The rental revenue is expected to increase by at least 10% on a whole property basis.



Subsequent Events

Public Offering (Issuance of New Investment Units)

United Urban implemented the public offering for the first time in almost a year. Through the offering, United Urban acquired a new property (Hirose-dori SE Building) and secured its debt funding capacity to realize further external growth by repaying existing borrowings.

[Overview]

Resolution Date of the Issuance	May 23, 2014	
Pricing Date	June 3, 2014	
Total Number of Investment Units Newly Issued	132,065 units	Public offering: 120,000 units Third-party allotment: 12,065 units
Offer Price (per unit)	¥160,426	
Issue Price (per unit)	¥155,515	
Total Issue Price	¥20,538 million	Public offering: ¥18,661 million Third-party allotment: ¥1,876 million
Payment Date	Public offering: June 10, 2014 Third-party allotment: July 9, 2014	



After the Offering	
Total Number of Investment Units Issued and Outstanding	2,380,181 units ➡ 2,512,246 units
Unitholders' Capital	¥199,230 million ➡ ¥219,768 million
LTV	46.5% ➡ ¥43.6 % <small>(Note)</small>

Note: Based on a calculation made by the asset management company, the estimated value after the early repayment of Term Loan 37 on July 22, 2014 is as stated.

[Repayment of Borrowing]

Title	Lenders	Amount of Borrowing	Interest Rate <small>(Note 1)</small>	Drawdown Date	Maturity Date
Term Loan 32 (mid term)	Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo- Mitsubishi UFJ, Ltd.	¥8,700 million	0.74636%	Jun. 20, 2011	Jun. 20, 2014
Term Loan 37 (mid term)	Mitsubishi UFJ Trust and Banking Corporation	¥2,800 million	0.49636%	Oct. 31, 2011	Sep. 20, 2014 <small>(Note 2)</small>

Notes: 1. Interest rate is the rate at the time of repayment date.

2. The Term Loan 37 was repaid in full on July 22, 2014 prior to the maturity date.

[New Acquisition]

B43 Hirose-dori SE Building

Office Buildings



■ Acquisition Date	June 13, 2014
■ Acquisition Price	¥3,600 million
■ Location	Miyagino-ku, Sendai, Miyagi
■ Site Area	2,145.00 m ² <small>(Note)</small>
■ Total Floor Space	10,396.94 m ²
■ Construction	S
■ Number of Floors	9F
■ Completed	November 2007
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

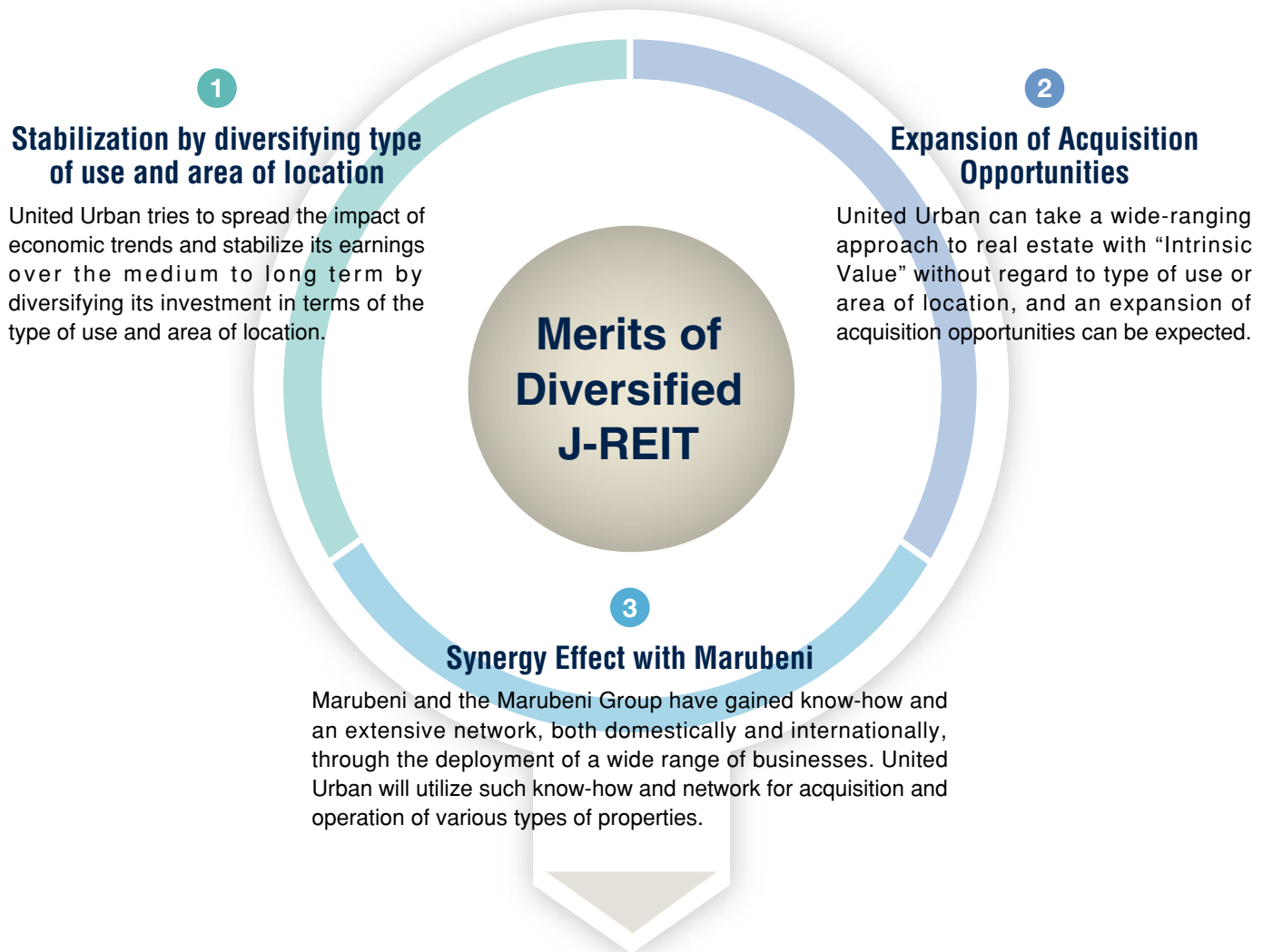


Note: "Site Area" is the area of provisional replotting as it appears on the notification for provisional replotting.

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

Merits of Diversified J-REIT

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



United Urban Investment Corporation

External Growth

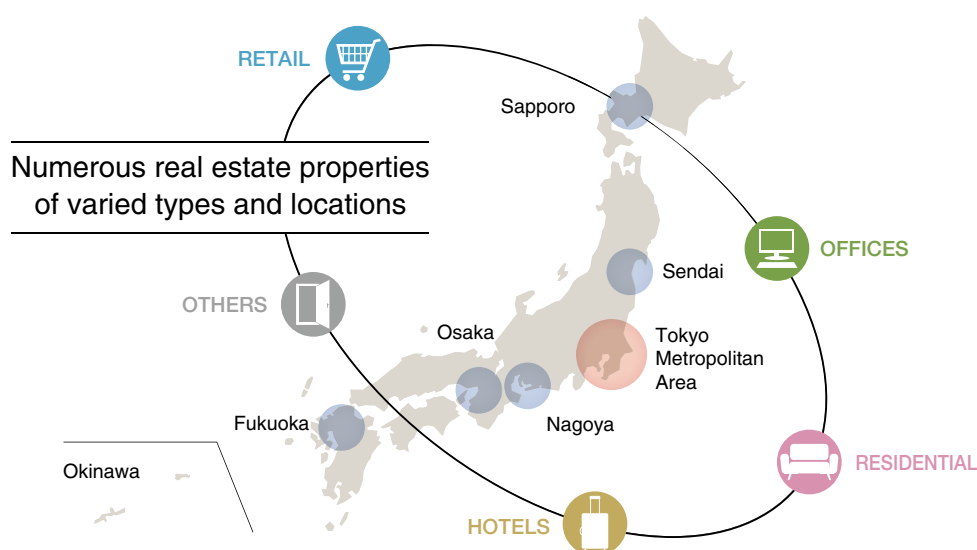
Internal Growth

Financial Strategy

Management Strategy

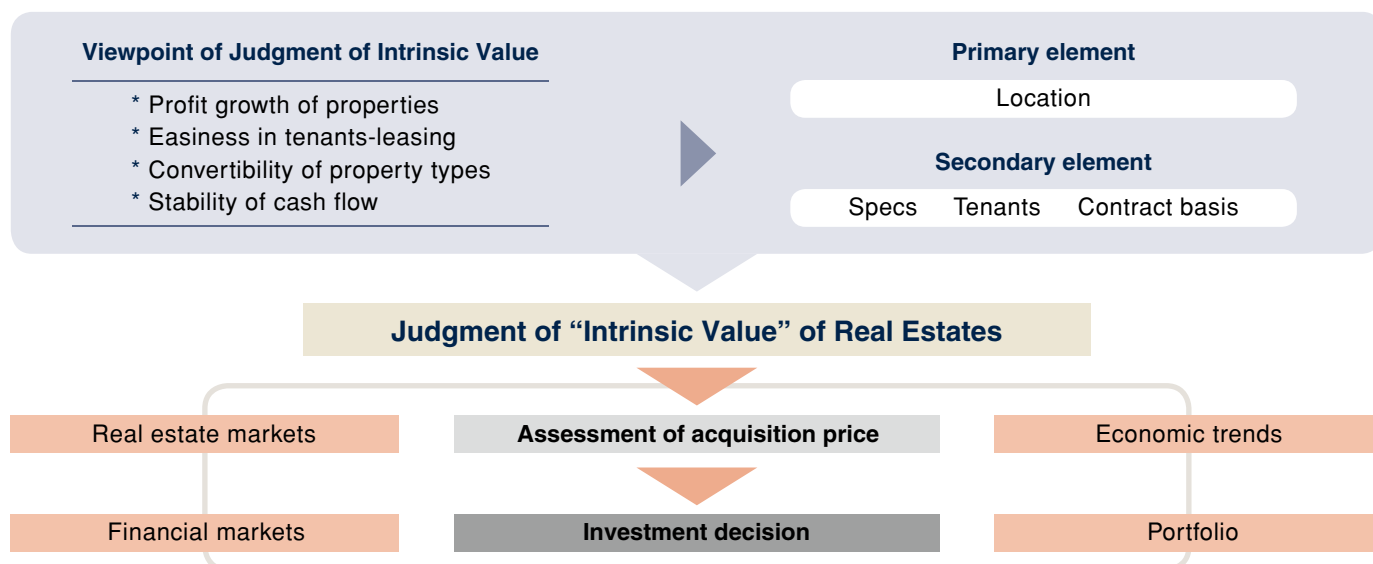
Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

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



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

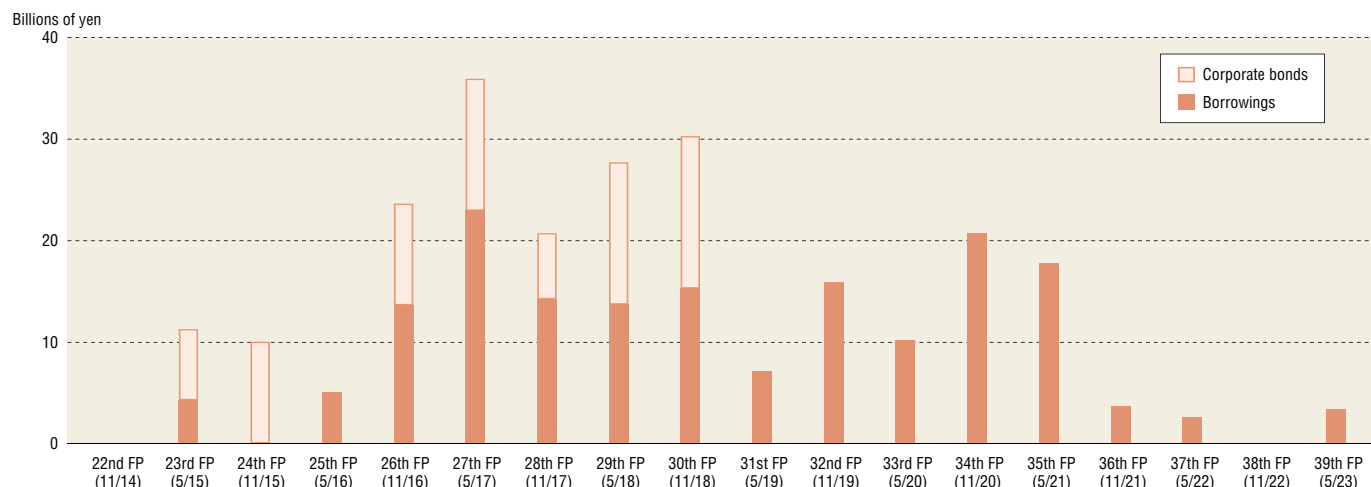
United Urban defines the real estate that can secure stable profitability over the medium to long term as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of various factors such as the external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



Financial Strategy and Financial Status

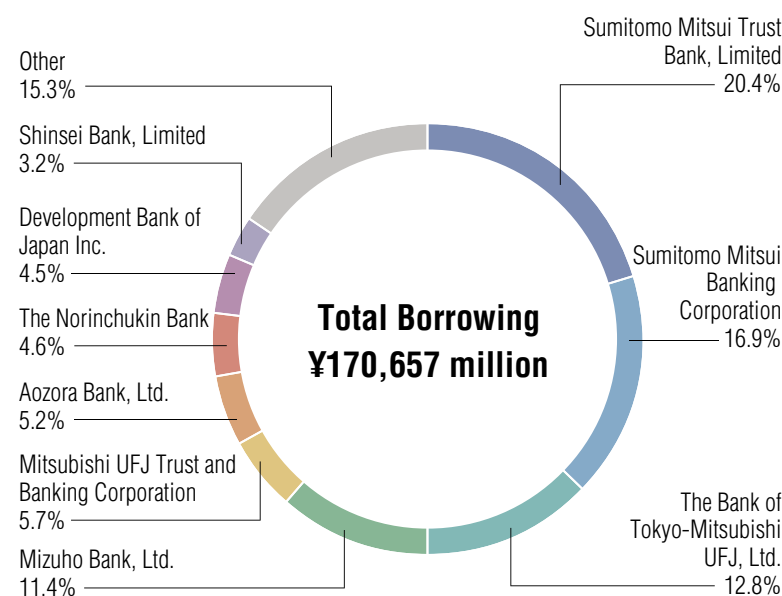
United Urban carefully considers maintaining the LTV within a range deemed to be appropriate and principally seeks to raise long-term fixed-interest-rate funding to prevent any impact on the procurement of funds for interest-bearing liabilities and ratings. United Urban also intends to select the optimal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

Diversification of Repayment Date (As of July 22, 2014) ^(Note)



Note: Repayments less than ¥100 million are not included in the above chart.

Lenders and Borrowing Amount (As of July 22, 2014)



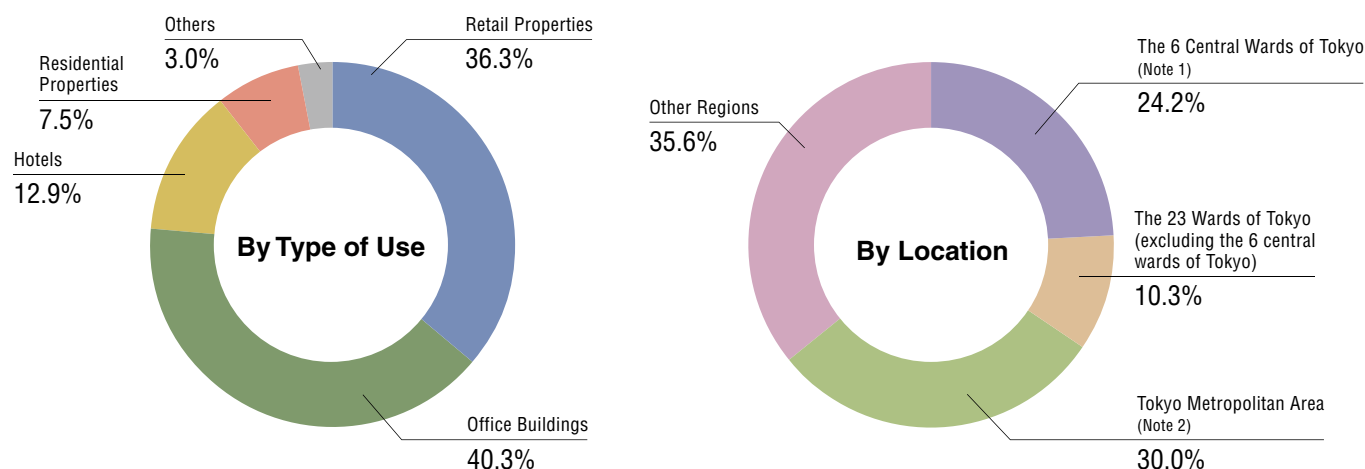
Note: "Share" is rounded to the nearest one decimal place. Accordingly, "Share" may not add up to the "Total."

Lenders	Balance (millions of yen)	Share (%) ^(Note)
Sumitomo Mitsui Trust Bank, Limited	34,783	20.4
Sumitomo Mitsui Banking Corporation	28,909	16.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,927	12.8
Mizuho Bank, Ltd.	19,537	11.4
Mitsubishi UFJ Trust and Banking Corporation	9,669	5.7
Aozora Bank, Ltd.	8,840	5.2
The Norinchukin Bank	7,853	4.6
Development Bank of Japan Inc.	7,700	4.5
Shinsei Bank, Limited	5,500	3.2
Resona Bank, Limited	3,639	2.1
Mizuho Trust & Banking Co., Ltd.	3,300	1.9
The Bank of Fukuoka, Ltd.	2,700	1.6
ORIX Bank Corporation	2,500	1.5
The Shinkumi Federation Bank	2,000	1.2
Saitama Resona Bank, Limited	1,000	0.6
Sompo Japan Insurance Inc.	1,000	0.6
Kansai Urban Banking Corporation	1,000	0.6
Nippon Life Insurance Company	1,000	0.6
The Ashikaga Bank, Ltd.	1,000	0.6
The Nishi-Nippon City Bank, Ltd.	1,000	0.6
The Nomura Trust and Banking Co., Ltd.	1,000	0.6
Shinkin Central Bank	1,000	0.6
The Gunma Bank, Ltd.	900	0.5
The Bank of Yokohama, Ltd.	900	0.5
The Hiroshima Bank, Ltd.	500	0.3
The 77 Bank, Ltd.	500	0.3
The Tokyo Tomin Bank, Limited	500	0.3
The Kagawa Bank, Ltd.	500	0.3
Total	170,657	100.0

Portfolio Properties

Portfolio Data

Portfolio Breakdown (Based on acquisition prices) (As of May 31, 2014)



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

	2013			2014		
	End of December	End of January	End of February	End of March	End of April	End of May
Retail Properties	99.7%	98.9%	98.7%	99.5%	99.7%	99.7%
Office Buildings	92.1%	92.2%	92.6%	92.9%	93.1%	94.1%
Hotels	99.5%	99.7%	99.8%	99.8%	99.8%	99.8%
Residential Properties	98.2%	98.5%	98.4%	98.4%	98.4%	98.4%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	97.3%	97.0%	97.0%	97.4%	97.7%	98.0%

Approaches to Environmental Issues

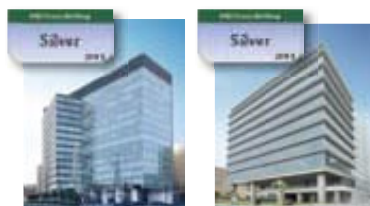
► Environmental Policies

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

► DBJ Green Building Certification

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

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



► Participation in the GRESB Survey

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

United Urban has been participating in the GRESB survey since 2012.



Portfolio Properties

Portfolio Roster (As of May 31, 2014)

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	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 5)	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	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Yokohama Kariba Shopping Center	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
A31	Tenjin Loft Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1989	Nov. 29, 2013	
A32	Narumi Shopping Center (Site)	Nagoya, Aichi	Real estate	—	Apr. 8, 2014	
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 6)	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 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyochi Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B12	UUR Tsukiji Building	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	
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 Aiocho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Hamamatsucho 262 Building (Note 7)	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	

	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 (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	3.1%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.4%	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	1.1%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.3%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.3%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.7%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	1.1%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.4%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.8%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.8%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.9%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.4%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.5%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	4.6%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	2,770	0.6%	946.53	4,923.95	S/SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.5%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.4%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	1.0%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.5%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	1.0%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.7%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.5%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.4%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	5.7%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	1.0%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.9%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.3%	60,747.02	—	—	—	Proprietary Ownership	—
	2,257	0.5%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.1%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.4%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.5%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.4%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	2.9%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.9%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.0%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.7%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.9%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	3.0%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co—ownership)
	12,100	2.5%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.4%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.2%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.4%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.8%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	3,290	0.7%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.5%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	1,890	0.4%	550.67	3,627.03	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.4%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.2%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	2.0%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.4%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.6%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,620	0.3%	701.83	3,215.11	SRC	B1/7F	Proprietary Ownership	Compartmentalized Ownership
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.5%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.4%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership

Portfolio Properties

Portfolio Roster (As of May 31, 2014)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Office Buildings						
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	
B40	GRAND-SQUARE Shin-Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	May 2009	Feb. 28, 2014	
B41	GRAND-SQUARE Meieki-minami	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2009	Feb. 28, 2014	
B42	Shiba 520 Building (Note 8)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1994	Mar. 28, 2014	
Hotels						
C1	Shinjuku Washington Hotel Honkan (Note 7)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	Hotel JAL City Yotsuya Tokyo (Note 9)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Nagoya, Aichi	Trust beneficial interest in real estate	Jun. 2010	Mar. 25, 2013	
C9	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower (Note 10)	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
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" for properties where a part of the site space is for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures are described.

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

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

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

	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 (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	4,570	0.9%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.5%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	1.9%	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	1.9%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.5%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,480	0.3%	1,294.88	5,333.51	S	7F	Proprietary Ownership	Proprietary Ownership
	1,220	0.2%	1,012.06	5,017.30	S	8F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	21,140	4.3%	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	2.0%	(7,265.79)	(58,882.64)	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	1,884	0.4%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.8%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	1.0%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.6%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.9%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	1.0%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	2,000	0.4%	1,045.37	5,735.24	RC	12F	Proprietary Ownership	Proprietary Ownership
	3,500	0.7%	482.37	3,138.82	SRC	B2F/9F	Proprietary Ownership	Proprietary Ownership
	2,021	0.4%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,680	0.3%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	1,175	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.7%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.2%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.6%	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	0.2%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.6%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.3%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.3%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.7%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.6%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.3%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	1.0%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.8%	5,294.63	14,742.80	S	11F	Proprietary Ownership	Proprietary Ownership
	3,500	0.7%	645.87	3,105.31	SRC	B3/7F	Surface Right	Proprietary Ownership
	493,124	100.0%	658,500.49	1,140,953.62				

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

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

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

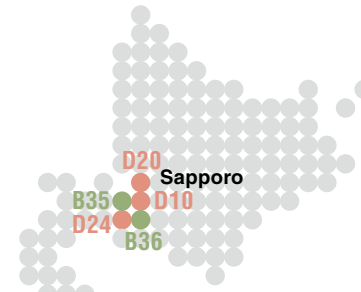
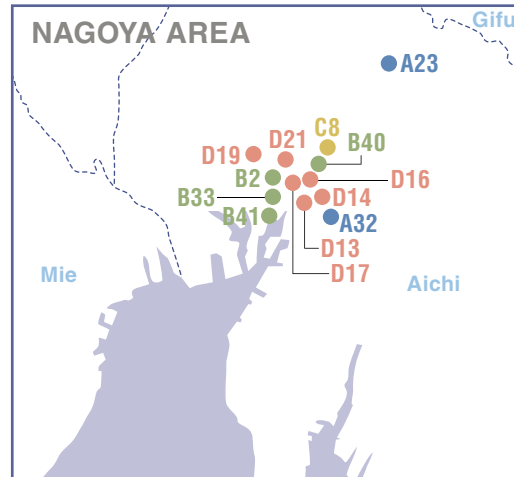
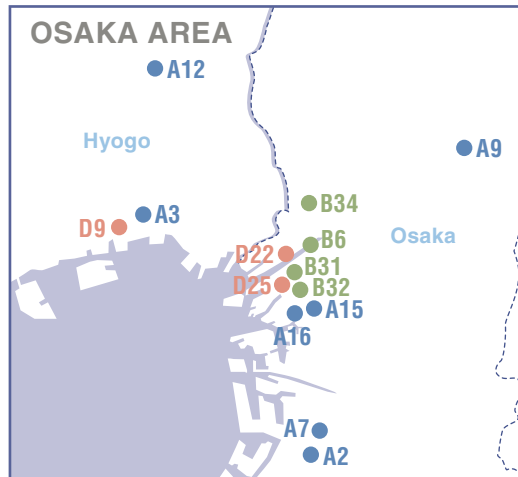
8. The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.

9. The property name will be changed from "Hotel JAL City Yotsuya Tokyo" to "UUR Yotsuya Sanhome Building" on October 1, 2014.

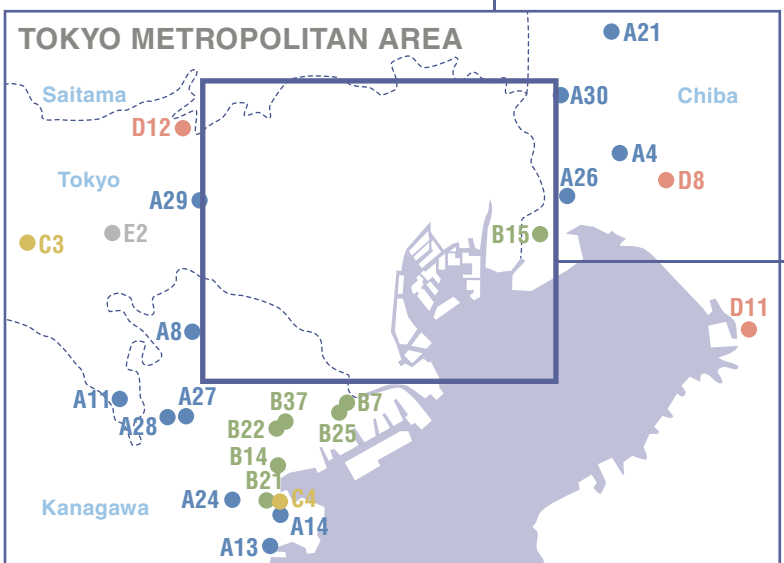
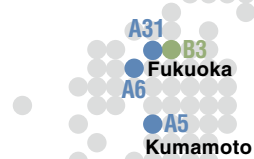
10. The property name was changed from "Glenpark Sapporo Premier Tower" to "UUR Court Sapporo Minami-Sanjo Premier Tower" on October 1, 2013.

Portfolio Properties

Portfolio Map

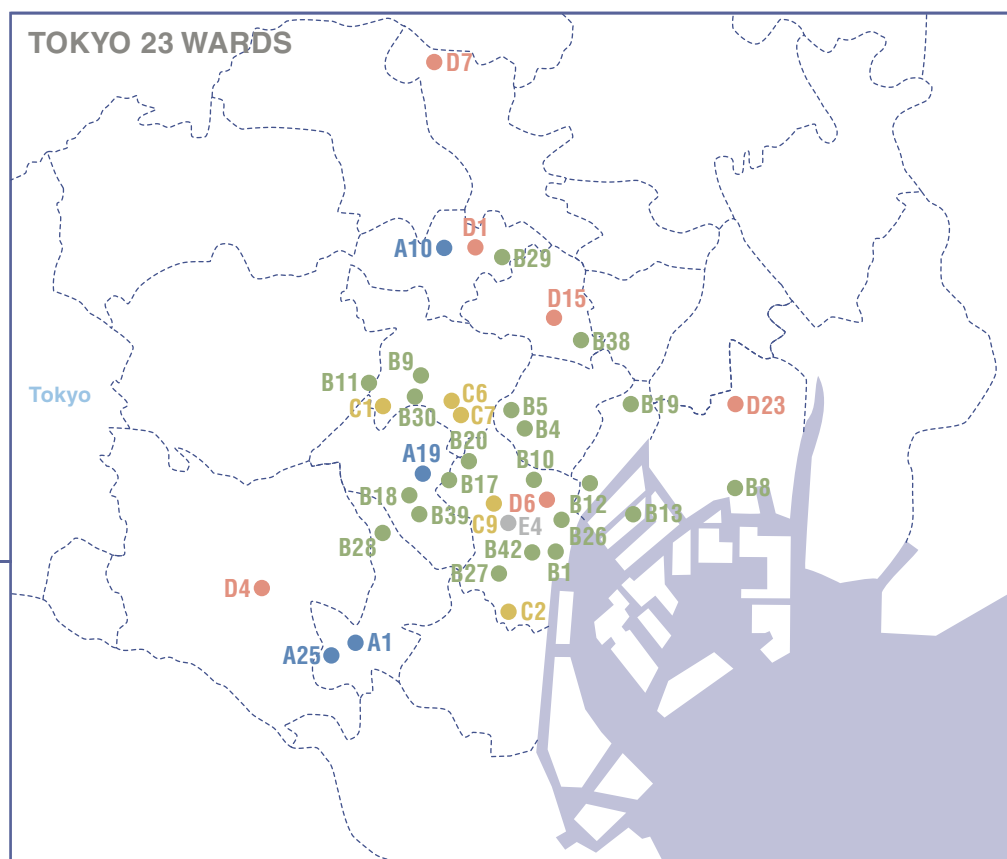


- A1 Daiei Himonya
- A2 Joy Park Izumigaoka
- A3 Daimaru Peacock Ashiya Kawanishi
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- A16 Shinsaibashi OPA Kireikan
- A19 Albore Jingumae
- A20 Albore Sendai
- A21 Mallage Kashiwa
- A23 Ito-Yokado Owariasahi
- A24 Yokohama Kariba Shopping Center
- A25 Luz Jiyugaoka
- A26 ACTIOLE Ichikawa
- A27 VIVAHOME Yokohama Aoba (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Yamada Denki Tecc Land New Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- B1 T&G Hamamatsucho Building
- B2 SK Nagoya Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building



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

B5	Rokubancho K Building	B33	Nagoya Nishiki City Building	D7	Maison Ukima
B6	Shin-Osaka Central Tower (Note 2)	B34	Pacific Marks Esaka	D8	Narashino Residence
B7	Kawasaki Toshiba Building	B35	Pacific Marks Sapporo Kita-Ichijo	D9	Aprile Shin-Ohgi Ichibankan
B8	UUR Toyocho Building	B36	Shin-Sapporo Center Building	D10	UUR Court Sapporo Kita-Sanjo
B9	FOUR SEASONS BLDG	B37	ARENA TOWER	D11	UUR Court Chiba Soga
B10	Hitachi High-Tech Building	B38	Yushima First Building	D12	Higashi-kurume Dormitory Shinkan
B11	Pacific Marks Shinjuku Parkside	B39	Dogenzaka Square	D13	Nanzan Court Ichigokan
B12	UUR Tsukiji Building	B40	GRAND-SQUARE Shin-Sakae	D14	Nanzan Court Nigokan
B13	Pacific Marks Tsukushima	B41	GRAND-SQUARE Meieki-minami	D15	CLIO Bunkyo Koishikawa
B14	Pacific Marks Yokohama East	B42	Shiba 520 Building	D16	GRAND-ROUGE Sakae
B15	Pacific Marks Shin-Urayasu	B43	Hirose-dori SE Building (Note 3)	D17	GRAND-ROUGE Sakae II
B17	Akasaka Hikawa Building	C1	Shinjuku Washington Hotel Honkan	D18	MA Sendai Building
B18	Pacific Marks Shibuya Koen-dori	C2	Toyoko Inn Shinagawa-eki	D19	UUR Court Nagoya Meieki
B19	Pacific Marks Nihonbashi-Tomizawacho		Takanawa-guchi	D20	UUR Court Sapporo Shinoro Ichibankan
B20	Pacific Marks Akasaka-mitsuke	C3	MZ BLD.	D21	Park Site IZUMI
B21	Yokohama Aioicho Building	C4	HOTEL ROUTE-INN Yokohama	D22	UUR Court Osaka Juso-honmachi
B22	Pacific Marks Shin-Yokohama		Bashamichi	D23	UUR Court Kinshicho
B25	Pacific Marks Kawasaki	C5	Hotel JAL City Naha	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B26	Hamamatsucho 262 Building	C6	Hotel JAL City Yotsuya Tokyo	D25	GLAND-ROUGE Nakanoshima-minami
B27	Lila Hijirizaka	C7	Yotsuya 213 Building	E1	Lilycolor Tohoku Branch
B28	Pacific Marks Aobadai	C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	E2	KDDI Fuchu Building
B29	Otsuka HT Building	C9	the b roppongi	E3	Tsubogawa Square Building
B30	Pacific Marks Shinjuku South-gate	D1	T&G Higashi-ikebukuro Mansion	E4	THE PLACE of TOKYO
B31	Pacific Marks Nishi-Umeda	D4	Komazawa Court		
B32	Pacific Marks Higobashi	D6	Sky Court Shiba-Daimon		



Notes: 1. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.
 2. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.
 3. This property was acquired during the 22nd fiscal period.

Portfolio Properties

Major Properties

Office Buildings

B37 ARENA TOWER



Hotels

C9 the b roppongi



Retail Properties

A15 Shinsaibashi OPA Honkan



Office Buildings

B10 Hitachi High-Tech Building



Residential Properties

D25 GRAND-ROUGE Nakanoshima-minami



Others

E3 Tsubogawa Square Building



Office Buildings/Hotels

B6 Shin-Osaka Central Tower



Retail Properties

A29 Yodobashi Camera Multimedia Kichijoji



Hotels

C1 Shinjuku Washington Hotel Honkan



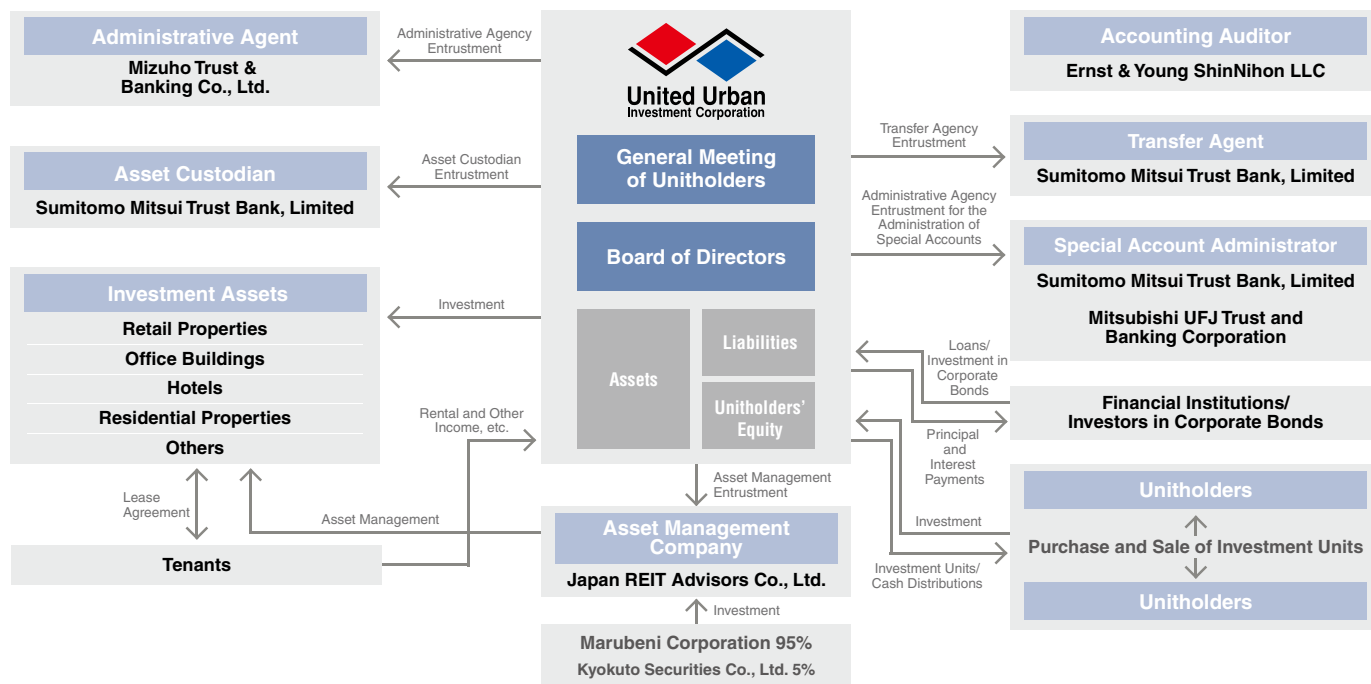
Others

E4 THE PLACE of TOKYO



Structure of United Urban / Investment Unit Information

Corporate Structure

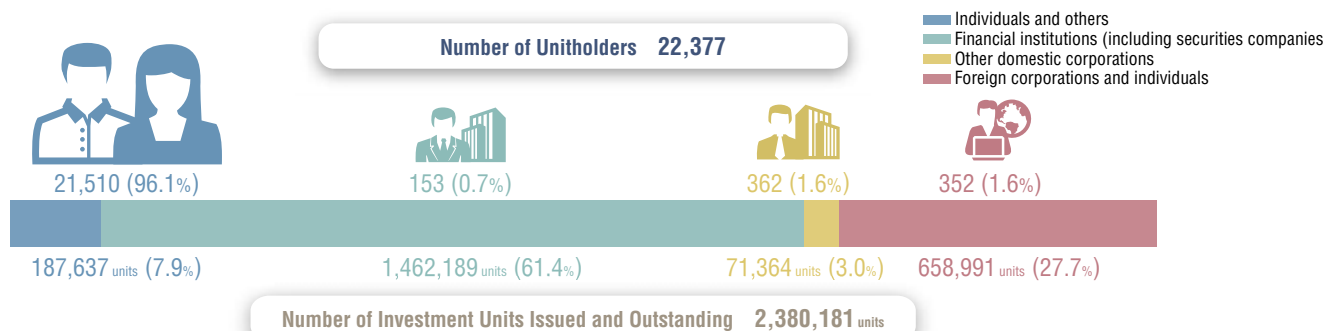


Unit Price and Trading Volume



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

Breakdown of Unitholders (As of May 31, 2014)

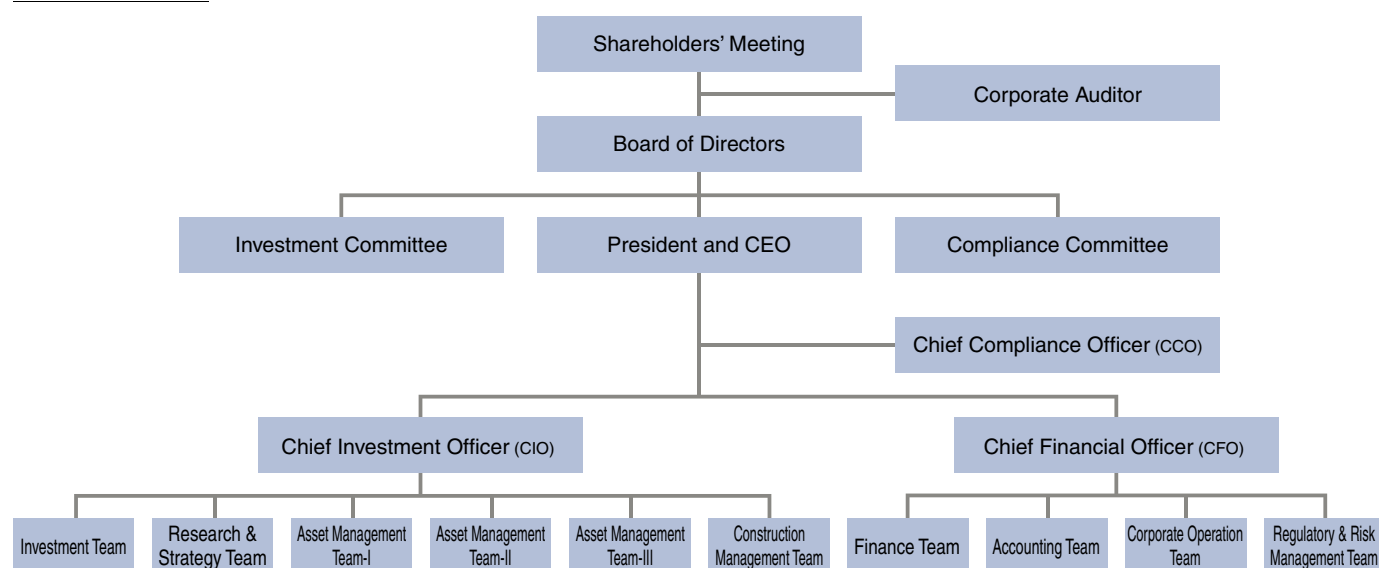


Profile of Asset Management Company

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 May 31, 2014)		
Shareholders (As of May 31, 2014)	Marubeni Corporation	95.0%	
	Kyokuto Securities Co., Ltd.	5.0%	
Representative	Ikuo Yoshida, President and CEO		
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 May 31, 2014, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of May 31, 2014, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of Corporate Operation Team and one external intellectual (external lawyer).

◆ PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

Fiscal Period (Calculation Period)			Millions of yen, unless otherwise indicated		
			21st Fiscal Period (December 1, 2013- May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)	19th Fiscal Period (December 1, 2012- May 31, 2013)
Operating revenues			17,548	17,416	16,150
(Rental revenues)			(17,548)	(17,084)	(15,855)
Operating expenses			9,530	9,695	8,926
(Property-related expenses)			(7,757)	(7,771)	(7,282)
Operating income			8,017	7,720	7,223
Ordinary income			6,694	6,113	5,252
Net income	(a)		6,674	6,113	5,251
Total assets	(b)		527,807	527,025	516,739
Total unitholders' equity (Net assets)	(c)		237,208	237,079	228,142
Unitholders' capital			199,230	199,230	190,067
Total no. of investment units issued and outstanding	(d)	(Unit)	2,380,181	2,380,181	2,305,447
Net assets per unit	(c)/(d)	(Yen)	99,659	99,605	98,958
Total cash distribution	(e)		6,674	6,545	6,339
Net income per unit	(Note 3)	(Yen)	2,804	2,586	2,396
Cash distribution per unit	(e)/(d)	(Yen)	2,804	2,750	2,750
(Distribution of earnings per unit)		(Yen)	(2,804)	(2,750)	(2,750)
(Distribution in excess of earnings per unit)		(Yen)	(—)	(—)	(—)
Return on assets	(Note 4)	(%)	1.3	1.2	1.1
(Annualized)	(Note 4)	(%)	(2.5)	(2.3)	(2.2)
Return on equity	(Note 4)	(%)	2.8	2.6	2.4
(Annualized)	(Note 4)	(%)	(5.6)	(5.2)	(4.9)
Equity ratio	(c)/(b)	(%)	44.9	45.0	44.2
Payout ratio	(Note 4)	(%)	100.0	106.3	114.7
Supplementary information					
No. of investment properties at the end of the period		(Units)	103	97	97
Total leasable floor space at the end of the period		(m ²)	1,087,135.55	1,009,057.69	997,774.36
Total no. of tenants at the end of the period		(Units)	1,681	1,592	1,536
Occupancy ratio at the end of the period		(%)	98.0	97.0	95.8
Depreciation and amortization			3,358	3,484	3,287
Capital expenditures			2,049	1,034	1,432
NOI (Net Operating Income) from leasing	(Note 4)		13,149	12,796	11,860
FFO (Funds From Operations) per unit	(Note 4)	(Yen)	4,215	3,957	3,672
FFO ratio	(Note 4)	(Times)	19.3	18.6	17.7
Debt service coverage ratio	(Note 4)	(Times)	8.7	7.5	6.0
Net income before interest, depreciation and amortization			11,335	11,063	10,236
Interest expense and interest expenses on corporate bonds			1,302	1,465	1,697
Interest-bearing liabilities			257,707	257,333	256,356
Ratio of interest-bearing liabilities to total assets at the end of the period (Note 5)		(%)	48.8	48.8	49.6
No. of operating days		(Days)	182	183	182

Notes: 1. Unless otherwise indicated specifically, all figures above have been rounded down to the units stated.

2. Operating revenues, etc., do not include consumption taxes.

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

Average no. of investment units during the period 19th fiscal period: 2,191,390 units

20th fiscal period: 2,363,119 units

21st fiscal period: 2,380,181 units

4. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures, and actual days of each of the 19th, 20th and 21st fiscal periods are 182, 183 and 182 days, respectively.

Return on assets	Ordinary income / Ave. total assets Ave. total assets= (Total assets at the beginning of the period + Total assets at the end of the period) / 2
Return on equity	Net income / Ave. net assets Ave. net assets= (Net assets at the beginning of the period + Net assets at the end of the period) / 2
Payout ratio	Cash distribution per unit / Net income per unit (Payout ratios are rounded down to one decimal place.)

NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets – Gain or loss on sales of real estate) / Total no. of investment units issued and outstanding at the end of the period
FFO ratio	Investment unit price at the end of the period / Annualized FFO per unit
Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds

5. Fractions are rounded down to the nearest one decimal place.

2. Performance Review for the Current Period

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

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

After the merger with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”), United Urban has been the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size (on an acquisition price basis) (as of May 31, 2014).

As a result of performance, a distribution has been made in each of 20 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 20th fiscal period (fiscal year ended November 30, 2013). For the current period (21st fiscal period: fiscal year ended May 31, 2014), United Urban decided to make cash distribution of ¥2,804 per unit.

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

A. Investment Environment and Operation

a. Investment Environment

Despite concerns about the impact of the increase in the consumption tax, the domestic economy is still on a gradual recovery trend through robust corporate performance and improvement of the employment environment. Under these circumstances, in the real estate sales market, the real estate transactions have become more active with the increasing expectation of economic recovery and the favorable financing environment. Moreover, real estate prices have been rising, particularly in urban areas.

With regard to the real estate rental market, the market for retail properties is expected to stay steady, supported by strong sales of basic goods like daily necessities, while some luxury goods have been affected by the increase in the consumption tax. As for office buildings, the occupancy ratio, particularly in major cities, is improving since the large supply of new office buildings has run its course and tenant needs for expanding rental space and relocation have manifested themselves. Moreover, there is movement towards improvement in rental revenues. As for hotels, the occupancy ratio has been steady with an increase in business trips, travelers and foreign visitors, and the room rates for guests are also improving. As for residential properties, there are no particular changes in the occupancy ratio and rent levels.

b. Acquisition of Properties

During the period, United Urban acquired the following six properties (total acquisition price: ¥18,260 million).

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
A32	Narumi Shopping Center (Site) (Note 3)	-	Nagoya, Aichi	¥6,460 million	April 8, 2014
B40	GRAND-SQUARE Shin-Sakae (Note 4)	Office	Nagoya, Aichi	¥1,480 million	February 28, 2014
B41	GRAND-SQUARE Meieki-minami	Office	Nagoya, Aichi	¥1,220 million	February 28, 2014

B42	Shiba 520 Building (Note 5)	Office	Minato-ku, Tokyo	¥2,100 million	March 28, 2014
C9	the b roppongi	Hotel	Minato-ku, Tokyo	¥3,500 million	May 1, 2014
E4	THE PLACE of TOKYO	Hall (Note 6)	Minato-ku, Tokyo	¥3,500 million	May 1, 2014
Total				¥18,260 million	

Notes: 1. Of the type of use indicated in the real estate register, the primary type is stated.
2. The acquisition prices are stated based on the purchase prices stated in the sale and purchase agreements concerning the acquisition of each property. In addition, the amounts of the acquisition prices do not include acquisition costs, property tax, city planning tax and consumption tax, etc.
3. The real estate which United Urban acquired is mainly the site. The building and structures situated on the site are not part of the property held by United Urban.
4. The property comprises the office tower and the separate parking tower, and information in the "Type of Use" is applicable to the office tower.
5. The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.
6. Specifically, the property is used as a place for weddings.

c. Portfolio Overview

As a result of aforementioned acquisitions of property, as of May 31, 2014, United Urban held a total of 103 properties, comprising 28 retail properties, 38 office buildings, 1 retail-office complex, 9 hotels, 1 office-hotel complex, 22 residential properties and 4 others, with an aggregate acquisition price of ¥493,124 million. In addition, the total leasable floor space was increased to 1,087,135.55 sq. m. and the number of tenants increased to 1,681.

United Urban has continued to focus on improving occupancy ratios by devoting its attention to improvement in the quality of assets during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 97.0% and 98.0%, and stood at 98.0% on May 31, 2014.

B. Financing

During this period, United Urban conducted certain debt financings for the purpose of procuring funds for repayment of interest-bearing liabilities and acquisition of specified assets.

The status of interest-bearing liabilities at the end of the previous period and the end of the 21st fiscal period are as follows.

(Millions of yen)			
	Balance at the End of the 20th Fiscal Period (As of November 30, 2013)	Balance at the End of the 21st Fiscal Period (As of May 31, 2014)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	¥ 166,833	¥ 182,207	¥ 15,374
Total of borrowings	166,833	182,207	15,374
Corporate bonds	90,500	75,500	(15,000)
Total of interest-bearing liabilities	¥ 257,333	¥ 257,707	¥ 374

In addition, as of the end of the 21st fiscal period, the amount of borrowings due for repayment within one year was ¥15,750 million, and the amount of the current portion of corporate bonds was ¥7,000 million.

Moreover, the details of issuer ratings as of June 30, 2014 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency Ltd. (JCR)	Long-Term Issuer Rating: AA-	Rating Outlook: Positive
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

As a result of the above operations, United Urban achieved operating revenues of ¥17,548 million (up by 0.8% from the previous period), profit from rental activities of ¥9,790 million (up by 5.1% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥8,017 million (up by 3.8% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥6,694 million (up by

9.5% from the previous period), and a net income of ¥6,674 million (up by 9.2% from the previous period).

With regard to the distribution in the period, in order to ensure that maximum amount of distribution of earnings would be deductible through the application of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation) it was decided that the entire amount of unappropriated profit at the end of the period would be distributed, excluding cases in which the distributions per investment unit were fractions less than one yen. As a result, the cash distribution per unit was ¥2,804.

3. Issuance of New Investment Units

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

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
December 1, 2010	Split of investment units	1,006,500	1,207,800	-	108,310	(Note 1)
December 1, 2010	Merger with NCI	243,519	1,451,319	-	108,310	(Note 2)
June 8, 2011	Additional issue of new investment units through public offering	640,000	2,091,319	56,548	164,858	(Note 3)
July 6, 2011	Additional issue of new investment units through third-party allotment	12,064	2,103,383	1,065	165,924	(Note 4)
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 5)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 6)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 7)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 8)

Notes: 1. One investment unit was split into six units.

2. 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).

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

4. 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.

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

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

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

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

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		
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)	19th Fiscal Period (December 1, 2012 - May 31, 2013)
Highest	162,900	152,800	167,400
Lowest	138,500	116,700	92,700

4. Distribution Information

With regard to the distribution in the period, in order to ensure that the maximum amount of distribution of earnings would be deductible through the application of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation), it was decided that the entire amount of unappropriated profit at the end of the period would be distributed, excluding cases in which the distributions per investment unit were fractions less than one yen. In consequence, the cash distribution per unit was ¥2,804 for the 21st fiscal period.

		21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)	19th Fiscal Period (December 1, 2012 - May 31, 2013)
Unappropriated retained earnings at the end of period	Thousands of yen	6,674,349	6,113,271	5,251,622
Cash distribution	Thousands of yen	6,674,027	6,545,497	6,339,979
Cash distribution per unit	Yen	2,804	2,750	2,750
Unappropriated retained earnings carried forward to the next period	Thousands of yen	-	-	-

5. Future Policies and Challenges

As for the real estate rental market in Japan, it is expected that rental revenues will increase due to continuing improvement in the occupancy ratio of office properties. On the other hand, the real estate sales market is getting overheated along with the upward move of real estate prices and increase in market players, especially for the office properties located in the central Tokyo.

Under the circumstances, United Urban will focus on acquiring blue-chip properties by utilizing the characteristics of a diversified J-REIT, such as investments in new types of property by taking advantage of the knowledge and network of the sponsor, in order to secure stable earnings over the medium to long term. Moreover, United Urban will make continuous efforts to maintain or improve the occupancy ratio and the rent levels and to reduce the costs for the purpose of the improvement of profitability of the portfolio.

In regard to the financial strategy, United Urban will make continuous efforts to create robust and stable financial standing by reducing financial costs, increasing the share of borrowings with fixed interest rates, extending and diversifying the maturities for interest-bearing liabilities, and ensuring enough liquidity under the conservative policy of targeting the practical upper limit of LTV (Note) at 50%.

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. Material Facts Arising after the End of 21st Fiscal Period and Other Material Events

A. Issuance of New Investment Units

In order to replenish cash reserves, which were reduced by the acquisition of specified assets, and to procure funds for the acquisition of new specified assets and for repayment of interest-bearing liabilities, the payments of ¥18,661 million in connection with the issuance of new investment units by way of public offering were completed on June 10, 2014, and the payment of ¥1,876 million in connection with the issuance of new investment units by way of third-party allotment (12,065 units) was completed on July 9, 2014 based on the resolution regarding the issuance of 120,000 new investment units by way of public offering, and the issuance of 12,065 new investment units (maximum) by way of third-party allotment at the Board of Directors' meeting of United Urban, held on May 23, 2014 and the resolution regarding the determination of prices for the issuance of new investment units and secondary offering of investment units at the Board of Directors' meeting of United Urban, held on June 3, 2014.

As a result, the United Urban's total unitholders' capital increased to ¥219,768 million and United Urban's total number of investment units issued and outstanding increased to 2,512,246 units.

a. Issuance of New Investment Units by Way of Public Offering

Number of investment units issued	: 120,000 units
Offer price (per unit)	: ¥160,426
Total offer price	: ¥19,251,120,000
Issue price (per unit)	: ¥155,515

Total issue price : ¥18,661,800,000
 Payment date : June 10, 2014 (Tuesday)
 Starting date of the computation for cash distribution : June 1, 2014 (Sunday)

b. Issuance of New Investment Units by Way of Third-party Allotment

Number of investment units issued : 12,065 units
 Issue price (per unit) : ¥155,515
 Total issue price : ¥1,876,288,475
 Payment date : July 9, 2014 (Wednesday)
 Starting date of the computation for cash distribution : June 1, 2014 (Sunday)
 Allottee : SMBC Nikko Securities Inc.

B. Acquisition of Property

United Urban decided to acquire the “Hirose-dori SE Building” on May 23, 2014, and the acquisition was completed on June 13, 2014 with proceeds from the issuance of new investment units stated in A. above.

Moreover, United Urban decided to acquire another two properties, “Plussing Wave Enoshima” and “Glenpark Umeda-kita” on August 27, 2014. The acquisition of “Plussing Wave Enoshima” was completed by using the new borrowing stated in E. below, and the acquisition of “Glenpark Umeda-kita” was completed by using the proceeds from the issuance of new investment units stated in A. above and new borrowings stated in E. below on August 29, 2014, respectively.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
B43	Hirose-dori SE Building	Office	Sendai, Miyagi	¥3,600 million	June 13, 2014
A33	Plussing Wave Enoshima	Retail Clinic	Fujisawa, Kanagawa	¥1,800 million	August 29, 2014
D26	Glenpark Umeda-kita	Apartment	Osaka, Osaka	¥5,150 million	August 29, 2014
Total				¥10,550 million	-

Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated.
 2. The acquisition price is stated based on the purchase price stated in the sale and purchase agreements concerning the acquisition of the property. In addition, the amount of the purchase price does not include the acquisition cost, property tax, city planning tax and consumption tax, etc.

C. New Committed Line of Credit Agreement

United Urban concluded a new committed line of credit agreement on June 20, 2014, as set forth below. As a result, the total maximum loan amount under the committed line of credit agreements increased to ¥30,000 million.

Outline of new committed line of credit agreement

Participating financial institutions : Sumitomo Mitsui Trust Bank, Limited
 Mizuho Bank, Ltd.
 The Bank of Tokyo-Mitsubishi UFJ, Ltd.
 Maximum loan amount : ¥20,500 million
 Date of agreement : June 20, 2014
 Term of agreement : From June 20, 2014 to June 19, 2015
 Collateral : Unsecured, unguaranteed

D. Early Repayment of Existing Borrowing

United Urban repaid the below-stated borrowing on July 22, 2014 prior to the maturity date with proceeds from the issuance of new investment units stated in A. above, as set forth below.

Term Loan 37

Lender : Mitsubishi UFJ Trust and Banking Corporation
 Balance of borrowing : ¥2,800 million
 Interest rate : Basic interest rate (JBA one month JPY TIBOR) + 0.35%
 Drawdown date : October 31, 2011
 Maturity date : September 20, 2014
 Early repayment date : July 22, 2014
 Amount of repayment : ¥2,800 million
 Balance after repayment : - (full payment)
 Remarks : Unsecured, unguaranteed

E. Debt Financing

United Urban decided to procure debt financing, “Term Loan 96” (¥1,900 million) to support the payment for acquiring “Plussing Wave Enoshima” and to procure debt financing, “Term Loan 94” and “Term Loan 95” (total amount: ¥4,200 million) to support a portion of the payment for acquiring “Glenpark Umeda-kita” among properties stated B. above.

Title	Lender	Amount of Borrowings	Drawdown Date	Maturity Date	Remarks
Term Loan 94	Mitsubishi UFJ Trust and Banking Corporation	¥3,000 million	August 29, 2014	December 20, 2021	Unsecured Unguaranteed
Term Loan 95	Aozora Bank, Ltd.	¥1,200 million	August 29, 2014	September 20, 2019	Unsecured Unguaranteed
Term Loan 96	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,900 million	August 29, 2014	March 22, 2021	Unsecured Unguaranteed
Total		¥6,100 million			

F. Lawsuits, etc.

With regard to Shinsaibashi OPA Honkan (“OPA Honkan”) and Shinsaibashi OPA Kireikan (“OPA Kireikan”), a case to reduce the rent of these two properties (the “Case”) was brought against United Urban at the Tokyo District Court on October 15, 2012 by OPA co., Ltd., the lessee of the OPA Honkan and OPA Kireikan (the “Plaintiff”). Later, the Case was decided to be transferred to the Osaka District Court, and is now pending at the Osaka District Court.

The Plaintiff has requested to reduce the rent of OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent.

In addition, United Urban obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim to the Osaka District Court against OPA co., Ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level, and the counterclaim is also pending at the Osaka District Court together with the Case.

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	21st Fiscal Period (As of May 31, 2014)	20th Fiscal Period (As of November 30, 2013)	19th Fiscal Period (As of May 31, 2013)
Total number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (Units)	2,380,181	2,380,181	2,305,447
Total unitholders' capital (Millions of yen)	199,230	199,230	190,067
Number of unitholders	22,377	25,097	27,075

2. Major Unitholders

(As of May 31, 2014)

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	541,617	22.76 %
The Master Trust Bank of Japan, Ltd. (trust account)	194,319	8.16 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	169,990	7.14 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	125,019	5.25 %
NOMURA BANK (LUXEMBOURG) S.A.	80,007	3.36 %
STATE STREET BANK WEST CLIENT – TREATY	32,399	1.36 %
STATE STREET BANK AND TRUST COMPANY 505223	32,146	1.35 %
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT	31,392	1.32 %
THE BANK OF NEW YORK MELLON SA/NV 10	29,634	1.25 %
The Chugoku Bank, Limited	28,158	1.18 %
Total	1,264,681	53.13 %

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 for the 21st fiscal period were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Hitoshi Murakami	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Masaaki Akiyama	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	—	17,500
Total			27,700

Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.

2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.

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 May 31, 2014)

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

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		21st Fiscal Period (As of May 31, 2014)		20th Fiscal Period (As of November 30, 2013)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,381,171	1.4	7,394,312	1.4
		Other regions		14,242,392	2.7	7,501,820	1.4
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,372,400	2.5	13,349,463	2.5
			The 23 wards of Tokyo	9,810,123	1.9	9,847,225	1.9
			Tokyo metropolitan area	9,507,250	1.8	9,566,676	1.8
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,717,317	0.3	1,731,838	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,429,292	0.8	4,462,091	0.8
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,995,901	0.6	3,027,467	0.6
			Tokyo metropolitan area	-	-	-	-
		Other regions		812,143	0.2	823,397	0.2
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
	Subtotal				64,267,993	12.2	57,704,293
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,570,796	0.3	1,574,333	0.3
			The 23 wards of Tokyo	23,660,430	4.5	23,784,074	4.5
			Tokyo metropolitan area	67,476,538	12.8	67,822,789	12.9
		Other regions		59,744,064	11.3	59,654,801	11.3
	Office Buildings	Capital region	The 6 central wards of Tokyo	63,568,071	12.0	61,074,757	11.6
			The 23 wards of Tokyo	3,766,391	0.7	3,786,899	0.7
			Tokyo metropolitan area	46,972,025	8.9	47,166,562	8.9
		Other regions		49,952,167	9.5	47,228,273	9.0
	Hotels	Capital region	The 6 central wards of Tokyo	33,714,050	6.4	30,132,942	5.7
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	3,459,312	0.7	3,507,580	0.7
		Other regions		19,539,930	3.7	19,677,367	3.7
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,059,191	0.2	1,069,721	0.2
			The 23 wards of Tokyo	9,427,844	1.8	9,461,103	1.8
			Tokyo metropolitan area	2,113,299	0.4	2,100,523	0.4
		Other regions		17,916,578	3.4	18,148,464	3.4
	Others	Capital region	The 6 central wards of Tokyo	3,640,875	0.7	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	5,059,163	1.0	5,092,649	1.0
		Other regions		5,938,472	1.1	6,014,006	1.1
	Subtotal				418,579,204	79.3	407,296,849
Bank Deposits and Other Assets				44,960,671	8.5	62,024,626	11.8
Total Assets				527,807,870	100.0	527,025,769	100.0

Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The trust beneficial interest which trust asset mainly consists of real estate does not include an amount of deposit in the trust asset.

2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.

3. The “6 central wards of Tokyo” are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The “23 wards of Tokyo” are the 23 Tokyo wards excluding the “6 central wards of Tokyo.”
5. “Tokyo metropolitan area” refers to the Capital region excluding the “23 wards of Tokyo.”

2. Selected Data by Property

(As of May 31, 2014)

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)	Leasable Floor Space (m ²) (Note 2)	Leased Floor Space (m ²) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
Daiei Himonya	14,790	14,300	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,592	4,270	13,611.24	13,611.24	100.0	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	746	1,080	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,308	5,190	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 5)
AEON MALL Uki	9,699	10,100	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,447	4,560	4,194.66	4,194.66	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	2,946	3,090	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,216	4,640	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,772	1,720	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,740	3,090	2,081.50	1,601.50	76.9	Retail Properties	N/A
Tip's Machida Building	4,254	4,160	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,448 (Note 4)	3,910	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,450	11,100	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,370	1,920	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,362	24,500	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,696	3,030	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,570	1,930	931.14	931.14	100.0	Retail Properties	N/A
Albore Sendai	2,459	2,790	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,877	7,820	40,152.73	39,458.64	98.3	Retail Properties	N/A
Ito-Yokado Owariasahi	4,475	4,940	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 6)
Yokohama Kariba Shopping Center	2,368	1,840	11,345.09	11,345.09	100.0	Retail Properties	N/A
Luz Jiyugaoka	5,129	5,340	2,283.47	2,283.47	100.0	Retail Properties	N/A
ACTIOLE Ichikawa	3,286	3,580	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,740	2,980	9,193.00	9,193.00	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Aoba (Site)	2,270	2,370	7,650.63	7,650.63	100.0	Retail Properties	N/A
Yodobashi Camera Multimedia Kichijoji	28,757	32,300	37,932.95	37,932.95	100.0	Retail Properties	N/A
Yamada Denki Tecc Land New Matsudo Honten	5,206	5,940	17,561.23	17,561.23	100.0	Retail Properties	N/A
Tenjin Loft Building	4,518	4,600	7,575.89	7,515.00	99.2	Retail Properties	N/A
Narumi Shopping Center (Site)	6,820	6,510	60,419.26	60,419.26	100.0	Retail Properties	N/A

T&G Hamamatsucho Building	2,127	2,840	2,420.85	2,420.85	100.0	Office Buildings	N/A
SK Nagoya Building	5,344	4,650	8,708.52	6,166.27	70.8	Office Buildings	N/A
Fukuoka Eartheon Building	1,718	2,270	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,471	2,320	2,578.84	2,355.09	91.3	Office Buildings	N/A
Rokubancho K Building	2,302	3,380	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,679	25,100	45,938.36	42,596.11	92.7	Office / Hotels	N/A
Kawasaki Toshiba Building	19,012	29,000	36,118.31	36,118.31	100.0	Office Buildings	N/A
UUR Toyochi Building	8,707	8,310	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,326	4,970	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,603	13,500	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,305	10,700	11,119.39	10,300.91	92.6	Office Buildings	N/A
UUR Tsukiji Building	6,563	6,260	5,971.42	5,971.42	100.0	Office Buildings	N/A
Pacific Marks Tsukishima	5,978	6,140	9,336.27	9,174.65	98.3	Office Buildings	N/A
Pacific Marks Yokohama East	7,091	6,870	10,759.29	7,902.43	73.4	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,790	3,900	8,743.05	7,394.52	84.6	Office Buildings	N/A
Akasaka Hikawa Building	3,245	3,500	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,497	2,800	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Nihonbashi-Tomizawacho	1,852	1,900	2,631.17	2,631.17	100.0	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,194	2,020	1,675.13	1,675.13	100.0	Office Buildings	N/A
Yokohama Aioicho Building	1,046	1,180	2,445.10	2,445.10	100.0	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,632	1,510	3,110.72	3,110.72	100.0	Office Buildings	N/A
Pacific Marks Kawasaki	9,507	10,400	7,398.89	6,677.10	90.2	Office Buildings	N/A
Hamamatsucho 262 Building	6,704	6,610	6,183.89	6,183.89	100.0	Office Buildings	N/A
Lila Hijirizaka	2,685	2,720	4,255.02	4,102.06	96.4	Office Buildings	N/A
Pacific Marks Aobadai	1,619	1,530	2,486.40	1,561.30	62.8	Office Buildings	N/A
Otsuka HT Building	1,103	1,200	1,794.71	1,794.71	100.0	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,514	2,700	1,742.04	1,389.22	79.7	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,468	6,900	11,040.04	10,613.24	96.1	Office Buildings	N/A
Pacific Marks Higobashi	4,407	4,250	7,623.58	6,587.54	86.4	Office Buildings	N/A
Nagoya Nishiki City Building	2,551	2,350	5,617.35	3,938.26	70.1	Office Buildings	N/A
Pacific Marks Esaka	9,172	9,700	20,015.73	19,703.53	98.4	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,859	1,870	4,761.87	4,761.87	100.0	Office Buildings	N/A
Shin-Sapporo Center Building	924	1,040	2,797.03	2,512.87	89.8	Office Buildings	N/A
ARENA TOWER	9,147	11,100	17,967.46	17,707.24	98.6	Office Buildings	N/A
Yushima First Building	2,147	2,680	4,598.87	4,598.87	100.0	Office Buildings	N/A
Dogenzaka Square	2,372	2,560	2,231.84	2,111.72	94.6	Office Buildings	N/A

GRAND-SQUARE Shin-Sakae	1,544	1,760	4,578.93	4,405.01	96.2	Office Buildings	N/A
GRAND-SQUARE Meieki-minami	1,277	1,670	4,003.05	3,405.05	85.1	Office Buildings	N/A
Shiba 520 Building (Note 7)	2,194	2,340	2,854.26	2,854.26	100.0	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	20,628	20,800	53,363.11	53,256.78	99.8	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,717	2,180	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,459	3,410	6,670.21	6,494.00	97.4	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,429	4,430	7,139.44	7,139.44	100.0	Hotels	N/A
Hotel JAL City Naha	7,521	8,000	13,701.80	13,701.80	100.0	Hotels	N/A
Hotel JAL City Yotsuya Tokyo (Note 8)	4,272	4,650	7,854.86	7,854.86	100.0	Hotels	N/A
Yotsuya 213 Building	5,151	5,390	7,550.16	7,550.16	100.0	Hotels	N/A
HOTEL ROUTE-INN Nagoya Imaike Ekimae	2,022	2,490	5,880.69	5,880.69	100.0	Hotels	N/A
the b roppongi	3,661	3,510	2,710.90	2,710.90	100.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,632	2,020	2,603.22	2,502.32	96.1	Residential Properties	N/A
Komazawa Court	1,560	2,110	3,741.17	3,741.17	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,059	1,180	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,312	4,110	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,045	1,200	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,680	3,280	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,119	1,370	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga	600	626	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	467	503	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	952	1,020	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	399	485	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	2,923	3,120	4,097.51	3,933.27	96.0	Residential Properties	N/A
GRAND-ROUGE Sakae	1,366	1,370	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,157	1,200	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,058	3,840	11,525.36	11,525.36	100.0	Residential Properties	N/A
UUR Court Nagoya Meieki	1,349	1,380	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	812	817	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	863	703	2,067.95	1,778.39	86.0	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,464	1,530	3,650.00	3,650.00	100.0	Residential Properties	N/A
UUR Court Kinshicho	2,995	3,320	5,460.39	5,460.39	100.0	Residential Properties	N/A
UUR Court Sapporo Minami-Sanjo Premier Tower (Note 9)	2,047	2,530	7,817.12	6,857.12	87.7	Residential Properties	N/A
GLAND-ROUGE Nakanoshima-minami	1,459	1,530	3,090.36	2,918.54	94.4	Residential Properties	N/A
Lilycolor Tohoku Branch	1,657	1,980	9,271.16	9,271.16	100.0	Others	N/A
KDDI Fuchu Building	5,059	5,200	14,490.92	14,490.92	100.0	Others	N/A

Tsubogawa Square Building	4,280	4,550	10,570.98	10,570.98	100.0	Others	N/A
THE PLACE OF TOKYO	3,640	3,890	3,212.21	3,212.21	100.0	Others	N/A
Total	482,847	509,824	1,087,135.55	1,065,321.00	98.0		

- Notes: 1. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2014 based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
2. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2014. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The same shall apply hereinafter.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building 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. 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.
4. 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 ¥3,448 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.
5. 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.
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 building and the land of the property.
7. The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.
8. The property name will be changed from "Hotel JAL City Yotsuya Tokyo" to "UUR Yotsuya Sanhome Building" on October 1, 2014.
9. The property name was changed from "Glenpark Sapporo Premier Tower" to "UUR Court Sapporo Minami-Sanjo Premier Tower" on October 1, 2013.

3. Selected Financial Data by Property

Name of Property	21st Fiscal Period (December 1, 2013 to May 31, 2014)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	459	2.6
Joy Park Izumigaoka	23	100.0	234	1.3
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	15	97.9	257	1.5
AEON MALL Uki	1	100.0	451	2.6
TENJIN LUCE	10	100.0	161	0.9
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	139	0.8
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)
ACTIOLE Minami-ikebukuro	8	76.9	93	0.5
Tip's Machida Building	10	100.0	207	1.2

Daiei Takarazuka Nakayama	1	100.0	151	0.9
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	298	1.7
ACTIOLE Kannai	9	100.0	59	0.3
Shinsaibashi OPA Honkan	1	100.0	707	4.0
Shinsaibashi OPA Kireikan	1	100.0	87	0.5
Albore Jingumae	4	100.0	43	0.2
Albore Sendai	5	100.0	108	0.6
Mallage Kashiwa	92	98.3	694	4.0
Ito-Yokado Owariasahi	1	100.0	224	1.3
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	21	100.0	174	1.0
ACTIOLE Ichikawa	13	100.0	147	0.8
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	9	99.2	278	1.6
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)
T&G Hamamatsucho Building	6	100.0	80	0.5
SK Nagoya Building	7	70.8	151	0.9
Fukuoka Eartheon Building	4	100.0	114	0.7
Marumasu Kojimachi Building	16	91.3	72	0.4
Rokubancho K Building	1	100.0	114	0.7
Shin-Osaka Central Tower	60	92.7	1,054	6.0
Kawasaki Toshiba Building	1	100.0	836	4.8
UUR Toyoko Building	1	100.0	275	1.6
FOUR SEASONS BLDG	1	100.0	178	1.0
Hitachi High-Tech Building	2	100.0	385	2.2
Pacific Marks Shinjuku Parkside	21	92.6	329	1.9
UUR Tsukiji Building	4	100.0	122	0.7
Pacific Marks Tsukishima	47	98.3	247	1.4
Pacific Marks Yokohama East	17	73.4	177	1.0
Pacific Marks Shin-Urayasu	12	84.6	178	1.0
Akasaka Hikawa Building	1	100.0	113	0.6
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.5
Pacific Marks Nihonbashi-Tomizawacho	7	100.0	74	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	50	0.3
Yokohama Aioicho Building	20	100.0	57	0.3
Pacific Marks Shin-Yokohama	11	100.0	52	0.3
Pacific Marks Kawasaki	35	90.2	337	1.9
Hamamatsucho 262 Building	18	100.0	208	1.2
Lila Hijirizaka	13	96.4	103	0.6

Pacific Marks Aobadai	5	62.8	45	0.3
Otsuka HT Building	6	100.0	53	0.3
Pacific Marks Shinjuku South-gate	8	79.7	77	0.4
Pacific Marks Nishi-Umeda	27	96.1	261	1.5
Pacific Marks Higobashi	19	86.4	144	0.8
Nagoya Nishiki City Building	19	70.1	87	0.5
Pacific Marks Esaka	34	98.4	498	2.8
Pacific Marks Sapporo Kita-Ichijo	13	100.0	98	0.6
Shin-Sapporo Center Building	18	89.8	57	0.3
ARENA TOWER	12	98.6	420	2.4
Yushima First Building	7	100.0	116	0.7
Dogenzaka Square	30	94.6	90	0.5
GRAND-SQUARE Shin-Sakae	6	96.2	43	0.2
GRAND-SQUARE Meieki-minami	11	85.1	29	0.2
Shiba 520 Building (Note 4)	4	100.0	31	0.2
Shinjuku Washington Hotel Honkan	7	99.8	739	4.2
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.3
MZ BLD.	8	97.4	135	0.8
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	156	0.9
Hotel JAL City Naha	2	100.0	249	1.4
Hotel JAL City Yotsuya Tokyo (Note 5)	3	100.0	184	1.1
Yotsuya 213 Building	4	100.0	180	1.0
HOTEL ROUTE-INN Nagoya Imaike Ekimae	1	100.0	(Note 3)	(Note 3)
the b roppongi	2	100.0	18	0.1
T&G Higashi-ikebukuro Mansion	124	96.1	67	0.4
Komazawa Court	1	100.0	60	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.2
Maison Ukima	1	100.0	124	0.7
Narashino Residence	1	100.0	51	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.3
UUR Court Chiba Soga	1	100.0	(Note 3)	(Note 3)
Higashi-kurume Dormitory Shinkan	1	100.0	16	0.1
Nanzan Court Ichigokan	1	100.0	38	0.2
Nanzan Court Nigokan	1	100.0	17	0.1
CLIO Bunkyo Koishikawa	87	96.0	96	0.5
GRAND-ROUGE Sakae	1	100.0	44	0.3
GRAND-ROUGE Sakae II	1	100.0	38	0.2
MA Sendai Building	153	100.0	164	0.9
UUR Court Nagoya Meieki	1	100.0	44	0.3
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.2
Park Site IZUMI	35	86.0	27	0.2

UUR Court Osaka Juso-honmachi	1	100.0	52	0.3
UUR Court Kinshicho	202	100.0	121	0.7
UUR Court Sapporo Minami-Sanjo Premier Tower (Note 6)	136	87.7	108	0.6
GLAND-ROUGE Nakanoshima-minami	111	94.4	55	0.3
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	257	1.5
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)
Total	1,681	98.0	17,548	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building 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. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.
5. The property name will be changed from "Hotel JAL City Yotsuya Tokyo" to "UUR Yotsuya Sanhome Building" on October 1, 2014.
6. The property name was changed from "Glenpark Sapporo Premier Tower" to "UUR Court Sapporo Minami-Sanjo Premier Tower" on October 1, 2013.

4. Amount of Contract and Fair Value of Specified Transactions

(As of May 31, 2014)

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2) (Note 3)	Remarks
			over one year		
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	15,400,000	15,400,000	(139,952)	
Total		15,400,000	15,400,000	(139,952)	

- Notes: 1. The "Amount of Contract" of the interest-rate swaps is based on the notional principal.
2. The "Fair Value" is evaluated at the prices calculated by the other party of the transaction based on the prevailing market rates, etc.
3. Among the fair value amount, the interest rate swaps for which United Urban applied the special treatment under the "Accounting Standard for Financial Instruments" (Statement No.10 issued by Accounting Standards Board of Japan on March 10, 2008), are not measured at fair value in the balance sheets.

5. Status of Other Assets

There were no other specified assets other than properties stated in "2. Selected Data by Property" above as of May 31, 2014.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Real Estate Assets") scheduled as of May 31, 2014. 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 21st fiscal period	Amount already paid
SK Nagoya Building	Renewal of air-conditioning facilities (2nd period)	From August 2014 to May 2015	311	-	-
Kawasaki Toshiba Building	Renewal of air-conditioning facilities (1st period)	From April 2014 to July 2014	134	-	-
Kawasaki Toshiba Building	Renewal of air-conditioning facilities (2nd period)	From September 2014 to December 2014	407	-	-
Pacific Marks Esaka	Renewal of receiving and transforming facilities (2nd period)	From September 2014 to December 2014	223	-	-

2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Real Estate Assets during the 21st fiscal period, which totaled ¥2,049 million. Together with ¥432 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,482 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Repair of exterior walls	From January 2014 to April 2014	71
Joy Park Izumigaoka	Renewal of 1st floor	From January 2014 to March 2014	282
Joy Park Izumigaoka	Renewal of toilets (1F~3F)	From March 2014 to March 2014	23
AEON MALL Uki	Renewal of air-conditioning facilities	From February 2014 to March 2014	25
TENJIN LUCE	Installation work for new tenant	From May 2014 to May 2014	30
Miyamae Shopping Center	Waterproof repair work of parking lot	From January 2014 to May 2014	69
Shinsaibashi OPA Kireikan	Renewal of air-conditioning facilities	From January 2014 to March 2014	108
Mallage Kashiwa	Installation work for new tenant	From February 2014 to March 2014	15
SK Nagoya Building	Individual air-conditioning work (1st period)	From April 2014 to May 2014	103
Rokubancho K Building	Renewal of toilets Renewal of water supply and drainage pipe (1st period)	From October 2013 to March 2014	64
Shin-Osaka Central Tower	Renewal of emergency lighting	From April 2014 to May 2014	18
Kawasaki Toshiba Building	Renewal of lightning luminaries and repair and paint work of roof top (1st period)	From September 2013 to December 2013	10
Kawasaki Toshiba Building	Renewal of protection relays of high tension trunk lines	From September 2013 to May 2014	11
Kawasaki Toshiba Building	Renewal of high-voltage receiving and transforming facility (2nd period)	From September 2013 to May 2014	20
FOUR SEASONS BLDG	Renewal of air-conditioning facilities (in some floors)	From September 2013 to February 2014	111

Pacific Marks Shinjuku Parkside	Individual air-conditioning work (in some floors)	From September 2013 to March 2014	116
Pacific Marks Shinjuku Parkside	Individual air-conditioning work (in some floors)	From February 2014 to May 2014	218
Pacific Marks Yokohama East	Renewal of high voltage equipment (5th period)	From May 2014 to May 2014	17
Pacific Marks Nihonbashi -Tomizawacho	Renewal of air-conditioning facilities	From December 2013 to March 2014	36
Yokohama Aioicho Building	Renewal of air-conditioning facilities (1st period) (in some floors)	From April 2014 to May 2014	50
Pacific Marks Shinjuku South-gate	Repair of rooftop and exterior walls (including remodeling of LED vision)	From November 2013 to March 2014	61
Pacific Marks Esaka	Overhaul of turbo refrigerator	From April 2014 to May 2014	18
Pacific Marks Esaka	Renewal of reflective film for window	From March 2014 to April 2014	16
Pacific Marks Sapporo Kita-Ichijo	Conversion to LED (common area)	From October 2013 to December 2013	11
Pacific Marks Sapporo Kita-Ichijo	Renewal of air-conditioning facilities	From September 2013 to February 2014	82
HOTEL ROUNT-INN Yokohama Bashamichi	Installation work for new tenant	From November 2013 to April 2014	13
Hotel JAL City Naha	Renewal of hotel's main system and terminal	From August 2013 to December 2013	27
T&G Higashi-ikebukuro Mansion	Repair of exterior walls	From February 2014 to May 2014	41
UUR Court Sapporo Kita-Sanjo	Renewal of water meter, hot-water meter and calorimeter	From May 2014 to May 2014	10
UUR Court Chiba Soga	Repair of exterior walls and repair of common area including waterproof treatment	From January 2014 to April 2014	27
Other capital expenditures			335
Total			2,049

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		
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)	19th Fiscal Period (December 1, 2012 - May 31, 2013)
Reserve balance at the beginning of period	642	612	4,495
Addition to the reserve during the period (Note 1)	49	61	77
Reduction of reserve during the period	28	32	3,960 (Note 2)
Reserve balance to be carried over to next period	663	642	612

- Notes: 1. When United Urban assumes all or part of the reserve accumulated within the trust assets by the previous owners in connection with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.
2. United Urban reduced a part of the repair and maintenance reserve in accordance with the revision of development policy for the long-term repair and maintenance plan and the internal rule regarding change in total amount of cash reserved of the asset management company to which United Urban entrusts asset management services.

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)	19th Fiscal Period (December 1, 2012 - May 31, 2013)
Asset management fees (Note)	1,429,032	1,412,232	1,316,728
Asset custodian fees	17,065	17,334	16,250
Administrative agent fees	68,913	74,732	69,343
Directors' fees	10,200	10,200	10,200
Other expenses	247,959	255,654	231,887
Total	1,773,171	1,770,153	1,644,409

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 (19th fiscal period: ¥365,360 thousand, 20th fiscal period: ¥79,040 thousand, 21st fiscal period: ¥146,080 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of real estate (19th fiscal period: ¥28,160 thousand, 20th fiscal period: ¥49,400 thousand).

2. Borrowings

Borrowings from financial institutions as of May 31, 2014 were as follows:

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

Lenders	Drawdown Date	Balance at the beginning of the 21st FP (Millions of yen) (Note 1)	Balance at the end of the 21st FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Trust Bank, Limited	Dec. 22, 2008	3,400	-	0.848%	Dec. 20, 2013	Unsecured Unguaranteed Floating interest rate
Sumitomo Mitsui Trust Bank, Limited	Sep. 27, 2010 (Note 3)	2,655	-	1.807%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation		5,800	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,379	-			
Mizuho Bank, Ltd.		948	-			
Aozora Bank, Ltd.		1,695	-			
Mitsubishi UFJ Trust and Banking Corporation		1,294	-			
Resona Bank, Limited		505	-			
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2011	3,850	3,850	0.747%	Jun. 20, 2014	Unsecured Unguaranteed Floating interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
Mizuho Bank, Ltd.		2,850	2,850			
Mitsubishi UFJ Trust and Banking Corporation	Oct. 31, 2011	2,800	2,800	0.497%	Sep. 20, 2014	
Sumitomo Mitsui Trust Bank, Limited	Dec. 21, 2009	-	800	1.975%	Dec. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation		-	1,650			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	300			
Mizuho Bank, Ltd.		-	1,000			
Mizuho Trust & Banking Co., Ltd.		-	500			
Total		29,176	15,750			

(Long-term debt)

Lenders	Drawdown Date	Balance at the beginning of the 21st FP (Millions of yen (Note 1))	Balance at the end of the 21st FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Trust Bank, Limited	Dec. 21, 2009	800	-	1.975%	Dec. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation		1,650	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		300	-			
Mizuho Bank, Ltd.		1,000	-			
Mizuho Trust & Banking Co., Ltd.		500	-			
Sumitomo Mitsui Banking Corporation	Apr. 12, 2012	1,000	1,000	0.547%	Mar. 20, 2016	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.		2,000	2,000			
Resona Bank, Limited		1,000	1,000			
Mizuho Trust & Banking Co., Ltd.		1,000	1,000			
Sumitomo Mitsui Trust Bank, Limited	Jul. 20, 2011	3,400	3,400	0.747%	Jun. 20, 2016	
Mizuho Bank, Ltd.	Sep. 27, 2011	1,900	1,900	0.647%	Sep. 20, 2016	
Sumitomo Mitsui Trust Bank, Limited	Oct. 25, 2011	2,600	2,600	0.597%	Sep. 20, 2016	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
Mizuho Bank, Ltd.		2,500	2,500			
The Bank of Fukuoka, Ltd.		1,200	1,200			
Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	2,000	2,000	0.597%	Dec. 20, 2016	
Mizuho Bank, Ltd.	Dec. 26, 2011	500	500	0.597%	Dec. 20, 2016	
The Norinchukin Bank		4,000	4,000			
Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2012	1,500	1,500	0.597%	Mar. 20, 2017	
Sumitomo Mitsui Banking Corporation		2,400	2,400			
Sompo Japan Insurance Inc.	Mar. 30, 2012	1,000	1,000	0.993%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
The Hiroshima Bank, Ltd.		500	500			
Kansai Urban Banking Corporation		1,000	1,000			
Mizuho Bank, Ltd.	Apr. 12, 2012	1,500	1,500	0.597%	Mar. 20, 2017	Unsecured Unguaranteed Floating interest rate
Mitsubishi UFJ Trust and Banking Corporation		1,500	1,500			
Shinsei Bank, Limited		1,000	1,000			
The Bank of Fukuoka, Ltd.		1,000	1,000			
The 77 Bank, Ltd.		500	500			
Sumitomo Mitsui Trust Bank, Limited	Apr. 12, 2012	3,500	3,500	0.497%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Shinsei Bank, Limited	May 18, 2012	1,000	1,000	0.922%	Mar. 20, 2017	
Development Bank of Japan Inc. (Note 4)	Jul. 7, 2010	1,700	1,650	2.142%	Jun. 20, 2017	Unsecured Unguaranteed Floating interest rate
Resona Bank, Limited	May 18, 2012	1,300	1,300	0.547%	Jun. 20, 2017	
The Gunma Bank, Ltd.	Jun. 20, 2012	900	900	0.547%	Jun. 20, 2017	
The Bank of Yokohama, Ltd.		900	900			
The Tokyo Tomin Bank, Limited		500	500			
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	2,500	0.497%	Jun. 20, 2017	
Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	2,400	0.447%	Jun. 20, 2017	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	4,400	0.740%	Sep. 20, 2017	Unsecured Unguaranteed Fixed interest rate

The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.597%	Mar. 20, 2018	Unsecured Unguaranteed Floating interest rate
Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	2,200	0.497%	Mar. 20, 2018	
Mizuho Bank, Ltd.	Mar. 21, 2013	3,000	3,000	0.447%	Mar. 20, 2018	
Aozora Bank, Ltd.	Mar. 21, 2013	1,570	1,570	0.447%	Mar. 20, 2018	
The Norinchukin Bank		2,253	2,253			
Aozora Bank, Ltd.	Mar. 20, 2014	-	1,700	0.559%	Mar. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	2,000	2,000	0.404% (Note 5)	Jun. 20, 2018	Unsecured Unguaranteed (Note 5)
Saitama Resona Bank, Limited	Jun. 20, 2013	1,000	1,000	0.447%	Jun. 20, 2018	Unsecured Unguaranteed Floating interest rate
The Shinkumi Federation Bank		2,000	2,000			
The Bank of Fukuoka, Ltd.		500	500			
Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	1,000	1,000	0.404% (Note 6)	Jun. 20, 2018	Unsecured Unguaranteed (Note 6)
ORIX Bank Corporation	Jun. 20, 2013	1,500	1,500	0.830%	Jun. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.464%	Sep. 20, 2018	
THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	1,000	0.447%	Sep. 20, 2018	Unsecured Unguaranteed Floating interest rate
The Nomura Trust and Banking Co., Ltd.		1,000	1,000			
The Kagawa Bank, Ltd.		500	500			
The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	1,000	0.781%	Sep. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Shinkin Central Bank	Nov. 1, 2013	1,000	1,000	0.688%	Sep. 20, 2018	
Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.497%	Mar. 20, 2019	Unsecured Unguaranteed Floating interest rate
ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753%	Mar. 20, 2019	Unsecured Unguaranteed Fixed interest rate
The Norinchukin Bank	Feb. 28, 2014	-	1,600	0.402% (Note 7)	Mar. 20, 2019	Unsecured Unguaranteed (Note 7)
Resona Bank, Limited	Apr. 8, 2014	-	1,000	0.708%	Mar. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.647%	Jun. 20, 2019	Unsecured Unguaranteed Floating interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	May 16, 2013	2,000	2,000	0.477%	Jun. 20, 2019	Unsecured Unguaranteed Floating interest rate
Shinsei Bank, Limited	May 16, 2013	1,000	1,000	1.056%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	4,000	0.497%	Sep. 20, 2019	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.		637	637			
Aozora Bank, Ltd.		1,570	1,570			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	4,000	4,000	0.800%	Mar. 23, 2020	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	2,427	2,427	0.780%	Mar. 23, 2020	

Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.527%	Mar. 23, 2020	Unsecured Unguaranteed Floating interest rate
Mitsubishi UFJ Trust and Banking Corporation		869	869			
Resona Bank, Limited		339	339			
Mitsubishi UFJ Trust and Banking Corporation	Mar. 20, 2014	-	1,300	0.351% (Note 8)	Mar. 23, 2020	Unsecured Unguaranteed (Note 8)
Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370%	Jun. 20, 2020	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.527%	Jun. 20, 2020	Unsecured Unguaranteed Floating interest rate
Sumitomo Mitsui Banking Corporation		1,650	1,650			
Mizuho Bank, Ltd.		1,000	1,000			
Aozora Bank, Ltd.		2,000	2,000			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.547%	Sep. 23, 2020	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.547%	Sep. 23, 2020	
Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000%	Sep. 23, 2020	
Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826%	Sep. 23, 2020	
Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888%	Sep. 23, 2020	
Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	-	1,300	0.858%	Dec. 21, 2020	Unsecured Unguaranteed (Note 9)
Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	-	5,800	0.446% (Note 9)	Mar. 22, 2021	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 20, 2014	-	1,400	0.830%	Mar. 22, 2021	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.	Mar. 20, 2014	-	1,400	0.841%	Mar. 22, 2021	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 28, 2014	-	2,200	0.850%	Mar. 22, 2021	
Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	-	5,700	0.883%	Mar. 22, 2021	
Mizuho Bank, Ltd.	May 1, 2014	-	1,700	0.348% (Note 10)	Jun. 21, 2021	Unsecured Unguaranteed (Note 10)
Sumitomo Mitsui Banking Corporation	May 1, 2014	-	1,000	0.446% (Note 11)	Jun. 21, 2021	Unsecured Unguaranteed (Note 11)
Mitsubishi UFJ Trust and Banking Corporation	May 1, 2014	-	1,000	0.378% (Note 12)	Jun. 21, 2021	Unsecured Unguaranteed (Note 12)
Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	-	2,600	1.030%	Mar. 22, 2022	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	-	3,400	1.239%	Dec. 20, 2022	
Total		137,657	166,457			
Borrowings Total		166,833	182,207			

- Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal to the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. United Urban assumed the borrowing from NCI due to the Merger as of December 1, 2010.
4. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).
5. The interest rate for this borrowing is, in effect, fixed at 0.778% due to the execution of an interest rate swap agreement.
6. The interest rate for this borrowing is, in effect, fixed at 0.735% due to the execution of an interest rate swap agreement.
7. The interest rate for this borrowing is, in effect, fixed at 0.620% due to the execution of an interest rate swap agreement.
8. The interest rate for this borrowing is, in effect, fixed at 0.640% due to the execution of an interest rate swap agreement.
9. The interest rate for this borrowing is, in effect, fixed at 0.850% due to the execution of an interest rate swap agreement.
10. The interest rate for this borrowing is, in effect, fixed at 0.737% due to the execution of an interest rate swap agreement.

11.. The interest rate for this borrowing is, in effect, fixed at 0.872% due to the execution of an interest rate swap agreement.

12.. The interest rate for this borrowing is, in effect, fixed at 0.770% due to the execution of an interest rate swap agreement.

3. Corporate Bonds

Corporate Bonds as of May 31, 2014 were as follows :

Name	Balance at the beginning of the 21st FP (Millions of yen)	Balance at the end of the 21st FP (Millions of yen)	Interest Rate	Issue Date	Maturity Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 4 of Unsecured Corporate Bonds	15,000	-	1.38%	Dec. 17, 2010	Dec. 17, 2013	Bullet payment
Series 5 of Unsecured Corporate Bonds	7,000	7,000	1.00%	Dec. 16, 2011	Dec. 16, 2014	Bullet payment
Series 6 of Unsecured Corporate Bonds	3,000	3,000	1.12%	Dec. 9, 2011	Dec. 9, 2016	Bullet payment
Series 7 of Unsecured Corporate Bonds	6,500	6,500	0.95%	Jul. 5, 2012	Jul. 5, 2017	Bullet payment
Series 8 of Unsecured Corporate Bonds	10,000	10,000	0.80%	Aug. 6, 2012	Aug. 5, 2016	Bullet payment
Series 9 of Unsecured Corporate Bonds	10,000	10,000	0.62%	Dec. 19, 2012	Dec. 19, 2016	Bullet payment
Series 10 of Unsecured Corporate Bonds	4,000	4,000	0.69%	Dec. 12, 2012	Dec. 12, 2017	Bullet payment
Series 11 of Unsecured Corporate Bonds	8,000	8,000	0.69%	May 30, 2013	May 30, 2018	Bullet payment
Series 12 of Unsecured Corporate Bonds	2,000	2,000	0.69%	May 30, 2013	May 30, 2018	Bullet payment
Series 13 of Unsecured Corporate Bonds	13,000	13,000	0.47%	Nov. 20, 2013	Nov. 20, 2018	Bullet payment
Series 14 of Unsecured Corporate Bonds	2,000	2,000	0.47%	Nov. 20, 2013	Nov. 20, 2018	Bullet payment
Total	90,500	75,500				

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)	Book value	Gain or loss on sale
Trust beneficial interest in real estate	GRAND-SQUARE Shin-Sakae	Feb. 28, 2014	1,480	-	-	-	-
Trust beneficial interest in real estate	GRAND-SQUARE Meieki-minami	Feb. 28, 2014	1,220	-	-	-	-
Trust beneficial interest in real estate	Shiba 520 Building (Note 2)	Mar. 28, 2014	2,100	-	-	-	-
Real estate	Narumi Shopping Center (Site)	Apr. 8, 2014	6,460	-	-	-	-
Trust beneficial interest in real estate	THE PLACE of TOKYO	May 1, 2014	3,500	-	-	-	-
Trust beneficial interest in real estate	the b roppongi	May 1, 2014	3,500	-	-	-	-
Total		-	18,260		-	-	-

Note: 1. The "Acquisition price" is the price stated in the each sale and purchase agreement of the asset, and do not include consumption taxes and expenses necessary for making the relevant acquisition (e.g. agency fees, taxes and impositions).

2. The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.

2. Trading of Other Assets

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

3. Research for Specified Assets

(1) Real estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Asset	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	GRAND-SQUARE Shin-Sakae	Feb. 28 2014	1,480	1,730	Feb. 1, 2014	Japan Real Estate Institute
	Trust beneficial interest in real estate	GRAND-SQUARE Meieki-minami	Feb. 28 2014	1,220	1,650	Feb. 1, 2014	Japan Real Estate Institute
	Trust beneficial interest in real estate	Shiba 520 Building (Note 3)	Mar. 28 2014	2,100	2,220	Mar. 1, 2014	Japan Real Estate Institute
	Real estate	Narumi Shopping Center (Site)	Apr. 8, 2014	6,460	6,460	Nov. 30, 2013	The Tanizawa Sōgō Appraisal Co., Ltd.
	Trust beneficial interest in real estate	THE PLACE of TOKYO	May 1, 2014	3,500	3,890	Feb. 1, 2014	Japan Real Estate Institute
	Trust beneficial interest in real estate	the b roppongi	May 1, 2014	3,500	3,510	Apr. 1, 2014	Japan Real Estate Institute

Notes: 1. As for transactions that require appraisal values of real estate, etc, regarding specified assets, the appraisal was conducted by Japan Real Estate Institute and The Tanizawa Sōgō Appraisal Co., Ltd. based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.

2. The "Acquisition Price or Sale Price" is the price stated in the sale and purchase agreement of the asset, and do not include consumption taxes and expenses necessary for making the relevant acquisition or sale (e.g. agency fees, taxes and impositions).

3. The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.

(2) Others

As for transactions conducted by United Urban other than the transactions stated above in "(1) Real estates" that require research of value, etc. of specified assets pursuant to Article 201 of the Investment Trust Act, United Urban entrusts the research to Ernst & Young ShinNihon LLC.

During the 21st fiscal period (from December 1, 2013 to May 31, 2014), six interest rate swap transactions were subject to the research, and United Urban has received the results from Ernst & Young ShinNihon LLC. As for the research, United Urban entrusted the research on name, brand, contract value, financial instruments or financial index, transaction period, and other matters related to the interest rate swap transaction.

4. Trading with Related Parties and Major Shareholders

(1) Status of transactions

Category	Amount of Purchase and Sale Price etc.	
	Purchase price etc. (Thousands of yen)	Sale price etc. (Thousands of yen)
Total Amount	18,260,000 (100.0%)	-
	Purchase prices from related parties and major shareholders	Sale prices to related parties and major shareholders
	4,800,000 (26.3%)	-
Breakdown of transactions with related parties and major shareholders		
MC Nagoya Shin-Sakae Real Estate Investment K.K.	GRAND-SQUARE Shin-Sakae 1,480,000 (8.1%)	-
MC Nagoya Meieki-minami Real Estate Investment K.K.	GRAND-SQUARE Meieki-minami 1,220,000 (6.7%)	-
Marubeni Corporation	Shiba 520 Building (Note) 2,100,000 (11.5%)	-

Note: The property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" to "Shiba 520 Building" on April 1, 2014.

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

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	144,000	Marubeni Asset Management Co., Ltd.	144,000	100.0
Property Management Fees	1,180,470	Marubeni Community Co., Ltd.	215,076	18.2
		Marubeni Real Estate Co., Ltd.	24,780	2.1
Casualty Insurance Premium	22,291	Marubeni Safenet Co., Ltd.	22,023	98.8
Construction Management Fees	36,578	Marubeni Community Co., Ltd.	3,285	9.0
		Marubeni Real Estate Co., Ltd.	4,813	13.2

Notes: 1. "Related Parties" means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. In addition, "Related Parties" includes major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act. Among Related Parties, the above-mentioned companies have conducted business or have received payment of commissions during the 21st fiscal period are stated above.

2. In addition to the transactions above, the amount of repair expense paid to Related Parties and major shareholders during the period under review was as set for below.

Marubeni Community Co., Ltd.: ¥34,754 thousand

Others

Notifications

United Urban Board of Directors

There were no conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 21st fiscal period.

◆ FINANCIAL SECTION

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BALANCE SHEETS

(As of May 31, 2014 and November 30, 2013)

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 41,709,017	¥ 44,445,006
Rent receivables	358,919	354,440
Securities	-	15,000,000
Consumption taxes refundable	57,392	-
Other current assets	509,810	118,238
Total current assets	42,635,140	59,917,685
PROPERTY AND EQUIPMENT, AT COST:		
Land	313,102,181	300,692,539
Buildings and structures	200,580,039	194,243,425
Machinery and equipment	1,776,023	1,653,152
Tools, furniture and fixtures	365,256	310,172
Construction in progress	35,074	9,138
Subtotal	515,858,575	496,908,427
Less accumulated depreciation	(36,941,655)	(33,642,215)
Net property and equipment	478,916,920	463,266,212
INVESTMENTS AND OTHER ASSETS:		
Software	29,136	792
Leasehold	3,930,277	1,734,930
Intangible assets	225,765	232,430
Security deposits paid	90,279	90,309
Long-term prepaid expenses	1,980,349	1,783,409
TOTAL ASSETS	¥ 527,807,870	¥ 527,025,769

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 1,601,991	¥ 1,655,371
Current portion of corporate bonds	7,000,000	15,000,000
Long-term debt due for repayment within one year	15,750,000	29,176,000
Accrued expenses	490,090	583,543
Income taxes payable	19,542	605
Rent received in advance	2,630,175	2,511,561
Other current liabilities	66,404	437,691
Total current liabilities	27,558,204	49,364,773
LONG-TERM LIABILITIES:		
Corporate bonds	68,500,000	75,500,000
Long-term debt	166,457,000	137,657,000
Leasehold and security deposits received	28,084,632	27,424,814
Total long-term liabilities	263,041,632	240,581,814
Total liabilities	290,599,836	289,946,587
NET ASSETS		
UNITHOLDERS' EQUITY:		
Units authorized: 10,000,000 units as of May 31, 2014 and November 30, 2013		
Units issued and outstanding: 2,380,181 units as of May 31, 2014 and November 30, 2013	199,230,469	199,230,469
Capital surplus	23,548,287	23,548,287
Reserve for distribution	7,754,927	8,187,154
Retained earnings	6,674,349	6,113,271
Total net assets	237,208,033	237,079,182
TOTAL LIABILITIES AND NET ASSETS	¥ 527,807,870	¥ 527,025,769

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

STATEMENTS OF INCOME AND RETAINED EARNINGS

(For the fiscal periods ended May 31, 2014 and November 30, 2013)

	Thousands of yen	
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)
OPERATING REVENUES		
Rental revenues	¥ 16,348,932	¥ 15,859,355
Other rental revenues	1,199,103	1,224,842
Gain on sales of real estates	-	331,935
Dividend income from investment in anonymous association	-	29
	17,548,036	17,416,162
OPERATING EXPENSES		
Property-related expenses	7,757,790	7,771,624
Loss on sales of real estates	-	153,756
Asset management fees	1,429,032	1,412,232
Administrative service fees	85,979	92,066
Other operating expenses	258,159	265,854
	9,530,962	9,695,534
OPERATING INCOME	8,017,074	7,720,628
NON-OPERATING REVENUES		
Interest income	2,209	3,118
Reversal of cash distributions payable	1,618	2,169
Insurance income	14,285	2,471
Subsidy income	-	5,120
Interest on refund	9	3,126
Other non-operating revenues	2,561	148
	20,684	16,154
NON-OPERATING EXPENSES		
Interest expense	959,384	1,055,603
Interest expense on corporate bonds	342,847	409,866
Corporate bond issuance expenses	-	101,740
Investment unit issuance expenses	10,407	35,499
Other non-operating expenses	30,781	20,197
	1,343,420	1,622,906
ORDINARY INCOME	6,694,337	6,113,876
INCOME BEFORE INCOME TAXES	6,694,337	6,113,876
INCOME TAXES		
Current	19,988	605
	19,988	605
NET INCOME	6,674,349	6,113,271
RETAINED EARNINGS BROUGHT FORWARD	-	-
RETAINED EARNINGS AT THE END OF PERIOD	¥ 6,674,349	¥ 6,113,271

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the fiscal periods ended May 31, 2014 and November 30, 2013)

		Thousands of yen					
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Unappropriated Retained Earnings	Total Unitholders' Equity	Net Assets
BALANCE AS OF MAY 31, 2013	2,305,447	¥190,067,333	¥ 23,548,287	¥9,275,511	¥5,251,622	¥228,142,754	¥228,142,754
Issuance of new investment units	74,734	9,163,135	-	-	-	9,163,135	9,163,135
Reversal of reserve for distribution	-	-	-	(1,088,356)	-	(1,088,356)	(1,088,356)
Cash distributions disbursed	-	-	-	-	(5,251,622)	(5,251,622)	(5,251,622)
Net income	-	-	-	-	6,113,271	6,113,271	6,113,271
BALANCE AS OF NOVEMBER 30, 2013	2,380,181	¥199,230,469	¥ 23,548,287	¥8,187,154	¥6,113,271	¥237,079,182	¥237,079,182
Reversal of reserve for distribution	-	-	-	(432,226)	-	(432,226)	(432,226)
Cash distributions disbursed	-	-	-	-	(6,113,271)	(6,113,271)	(6,113,271)
Net income	-	-	-	-	6,674,349	6,674,349	6,674,349
BALANCE AS OF MAY 31, 2014	2,380,181	¥199,230,469	¥ 23,548,287	¥7,754,927	¥6,674,349	¥237,208,033	¥237,208,033

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

STATEMENTS OF CASH FLOWS

(For the fiscal periods ended May 31, 2014 and November 30, 2013)

	Thousands of yen	
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 6,694,337	¥ 6,113,876
Depreciation and amortization	3,358,834	3,484,281
Gain on sale of properties	-	(331,935)
Loss on sale of properties	-	153,756
Interest income and interest on securities	(2,209)	(3,118)
Interest expense and interest expense on corporate bonds	1,302,231	1,465,469
Corporate bond issuance expenses	-	101,740
Investment unit issuance expenses	10,407	35,499
Increase in rent receivables	(4,478)	(39,400)
(Increase) decrease in consumption taxes refundable	(57,392)	593,629
(Increase) decrease in prepaid expenses	(409,509)	367,392
Decrease in long-term prepaid expenses	20,389	19,352
(Decrease) increase in trade accounts payable	(25,649)	76,022
Decrease in accrued expenses	(1,238)	(5,818)
(Decrease) increase in consumption taxes payable	(375,267)	375,705
Increase in rent received in advance	118,613	120,768
Other, net	(124,242)	(97,112)
Subtotal	10,504,826	12,430,108
Interest received	2,189	3,097
Interest paid	(1,607,845)	(1,665,646)
Income taxes (paid) refund	(414)	44,294
Net cash provided by operating activities	8,898,755	10,811,854
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	-	5,932,555
Purchase of property and equipment	(19,050,361)	(11,767,427)
Purchase of intangible assets	(2,227,177)	(99)
Proceeds from refund of investment securities	-	2,953
Proceeds from collection of leasehold and security deposits	30	-
Payments for leasehold and security deposits	-	(30)
Proceeds from leasehold and security deposits received	1,262,402	932,557
Payments for leasehold and security deposits received	(448,499)	(529,258)
Net cash used in investing activities	(20,463,605)	(5,428,749)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	33,100,000	23,550,000
Repayment of long-term debt	(17,726,000)	(27,573,000)
Proceeds from issuance of corporate bonds	-	14,903,557
Repayment of corporate bonds	(15,000,000)	(10,000,000)
Proceeds from issuance of investment units	-	9,127,636
Distributions to unitholders	(6,545,158)	(6,337,633)
Net cash (used in) provided by financing activities	(6,171,158)	3,670,560
NET CHANGES IN CASH AND CASH EQUIVALENTS	(17,736,009)	9,053,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59,237,842	50,184,177
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 41,501,833	¥ 59,237,842

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

NOTES TO FINANCIAL STATEMENTS

(May 31, 2014 and November 30, 2013)

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 95% by Marubeni Corporation ("Marubeni") and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

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

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

As of May 31, 2014, the end of its 21st fiscal period, United Urban had ownership of, or beneficial interests in, 28 retail properties, 38 office buildings, 9 hotels, 22 residential properties, 1 property which consisted of retail properties and an office building, 1 property which consisted of an office building and a hotel, and 4 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

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

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

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 21st fiscal period began on December 1, 2013 and ended on May 31, 2014.

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 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
Buildings and structures	2 - 67 years	2 - 67 years
Machinery and equipment	2 - 17 years	3 - 17 years
Tools, furniture and fixtures	3 - 15 years	3 - 15 years

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

Intangible Assets

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 units issuance expenses are expensed at once at the time of payment.

Cash and Cash Equivalents

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

Revenue Recognition

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

Taxes on Property and Equipment

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥14,645 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended November 30, 2013 and ¥88,020 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended May 31, 2014.

Hedge Accounting

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

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended May 31, 2014.

3. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2014 and November 30, 2013, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
Cash and bank deposits	¥ 207,184	¥ 207,164
Land	4,204,726	4,204,726
Buildings and structures	4,110,066	4,220,254
Tools, furniture and fixtures	1,701	1,978
Total	¥ 8,523,678	¥ 8,634,123

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
Leasehold and security deposits received	¥ 1,547,945	¥ 1,655,212
Total	¥ 1,547,945	¥ 1,655,212

4. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
Total amount of commitment	¥ 30,000,000	¥ 29,500,000
Outstanding borrowings at end of the period	-	-
Amount unutilized at end of the period	¥ 30,000,000	¥ 29,500,000

5. CONTINGENT LIABILITIES

With regard to Shinsaibashi OPA Honkan ("OPA Honkan") and Shinsaibashi OPA Kireikan ("OPA Kireikan"), a case to reduce the rent of these two properties (the "Case") was brought against United Urban at the Tokyo District Court on October 15, 2012 by OPA co., Ltd., the lessee of OPA Honkan and OPA Kireikan (the "Plaintiff"). Later, the Case was decided to be transferred to the Osaka District Court, and is now pending at the Osaka District Court.

The Plaintiff has requested to reduce the rent of OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent.

In addition, United Urban obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim to the Osaka District Court against OPA co., Ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level, and the counterclaim is also pending at the Osaka District Court together with the Case.

Depending on the results of the Case or the counterclaim, there may be some effects on the operating condition of United Urban. However, United Urban is not able to predict the effect at present.

6. 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.

7. LONG-TERM DEBT

Long-term debt at May 31, 2014 and November 30, 2013 consisted of the following:

	End of 21st Fiscal Period (As of May 31, 2014) Amount (Thousands of yen)		End of 20th Fiscal Period (As of November 30, 2013) Amount (Thousands of yen)	
		Weighted-average interest rate (Note 1)		Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2013	-	-	¥ 3,400,000	0.850%
Unsecured loans from banks and trust banks at fixed interest rate, due March 20, 2014	-	-	14,276,000	1.807%
Unsecured loan from banks and a trust bank at floating interest rate, due June 20, 2014	¥ 8,700,000	0.747%	8,700,000	0.750%
Unsecured loan from a trust bank at floating interest rate, due September 20, 2014	2,800,000	0.497%	2,800,000	0.500%
Unsecured loans from banks and trust banks at fixed interest rate, due December 20, 2014	4,250,000	1.975%	4,250,000	1.975%
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2016	5,000,000	0.547%	5,000,000	0.550%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2016	3,400,000	0.747%	3,400,000	0.750%
Unsecured loan from a bank at floating interest rate, due September 20, 2016	1,900,000	0.647%	1,900,000	0.650%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2016	8,300,000	0.597%	8,300,000	0.600%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2016	2,000,000	0.597%	2,000,000	0.600%
Unsecured loan from banks at floating interest rate, due December 20, 2016	4,500,000	0.597%	4,500,000	0.600%
Unsecured loan from a bank and a trust bank at floating interest rate, due March 20, 2017	3,900,000	0.597%	3,900,000	0.600%
Unsecured loans from banks and an insurance company at fixed interest rate, due March 20, 2017	2,500,000	0.993%	2,500,000	0.993%
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2017	5,500,000	0.597%	5,500,000	0.600%
Unsecured loan from a trust bank at floating interest rate, due March 20, 2017	3,500,000	0.497%	3,500,000	0.500%
Unsecured loan from a bank at fixed interest rate, due March 20, 2017	1,000,000	0.922%	1,000,000	0.922%
Unsecured loan from a bank at fixed interest rate, due June 20, 2017 (Note 2)	1,650,000	2.142%	1,700,000	2.142%
Unsecured loan from a bank at floating interest rate, due June 20, 2017	1,300,000	0.547%	1,300,000	0.550%
Unsecured loan from banks at floating interest rate, due June 20, 2017	2,300,000	0.547%	2,300,000	0.550%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2017	2,500,000	0.497%	2,500,000	0.500%
Unsecured loan from a bank at floating interest rate, due June 20, 2017	2,400,000	0.447%	2,400,000	0.450%
Unsecured loan from a bank at fixed interest rate, due September 20, 2017	4,400,000	0.740%	4,400,000	0.740%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.597%	3,000,000	0.600%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	2,200,000	0.497%	2,200,000	0.500%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.447%	3,000,000	0.450%
Unsecured loan from banks at floating interest rate, due March 20, 2018	3,823,000	0.447%	3,823,000	0.450%
Unsecured loan from a bank at fixed interest rate, due March 20, 2018	1,700,000	0.559%	-	-
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	2,000,000	0.404% (Note 3)	2,000,000	0.416% (Note 3)
Unsecured loan from banks and a federation at floating interest rate, due June 20, 2018	3,500,000	0.447%	3,500,000	0.450%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	1,000,000	0.404% (Note 4)	1,000,000	0.415% (Note 4)

Unsecured loan from a bank at fixed interest rate, due June 20, 2018	1,500,000	0.830%	1,500,000	0.830%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2018	2,500,000	0.447%	2,500,000	0.449%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.781%	1,000,000	0.781%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.688%	1,000,000	0.688%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	3,500,000	0.497%	3,500,000	0.500%
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	1,000,000	0.753%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.402% (Note 5)	-	-
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	-	-
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.647%	4,500,000	0.650%
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	2,000,000	0.477%	2,000,000	0.480%
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	1,000,000	1.056%	1,000,000	1.056%
Unsecured loan from banks at a floating interest rate, due September 20, 2019	6,207,000	0.497%	6,207,000	0.500%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	2,427,000	0.780%	2,427,000	0.780%
Unsecured loan from banks and a trust bank at floating interest rate, due March 23, 2020	2,417,000	0.527%	2,417,000	0.530%
Unsecured loan from a trust bank at floating interest rate, due March 23, 2020	1,300,000	0.351% (Note 6)	-	-
Unsecured loan from a bank at fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from banks and trust banks at floating interest rate, due June 20, 2020	6,150,000	0.527%	6,150,000	0.530%
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.547%	4,500,000	0.550%
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.547%	3,283,000	0.550%
Unsecured loan from an insurance company at fixed interest rate, due September 23, 2020	1,000,000	1.000%	1,000,000	1.000%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,400,000	0.826%	2,400,000	0.826%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,500,000	0.888%	2,500,000	0.888%
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2020	1,300,000	0.858%	-	-
Unsecured loan from a bank at floating interest rate, due March 22, 2021	5,800,000	0.446% (Note 7)	-	-
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.830%	-	-
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.841%	-	-
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	2,200,000	0.850%	-	-
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2021	5,700,000	0.883%	-	-
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.348% (Note 8)	-	-
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.446% (Note 9)	-	-
Unsecured loan from a trust bank at floating interest rate, due June 21, 2021	1,000,000	0.378% (Note 10)	-	-

Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	2,600,000	1.030%	-	-
Unsecured loan from a trust bank at fixed interest rate, due December 20, 2022	3,400,000	1.239%	-	-
Total	¥ 182,207,000		¥ 166,833,000	

Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.
2. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).
3. The interest rate for this borrowing is, in effect, fixed at 0.778% due to the execution of an interest rate swap agreement.
4. The interest rate for this borrowing is, in effect, fixed at 0.735% due to the execution of an interest rate swap agreement.
5. The interest rate for this borrowing is, in effect, fixed at 0.620% due to the execution of an interest rate swap agreement.
6. The interest rate for this borrowing is, in effect, fixed at 0.640% due to the execution of an interest rate swap agreement.
7. The interest rate for this borrowing is, in effect, fixed at 0.850% due to the execution of an interest rate swap agreement.
8. The interest rate for this borrowing is, in effect, fixed at 0.737% due to the execution of an interest rate swap agreement.
9. The interest rate for this borrowing is, in effect, fixed at 0.872% due to the execution of an interest rate swap agreement.
10. The interest rate for this borrowing is, in effect, fixed at 0.770% due to the execution of an interest rate swap agreement.

8. CORPORATE BONDS

Corporate bonds at May 31, 2014 and November 30, 2013 consisted of the following:

	End of 21st Fiscal Period (As of May 31, 2014)		End of 20th Fiscal Period (As of November 30, 2013)	
	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 4 unsecured bonds, due December 17, 2013	-	1.38%	15,000,000	1.38%
Series 5 unsecured bonds, due December 16, 2014	7,000,000	1.00%	7,000,000	1.00%
Series 6 unsecured bonds, due December 9, 2016	3,000,000	1.12%	3,000,000	1.12%
Series 7 unsecured bonds, due July 5, 2017	6,500,000	0.95%	6,500,000	0.95%
Series 8 unsecured bonds, due August 5, 2016	10,000,000	0.80%	10,000,000	0.80%
Series 9 unsecured bonds, due December 19, 2016	10,000,000	0.62%	10,000,000	0.62%
Series 10 unsecured bonds, due December 12, 2017	4,000,000	0.69%	4,000,000	0.69%
Series 11 unsecured bonds, due May 30, 2018	8,000,000	0.69%	8,000,000	0.69%
Series 12 unsecured bonds, due May 30, 2018	2,000,000	0.69%	2,000,000	0.69%
Series 13 unsecured bonds, due November 20, 2018	13,000,000	0.47%	13,000,000	0.47%
Series 14 unsecured bonds, due November 20, 2018	2,000,000	0.47%	2,000,000	0.47%
Total	¥ 75,500,000		¥ 90,500,000	

9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2014 and November 30, 2013 were as follows:

	Thousands of yen	
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)
Operating Revenues	¥ 17,548,036	¥ 17,084,198
Rental Revenues	16,348,932	15,859,355
Rental revenues	14,400,426	14,031,693
Common area charges	1,395,164	1,310,212
Parking revenues	439,132	422,336
Other	114,209	95,112

Other Rental Revenues	1,199,103	1,224,842
Incidental revenues	1,020,421	1,103,016
Temporary revenues (including cancellation charges)	108,439	52,445
Other miscellaneous revenues	70,242	69,380
Property-Related Expenses	7,757,790	7,771,624
Property and other taxes	1,310,706	1,355,593
Property management fees	1,180,470	1,106,995
Utilities	1,111,046	1,184,814
Casualty insurance	22,291	21,751
Repairs and maintenance	432,966	304,612
Depreciation and amortization	3,358,834	3,484,281
Other rental expenses	341,473	313,574
Profit from rental activities	¥ 9,790,245	¥ 9,312,573

10. GAIN ON SALE OF PROPERTIES

There was no applicable information on gain on sale of properties for the fiscal period ended May 31, 2014. In addition, gain on sale of properties for the fiscal period ended November 30, 2013 was as follows:

(20th Fiscal Period: June 1, 2013 – November 30, 2013)

T&G Yotsuya Mansion	Thousands of yen
Revenue from sale of properties	¥ 1,280,000
Cost of sale of properties	1,117,110
Other sales expenses	50,845
Gain on sale of properties	¥ 112,043
Omori City Building	Thousands of yen
Revenue from sale of properties	¥ 4,370,000
Cost of sale of properties	3,980,289
Other sales expenses	169,817
Gain on sale of properties	¥ 219,892

11. LOSS ON SALE OF PROPERTIES

There was no applicable information on loss on sale of properties for the fiscal period ended May 31, 2014. In addition, loss on sale of properties for the fiscal period ended November 30, 2013 was as follows:

(20th Fiscal Period: June 1, 2013 – November 30, 2013)

Ropponmatsu Court	Thousands of yen
Revenue from sale of properties	¥ 525,000
Cost of sale of properties	656,975
Other sales expenses	21,781
Loss on sale of properties	¥ 153,756

12. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at May 31, 2014 and November 30, 2013 were summarized as follows:

(Thousands of yen)

21st Fiscal Period (As of May 31, 2014)		20th Fiscal Period (As of November 30, 2013)	
(Deferred tax assets – non current)		(Deferred tax assets – non current)	
Valuation difference on assets acquired by merger	¥24,717,847	Valuation difference on assets acquired by merger	¥24,716,566
Other	408	Other	510
Subtotal	24,718,255	Subtotal	24,717,077
Valuation allowance	(24,718,255)	Valuation allowance	(24,717,077)
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 statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended May 31, 2014 and November 30, 2013 were summarized as follows:

	21st Fiscal Period (As of May 31, 2014)	20th Fiscal Period (As of November 30, 2013)
Statutory tax rate	39.43%	36.59%
Distributions of tax-deductible dividends	(39.31)	(38.88)
Changes in valuation allowance	0.14	2.29
Other	0.03	0.01
Effective tax rate after the application of tax effect accounting	0.29%	0.01%

(Change in tax rate after the closing date of the fiscal period ended May 31, 2014)

On March 31, 2014, the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10 of 2014) was 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, 2014 will be changed to 34.16%. 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 October 1, 2014 will be changed to 34.15%. 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 distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes within the limit of the amount of earnings. Based on this policy, United Urban decided to distribute ¥6,545,497 thousand, which is a total of unappropriated profit at the end of the period of ¥6,113,271 thousand and reversal of reserve for distribution ¥432,226 thousand (of the balance of reserve for distribution, ¥8,187,154 thousand) for the 20th fiscal period, and distribute ¥6,674,027 thousand which is the amount that does not exceed the unappropriated retained earnings and is the amount equivalent to the maximum integral multiple of number of investment units issued and outstanding (2,380,181 units) for the 21st fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

13. 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 tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks in debt, etc.

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

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 21st fiscal period) and by taking other measures.

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

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

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

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

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

Matters Concerning the Fair Value, etc. of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of May 31, 2014 and November 30, 2013 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(21st Fiscal Period: As of May 31, 2014)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 19,845,869	¥ 19,845,869	-
(2) Cash and bank deposits in trust	21,863,148	21,863,148	-
(3) Securities	-	-	-
Total assets	¥ 41,709,017	¥ 41,709,017	-
(4) Current portion of corporate bonds	¥ 7,000,000	¥ 7,027,300	¥ 27,300
(5) Long-term debt due for repayment within one year	15,750,000	15,792,531	42,531
(6) Corporate bonds	68,500,000	69,144,200	644,200
(7) Long-term debt	166,457,000	165,171,638	(1,285,361)
(8) Leasehold and security deposits received in trust	429,069	443,677	14,607
Total liabilities	¥ 258,136,069	¥ 257,579,347	¥ (556,722)
(9) Derivative transactions	-	-	-

(20th Fiscal Period: As of November 30, 2013)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 23,444,838	¥ 23,444,838	-
(2) Cash and bank deposits in trust	21,000,167	21,000,167	-
(3) Securities	15,000,000	15,000,000	-
Total assets	¥ 59,445,006	¥ 59,445,006	-
(4) Current portion of corporate bonds	¥ 15,000,000	¥ 15,007,500	¥ 7,500

(5) Long-term debt due for repayment within one year	29,176,000	29,264,192	88,192
(6) Corporate bonds	75,500,000	76,190,250	690,250
(7) Long-term debt	137,657,000	136,806,740	(850,259)
(8) Leasehold and security deposits received in trust	536,337	559,416	23,079
Total liabilities	¥ 257,869,337	¥ 257,828,098	¥ (41,238)
(9) Derivative transactions	-	-	-

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

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

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

(3) Securities

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

(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. As for long-term debt with floating interest rate that qualifies for the special treatment of interest rate swaps (please refer to "20. Derivative Transactions"), the fair value is calculated by discounting the total amount of principal and interest, which are accounted for as one transaction with the interest swap, by the rate assumed as being applicable in the event of the same type of new borrowings corresponding to the remaining loan term.

(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 "20. Derivative Transactions".

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

	Thousands of yen	
	21st Fiscal Period (As of May 31, 2014)	20th Fiscal Period (As of November 30, 2013)
Leasehold and security deposits received *	¥ 2,909,530	¥ 2,649,728
Leasehold and security deposits received in trust *	¥ 24,246,221	¥ 23,667,377

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

3 Amount of monetary claims and debt securities held to maturity to be repaid subsequent to May 31, 2014 and November 30, 2013

(21st Fiscal Period: As of May 31, 2014)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 19,845,869	-	-	-	-	-
Cash and bank deposits in trust	21,863,148	-	-	-	-	-
Total	¥ 41,709,017	-	-	-	-	-

(20th Fiscal Period: As of November 30, 2013)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 23,444,838	-	-	-	-	-
Cash and bank deposits in trust	21,000,167	-	-	-	-	-
Securities	15,000,000	-	-	-	-	-
Total	¥ 59,445,006	-	-	-	-	-

4 Amount of borrowings and corporate bonds to be repaid subsequent to May 31, 2014 and November 30, 2013

(21st Fiscal Period: As of May 31, 2014)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 7,000,000	¥ 10,000,000	¥ 23,000,000	¥ 20,500,000	¥ 15,000,000	-
Long-term debt	15,750,000	5,000,000	36,500,000	28,273,000	22,400,000	¥ 74,284,000
Total	¥ 22,750,000	¥ 15,000,000	¥ 59,500,000	¥ 48,773,000	¥ 37,400,000	¥ 74,284,000

(20th Fiscal Period: As of November 30, 2013)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥15,000,000	¥ 17,000,000	¥ 10,000,000	¥ 19,500,000	¥ 29,000,000	-
Long-term debt	29,176,000	4,250,000	18,600,000	37,500,000	27,323,000	¥ 49,984,000
Total	¥ 44,176,000	¥ 21,250,000	¥ 28,600,000	¥ 57,000,000	¥ 56,323,000	¥ 49,984,000

14. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of May 31, 2014 and November 30, 2013 are as follows:

(Thousands of yen)

Type of Use		21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 167,732,131	¥ 164,084,374
	Change during the period (Note 2)	6,343,262	3,647,756
	Balance at the end of the period	174,075,394	167,732,131
	Fair value at the end of the period (Note 3)	¥ 178,918,000	¥ 170,048,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 192,019,858	¥ 196,772,803
	Change during the period (Note 2)	4,928,571	(4,752,945)
	Balance at the end of the period	196,948,429	192,019,858
	Fair value at the end of the period (Note 3)	¥ 211,016,000	¥ 202,857,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 59,511,820	¥ 59,823,358
	Change during the period (Note 2)	3,348,083	(311,537)
	Balance at the end of the period	62,859,904	59,511,820
	Fair value at the end of the period (Note 3)	¥ 65,026,000	¥ 60,415,000

Residential properties	Carrying amount on the balance sheet (Note 1)				
	Balance at the beginning of the period	¥	34,630,676	¥	35,308,111
	Change during the period (Note 2)		(305,717)		(677,435)
	Balance at the end of the period		34,324,958		34,630,676
	Fair value at the end of the period (Note 3)	¥	39,244,000	¥	38,382,000
Others	Carrying amount on the balance sheet (Note 1)				
	Balance at the beginning of the period	¥	11,106,655	¥	6,845,455
	Change during the period (Note 2)		3,531,855		4,261,200
	Balance at the end of the period		14,638,510		11,106,655
	Fair value at the end of the period (Note 3)	¥	15,620,000	¥	11,530,000
Total	Carrying amount on the balance sheet (Note 1)				
	Balance at the beginning of the period	¥	465,001,142	¥	462,834,104
	Change during the period (Note 2)		17,846,055		2,167,038
	Balance at the end of the period		482,847,198		465,001,142
	Fair value at the end of the period (Note 3)	¥	509,824,000	¥	483,232,000

- 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 period" for the 21st fiscal period, the amount of the increase is primarily attributable to acquisition of six new properties (total: ¥191,171,714 thousand) and capital expenditures (¥2,049,194 thousand). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,352,170 thousand).
- Of the "Change during the period" for the 20th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥10,376,274 thousand) and capital expenditures (¥1,034,103 thousand). And the amount of the decrease is primarily attributable to the sale of three properties (¥5,754,375 thousand), and the depreciation and amortization (¥3,477,617 thousand).
- 3 The "Fair value at the end of the period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association, Japan.

For the revenues and expenses concerning investment and rental properties, please refer to the aforementioned "9. OPERATING REVENUES AND EXPENSES."

15. TRANSACTIONS WITH RELATED PARTIES

(21st Fiscal Period: December 1, 2013 – May 31, 2014)

1. Asset Management Companies and Related Parties, etc.

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 144,000	-	-
MC Nagoya Shin-Sakae Real Estate Investment K.K.	Real estate	-	None	Acquisition of trust beneficial interest in real estate (Note 2)	1,480,000	-	-
MC Nagoya Meieki-minami Real Estate Investment K.K.	Real estate	-	None	Acquisition of trust beneficial interest in real estate (Note 3)	1,220,000	-	-
Marubeni Community Co., Ltd.	Real estate management	-	None	Property leasing	73,511	Leasehold and security deposits received	¥ 71,903
						Rent received in advance	7,960
				Other rental revenues	962	Rent receivables	627
				Property management fees	215,076	Trade accounts payable	42,875
				Construction management fees	3,285	Trade accounts payable	1,407
				Construction costs	34,754	Trade accounts payable	24,362
				Utilities	1,955	Trade accounts payable	292
				Other rental expenses	8,975	Trade accounts payable	321

Marubeni Real Estate Co., Ltd.	Real estate	-	None	Property leasing	4,529	Leasehold and security deposits received	18,467
				Other rental revenues	113	Rent receivables	71
				Property management fees	24,780	Trade accounts payable	3,253
				Construction management fees	4,813	Trade accounts payable	3,891
				Other rental expenses (including communication expenses)	86	Trade accounts payable	10
Marubeni Corporation	Wholesale industry	0.3	None	Acquisition of trust beneficial interest in real estate (Note 4)	2,100,000	-	-
				Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	144,889	Trade accounts payable	26,213
The Maruetsu, Inc.	Supermarket	-	None	Property leasing	72,275	Leasehold and security deposits received	739,000
						Rent received in advance	13,009
TIPNESS LIMITED	Fitness club operator	-	None	Property leasing	43,040	Leasehold and security deposits received	70,246
						Rent received in advance	7,747
				Other rental revenues	24,319	Rent receivables	4,343
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	4,559	Leasehold and security deposits received	12,564
				Other rental revenues	246	Rent receivables	159
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	1,550	Leasehold and security deposits received	4,200
				Other rental revenues	210	Rent receivables	147

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at the End of the Period" is inclusive of consumption tax.
2. Acquisition of trust beneficial interest in real estate refers to United Urban's acquisition of "GRAND-SQUARE Shin-Sakae" from MC Nagoya Shin-Sakae Real Estate Investment K.K. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).
3. Acquisition of trust beneficial interest in real estate refers to United Urban's acquisition of "GRAND-SQUARE Meieki-minami" from MC Nagoya Meieki-minami Real Estate Investment K.K. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).
4. Acquisition of trust beneficial interest in real estate refers to United Urban's acquisition of "Shiba 520 Building" (the property name was changed from "Marubeni Corporation Tokyo Head Office Mita Annex" on April 1, 2014) from Marubeni Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).
5. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 11,700,000	Long-term debt	¥ 33,983,000
			Repayment of long-term debt due for repayment within one year	6,055,000	Long-term debt due for repayment within one year	4,650,000
			Interest expenses	133,308	Accrued expenses	29,519
			Loan expenses	77,587	Long-term prepaid expenses	497,959
					Prepaid expenses	4,863
					Accrued expenses	3,167

			Commissions related to corporate bonds	801	Prepaid expenses	200
			Custodian fees	23,399	-	-
			Agent commissions	23,380	Accrued expenses	1,993

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

(20th Fiscal Period: June 1, 2013 – November 30, 2013)

1. Asset Management Companies and Related Parties, etc.

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 226,650	-	-
MG Leasing Corporation	Leasing	-	None	Acquisition of trust beneficial interest in real estate (Note 2)	1,380,000	-	-
Marubeni Community Co., Ltd.	Real estate management	-	None	Property leasing	68,883	Leasehold and security deposits received	¥ 19,029
				Property management fees	206,658	Trade accounts payable	37,576
				Construction management fees	3,945	Trade accounts payable	3,161
				Construction costs	26,316	Trade accounts payable	19,083
				Utilities	1,954	Trade accounts payable	277
				Other rental expenses	7,143	Trade accounts payable	653
Marubeni Real Estate Co., Ltd.	Real estate	-	None	Property management fees	23,966	Trade accounts payable	2,762
				Construction management fees	6,224	Trade accounts payable	5,178
				Other rental expenses (including communication expenses)	265	Trade accounts payable	126
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	127,949	Trade accounts payable	23,243
The Daiei, Inc. (Note 4)	Supermarket	-	None	Property leasing	289,245	-	-
				Property management fees	709	-	-
The Maruetsu, Inc.	Supermarket	-	None	Property leasing	72,275	Leasehold and security deposits received	739,000
						Rent received in advance	12,648
TIPNESS LIMITED	Fitness club operator	-	None	Property leasing	43,040	Leasehold and security deposits received	70,246
						Rent received in advance	7,532
				Other rental revenues	24,196	Rent receivables	4,273

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at the End of the Period" is inclusive of consumption tax.
2. Acquisition of trust beneficial interest in real estate refers to United Urban's acquisition of "GRAND-ROUGE Nakanoshima-minami" from MG Leasing Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).
3. Decisions relating to the terms and conditions of these related party transactions are based on market forces.
4. As a result of a takeover bid for The Daiei, Inc. ("Daiei") through a tender offer notification dated July 25, 2013, Daiei no longer falls under the category of "related parties, etc." on or after August 27, 2013. Therefore, as for Daiei, figures regarding the transactions until August 26, 2013 are stated.

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 1,000,000	Long-term debt	¥ 23,083,000
			Repayment of long-term debt due for repayment within one year	3,676,000	Long-term debt due for repayment within one year	9,905,000
			Interest expenses	139,459	Accrued expenses	18,167
			Loan expenses	93,471	Long-term prepaid expenses	371,678
					Prepaid expenses	9,568
					Accrued expenses	3,120
			Commissions related to corporate bonds	4,605	Prepaid expenses	196
			Custodian fees	18,712	-	-
			Agent commissions	28,168	Accrued expenses	2,175

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

16. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at May 31, 2014 and November 30, 2013 for the fiscal periods then ended are summarized as follows:

	Yen	
	21st Fiscal Period (December 1, 2013 - May 31, 2014)	20th Fiscal Period (June 1, 2013 - November 30, 2013)
Net assets per unit	¥ 99,659	¥ 99,605
Net income per unit	¥ 2,804	¥ 2,586
Average number of investment units during the period (units)	2,380,181	2,363,119

17. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at May 31, 2014 and November 30, 2013 were as follows:

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
Cash and bank deposits	¥ 41,709,017	¥ 44,445,006
Restricted deposits with a bank (Note)	(207,184)	(207,164)
Securities	-	15,000,000
Cash and cash equivalents	¥ 41,501,833	¥ 59,237,842

Note: "Restricted deposits with a bank" means the bank deposits in trust reserved for the refund of security deposits received from tenants.

18. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2014 and November 30, 2013, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 21st Fiscal Period (As of May 31, 2014)	End of 20th Fiscal Period (As of November 30, 2013)
Due within one year	¥ 14,452,042	¥ 13,183,605
Due over one year	47,160,351	47,676,149
Total	¥ 61,612,393	¥ 60,859,755

19. SECURITIES

Debt securities held to maturity

(End of 21st Fiscal Period: As of May 31, 2014)

There was no applicable information on debt securities held to maturity to be presented for the fiscal period ended May 31, 2014.

(End of 20th Fiscal Period: As of November 30, 2013)

Category	Type	Balance Sheet Amount (Thousands of yen)	Fair Value (Thousands of yen)	Differences (Thousands of yen)
Securities whose fair value does not exceed balance sheet amount	Negotiable deposit	¥ 15,000,000	¥ 15,000,000	-

20. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended May 31, 2014: None

Fiscal period ended November 30, 2013: None

2. Derivative transactions subject to hedge accounting

(21st Fiscal Period: As of May 31, 2014)

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		
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 15,400,000	¥ 15,400,000	(Note)	-

Note: Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.

(20th Fiscal Period: As of November 30, 2013)

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		
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 3,000,000	¥ 3,000,000	(Note)	-

Note: Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.

21. SUBSEQUENT EVENTS

Cash Distribution

On July 15, 2014, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥2,804 per unit, amounting to ¥6,674,027 thousand in the aggregate, to unitholders of record as of May 31, 2014.

Issuance of New Investment Units

In order to replenish cash reserves, which were reduced by the acquisition of specified assets, and to procure funds for the acquisition of new specified assets and for repayment of interest-bearing liabilities, the payments of ¥18,661 million in connection with the issuance of new investment units by way of public offering were completed on June 10, 2014, and the payment of ¥1,876 million in connection with the issuance of new investment units by way of third-party allotment (12,065 units) was completed on July 9, 2014 based on the resolution regarding the issuance of 120,000 new investment units by way of public offering, and the issuance of 12,065 new investment units (maximum) by way of third-party allotment at the Board of Directors' meeting of United Urban, held on May 23, 2014 and the resolution regarding the determination of prices for the issuance of new investment units and secondary offering of investment units at the Board of Directors' meeting of United Urban, held on June 3, 2014.

As a result, the United Urban's total unitholders' capital increased to ¥219,768 million and United Urban's total number of investment units issued and outstanding increased to 2,512,246 units.

a. Issuance of new investment units by way of public offering

Number of investment units issued	: 120,000 units
Offer price (per unit)	: ¥160,426
Total offer price	: ¥19,251,120,000
Issue price (per unit)	: ¥155,515
Total issue price	: ¥18,661,800,000
Payment date	: June 10, 2014 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2014 (Sunday)

b. Issuance of new investment units by way of third-party allotment

Number of investment units issued	: 12,065 units
Issue price (per unit)	: ¥155,515
Total issue price	: ¥1,876,288,475
Payment date	: July 9, 2014 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2014 (Sunday)
Allottee	: SMBC Nikko Securities Inc.

Acquisition of Properties

United Urban decided to acquire the "Hirose-dori SE Building" on May 23, 2014, and the acquisition of the property was completed on June 13, 2014 by using the proceeds from the issuance of new investment units stated above.

Moreover, United Urban decided to acquire another two properties, "Plussing Wave Enoshima" and "Glenpark Umeda-kita" on August 27, 2014. The acquisition of "Plussing Wave Enoshima" was completed by using the new borrowing (¥1,900 million), and the acquisition of "Glenpark Umeda-kita" was completed by using the proceeds from the issuance of new investment units stated above and new borrowings (¥4,200 million) on August 29, 2014.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
B43	Hirose-dori SE Building	Office	Sendai, Miyagi	¥3,600 million	June 13, 2014
A33	Plussing Wave Enoshima	Retail Clinic	Fujisawa, Kanagawa	¥1,800 million	August 29, 2014
D26	Glenpark Umeda-kita	Apartment	Osaka, Osaka	¥5,150 million	August 29, 2014
Total				¥10,550 million	-

- Notes: 1. Of the types indicated on 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 for acquisition of each property. In addition, the prices are shown in the amount excluding acquisition costs, property taxes, city planning taxes, consumption taxes and other costs.

Independent Auditor's Report

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at May 31, 2014, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at May 31, 2014, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

We draw attention to Note 21 to the financial statements, which describes, the Company issued new investment units and acquired new properties. Our opinion is not qualified in respect of these matters.

Ernst & Young ShinNihon LLC

August 27, 2014

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of May 31, 2014:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥199,230,469,066
Number of Unitholders:	22,377
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon LLC Hibiya Kokusai Building, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal periods are the six months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

About Our Website

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

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



Disclaimer

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

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

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

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

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

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



United Urban Investment Corporation

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

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