

Semiannual Report

Fourth Fiscal Period
From June 1, 2005 to November 30, 2005

Profile

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

In order to secure steady earnings over the medium to long term, United Urban creates a comprehensive portfolio that is diversified in terms of the types of use and areas of location, and it manages its assets in a way that mitigates risks involved.

Diversification by type of property

United Urban invests principally in real estates used as retail properties, office buildings, hotels and residential properties.

Diversification by region

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



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◆ To Our Unitholders ◆



Yasuhiro Tanaka

Executive Officer,
United Urban Investment Corporation



Hisamitsu Abe

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

We are delighted to present this report on our activities during our fourth fiscal period: the six-month period ended November 30, 2005.

Thanks to the sustained support of all our unitholders, United Urban Investment Corporation (“United Urban”) was able to achieve operating revenues of ¥5,605 million, operating income of ¥2,794 million and net income of ¥2,385 million. As a result, the distribution to unitholders was ¥14,919 per unit.

In collaboration with Japan REIT Advisors Co., Ltd., to which the conduct of asset management is entrusted, we will continue to implement United Urban's investment policies with the aim of securing steady earnings over the medium to long term. We hope to receive your ongoing support and goodwill for our endeavors.

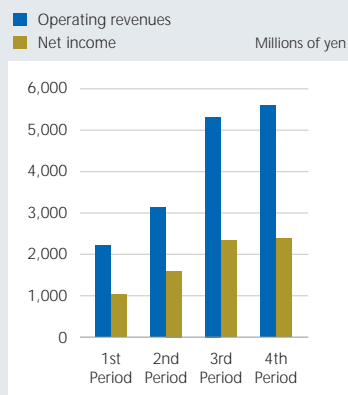
Financial Highlights

Millions of yen, except per unit information

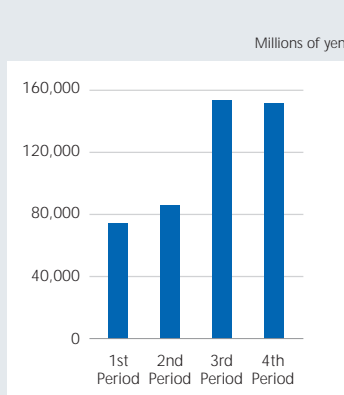
	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)	2nd Fiscal Period (June 1, 2004- November 30, 2004)	1st Fiscal Period (November 4, 2003- May 31, 2004)
Operating revenues	¥ 5,605	¥ 5,320	¥ 3,136	¥ 2,205
Operating income	¥ 2,794	¥ 2,794	¥ 1,809	¥ 1,347
Income before income taxes	¥ 2,386	¥ 2,344	¥ 1,600	¥ 1,030
Net income	¥ 2,385	¥ 2,340	¥ 1,599	¥ 1,029
Cash distributions	¥ 2,385	¥ 2,340	¥ 1,599	¥ 1,029
Cash distribution per unit (Yen)	¥ 14,919	¥ 14,638	¥ 19,090	¥ 12,285
Dividend payout ratio (%)	100.0	99.9	99.9	99.9
Total assets	¥ 151,462	¥ 153,740	¥ 86,261	¥ 74,153
Total unitholders' equity	¥ 92,223	¥ 92,178	¥ 40,195	¥ 39,625
Unitholders' equity per unit (Yen)	¥ 576,962	¥ 576,681	¥ 480,007	¥ 473,202

Note: United Urban's 1st fiscal period was from November 4, 2003 to May 31, 2004, however, the effective operating period was for 162 days from December 22, 2003. The 2nd fiscal period was for 183 days from June 1, 2004 to November 30, 2004, the 3rd fiscal period was for 182 days from December 1, 2004 to May 31, 2005 and the 4th fiscal period was for 183 days from June 1, 2005 to November 30, 2005.

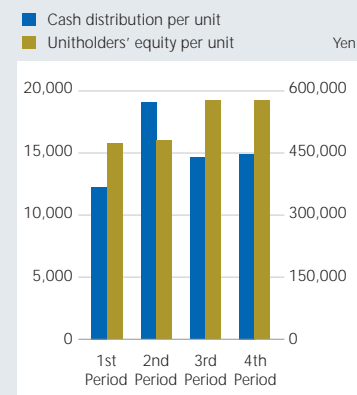
Operating revenues / Net income



Total assets



Cash distribution per unit / Unitholders' equity per unit



Stock Price Information

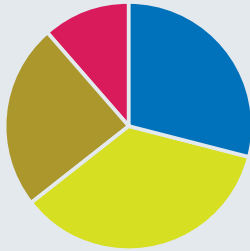


Portfolio Highlights

Portfolio Breakdown (As of November 30, 2005)

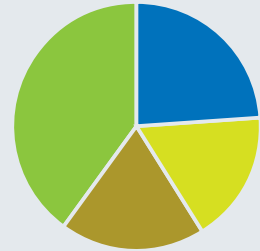
By Property Use

Retail	29.0%
Office	35.4%
Hotel	24.2%
Residential	11.4%



By Location

The Six Central Wards of Tokyo (Note 1)	23.9%
The 23 Wards of Tokyo (excluding the six central wards)	17.2%
Tokyo Metropolitan Area (Note 2) (excluding the 23 wards of Tokyo)	18.9%
Other Regions	40.0%



Note: 1. The "six central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

2. "Tokyo metropolitan area" refers to the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi and Yamanashi) excluding the 23 wards of Tokyo.

Occupancy Ratio

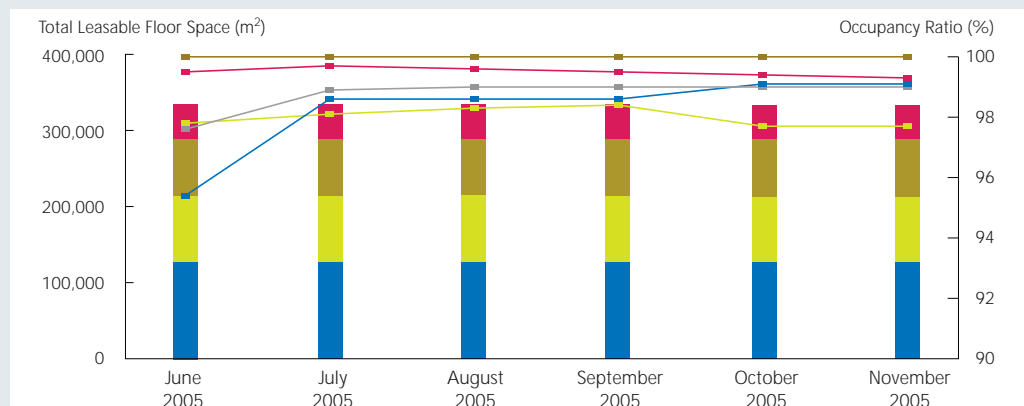
	2005					
	June	July	August	September	October	November
Retail Properties	95.4%	98.6%	98.6%	98.6%	99.1%	99.1%
Office Buildings	97.8%	98.1%	98.3%	98.4%	97.7%	97.7%
Hotels	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential Properties	99.5%	99.7%	99.6%	99.5%	99.4%	99.3%
Total	97.6%	98.9%	99.0%	99.0%	99.0%	99.0%

Trends in Total Leasable Floor Space and Occupancy Ratios

Occupancy Ratio



Total Leasable Floor Space



Portfolio Map

A
Retail
Properties



A1 Daiei Himonya



A2 Joy Park Izumigaoka



A3 Daimaru Peacock Ashiya-Kawanishi Ten



A4 Re-LAND Shopping Center



A5 Diamond City Value (Note 1)

B
Office
Buildings



B1 T&G Hamamatsu-Cho Building



B2 SK Nagoya Building



B3 Fukuoka Eartheon Building



B4 Marumasu Koujimachi Building



B5 Rokuban-Cho K Building



B6 Shin-Osaka Central Tower (Note 2)



B7 Kawasaki Toshiba Building

C
Hotels



C1 Shinjuku Washington Hotel-Honkan



(B6) Shin-Osaka Central Tower (Note 2)



C2 Toyoko Inn Shinagawa-Eki Takanawaguchi

D
Residential
Properties



D1 T&G Higashi-Ikebukuro Mansion



D2 T&G Yotsuya Mansion



D3 Excellia Magome



D4 Komazawa Court



D5 Ropponmatsu Court



D6 Sky Court Shiba-Daimon



D7 Maison Ukima



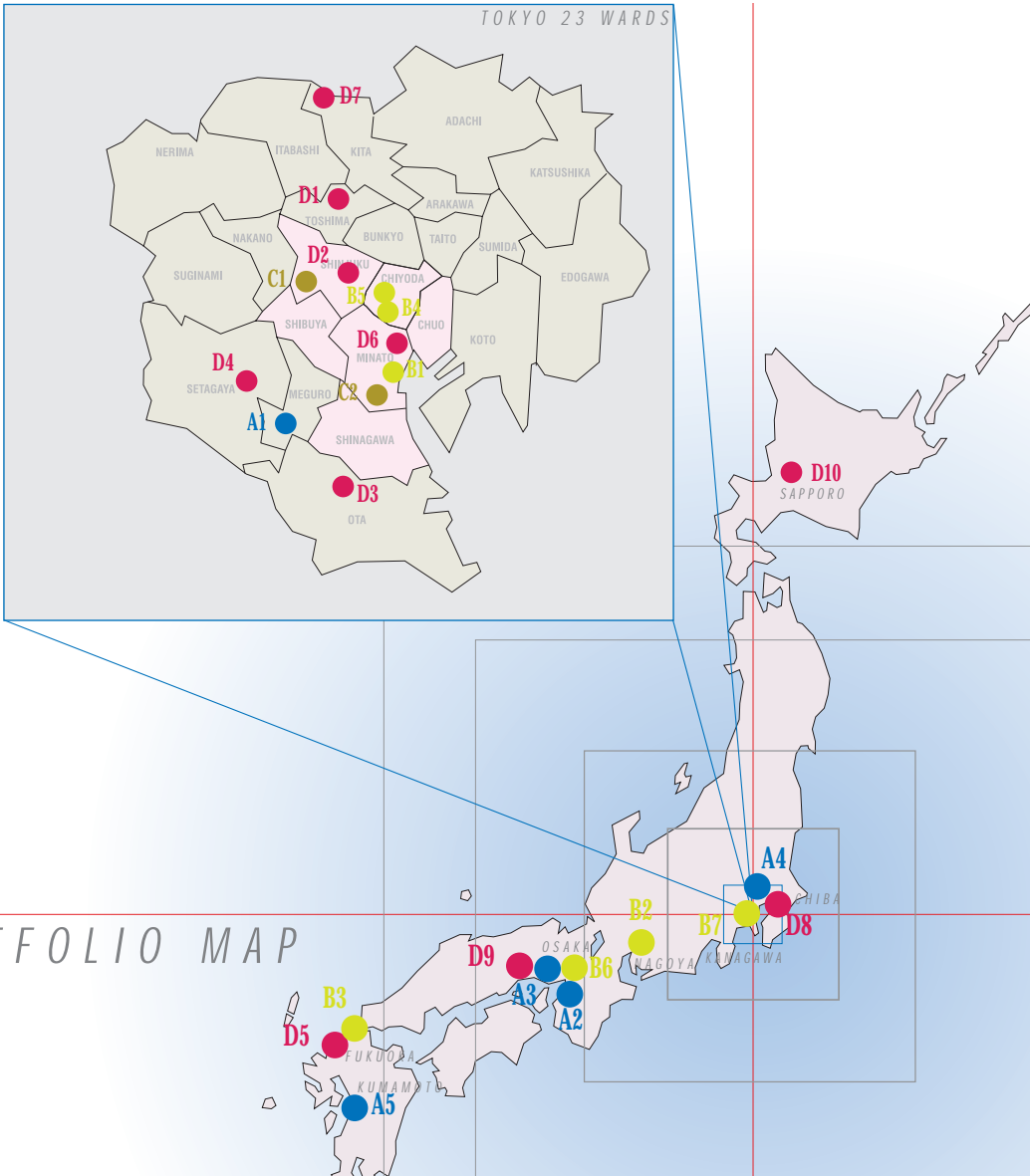
D8 Narashino Residence



D9 Aprile Shin-Ohgi Ichibankan



(Planned Acquisition in 5th Fiscal Period)
D10 UUR Court Sapporo Kitanjo (Note 3)



Notes: 1. The name of "Diamond City Value" was changed from "Diamond City Kumamoto-Minami Shopping Center" on July 5, 2005.
2. Shin-Osaka Central Tower includes the office portion and the hotel portion.
3. In August 2005, United Urban entered into an agreement for the transfer of a trust beneficial interest subject to conditions precedent.

Portfolio Roster

No.	Type	Name of Property <small>(Note 1)</small>	Acquisition Date	Acquisition Price <small>(Millions of yen) (Note 2)</small>	Share in Total Acquisition Price (%)	Share in Type (%)
A1	Retail Properties	Daiei Himonya	Dec. 25, 2003	15,300	11.3%	29.0%
A2		Joy Park Izumigaoka	Dec. 22, 2003	6,770	5.0%	
A3		Daimaru Peacock Ashiya-Kawanishi Ten	Dec. 22, 2003	769	0.6%	
A4		Re-LAND Shopping Center	Sep. 17, 2004	5,200	3.9%	
A5		Diamond City Value <small>(Note 3)</small>	Dec. 3, 2004	11,100	8.2%	
B1	Office Buildings	T&G Hamamatsu-Cho Building	Dec. 26, 2003	2,257	1.7%	35.4%
B2		SK Nagoya Building	Dec. 26, 2003	5,400	4.0%	
B3		Fukuoka Eartheon Building	Dec. 26, 2003	2,080	1.5%	
B4		Marumasu Koujimachi Building	Mar. 29, 2004	2,350	1.8%	
B5		Rokuban-Cho K Building	Mar. 30, 2004	2,150	1.6%	
B6		Shin-Osaka Central Tower (office portion)	Dec. 2, 2004	14,279	10.6%	
B7		Kawasaki Toshiba Building	Dec. 20, 2004	19,200	14.2%	
C1	Hotels	Shinjuku Washington Hotel-Honkan	Dec. 22, 2003	21,100	15.6%	24.2%
(B6)		Shin-Osaka Central Tower (hotel portion)	Dec. 2, 2004	9,721	7.2%	
C2		Toyoko Inn Shinagawa-Eki Takanawaguchi	Feb. 18, 2005	1,884	1.4%	
D1	Residential Properties	T&G Higashi-Ikebukuro Mansion	Dec. 26, 2003	2,021	1.5%	11.4%
D2		T&G Yotsuya Mansion	Dec. 26, 2003	1,355	1.0%	
D3		Excellia Magome	Dec. 26, 2003	697	0.5%	
D4		Komazawa Court	Dec. 26, 2003	1,680	1.2%	
D5		Ropponmatsu Court	Dec. 26, 2003	757	0.6%	
D6		Sky Court Shiba-Daimon	Oct. 15, 2004	1,175	0.9%	
D7		Maison Ukima	Oct. 26, 2004	3,530	2.6%	
D8		Narashino Residence	Oct. 26, 2004	1,140	0.8%	
D9		Aprile Shin-Ohgi Ichibankan	Apr. 13, 2005	3,031	2.3%	
Total				134,946	100%	100.0%

Notes: 1. Among the above properties, United Urban acquired "Toyoko-Inn Shinagawa-Eki Takanawaguchi" in the form of real estate, and all others in the form of trust beneficial interests.

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

3. The name of "Diamond City Value" was changed from "Diamond City Kumamoto-Minami Shopping Center" on July 5, 2005.

Overview

A1 Daiei Himonya



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

A2 Joy Park Izumigaoka

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



A3 Daimaru Peacock Ashiya-Kawanishi Ten

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



A4 Re-LAND Shopping Center

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



A5 Diamond City Value (Note 1)

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

Notes: 1. The name of "Diamond City Value" was changed from "Diamond City Kumamoto-Minami Shopping Center" on July 5, 2005.
2. Data applicable to the main building



B1 T&G Hamamatsu-Cho Building

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



B2 SK Nagoya Building

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



B3 Fukuoka Eartheon Building

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



B4 Marumasu Koujimachi Building

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



B5 Rokuban-Cho K Building

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



B6 Shin-Osaka Central Tower

Address	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka-shi, Osaka
Site Area	7,265,79 m ²
Total Floor Space	58,882,64 m ²
Construction	SRC
Number of Floors	B1 / 23F
Completed	June 1989
Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

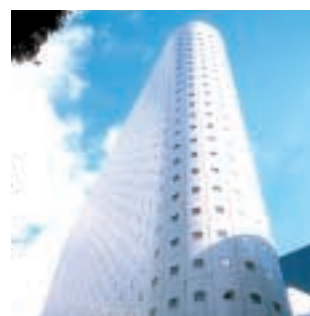
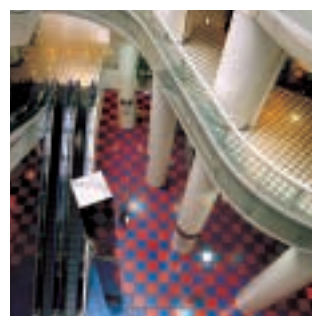


B7 Kawasaki Toshiba Building

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



C1 Shinjuku Washington Hotel-Honkan



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

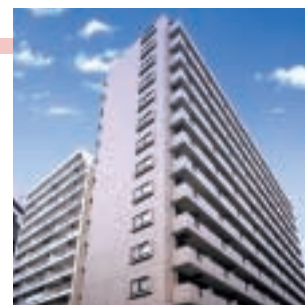
C2 Toyoko Inn Shinagawa-Eki Takanawaguchi

Address	4-23-2 Takanawa, Minato-ku, Tokyo
Site Area	482.10 m ²
Total Floor Space	2,928.94 m ²
Construction	SRC
Number of Floors	14F
Number of Rooms	181 Rooms
Construction	October 1999
Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D1 T&G Higashi-Ikebukuro Mansion

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



D2 T&G Yotsuya Mansion

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



D3 Excellia Magome

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



D4 Komazawa Court

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



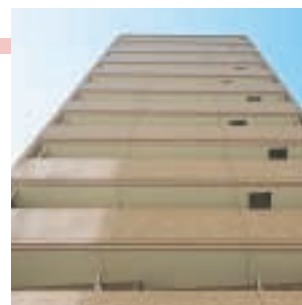
D5 Ropponmatsu Court

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



D6 Sky Court Shiba-Daimon

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



D7 Maison Ukima

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



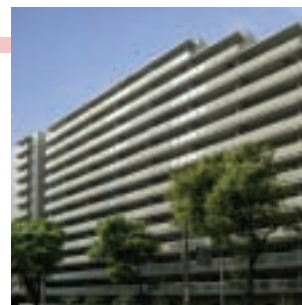
D8 Narashino Residence

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



D9 Aprile Shin-Ohgi Ichibankan

Address	2-62-5 Kita-Ohgi, Higashi Nada-ku, Kobe-shi, Hyogo
Site Area	3,329.45 m ²
Total Floor Space	12,700.44 m ²
Construction	SRC
Number of Floors	14F
Number of Units Available for Lease	161 units
Completed	September 1997
Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Planned Acquisition in 5th Fiscal Period

D10 UUR Court Sapporo Kitananjo (Note)

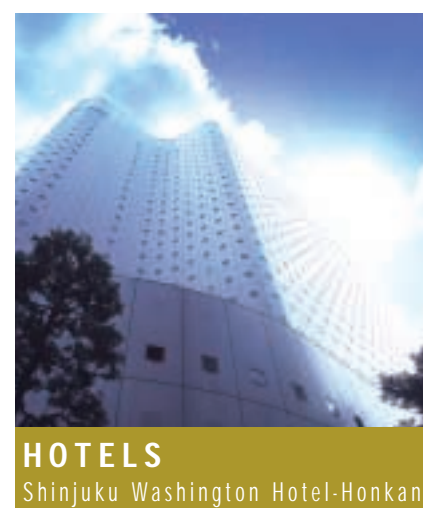
Address	3-1-28 Kitananjo Higashi, Chuo-ku, Sapporo-shi, Hokkaido
Site Area	1,249.45 m ²
Total Floor Space	6,588.72 m ²
Construction	RC
Number of Floors	B1 / 14F
Number of Units Available for Lease	130 units
Completed	February 2006
Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Note: In August 2005, United Urban entered into an agreement for the transfer of a trust beneficial interest subject to conditions precedent.

Comprehensive Portfolio Structured to Generate Steady Earnings Maximizing Unitholder Return

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



1. A diversified portfolio with investments in various types of use located in various areas
2. An optimal investment portfolio in tune with market trends
3. The support of an asset management company well versed in real estate and financial markets

Merits of an Comprehensive Investment Policy

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

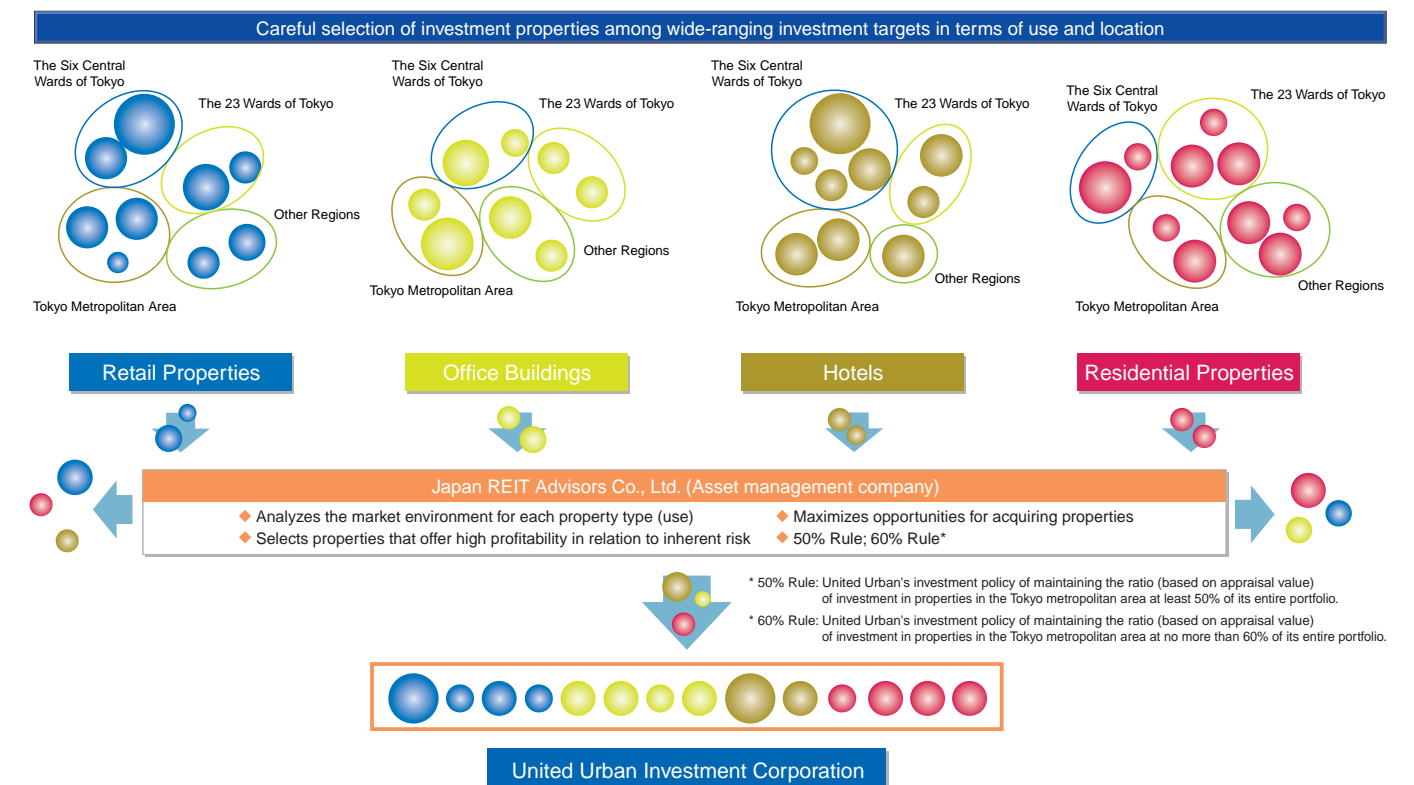
- **Stability of earnings**
Spreads the impact of changes such as those in the market environment for specific property types of use or regions
Reduces the risk of loss from natural disasters and other such events
- **External growth potential**
Opportunities for external growth are enhanced by the absence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

Capabilities of an Asset Management Company Able to Build an Optimal Investment Portfolio

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

- Personnel from the Marubeni Group with extensive expertise in the field of real estate, including its development, purchase, management and sale
- Personnel from Trinity Investment Trust L.L.C. and its group companies with many years of experience in real estate investment both in Japan and overseas
- Personnel with comprehensive investment experience gained in financial institutions

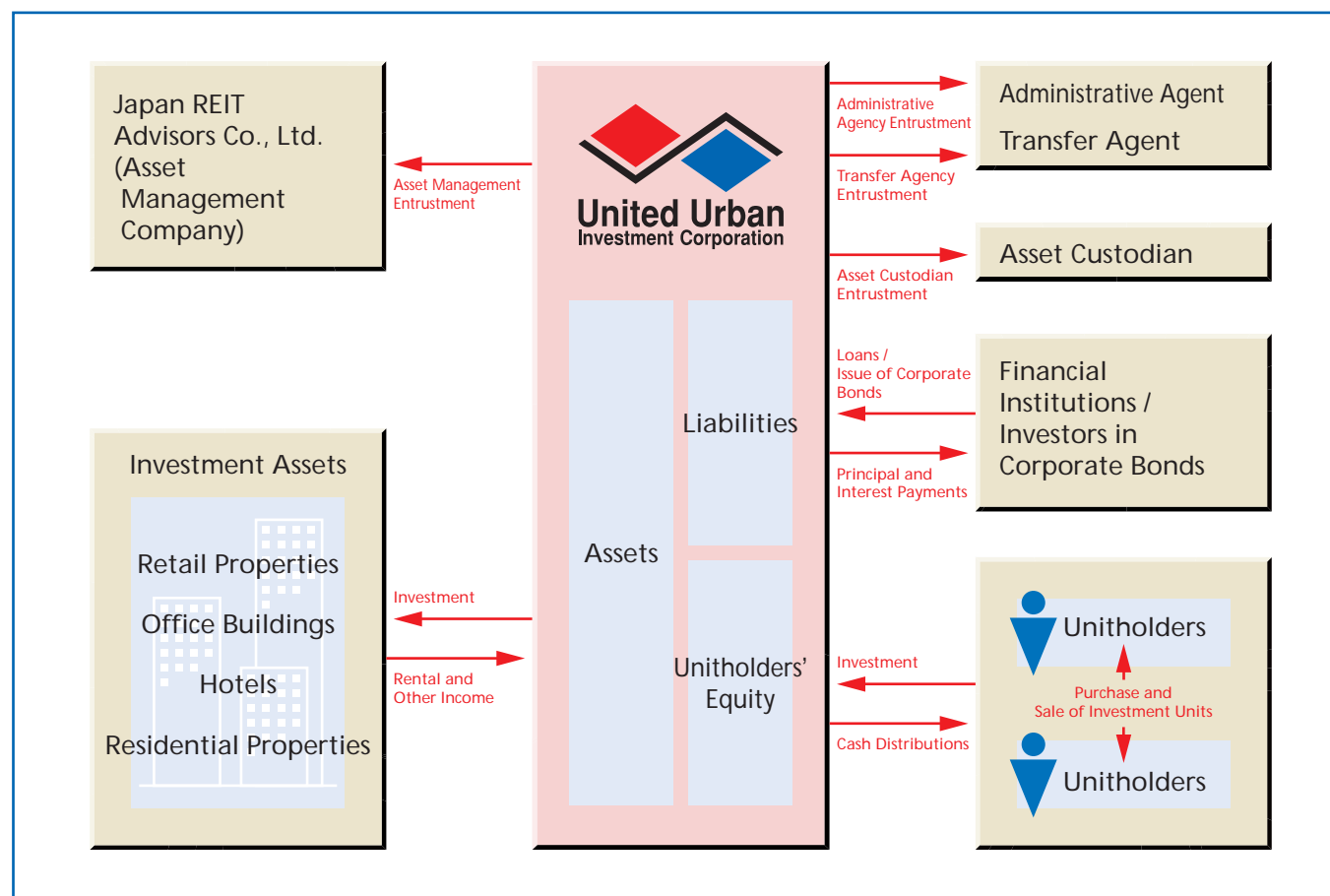
United Urban is confident that, with these experts forming its core personnel for the conduct of its asset management activities, it is able to build an optimal investment portfolio.



United Urban and JRA shall, by securing stable investment earnings, do their utmost to ensure the maximization of returns to unitholders.

◆ Corporate Structure of Investment Corporation ◆

Corporate Structure



Member of Board of Directors of United Urban (As of November 30, 2005)

Titles	Name	Other Titles
Executive Officer	Yasuhiro Tanaka	—
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office
Supervisory Officer	Toshio Kenmochi	Representative Partner, Kasumigaseki Audit Representative Director and President, RECS Management Institute Representative Director and President, RECS Technologies Inc.

Advisor and Agents (As of November 30, 2005)

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

◆ Profile of Asset Management Company ◆

Overview

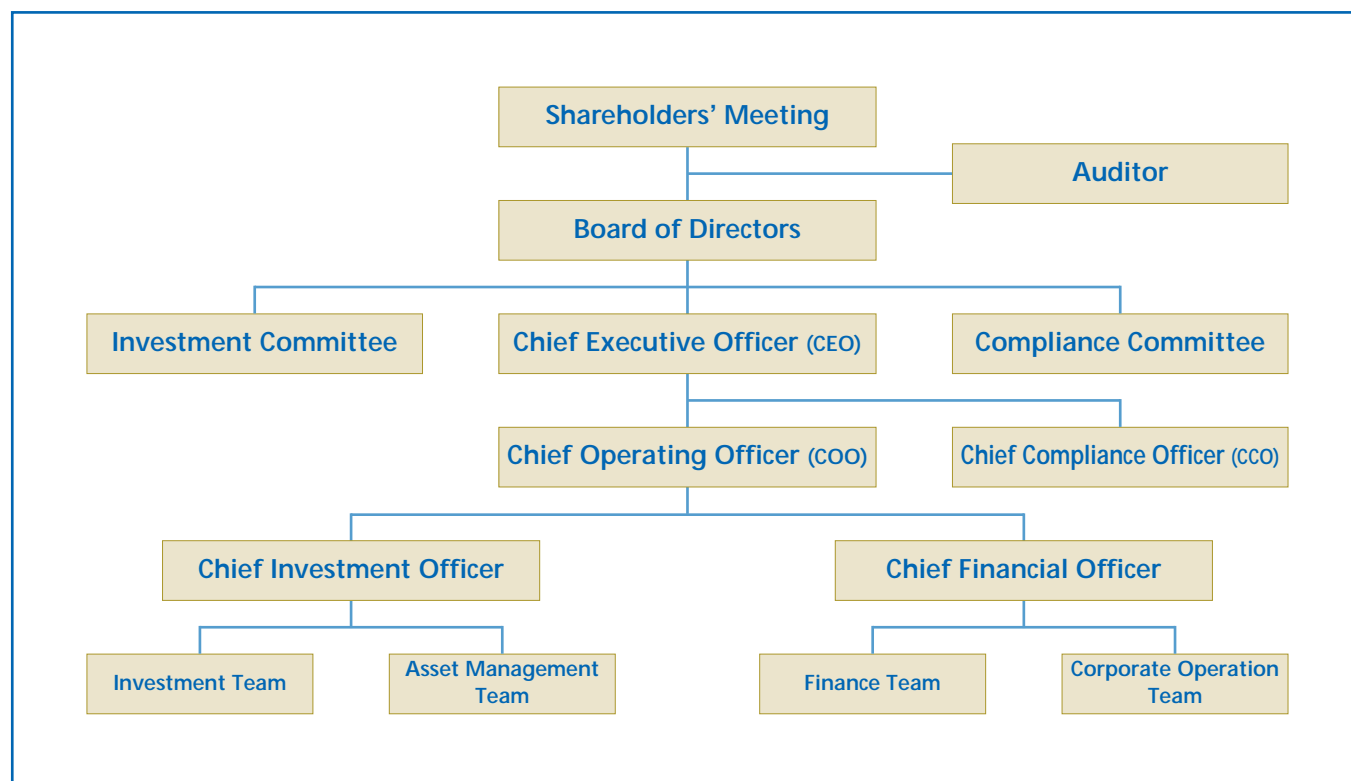
Name: Japan REIT Advisors Co., Ltd.

Capital: ¥425 million (As of November 30, 2005)

Shareholders (As of November 30, 2005)

Name	Address	Number of Shares Owned	Ownership (%)
Trinity Investment Trust L. L. C.	One Aloha Tower Drive, Suite 3100, Honolulu, HI 96813, U.S.A.	3,740	44.0
Marubeni Corporation	4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo	3,060	36.0
Credit Suisse First Boston Principal Investments Ltd., Tokyo Branch	6-1, Roppongi 1-chome, Minato-ku, Tokyo	850	10.0
Yamato Life Insurance Co.	1-7, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo	425	5.0
Kyokuto Securities Co., Ltd.	4-7, Nihonbashi Kayaba-cho 1-chome, Chuo-ku, Tokyo	425	5.0
Total		8,500	100.0

Organization



Optimal investment portfolio and stable earnings



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Investment Policies

Distribution Policies

Financial Highlights

1. Track Records on Operations

		Millions of yen, unless otherwise indicated		
		4th Fiscal Period June 1, 2005- November 30, 2005	3rd Fiscal Period December 1, 2004- May 31, 2005	2nd Fiscal Period June 1, 2004- November 30, 2004
Operating revenues		5,605	5,320	3,136
(Rental revenues)		(5,605)	(5,320)	(3,136)
Operating expenses		2,811	2,526	1,327
(Property-related expenses)		(2,190)	(2,013)	(1,000)
Operating income		2,794	2,794	1,809
Income before income taxes		2,386	2,344	1,600
Net income	(a)	2,385	2,340	1,599
Total assets	(b)	151,462	153,740	86,261
Total unitholders' equity (Net assets)	(c)	92,223	92,178	40,195
Unitholders' capital		89,839	89,839	38,596
Total no. of investment units issued and outstanding (d)	(Unit)	159,843	159,843	83,738
Net assets per unit (c)/(d)	(Yen)	576,962	576,681	480,007
Total cash distribution (e)		2,385	2,340	1,599
Net income per unit (Note 3)	(Yen)	14,918	14,641	19,090
Distribution per unit (e)/(d)	(Yen)	14,919	14,638	19,090
(Distribution of earnings per unit)	(Yen)	(14,919)	(14,638)	(19,090)
(Distribution in excess of earnings per unit)	(Yen)	(-)	(-)	(-)
Return on assets (Notes 4, 5)	(%)	1.6	2.0	2.0
(Annualized) (Notes 4, 5)	(%)	(3.1)	(3.9)	(4.0)
Return on equity (Notes 4, 5)	(%)	2.6	3.5	4.0
(Annualized) (Notes 4, 5)	(%)	(5.2)	(7.1)	(8.0)
Equity ratio (c)/(b) (Note 5)	(%)	60.9	60.0	46.6
Payout ratio (e)/(a)	(%)	100.0	99.9	99.9
Supplementary information				
No. of investment properties at the end of the period	(Units)	23	23	18
Total leasable floor space at the end of the period	(m ²)	333,649.50	334,243.61	164,122.94
Total no. of tenants at the end of the period	(Units)	127	128	68
Occupancy ratio at the end of the period	(%)	99.0	97.6	96.0
Depreciation and amortization		1,034	971	415
Capital expenditures		169	121	39
NOI (Net Operating Income) from leasing (Note 4)		4,449	4,278	2,552
FFO (Funds from Operations) per unit (Note 4)	(Yen)	21,551	20,744	24,119
FFO ratio (Notes 4, 5)	(Times)	15.9	16.7	14.4
Debt service coverage ratio (Notes 4, 5)	(Times)	9.9	11.6	10.5
Net income before interest, depreciation and amortization		3,831	3,628	2,233
Interest expense and interest expenses on corporate bonds		385	312	213
Interest-bearing liabilities		47,000	49,700	38,980
Ratio of interest-bearing liabilities to total assets at the end of the period	(%)	31.0	32.3	45.2
No. of operating days	(Days)	183	182	183

(Notes)

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

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

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

Average no. of investment units 2nd fiscal period: 83,738units

3rd fiscal period: 159,807units (Weighted average during the period)

4th fiscal period: 159,843units

Net income per unit computed for the 3rd fiscal period, based on the number of investment units issued and outstanding at the end of period (159,843units), was ¥14,637.

4. The indicators stated above are computed in accordance with the methods set out below. The figures in parentheses are the annualized figures for the 183, 182 and 183 days respectively in those fiscal periods.
- Return on assets..... $\text{Ordinary income} / \text{Ave. total assets}$
 $\text{Ave. total assets} = (\text{Total assets at the beginning of period} + \text{Total assets at the end of the period}) / 2$
- Return on equity..... $\text{Net income} / \text{Ave. net assets}$
 $\text{Ave. net assets} = (\text{Net assets at the beginning of period} + \text{Net assets at the end of the period}) / 2$
- NOI (Net operating income) from leasing
..... $\text{Income from property leasing in the period (Rental revenues - Rental expenses)} + \text{Depreciation and amortization}$
- FFO (Funds from operations) per unit
..... $(\text{Net income} + \text{Depreciation} + \text{Amortization of deferred assets}) / \text{No. of investment units issued and outstanding at the end of the period}$
- FFO ratio $\text{Investment unit price at the end of the period} / \text{Annualized FFO per unit}$
- Debt service coverage ratio..... $\text{Net income before interest, depreciation and amortization} / \text{Interest expense and Interest expense on corporate bonds}$
5. Fractions are rounded 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 Law Concerning Investment Trusts and Investment Corporations of Japan (the “Investment Trust Law”). On December 22, 2003, United Urban was listed (Securities Code: 8960) on the J-REIT section of the Tokyo Stock Exchange.

In December 2004, at the beginning of its third fiscal period, United Urban made a new issue of investment units by public offering and another issue of investment units by means of a third-party allotment. As a result, the total number of investment units issued and outstanding is 159,843 units, as of November 30, 2005.

United Urban aims to secure steady earnings over the medium-term as an integrated real estate investment trust (REIT), diversifying its investments geographically and in terms of the types of properties in which it invests (retail properties, office buildings, hotels, residential properties, etc.). A distribution has been made in each of three fiscal periods to date, beginning with the first fiscal period ended in May 2004.

During the period under review, United Urban gave priority to the management of its existing properties, ensuring stable occupancy ratios. In respect of acquiring new properties, given the overheated state of the real estate market it avoided making unwarrantable acquisitions that may have an adverse impact on the existing portfolio, and therefore made none during the period.

In consequence, as of November 30, 2005, United Urban's assets totaled 23 properties, comprising five retail properties, six office buildings, two hotels, one office and hotel complex, and nine residential properties; the aggregate acquisition price totaled ¥134,946 million. In each case there was no change from the beginning of the period. The total leasable floor space decreased from 334,243.61 sq. m. to 333,649.50 sq. m. during the period, and the number of tenants declined from 128 to 127.

The occupancy ratio for the portfolio as a whole at each month-end during the period was between 97.6% and 99.0%, and stood at 99.0% at November 30, 2005.

During the period under review, in July 2005 United Urban issued corporate bonds for the first time since its listing, in the aggregate principal amount of ¥25.0 billion.

In addition, to secure a flexible and stable funding method, in June 2005 United Urban established a commitment line with a borrowing ceiling of ¥2.0 billion. This enabled cash on hand to be reduced.

The proceeds of the issuance of corporate bonds, together with the reduction of cash on hand made possible by the establishment of the commitment line, were used to make prepayments of outstanding borrowings totaling ¥27.7 billion.

As a result, the balance of outstanding borrowings at November 30, 2005, totaled ¥22.0 billion (down by ¥27.7 billion from the end of the previous period), comprising ¥3.5 billion of short-term borrowings (down by ¥10.2 billion), and ¥18.5 billion of long-term borrowings (down by ¥17.5 billion). The balance of corporate bonds issued and outstanding stood at ¥25.0 billion.

3. Issuance of New Investment Units

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

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

(Notes)

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

Changes in Closing Prices

The highest and lowest closing prices in the Tokyo Stock Exchange are as follows;

	Yen		
	4th Fiscal Period June 1, 2005- November 30, 2005	3rd Fiscal Period December 1, 2004- May 31, 2005	2nd Fiscal Period June 1, 2004- November 30, 2004
Highest	730,000	710,000	756,000
Lowest	682,000	646,000	557,000

4. Distribution Information

With regard to the distribution in the period under review, in view of the special manner in which taxation is applied pursuant to Article 67-15 of the Special Taxation Measures Law, in order to ensure that the maximum amount of distribution of earnings would be deductible, it was decided that the entire amount of unappropriated profit at the end of period would be distributed, excluding cases in which the distributions per investment unit were fractions of one yen. In consequence, the distribution per investment unit was fixed at ¥14,919 for the 4th fiscal period.

		4th Fiscal Period June 1, 2005- November 30, 2005	3rd Fiscal Period December 1, 2004- May 31, 2005	2nd Fiscal Period June 1, 2004- November 30, 2004
Unappropriated retained earnings at the end of period	Thousands of yen	2,384,719	2,339,803	1,598,606
Cash distribution	Thousands of yen	2,384,698	2,339,781	1,598,559
Distribution per unit	Yen	14,919	14,638	19,090
Unappropriated retained earnings carried forward to the next period	Thousands of yen	21	21	47

5. Summary of Unitholders' Contribution

	4th Fiscal Period As of November 30, 2005	3rd Fiscal Period As of May 31, 2005	2nd Fiscal Period As of November 30, 2004
Number of investment units authorized (Unit)	2,000,000	2,000,000	2,000,000
Number of investment units issued and outstanding (Unit)	159,843	159,843	83,738
Unitholders' capital (Millions of yen)	89,839	89,839	38,596
Number of unitholders	11,363	14,019	7,867

6. Major Unitholders

(As of November 30, 2005)			
Unitholder Name	Address	Investment Units Held (Units)	Percentage of Investment Unit Held (%)
Japan Trustee Services Bank, Ltd. (trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	13,540	8.47 %
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	9,853	6.16 %
The Bank of Ikeda, Ltd.	2-1-11 Jonan, Ikeda-shi, Osaka	7,030	4.40 %
NikkoCiti Trust and Banking Corporation (investment account)	2-3-14 Higashi Shinagawa, Shinagawa-ku, Tokyo	6,815	4.26 %
Trust & Custody Services Bank, Ltd. (investment trust account)	Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo	6,747	4.22 %
Resona Bank, Ltd.	2-2-1 Bingocho, Chuo-ku, Osaka-shi, Osaka	4,716	2.95 %
The Gibraltar Life Insurance Co., Ltd. (general other account)	1-8-11 Harumi, Chuo-ku, Tokyo Japan Trustee Services Bank, Ltd. (standing proxy)	3,595	2.25 %
The Nanto Bank, Ltd.	16, Hashimoto-cho, Nara-shi, Nara	3,072	1.92 %
The Fuji Fire And Marine Insurance Co., Ltd.	1-18-11 Minamisenba, Chuo-ku, Osaka-shi, Osaka	2,922	1.83 %
The Nomura Trust and Banking Co., Ltd. (investment trust)	2-2-2 Ohtemachi, Chiyoda-ku, Tokyo	2,663	1.67 %
Total		60,953	38.13 %

(Note)

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

7. Categories of Unitholders

(As of November 30, 2005)				
	Number of Unitholders by Category		Number of Units by Holder Category	
Individuals and others	10,906	96.0%	29,771 units	18.6%
Financial institution (including securities companies)	171	1.5%	111,899 units	70.0%
Other domestic corporations	220	1.9%	7,125 units	4.5%
Foreign corporations and individuals	66	0.6%	11,048 units	6.9%
Total	11,363	100%	159,843 units	100%

8. Future Policies

A. Acquisition of new properties (External growth)

In order to build a portfolio capable of securing stable earnings over the medium to long term, United Urban made acquisitions continuously during its first three fiscal periods. No properties were acquired during the period under review, however, in order to avoid making unwarrantable acquisitions amid the overheated state of the real estate market that may have an adverse impact on the existing portfolio. United Urban will continue to monitor market trends closely, pursuing external growth in order to build an optimum portfolio.

B. Management and administration (Internal growth)

In its management and administration, United Urban will take into consideration the fact that most of the properties in its portfolio are occupied on long-term leases comparatively, and by implementing maintenance works and repairs proactively in order to enhance tenant satisfaction, it will build relationships of trust with its tenants.

In addition, by engaging in leasing activity based on the study and analysis of trends in the rental market, United Urban will endeavor to ensure that any vacancies are filled rapidly.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		4th Fiscal Period (As of November 30, 2005)	
				Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital Region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-
			The 23 wards of Tokyo (Note 4)	-	-
			Tokyo metropolitan areas (Note 5)	-	-
		Other regions		-	-
	Office Buildings	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Hotels	Capital Region	The 6 central wards of Tokyo	1,975,858	1.3
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Residential Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
Tokyo metropolitan areas			-	-	
Other regions		-	-		
Subtotal			1,957,858	1.3	
Real Estate in Trust	Retail Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	15,230,498	10.1
			Tokyo metropolitan areas	5,268,583	3.5
		Other regions		18,611,709	12.3
	Office Buildings	Capital Region	The 6 central wards of Tokyo	6,916,888	4.6
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	19,654,306	13.0
		Other regions		21,834,989	14.4
	Hotels	Capital Region	The 6 central wards of Tokyo	21,103,792	13.9
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		9,836,507	6.5
	Residential Properties	Capital Region	The 6 central wards of Tokyo	2,588,794	1.7
			The 23 wards of Tokyo	8,094,771	5.3
			Tokyo metropolitan areas	1,195,527	0.8
		Other regions		3,980,679	2.6
Subtotal			134,317,043	88.7	
Bank Deposits and Other Assets			15,186,912	10.0	
Total Assets			151,461,813	100.0	

(Notes)

1. "Total amount 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).
2. The "Capital Region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "six central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "six central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Tokyo metropolitan area excluding the "23 wards of Tokyo."

2. Selected Data by Property

(As of November 30, 2005)

Type of Property	Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value (Millions of yen) (Note 2)	Leasable Floor Space (m) (Note 3)	Leased Floor Space (m) (Note 3)	Occupancy Ratio (%) (Note 3)
Retail Properties	Daiei Himonya	15,230	16,100	26,655.66	26,655.66	100.0%
	Joy Park Izumigaoka	6,541	4,870	13,088.00	12,222.09	93.4%
	Daimaru Peacock Ashiya-Kawanishi Ten	775	822	1,558.80	1,558.80	100.0%
	Re-LAND Shopping Center	5,269	5,580	12,968.85	12,695.30	97.9%
	Diamond City Value (Note 5)	11,296	11,200	72,073.39	72,073.39	100.0%
Office Buildings	T&G Hamamatsu-Cho Building	2,223	2,511	2,422.93	2,422.93 (Note 4)	100.0%
	SK Nagoya Building	5,390	5,913	8,708.57	8,467.53	97.2%
	Fukuoka Eartheon Building	1,996	2,320	4,934.39	4,934.39	100.0%
	Marumasu Koujimachi Building	2,445	2,730	2,612.42	2,087.90	79.9%
	Rokuban-Cho K Building	2,248	2,460	4,031.14	4,031.14	100.0%
	Shin-Osaka Central Tower (Note 6)	24,286	24,800	46,024.83	44,769.44	97.3%
	Kawasaki Toshiba Building	19,654	20,790	36,212.28	36,212.28	100.0%
Hotels	Shinjyuku Washington Hotel-Honkan	21,104	21,900	53,317.45	53,317.45	100.0%
	Toyoko Inn Shinagawa-Eki Takanawaguchi	1,958	1,950	3,088.85	3,088.85	100.0%
Residential Properties	T&G Higashi-Ikebukuro Mansion	2,014	2,069	2,603.22	2,461.96 (Note 4)	94.6%
	T&G Yotsuya Mansion	1,353	1,406	1,679.10	1,528.20 (Note 4)	91.0%
	Excellia Magome	699	657	914.98	894.12 (Note 4)	97.7%
	Komazawa Court	1,688	1,690	3,741.17	3,741.17	100.0%
	Ropponmatsu Court	752	779	3,294.36	3,294.36	100.0%
	Sky Court Shiba-Daimon	1,236	1,190	1,486.38	1,486.38	100.0%
	Maison Ukima	3,693	3,850	12,691.43	12,691.43	100.0%
	Narashino Residence	1,196	1,180	6,840.86	6,840.86	100.0%
	Aprile Shin-Ohgi Ichibankan	3,229	3,060	12,700.44	12,700.44	100.0%
	Total	136,275	139,827	333,649.50	330,176.07	99.0%

(Notes)

1. "Book value" is stated after being rounded to the units stated.
2. "Appraisal value" is the real estate appraisal value or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers.

3. "Leasable floor space," "leased floor space," and "occupancy ratio" are stated on the basis of data as of November 30, 2005. "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 (In principle these are the numerical values stated in lease agreements. However, the figures for T&G Hamamatsu-Cho Building and T&G Hikashi-Ikebukuro Mansion are those stated, respectively, in a management report prepared by Heisei Building Co., Ltd. and a monthly report prepared by Mitsui Fudosan Housing Lease Co., Ltd. It should also be noted that the values that underlie the numerical values stated in agreements differ from agreement to agreement. Therefore, the figures stated are either 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*), or the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*); and "leased floor space" means the aggregate of the areas (the areas stated in lease agreements, the details being the same as those stated with regard to leasable floor space above) within total leasable floor space that is leased after actual lease agreements are concluded. "Occupancy ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of the main building of Shinjuku Washington Hotel held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
4. Master lease agreements with no rental guarantees have been concluded with regard to T&G Hamamatsu-Cho Building, T&G Higashi-Ikebukuro Mansion, T&G Yotsuya Mansion, and Excellia Magome. Accordingly, United Urban is able to receive rental revenues only if these holdings of real estate in trust are subleased. In view of this, the "leased floor space" of these properties is stated not as the area rented to the lessees, but as the area subleased by the lessees as of November 30, 2005.
5. The name of "Diamond City Value" was changed from "Diamond City Kumamoto-Minami Shopping Center" on July 5, 2005.
6. "Shin-Osaka Central Tower" is a complex incorporating both hotel and office facilities.

3. Selected Financial Data by Property

Name of Property	4th Fiscal Period (June 1, 2005 to November 30, 2005)			
	Total Number of Tenants at the end of period (Note 1)	Occupancy Ratio at the end of period (%) (Note 2)	Rental Revenue (During the period) (Millions of yen) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	528	9.4
Joy Park Izumigaoka	11	93.4	198	3.5
Daimaru Peacock Ashiya-Kawanishi Ten	1	100.0	30	0.5
Re-LAND Shopping Center	14	97.9	274	4.9
Diamond City Value (Note 4)	1	100.0	458	8.2
T&G Hamamatsu-Cho Building	1	100.0	101	1.8
SK Nagoya Building	8	97.2	268	4.8
Fukuoka Eartheon Building	4	100.0	132	2.4
Marumasu Koujimachi Building	10	79.9	96	1.7
Rokuban-Cho K Building	1	100.0	97	1.7
Shin-Osaka Central Tower	56	97.3	1,191	21.3
Kawasaki Toshiba Building	1	100.0	796	14.2
Shinjyuku Washington Hotel-Honkan	8	100.0	828	14.8
Toyoko Inn Shinagawa-Eki Takanawaguchi	1	100.0	63	1.1
T&G Higashi-Ikebukuro Mansion	1	94.6	71	1.3
T&G Yotsuya Mansion	1	91.0	45	0.8
Excellia Magome	1	97.7	23	0.4
Komazawa Court	1	100.0	53	0.9
Ropponmatsu Court	1	100.0	35	0.6
Sky Court Shiba-Daimon	1	100.0	32	0.6
Maison Ukima	1	100.0	124	2.2
Narashino Residence	1	100.0	51	0.9
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 5)	2.0
Total	127	99.0	5,605	100.0

(Notes)

1. "Number of tenants" figures are stated on the basis of the data as of the end of the fiscal period. In the event that one tenant is renting more than one room, the aggregate number of tenants is stated by treating each such tenant as a single tenant within the same property, and as more than one tenant if the rentals include more than one property. With regard to a property subleased by a lessee, the number of tenants is treated as being one; as of November 30, 2005, the number of tenants subleasing from lessees and the number of rental units were as follows.
 "Joy Park Izumigaoka" 5 tenants; "Diamond City Value" 93 tenants; "T&G Hamamatsu-Cho Building" 7 tenants; "Rokuban-Cho K Building" 1 tenant; "Shin-Osaka Central Tower" 3 tenants; "Kawasaki Toshiba Building" 12 tenants; "T&G Higashi-Ikebukuro Mansion" 122 units; "T&G Yotsuya Mansion" 71 units; "Excellia Magome" 43 units; "Komazawa Court" 94 units; "Ropponmatsu Court" 97 units; "Sky Court Shiba-Daimon" 1 tenant; "Narashino Residence" 1 unit.
2. "Occupancy ratio" figures are stated on the basis of the data as of the end of each fiscal period. "Occupancy ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of the main building of Shinjuku Washington Hotel held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
3. "Rental revenue" is stated after being rounded to the units stated.
4. The name of "Diamond City Value" was changed from "Diamond City Kumamoto-Minami Shopping Center" on July 5, 2005.
5. In regard to this property the tenant with which a lease agreement has been concluded has not given its consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair and other works for properties scheduled as of November 30, 2005. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Works	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 4th fiscal period	Amount already paid
Daiei Himonya	Replacement of cooling tower	From January 2006 to May 2006	25	-	-
Kawasaki Toshiba Building	Renewal of hot-water and steam pipes (3rd phase of works to last four periods)	From February 2006 to April 2006	20	-	-
Kawasaki Toshiba Building	Repair of cooling tower packing, etc.	From June 2006 to June 2006	10	-	-
Kawasaki Toshiba Building	Renewal of hot-water and steam pipes (4th phase of works to last four periods)	From July 2006 to September 2006	30	-	-
Shin-Osaka Central Tower	Replacement of air-conditioning heat source	From December 2005 to December 2005	18	-	-
Shin-Osaka Central Tower	Repair of exterior walls; waterproofing of low-rise roofing	From December 2005 to April 2006	87	-	-
Shin-Osaka Central Tower	Repair of toilets	From April 2006 to July 2006	50	-	-
Shinjuku Washington Hotel -Honkan	Removal and replacement of exterior wall seal	From November 2006 to November 2006	136	-	-

2. Capital Expenditures made during the Period

The table below sets out the amounts of United Urban's capital expenditures for its real estate and other assets during the third fiscal period, which totaled ¥169 million. Together with ¥31 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥200 million.

Name of Properties	Description of Works	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repairs	From October 2005 to November 2005	12
Joy Park Izumigaoka	Works affecting common areas	From October 2005 to November 2005	20
Shin-Osaka Central Tower	Expansion of air-conditioning equipment	From June 2005 to August 2005	23
Shin-Osaka Central Tower	Replacement of air-conditioning heat source	From October 2005 to November 2005	19
Kawasaki Toshiba Building	Renewal of hot-water and steam pipes (2nd phase of works to last four periods)	From October 2005 to November 2005	15
Other capital expenditures			80
Total			169

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		
	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)	2nd Fiscal Period (June 1, 2004- November 30, 2004)
Reserve balance at the beginning of period	508	268	69
Addition	202	301	199
Deduction	45	61	-
Reserve balance at the end of period	665	508	268

(Note)

When part of the reserve accumulated within the trust assets by the previous owners is assumed as a result of the sale of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)	2nd Fiscal Period (June 1, 2004- November 30, 2004)
Asset management fees	404,627	343,980	199,419
Asset custodian fees	21,777	12,904	11,153
Administrative agent fees	67,122	54,741	37,960
Directors' fees	10,200	10,200	10,200
Other expenses	117,154	91,242	68,083
Total	620,880	513,067	326,815

(Note)

In addition to the amounts stated above, there was asset management fees of ¥88,360 thousand for the 2nd fiscal period and ¥473,714 thousand for the 3rd fiscal period related to acquisition of properties, which was capitalized and included in acquisition cost of each properties. No such capitalized amount for the 4th fiscal period.

2. Borrowings

Borrowings from financial institutions as of November 30, 2005 were as follows;

(Short-term debt)

Lender	Balance (Millions of yen)	Average Interest Rate (Note 1)	Drawdown Date	Repayment Date	Remarks
Mizuho Trust & Banking Co., Ltd.	527	0.43565%	Dec. 20, 2004	Dec. 20, 2005	Unsecured / Unguaranteed / Floating rate of interest
Aozora Bank, Ltd.	527				
UFJ Bank Limited (Note 2)	354				
Mizuho Corporate Bank, Ltd.	354				
The Yamaguchi Bank, Ltd.	354				
The Bank of Fukuoka, Ltd.	354				
The Yamanashi Chuo Bank, Ltd.	177				
The Shonai Bank, Ltd.	177				
The Hokuriku Bank, Ltd.	177				
The Saikyo Bank, Ltd.	177				
The Hokkoku Bank, Limited	107				
North Pacific Bank, Ltd.	107				
Tokushima Bank, Ltd.	107				
Total	3,500				

(Long-term debt)

Lender	Balance (Millions of yen)	Average Interest Rate (Note 1)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust & Banking Co., Ltd.	360	0.68205%	Dec. 20, 2004	Dec. 20, 2006	Unsecured / Unguaranteed / Fixed rate of interest
	2,230	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
	2,000	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Mizuho Trust & Banking Co., Ltd.	1,100	0.68205%	Dec. 20, 2004	Dec. 20, 2006	Unsecured / Unguaranteed / Fixed rate of interest
	1,110	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
	330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Saitama Resona Bank, Limited	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	Unsecured / Unguaranteed / Fixed rate of interest
Shinsei Bank, Limited	370	0.68205%	Dec. 20, 2004	Dec. 20, 2006	Unsecured / Unguaranteed / Fixed rate of interest
	2,220	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
	1,330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
The Norinchukin Bank	3,670	0.68205%	Dec. 20, 2004	Dec. 20, 2006	Unsecured / Unguaranteed / Fixed rate of interest
The Hyakugo Bank, Ltd.	740	0.91837%	Dec. 20, 2004	Dec. 20, 2007	Unsecured / Unguaranteed / Fixed rate of interest
The Hiroshima Bank, Ltd.	740	0.91837%	Dec. 20, 2004	Dec. 20, 2007	Unsecured / Unguaranteed / Fixed rate of interest
Mitsui Sumitomo Insurance Co., Ltd.	740	0.91837%	Dec. 20, 2004	Dec. 20, 2007	Unsecured / Unguaranteed / Fixed rate of interest
Daido Life Insurance Company	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	Unsecured / Unguaranteed / Fixed rate of interest
The Kagawa Bank, Ltd.	220	0.91837%	Dec. 20, 2004	Dec. 20, 2007	Unsecured / Unguaranteed / Fixed rate of interest
Total	18,500				
Borrowings Total	22,000				

(Notes)

1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest five decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
2. On January 1, 2006, The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited merged to form The Bank of Tokyo-Mitsubishi UFJ, Ltd.

3. Corporate Bonds

Corporate Bonds as of November 30, 2005 were as follows;

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

Trading Activities during the Period

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

There were no corresponding matters under this category.

2. Trading with Related Parties

(1) Status of transactions

There were no sales and purchase transactions involving real estate and real estate in trust with related parties in the period.

(2) Amount of commissions paid to related parties

The amounts of commissions paid to related parties in the forth fiscal period were set out below.

Category	Total commission paid (A) (Thousands of yen)	Description of transactions with related parties		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Property Management Fees	334,733	Tozai Asset Management K.K.	151,828	45.4
		Benny Estate Service Co., Ltd.	7,506	2.2
		Marubeni Real Estate Co., Ltd.	7,806	2.3
		Marubeni Properties Co., Ltd.	94,364	28.2
Casualty Insurance Premium	12,237	Marubeni Safenet Co., Ltd.	12,237	100.0
Construction Management Fees	5,387 (Note 2)	Tozai Asset Management K.K.	1,795 (Note 2)	33.3
		Benny Estate Service Co., Ltd.	64 (Note 2)	1.2
		Marubeni Real Estate Co., Ltd.	909	16.9
		Marubeni Properties Co., Ltd.	1,701	31.6
Other Rental Expenses	23,903	Tozai Asset Management K.K.	90	0.4
		Benny Estate Service Co., Ltd.	14	0.1
		Marubeni Real Estate Co., Ltd.	3,592	15.0
		Marubeni Properties Co., Ltd.	3,545	14.8
Private Offering Handling Expenses	101,850	Mizuho Securities Co., Ltd.	60,000	58.9
		Nikko Citigroup Limited	41,850	41.1

(Notes)

1. Related parties are the related parties of investment trust management companies, as stipulated in Article 20 of the Investment Trust Law Enforcement Order, that have concluded asset management agreements with United Urban. In the table above, the parties stated as having conducted business up to the end of the forth fiscal period and of having received payment of commissions are Tozai Asset Management K.K., Benny Estate Service Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Properties Co., Ltd., Marubeni Safenet Co., Ltd., Mizuho Securities Co., Ltd. and Nikko Citigroup Limited.

2. Except the transactions above, the amount of repair expenses paid to related parties during the current period were as follows;

Marubeni Setzbi Corporation ¥18,500 thousand
Benny Estate Service Co., Ltd. ¥ 132 thousand

Others

1. Notifications

(1) General meeting of unitholders

The second general meeting of unitholders of United Urban was held on August 30, 2005. The following were the principal matters approved by the general meeting.

Agenda Item	Summary
Partial amendment of the Articles of Incorporation	The Articles of Incorporation were amended in respect of the following matters. <ul style="list-style-type: none">- Frequency of general meetings of unitholders- Method of exercising voting rights at general meetings of unitholders- Method of determining unitholders eligible to exercise voting rights at general meetings of unitholders- Consequential amendments resulting from revisions to the tax system, etc.- Specific asset categories eligible for asset management- Deletion of unnecessary clauses and wording among provisions laid down at the time of the United Urban's establishment- Other transfers and deletions of text and revisions to clause numbering consequent upon the amendments referred to above
Appointment of one executive officer	Yasuhiro Tanaka was appointed Executive Officer
Appointment of two supervisory officers	Masakazu Watase and Toshio Kenmochi were each appointed Supervisory Officer

(2) United Urban Board of Directors

The following is a summary of the principal conclusions, amendments, etc., of agreements approved by the Board of Directors of United Urban during the period under review.

Date of Approval	Item	Summary
June 28, 2005	Issuance of corporate bonds	It was decided that the arrangements for the issuance of the series 1 and series 2 unsecured corporate bonds (both subject to pari passu at least equally in right of payment with all other unsecured corporate bonds and restricted to qualified institutional investors) would be entrusted to Mizuho Securities Co., Ltd., Nikko Citigroup Limited, Kyokuto Securities Co., Ltd. and The Sumitomo Trust & Banking Co., Ltd. Administration relating to the corporate bonds was entrusted to The Sumitomo Trust & Banking Co., Ltd.

Appendix

Investment Policies

Investment Policies

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

Basic Investment Policy

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

(a) Type of Use of Real Estate Assets

The Investment Corporation shall invest primarily in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) such as retail properties, office buildings, hotels, and residential properties.

(b) Area of Location

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

Investment Stance

(a) In accordance with its asset management policy, the Investment Corporation shall invest in specified assets of which more than 75% are comprised of investments in Specified Real Estate Assets. Specified Real Estate Assets as used herein shall mean real estate, real estate leases, superficies and beneficiary rights of trust in which real estate, land leases or superficies are entrusted.

(b) In accordance with its asset management policy, the Investment Corporation shall manage the assets so that at least 75% in value, as determined in accordance with the Ministerial Ordinance of the Ministry of Finance, of its total assets is invested in real estate, etc. provided for in Article 67-15, Paragraph 9 of the Special Taxation Measures Law.

(c) The Investment Corporation shall invest primarily in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) such as retail properties, office buildings, hotels and residential properties.

(d) The area of location of investment shall be in the Tokyo Metropolitan Area and other major cities in Japan including government designated cities, and surrounding areas thereof.

- (e) The Investment Corporation shall conduct necessary due diligence prior to investment in real estate etc. An investment decision shall be made when the investment amount is considered in line with the existing investment environment and other relevant considerations.

Management Policy

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

(a) Portfolio Management Criteria

1. Investment Term

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

2. Acquisition Criteria

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

(i) Type of Use of Real Estate Assets

The composition of the investment portfolio by asset type of use shall be determined on an ongoing basis subject to changes in general economic conditions and real estate market trends. As of the date hereof, the Investment Corporation shall limit investment in real estate categorized in any one particular asset type of use to a maximum of 60% of the total investment portfolio based on the most current independent asset appraisal. In an effort to secure stable earnings, however, the Investment Corporation may temporarily maintain an investment portfolio comprised of real estate categorized in one asset type of use in excess of 60% of the total investment portfolio.

(ii) Area of Location

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

(b) Leasing Policy

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

1. Selection of High-Quality Tenants

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

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

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

Investment Criteria

Types of Investment Assets

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

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

1. Real estate
2. Real estate leases
3. Superficies
4. Beneficiary interests of trust in which real estate, land leases or superficies are entrusted, including comprehensive trusts in which cash associated with real estate is also entrusted, but excluding the securities ("Marketable Securities") defined in Article 3, Item 1 of the Enforcement Order of the Investment Trust and Investment Corporation Law (Cabinet Order No. 480 of 2000, as amended).
5. Beneficiary interests of trust of money for the purpose of investment in real estate, real estate leases and superficies (excluding Marketable Securities)
6. Equity investment based on an agreement under which one party to the agreement makes contributions for investment in assets set forth in 1. through 5. above, and the other party invests these contributions primarily in acquisition and management of such assets, with the profits from the investment distributed

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

1. Preferred contribution securities as defined under Article 2, Paragraph 9 of the Asset Liquidation Law (Law No. 105 of 1998)
2. Beneficiary securities as defined under Article 2, Paragraph 12 of the Investment Trust Law
3. Investment securities as defined under Article 2, Paragraph 22 of the Investment Trust Law
4. Beneficiary securities of specified-purpose trusts as defined in Article 2 Paragraph 15 of the Asset Liquidation Law

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

1. Deposits
2. Call loans
3. Government bonds
4. Local government bonds
5. Bonds issued by corporations under special law
6. Stock certificates (only when it is deemed essential or of benefit to the Investment Corporation in accordance with its Articles of Incorporation)
7. Corporate bonds or debentures (excluding convertible bonds, bonds with stock subscription rights and bonds with stock acquisition rights)
8. Specified bonds issued by special-purpose companies as defined under Article 2, Paragraph 1, Item 3-2 of the Securities and Exchange Law
9. Commercial paper

10. Securities or instruments issued by a foreign country or a foreign corporation which are of the same nature as the securities or instruments enumerated in 3. through 9. above
 11. Beneficiary securities
 12. Investment securities
 13. Investment corporation bonds
 14. Foreign investment securities
 15. Beneficiary interests in overseas loan trusts
 16. Securities or instruments representing options
 17. Depositary receipts
 18. Transferable certificates of deposits denominated in Japanese yen issued by a foreign corporation
 19. Beneficiary interests in loan trusts
 20. Rights against a foreign corporation having the same nature as the rights enumerated in 19. above
 21. Monetary claims
 22. Rights relating to financial derivative transactions
- (d) The Investment Corporation may invest in trademark and other rights (trademark rights together with their exclusive and non-exclusive licenses) under the Trademark Law (Law No. 127 of 1959, as amended), the right to use sources of hot spring under the Hot Springs Law (Law No. 125 of 1948, as amended), and equipments relating to the said hot springs and other assets that do not, in accordance with the listing regulations of any stock exchange on which the Investment Corporation is listed, affect a listing if acquired by an investment corporation. However, investment may be made in cases in which it is deemed necessary or of benefit to the Investment Corporation's basic asset management policy or is deemed necessary or of benefit to the Investment Corporation's operations (including investment in trademark and other rights relating to the Investment Corporation's trade name).

Investment Restrictions

Restrictions under the Articles of Incorporation of the Investment Corporation

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

Distribution Policies

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

Profit Distribution

- (a) As part of the total amount of the cash distributions payable to unitholders, the amount of profits provided for in Article 136, Paragraph 1 of the Investment Trust Law shall be calculated in accordance with generally accepted accounting principles in Japan.
- (b) The Investment Corporation shall, in principle, pay cash distributions in an amount that exceeds 90% of the Investment Corporation's distributable income as stipulated in Article 67-15, Paragraph 1 of the Special Taxation Measures Law.

Distributions in Excess of Profits

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

Method of Cash Distribution

Distributions shall be paid in cash and, in principle, within three months from the last day of each business term to unitholders and pledgees of record (as of the last day of each business term) in proportion to the number of investment units held.

Extinctive Prescription for Cash Distributions

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

Regulations of the Investment Trusts Association of Japan

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

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BALANCE SHEETS

(As of November 30, 2005 and May 31, 2005)

	Thousands of yen	
	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 14,834,674	¥ 14,905,648
Rental receivables	109,315	89,713
Consumption tax refundable	-	1,318,537
Other current assets	12,939	51,527
Total current assets	14,956,928	16,365,425
PROPERTY AND EQUIPMENT, AT COST:		
Land	78,775,653	78,775,653
Buildings and structures	60,111,127	59,950,931
Machinery and equipment	117,215	114,125
Tools, furniture and fixtures	8,752	3,458
Subtotal	139,012,747	138,844,167
Less accumulated depreciation	(2,737,846)	(1,703,838)
Net property and equipment	136,274,901	137,140,329
INVESTMENT AND OTHER ASSETS:		
Intangible assets	296	296
Security deposits paid	10,013	10,463
Long-term prepaid expenses	89,563	189,987
Organization costs	27,901	33,481
Corporate bonds issuance costs	102,211	-
TOTAL ASSETS	¥ 151,461,813	¥ 153,739,981

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

		Thousands of yen	
		End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
LIABILITIES & UNITHOLDERS' EQUITY			
LIABILITIES			
CURRENT LIABILITIES:			
Trade accounts payable	¥	278,208	¥ 204,490
Short-term debt		3,500,000	13,700,000
Accrued expenses		207,641	114,626
Income taxes payable		610	4,906
Consumption tax payable		175,565	-
Rent received in advance		835,385	835,124
Other current liabilities		15,158	10,426
Total current liabilities		5,012,567	14,869,572
LONG-TERM LIABILITIES:			
Corporate bonds		25,000,000	-
Long-term debt		18,500,000	36,000,000
Leasehold and security deposits received		10,725,847	10,691,926
Total long-term liabilities		54,225,847	46,691,926
Total Liabilities		59,238,414	61,561,498
UNITHOLDERS' EQUITY			
Unitholders' capital			
Units authorized: 2,000,000 units as of November 30, 2005 and May 31, 2005			
Unites issued and outstanding: 159,843 units as of November 30, 2005 and May 31, 2005		89,838,680	89,838,680
Retained earnings		2,384,719	2,339,803
Total unitholders' equity		92,223,399	92,178,483
TOTAL LIABILITIES and UNITHOLDERS' EQUITY	¥	151,461,813	¥ 153,739,981

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

STATEMENTS OF INCOME

(For the six months ended November 30, 2005 and May 31, 2005)

	Thousands of yen	
	4th Fiscal Period (June 1, 2005 - November 30, 2005)	3rd Fiscal Period (December 1, 2004 - May 31, 2005)
OPERATING REVENUES		
Rental revenues	¥ 5,296,772	¥ 5,070,924
Other rental revenues	308,298	249,172
	5,605,070	5,320,096
OPERATING EXPENSES		
Property-related expenses	2,190,016	2,013,057
Asset management fees	404,627	343,980
Administrative service fees	88,899	67,644
Other operating expenses	127,354	101,443
	2,810,896	2,526,124
OPERATING INCOME	2,794,174	2,793,972
NON-OPERATING REVENUES		
Interest income	27	92
Other non-operating revenues	4,599	335
	4,626	427
NON-OPERATING EXPENSES		
Interest expenses	267,328	311,688
Interest expenses on corporate bonds	118,011	-
Amortization of corporate bonds issuance costs	20,442	-
New unit issuance costs	-	132,669
Amortization of organization costs	5,580	5,580
Other non-operating expenses	1,889	-
	413,250	449,937
INCOME BEFORE INCOME TAXES	2,385,550	2,344,462
PROVISION FOR INCOME TAXES		
Current	615	4,924
Deferred	238	(218)
	853	4,706
NET INCOME	¥ 2,384,697	¥ 2,339,756

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the six months ended November 30, 2005 and May 31, 2005)

				Thousands of yen
	Number of units	Unitholders' Capital	Retained earnings	Total unitholders' equity
BALANCE AS OF NOVEMBER 30, 2004	83,738	38,596,270	1,598,606	40,194,876
Additional issue of new investment units through public offering on December 1, 2004	75,800	51,037,050	-	51,037,050
Additional issue of new investment units through third-party allotment on December 22, 2004	305	205,360	-	205,360
Cash distribution paid	-	-	(1,598,559)	(1,598,559)
Net income	-	-	2, 339,756	2, 339,756
BALANCE AS OF MAY 31, 2005	159,843	¥ 89,838,680	¥ 2,339,803	¥ 92,178,483
Cash distribution paid	-	-	(2,339,781)	(2,339,781)
Net income	-	-	2,384,697	2,384,697
BALANCE AS OF NOVEMBER 30, 2005	159,843	¥ 89,838,680	¥ 2,384,719	¥ 92,223,399

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

STATEMENTS OF CASH FLOWS

(For the six months ended November 30, 2005 and May 31, 2005)

	Thousands of yen	
	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 2,385,550	¥ 2,344,462
Depreciation and amortization	1,034,008	970,503
Interest income	(27)	(92)
Interest expense	385,339	311,688
Amortization of organization costs	5,580	5,580
Amortization of corporate bond issuance costs	20,442	-
Increase in rental receivables	(19,602)	(41,914)
Increase in consumption tax refundable	1,318,537	(1,237,330)
Increase in trade accounts payable	62,013	63,878
Increase in accrued expenses	20,324	4,659
Increase in consumption tax payable	175,565	-
Increase in rent received in advance	261	376,876
Others, net	3,305	(125,080)
Subtotal	5,391,295	2,673,230
Interest received	27	92
Interest paid	(184,957)	(390,292)
Income taxes paid	(4,911)	(1,007)
Net cash provided by operating activities	5,201,454	2,282,023
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of property and equipment	(156,874)	(61,293,352)
Payments for purchases of intangible assets	-	(7)
Proceeds from security deposits paid	450	-
Payments for security deposits paid	-	(13)
Proceeds from leasehold and security deposits received	130,498	4,710,997
Payments for leasehold and security deposits received	(89,577)	(348,267)
Proceeds from restricted deposits with banks	-	400,000
Net cash used in investing activities	(115,503)	(56,530,642)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term debt	-	13,700,000
Repayments of short-term debt	(10,200,000)	(13,380,000)
Proceeds from long-term debt	-	18,500,000
Repayments of long-term debt	(17,500,000)	(8,100,000)
Proceeds from issuance of corporate bonds	24,877,346	-
Proceeds from issuance of new investment units	-	51,242,410
Distributions to unitholders	(2,334,271)	(1,599,325)
Net cash (used in) provided by financing activities	(5,156,925)	60,363,085
NET CHANGE IN CASH AND CASH EQUIVALENTS	(70,974)	6,114,466
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,700,118	8,585,652
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 14,629,144	¥ 14,700,118

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

NOTES TO FINANCIAL STATEMENTS

(November 30, 2005 and May 31, 2005)

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 in Japan. United Urban is externally managed by a licensed asset management company, Japan REIT Advisors Co., Ltd. ("JRA").

JRA is currently owned 44% by Trinity Investment Trust L. L. C. ("Trinity"), 36% by Marubeni Corporation ("Marubeni"), 10% by Credit Suisse First Boston Principal Investments Ltd., Tokyo Branch ("CSFBPI"), 5% by Kyokuto Securities Co., Ltd. ("Kyokuto"), and 5% by Yamato Life Insurance Co. ("Yamato").

United Urban was established on November 4, 2003, with initial capital of ¥125 million, under the Law Concerning Investment Trust and Investment Corporations of Japan ("Investment Trust Law"). United Urban was originally formed by Trinity, Marubeni, CSFBPI, Kyokuto, Yamato, and JRA.

On December 20, 2003, United Urban raised ¥36,633 million through an initial public offering of investment units, and on December 22, 2003, United Urban was listed on the J-REIT section of the Tokyo Stock Exchange. On December 1, 2004, United Urban raised ¥51,037 million through its second public offering of investment units.

As of November 30, 2005, the end of the fourth fiscal period, United Urban had ownership or beneficial interests in 5 retail properties, 6 office buildings, 2 hotels, 9 residences, and 1 property comprised of an office building and a hotel.

Basis of presenting financial statements

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

The accompanying financial statements are a translation of the audited financial statements of United Urban, which were prepared in accordance with Japanese GAAP and were 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 financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts in the financial statements have been rounded down to thousands in the financial statements originally prepared in Japanese and filed, whereas the amounts have been rounded to the nearest thousands in the accompanying financial statements.

United Urban's accounting periods end at the end of May and November. United Urban's fourth fiscal period began on June 1, 2005 and ended on November 30, 2005.

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. The cost of land, buildings and structures include the purchase price 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 assets ranging as stated below:

	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
Buildings and structures	2-55years	2-55years
Machinery and equipment	3-17years	3-17years
Tools, furniture and fixtures	5-10years	5-10years

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash held in trust, deposits with banks, deposits with banks held in trust and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, with original maturities of three months or less.

Revenue Recognition

United Urban operates retail properties, office buildings, hotels and residential properties that are rented to tenants. Revenue from leasing these spaces is recognized on an accrual basis over the life of each lease. Rental revenue includes rental revenues, recoveries of utility charged and other income.

Taxes on Property and Equipment

Property and Equipment is subject to property taxes and city planning taxes on a calendar year basis. United Urban allocates the portion of such taxes related to the current period and charged to property-related expenses. United Urban changed its accounting policy from fiscal year ended November 30, 2005, and until the fiscal period May 31, 2005, such taxes are expensed when it is paid. This change has been made because, based on circumstance increasing such taxes corresponding to acquisition of new properties, new accounting treatment is appropriate for accrual basis accounting standpoint. As a result of the change in accounting policy, United Urban's operating expenses for the period ended November 30, 2005 has been increased by ¥66,744 thousand and operating income and income before income taxes have been decreased by same amount compared to previous accounting treatment. The sellers of the properties were liable for property taxes for the calendar year including the period from the date of purchase by United Urban through the end of the year since the taxes are imposed on the registered owner as of January 1, based on the assessment made by the local government. United Urban paid the amount equivalent to the property taxes to the sellers applicable to the period since acquisition and included the amount equivalent to the taxes in the purchase price of each property and capitalized as cost of the property. No such taxes included in the cost of the property for the period ended November 30, 2005. For the period ended May 31, 2005, ¥52,219 thousands of property taxes are capitalized as cost of the properties.

Corporate Bond Issuance Costs

Corporate bond issuance costs are amortized over a period of approximately three years with an equal amount amortized in each fiscal period.

Organization Costs

Organization Costs are amortized over a period of approximately five years, comprised ten fiscal periods, with an equal amount amortized in each fiscal period.

Accounting Treatment of Beneficial Interests in Trust Assets including Real Estate

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

Income Taxes

Differed tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the enacted tax rate.

Consumption Taxes

Consumption taxes withheld and paid are not included in the statement of income. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets as consumption tax refundable and the excess of withheld over amounts paid is included in the current liabilities as consumption tax payable. Certain consumption taxes payments related to purchase of property and equipment is nondeductible against consumption tax withheld. Such consumption tax payments is capitalized and included in acquisition cost of property and equipment.

Accounting Standard for the Impairment of Fixed Assets

Effective June 1, 2005, United Urban adopted new Accounting Standard for the Impairment of Fixed Assets ("Opinion Concerning the Establishment of Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Council on August 9, 2002) and the Implementation Guidance on the Accounting Standard for the Impairment of Fixed Assets (Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003).

This standard requires the recognition of an impairment loss on fixed assets whenever events or change in circumstances indicate that the carrying amounts of fixed assets may not be recoverable. The adoption of the new standard had no effect on the United Urban's financial position and result of operations.

Reclassification

Certain reclassifications have been made to the prior period's financial statements to conform with presentation used for the period ended November 30, 2005.

3.CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of November 30, 2005 and May 31, 2005 were follows.

	Thousands of yen	
	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
Cash and bank deposits	¥ 14,834,674	¥ 14,905,648
Restricted deposits with bank	(205,530)	(205,530)
Cash and cash equivalents	¥ 14,629,144	¥ 14,700,118

4.SECCURED ASSETS

At November 30, 2005 and May 31, 2005 the following assets were pledged as collateral for the following debts.

Pledged Assets	Thousands of yen	
	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
Cash and bank deposits	¥ 205,596	¥ 4,369,330
Land	2,114,743	32,589,021
Buildings and structures	3,153,839	16,566,586
Machinery and equipment	-	2,754
Tools, furniture and fixtures	-	2,047
Total	¥ 5,474,178	¥ 53,529,738

Debt secured by pledged assets	Thousands of yen	
	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
Long-term debt	¥ -	17,500,000
Leasehold and security deposits received	1,783,378	1,783,378
Total	¥ 1,783,378	¥ 19,283,378

5.COMMITMENT LINE AGREEMENT

United Urban has concluded a commitment line agreement with a banking institution.

	Thousands of yen	
	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
Total amount of commitment line agreement	¥ 2,000,000	¥ -
Borrowed amount outstanding at the end of the period	-	-
Amount unused at the end of the period	¥ 2,000,000	¥ -

6.UNITHOLDERS' EQUITY

United Urban issues only non-par value units in accordance with the Investment Trust Law of Japan. United Urban shall maintain at least ¥50 million as the minimum net assets as required by the Investment Trust Law of Japan.

7.SHORT-TERM DEBT

Short-term debt at November 30, 2005 and May 31, 2005 consisted of the following:

	End of 4th Fiscal Period (As of November 30, 2005)		End of 3rd Fiscal Period (As of May 31, 2005)	
	Amount (thousands of yen)	Weighted- average interest rate	Amount (thousands of yen)	Weighted- average interest rate
Unsecured loans from banks and a trust bank with variable interest, due on December 20, 2005	¥ 3,500,000	0.436%	¥ 8,500,000	0.440%
Unsecured loans from banks with variable interest, due on February 17, 2006	-	-	2,000,000	0.535%
Unsecured loans from banks and a trust bank with variable interest, due on April 12, 2006	-	-	3,200,000	0.522%
Total	¥ 3,500,000		¥ 13,700,000	

8.LONG-TERM DEBT

Long-term debt at November 30, 2005 and May 31, 2005 consisted of the following:

	End of 4th Fiscal Period As of November 30, 2005		End of 3rd Fiscal Period As of May 31, 2005	
	Amount (thousands of yen)	Weighted- average interest rate	Amount (thousands of yen)	Weighted- average interest rate
Secured loans from banks and trust banks with variable interest, due on December 26, 2008	¥ -	-	¥ 7,500,000	1.187%
Secured loans from a bank and trust banks with variable interest, due on December 25, 2008	¥ -	-	10,000,000	1.168%
Unsecured loans from banks and trust banks with fixed interest, due on December 20, 2006	5,500,000	0.682%	5,500,000	0.682%
Unsecured loans from banks, trust banks, and an insurance company with fixed interest, due on December 20, 2007	8,000,000	0.918%	8,000,000	0.918%
Unsecured loans from banks, trust banks, and an insurance company with fixed interest, due on December 20, 2009	5,000,000	1.397%	5,000,000	1.397%
Total	¥ 18,500,000		¥ 36,000,000	

9.CORPORATE BOND

Corporate bond at November 30, 2005 and May 31, 2005 consisted of the following:

	End of 4th Fiscal Period As of November 30, 2005		End of 3rd Fiscal Period As of May 31, 2005	
	Amount (thousands of yen)	Weighted- average interest rate	Amount (thousands of yen)	Weighted- average interest rate
Series 1 unsecured bonds, due on July 12, 2010	¥ 15,000,000	0.78%	¥ -	-
Series 2 unsecured bonds, due on July 10, 2015	10,000,000	1.91%	-	-
Total	¥ 25,000,000		¥ -	

10.OPERATING REVENUES AND EXPENSES

Operating Revenues and Expenses for the periods ended November 30, 2005 and May 31, 2005 were as follows:

	Thousands of yen	
	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)
Operating Revenues	¥ 5,605,070	¥ 5,320,096
Rental Revenues	5,296,772	5,070,924
Rental revenues	4,784,646	4,573,356
Common area charges	402,192	401,739
Parking revenues	98,864	88,320
Others	11,070	7,509
Other Rental Revenues	308,298	249,172
Incidental revenues	277,267	227,146
Temporary revenues(including cancellation charges)	20,733	9,712
Other miscellaneous revenues	10,298	12,314
Property-Related Expenses	2,190,016	2,013,057
Property and other taxes	403,039	347,993
Property management fees	334,733	328,369
Utilities expenses	312,650	258,740
Casualty insurance	12,237	12,933
Repairs and maintenance	53,838	52,934
Depreciation and amortization	1,034,008	970,503
Other rental expenses	39,511	41,585
Profits	¥ 3,415,054	¥ 3,307,039

11.INCOME TAXES

The reconciliation of tax rate difference between the adjusted statutory tax rates and the effective tax rates for the periods ended November 30, 2005 and May 31, 2005 were as follows:

	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)
Statutory effective tax rate	39.39%	39.39%
Deductible dividends distribution	(39.38%)	(39.31%)
Others	0.03%	0.12%
Effective tax rate	0.04%	0.20%

United Urban is subjected to income taxes in Japan. United Urban has a policy to make dividend distributions in excess of 90% of taxable income for a fiscal period to meet conditions set forth in the Special Taxation Measures Law of Japan to deduct dividend distributions for income tax purpose. Based on the distribution policy, United Urban made a dividend distribution of approximately 100% of retained earnings in the amount of ¥2,384,698 thousand and ¥2,339,782 thousand at November 30, 2005 and May 31, 2005, respectively and treated as tax deductible dividend distributions. United Urban will not distribute the dividends in excess of accounting profit under the Articles of Incorporation.

12.PER UNIT INFORMATION

Information about net assets per unit and net income per unit at November 30, 2005 and May 31, 2005, respectively and for the six-month periods then ended was as follows.

The calculation of net assets per unit and net income per unit is based on the weighted-average number of units outstanding during the period.

	Yen	
	4th Fiscal Period (June 1, 2005- November 30, 2005)	3rd Fiscal Period (December 1, 2004- May 31, 2005)
Net assets at period-end per unit	¥ 576,962	¥ 576,681
Net income per unit	¥ 14,918	¥ 14,641
Weighted-average number of units	159,843	159,807

13.LEASES

United Urban leases properties and earns rental revenue. As of November 30, 2005 and May 31, 2005, the future lease revenues under the non-cancelable operating leases were as follows:

	Thousands of yen	
	End of 4th Fiscal Period (As of November 30, 2005)	End of 3rd Fiscal Period (As of May 31, 2005)
Due within one year	¥ 4,512,687	¥ 4,509,907
Due after one year	29,760,241	32,135,825
Total	¥ 34,272,928	¥ 36,645,732

14.SIGNIFICANT SUBSEQUENT EVENT

Cash Distribution Declared

On January 2006, the Board of Directors resolved to effect the payment of a cash distribution of ¥14,919 per share aggregating ¥2,384,698 thousand to unitholders at the recorded date of November 30, 2005.

Report of Independent Auditors

The Board of Directors and Unitholders of
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of November 30, 2005 and May 31, 2005, and the related statements of income, change in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation at November 30, 2005 and May 31, 2005, and the results of their operations and their cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

As Discussed in Note 2, Effective June 1, 2005, the Company changed its method of accounting for taxes on property and equipment from a cash basis to an accrual basis.

Ernst & Young ShinNihon

February 27, 2006

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”) as of November 30, 2005:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama JT Trust Tower 4-3-1, Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189 http://www.united-reit.co.jp
Date of Incorporation:	November 4, 2003
Paid-in Capital	¥89,838,680,160
Number of Unitholders	11,363
Transfer Agent	The Chuo Mitsui Trust and Banking Co., Ltd. 3-33-1, Shiba, Minato-ku, Tokyo 105-8574, Japan
Business Office of the Transfer Agent	Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Co., Ltd. 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors	Ernst & Young ShinNihon Hibiya Kokusai Bldg. 2-2-3, Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period	Fiscal period is six-months ending on May 31 and November 30
Investor Relations	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama JT Trust Tower 4-3-1, Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189

Disclaimer

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

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

None of United Urban, Japan REIT Advisors Co., Ltd. (“JRA”) or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors will be 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 documents.



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