



United Urban Investment Corporation

Semiannual Report

Twenty-third Fiscal Period

From December 1, 2014 to May 31, 2015

23rd



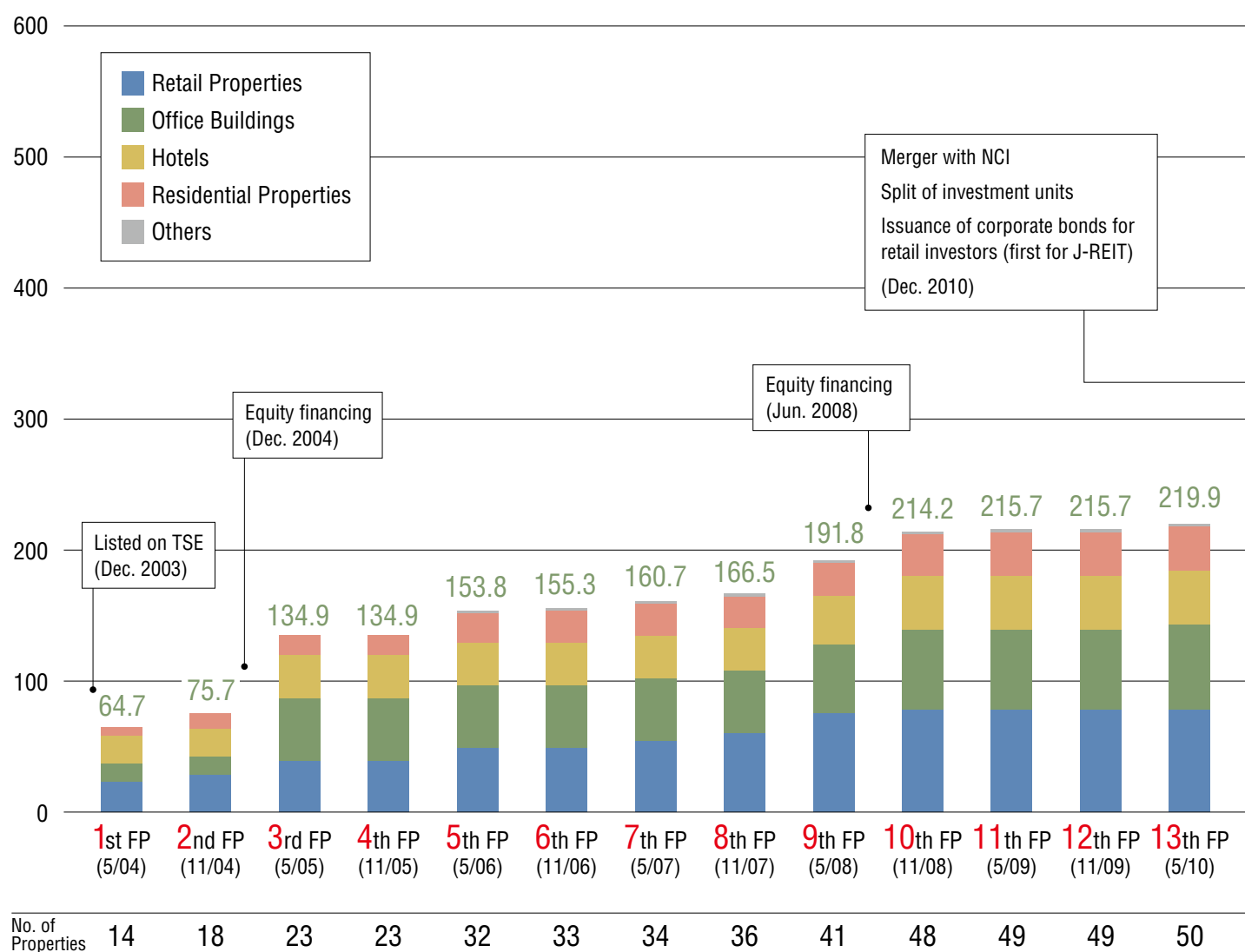
Profile

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

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

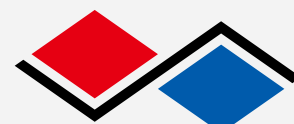
Growth of Assets (Note 1)

Billions of yen



Notes: 1. The total acquisition prices of properties owned by United Urban at the end of each fiscal period are shown above, and figures are rounded to the units stated.

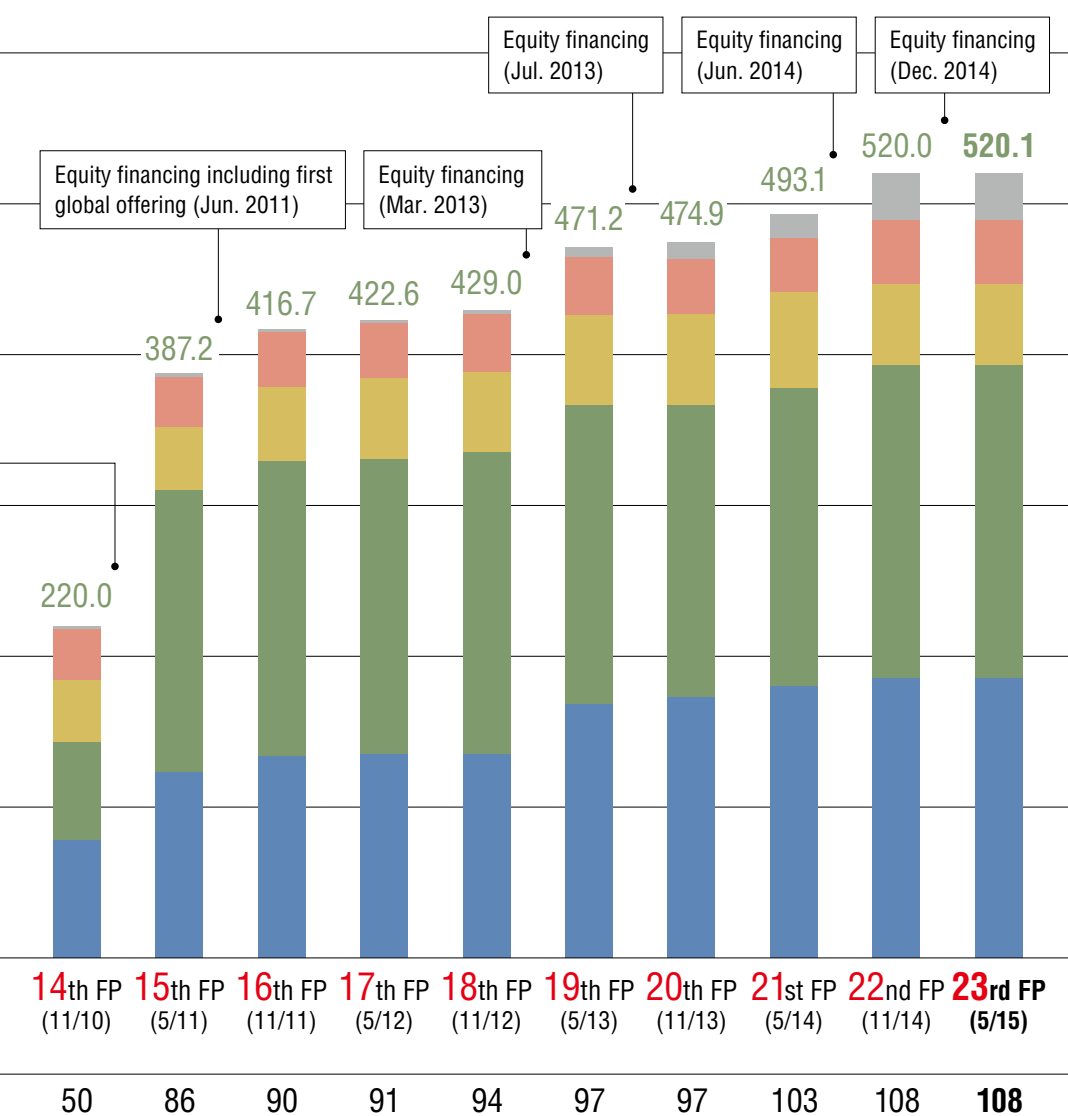
2. Unless otherwise indicated, in principle, all figures in this report are rounded down to the nearest unit.



United Urban
Investment Corporation

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

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



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Key Figures

(As of May 31, 2015)

Cash Distribution per Unit for the 23rd Fiscal Period

¥2,900

Occupancy Ratio

98.8%

Total Acquisition Price

¥520
billion

Number of Properties

108

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

40.8%

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

Ratings ^(As of August 28, 2015)

Long-Term Issuer Rating:



AA

Rating Outlook: Stable

Issuer Rating:



A3

Rating Outlook: Positive

Financial Highlights

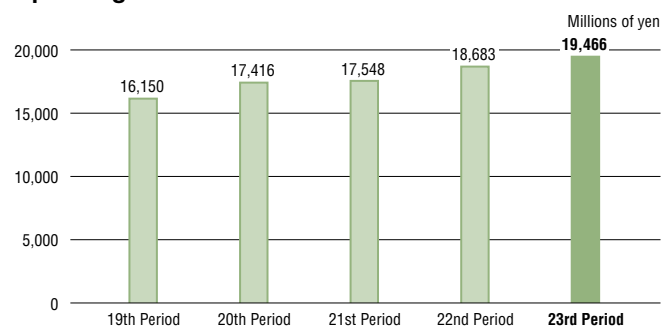
Millions of yen, except per unit information

	23rd Fiscal Period December 1, 2014- May 31, 2015	22nd Fiscal Period June 1, 2014- November 30, 2014	21st Fiscal Period December 1, 2013- May 31, 2014	20th Fiscal Period June 1, 2013- November 30, 2013	19th Fiscal Period December 1, 2012- May 31, 2013
Operating revenues	¥ 19,466	¥ 18,683	¥ 17,548	¥ 17,416	¥ 16,150
Operating income	9,113	8,650	8,017	7,720	7,223
Ordinary income	7,790	7,276	6,694	6,113	5,252
Net income	7,790 (Note 2)	7,275	6,674	6,113	5,251
Cash distribution	7,668 (Note 2)	7,275	6,674	6,545	6,339
Cash distribution per unit (Yen)	2,900 (Note 2)	2,896	2,804	2,750	2,750
Total assets	573,318	561,415	527,807	527,025	516,739
Total unitholders' equity	282,906	258,335	237,208	237,079	228,142
Unitholders' equity per unit (Yen)	106,987	102,830	99,659	99,605	98,958

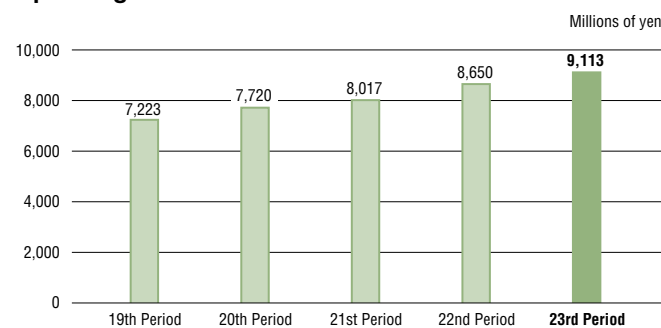
Notes: 1. United Urban's 19th fiscal period was for 182 days from December 1, 2012 to May 31, 2013, the 20th fiscal period was for 183 days from June 1, 2013 to November 30, 2013, the 21st fiscal period was for 182 days from December 1, 2013 to May 31, 2014, the 22nd fiscal period was for 183 days from June 1, 2014 to November 30, 2014 and the 23rd fiscal period was for 182 days from December 1, 2014 to May 31, 2015.

2. United Urban carried forward approximately ¥122 million of the total unappropriated retained earnings of the 23rd fiscal period to the next fiscal period. As a result, the cash distribution per unit was ¥2,900 (total cash distribution: ¥7,668 million).

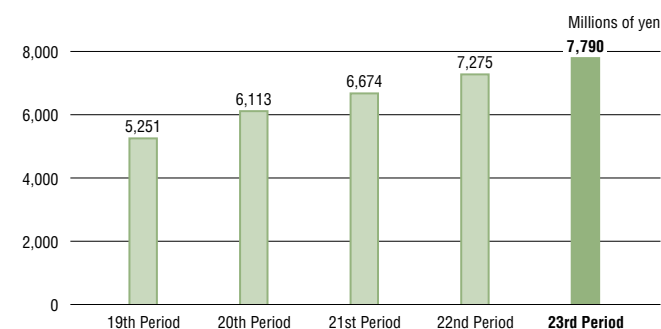
Operating revenues



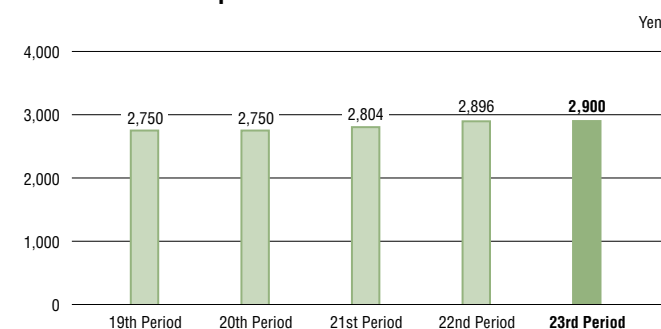
Operating income



Net income



Cash distribution per unit



To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 23rd fiscal period: the six-month period ended May 31, 2015.

United Urban was listed on the J-REIT section of the Tokyo Stock Exchange in December 2003 as a diversified J-REIT. As of May 31, 2015 (at the end of the 23rd fiscal period), its asset size has exceeded ¥500 billion (acquisition value base), and United Urban is the fifth largest among all J-REITs in terms of asset size.

In the 23rd fiscal period, United Urban acquired two new properties (total acquisition price: ¥3.6 billion), and realized growth in its asset. In order to improve profitability and quality of its portfolio, United Urban sold two older properties (total sale price: ¥3.5 billion) which were too small in light of United Urban's investment guideline. In addition, United Urban has entered into an agreement to acquire one property (the acquisition price and acquisition date to be ¥3.9 billion and September 30, 2015, respectively). The performance of existing properties has been steady due to the favorable trend of Japanese economy and the profit situation of Japanese corporations. While making efforts for reduction of financial costs, United Urban has reinforced its financial standing to cope with fluctuation in the financial markets by lowering LTV, raising fixed-interest borrowing ratio and increasing its commitment facilities.

In addition to these factors, revenues from properties acquired during the previous fiscal period (22nd fiscal period ended November 30, 2014) contributed to this fiscal period's profit for the full-term and revenues of properties adopting the commission system also increased. As a result, United Urban was able to achieve revenue and profit increase with operating revenues of ¥19,466 million, operating income of ¥9,113 million and net income of ¥7,790 million. In consideration of the changes in the treatment of negative goodwill due to the 2015 tax reforms, we carried forward approximately ¥122 million of the total unappropriated retained earnings of the 23rd fiscal period to the next fiscal period, and decided that the distribution amount for this fiscal period would be ¥7,668 million or ¥2,900 per unit (up by ¥4 per unit from the previous fiscal period). To cope with the transient profit decline due to the succession of high-yield loans, bonds and other liabilities in connection with the merger with NCI in December 2010, United Urban had continued to make the distribution per unit to be ¥2,750 by utilizing the negative goodwill (reserve for distribution) over the past five fiscal periods (from the 16th fiscal period to 20th fiscal period), which exceeds the amount of distribution per unit before the merger considering the unit-division. Since the 21st fiscal period, United Urban has been able to distribute more than ¥2,750 per unit without using negative goodwill. As mentioned above, the cash distribution per unit of the 23rd fiscal period is ¥2,900 and we could increase cash distribution per unit without using negative goodwill for three consecutive periods.

Moreover, in the 24th fiscal period ending November 30, 2015, the new acquisitions have been completed for four new properties (total acquisition price: ¥15.2 billion) as of August 7, 2015. We are thus pursuing further external growth.

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





Hitoshi Murakami
Executive Officer
United Urban Investment Corporation

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

Topics of 23rd Fiscal Period


In order to improve the profitability of the entire portfolio and the stability by diversifying its investment in terms of the type of use and area of location, United Urban acquired two new properties during the 23rd fiscal period, and has entered into an agreement to acquire one property. On the other hand, United Urban sold two older properties, which were too small according to United Urban's investment guideline, to improve the quality of its portfolio.

Acquisitions during the 23rd Fiscal Period

A34	LIFE Nishikujo (Site) <small>(Note)</small> <i>Retail Properties</i>	A35	LIFE Tamatsukuri (Site) <small>(Note)</small> <i>Retail Properties</i>
	<ul style="list-style-type: none"> ■ Acquisition Date March 2, 2015 ■ Acquisition Price ¥1,760 million ■ Location Osaka, Osaka ■ Site Area 3,252.76 m² ■ Total Floor Space — ■ Construction — ■ Number of Floors — ■ Completed — ■ Type of Ownership Land: Proprietary Ownership Building: — 		<ul style="list-style-type: none"> ■ Acquisition Date March 2, 2015 ■ Acquisition Price ¥1,880 million ■ Location Osaka, Osaka ■ Site Area 2,391.44 m² ■ Total Floor Space — ■ Construction — ■ Number of Floors — ■ Completed — ■ Type of Ownership Land: Proprietary Ownership Building: —

Note: The properties which United Urban acquired are trust beneficial interests with underlying assets of the site. Buildings and structures situated on the site are not included in the underlying assets.



Planned Acquisition

A	Luz Shonan Tsujido <small>(Note 1)</small> <i>Retail Properties</i>
	<ul style="list-style-type: none"> ■ Scheduled Acquisition Date September 30, 2015 <small>(Note 2)</small> ■ Scheduled Acquisition Price ¥3,938 million <small>(Note 2)</small> ■ Location Fujisawa, Kanagawa ■ Site Area 3,658.25 m² ■ Total Floor Space 17,889.43 m² ■ Construction S/RC ■ Number of Floors B2/6F ■ Completed August 2010 ■ Type of Ownership Land: Proprietary Ownership Building: Proprietary Ownership

Notes: 1. In correlation with conclusion of the purchase and sale agreement for the trust beneficial interest, United Urban concluded a master lease agreement (rent-guarantee type) with the trustee on March 30, 2015.

2. The "scheduled acquisition date" and "scheduled acquisition price" as of July 10, 2015 are shown. If the "scheduled acquisition date" is changed, the "scheduled acquisition price" will change accordingly.

Sale of Properties

B19	Pacific Marks Nihonbashi-Tomizawacho <i>Office Buildings</i>	B28	Pacific Marks Aobadai <i>Office Buildings</i>
	<ul style="list-style-type: none"> ■ Location Chuo-ku, Tokyo ■ Completed April 1991 ■ Sale Price ¥2,020 million ■ Occupancy Ratio 69.3% (as of March 31, 2015) ■ Date of Sale April 23, 2015 		<ul style="list-style-type: none"> ■ Location Meguro-ku, Tokyo ■ Completed October 1993 ■ Sale Price ¥1,500 million ■ Occupancy Ratio 88.7% (as of February 28, 2015) ■ Date of Sale April 24, 2015

Subsequent Events

New Acquisitions

A36 Granbell Ginza Building

Retail Properties



■ Acquisition Date	June 30, 2015
■ Acquisition Price	¥2,621 million
■ Location	Chuo-ku, Tokyo
■ Site Area	231.00 m ² (Note)
■ Total Floor Space	1,646.50 m ²
■ Construction	RC
■ Number of Floors	B1/9F
■ Completed	October 2006
■ Type of Ownership	Land: Leasehold Right Building: Proprietary Ownership

Note: The land of the property is leasehold. Therefore, "Site Area" is based on the leasehold of the land.

A37 UUR Tenjin Nishi-dori Building

Retail Properties



■ Acquisition Date	July 15, 2015
■ Acquisition Price	¥5,500 million
■ Location	Fukuoka, Fukuoka
■ Site Area	466.76 m ²
■ Total Floor Space	1,486.52 m ²
■ Construction	S
■ Number of Floors	B1/4F
■ Completed	March 2010
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

E7 Quartz Tower (Note 1)

Others



■ (Scheduled) Acquisition Date	Land: June 30, 2015 Building: November 13, 2015 (Note 1)
■ (Scheduled) Acquisition Price	¥5,700 million (Land: ¥4,535 million / Building: ¥1,165 million)
■ Location	Shibuya-ku, Tokyo
■ Site Area	354.27 m ² (Note 2)
■ Total Floor Space	2,940.22 m ² (Note 2)
■ Construction	S/SRC (Note 2)
■ Number of Floors	B1/12F (Note 2)
■ Completed	October 2015 (scheduled)
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Notes: 1. This property is a development-type property to be completed in October 2015. United Urban concluded a purchase and sale agreement for the trust beneficial interest on June 30, 2015, and acquired first the land on the same date. In addition, the scheduled acquisition date for the building as of July 10, 2015 is shown. However, depending on the progress of the building construction, the schedule may be changed.

2. "Site Area" is described as it appears on the real estate register. Moreover, since the building of the property has not been completed and has not been registered, each piece of information in the "Total Floor Space," "Construction" and "Number of Floors" is described as it appears in the confirmation certificate stipulated in the regulations of the Building Standards Act.

E8 Shin-Narashino Logistics Center

Others



■ Acquisition Date	August 7, 2015
■ Acquisition Price	¥2,555 million
■ Location	Narashino, Chiba
■ Site Area	6,968.26 m ²
■ Total Floor Space	13,268.65 m ²
■ Construction	S
■ Number of Floors	6F
■ Completed	June 1991
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Redemption of Corporate Bonds and Debt Financing

United Urban redeemed the Series 2 of Unsecured Corporate Bonds (¥10.0 billion), which were at a higher rate than existing debts on July 10, 2015 using the proceeds from new borrowings with a relatively low interest rate and issuance of new corporate bonds. Accordingly, a reduction in interest-bearing liability costs is expected in the future. In addition, United Urban procured funds from leading Japanese financial institutions to support payments for the acquisition of the “Granbell Ginza Building,” “UUR Tenjin Nishi-dori Building” and “Shin-Narashino Logistics Center.” United Urban will make continuous efforts to reduce interest-bearing liability costs with the support of leading Japanese financial institutions.

[Redemption of Corporate Bonds]

Title	Issue Date	Issue Amount	Interest Rate	Term	Redemption Date	Remarks
Series 2 of Unsecured Corporate Bonds	Jul. 12, 2005	¥10,000 million	1.91% p.a.	10 years	Jul. 10, 2015	Redemption using the proceeds from Term Loan 05B~12B and Series 16 of Unsecured Corporate Bonds

[Newly Issued Corporate Bonds and Debt Financing]

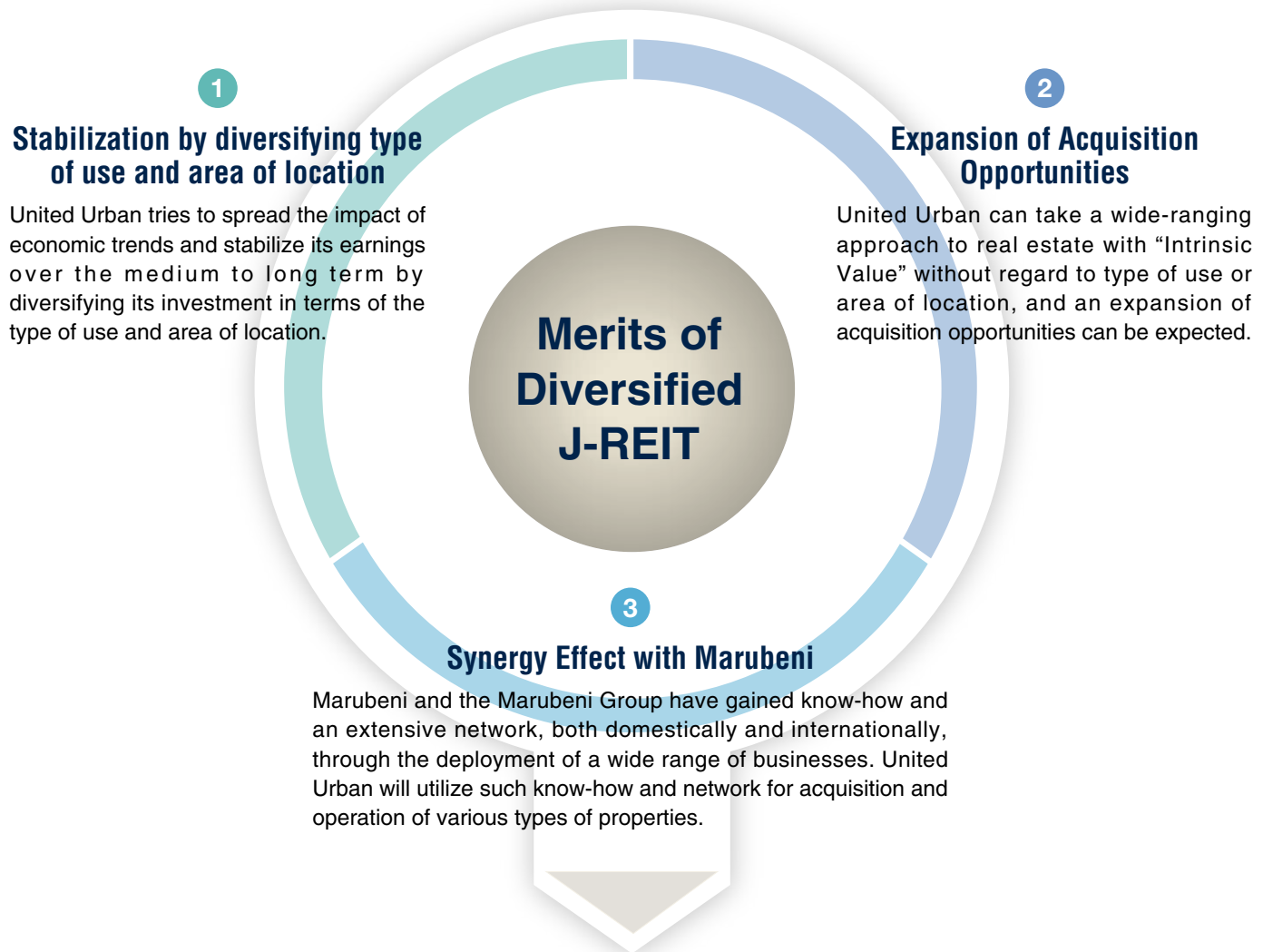
Title	Issue Date	Issue Amount	Interest Rate	Term	Redemption Date	Use of Proceeds
Series 16 of Unsecured Corporate Bonds	May 29, 2015	¥2,000 million	0.804% p.a.	10 years	May 29, 2025	Payment for redemption of Series 2 of Unsecured Corporate Bonds
Title	Lenders	Borrowing Amount	Interest Rate	Drawdown Date	Maturity Date	Use of Proceeds
Term Loan 04B	Sumitomo Mitsui Banking Corporation	¥2,900 million	0.61200% ^(Note)	Jun. 30, 2015	Dec. 20, 2021	Payment for acquisition of Granbell Ginza Building
Term Loan 05B	The Daishi Bank, Ltd.	¥1,000 million	0.55000% ^(Note)	Jul. 8, 2015	Jun. 22, 2020	Payment for redemption of Series 2 of Unsecured Corporate Bonds
Term Loan 06B	The 77 Bank, Ltd. The Bank of Yokohama, Ltd. The Kagawa Bank, Ltd. The Tokyo Tomin Bank, Limited	¥2,000 million	0.52685% ^(Note)		Sep. 23, 2020	
Term Loan 07B	The Norinchukin Bank	¥1,000 million	0.50855% ^(Note)		Dec. 21, 2020	
Term Loan 08B	The Gunma Bank, Ltd.	¥500 million	0.55870% ^(Note)		Sep. 21, 2021	
Term Loan 09B	Shinkin Central Bank	¥1,000 million	0.72774%		Jun. 20, 2022	
Term Loan 10B	The Hiroshima Bank, Ltd.	¥500 million	0.68500% ^(Note)		Sep. 20, 2022	
Term Loan 11B	The Yamaguchi Bank, Ltd.	¥1,000 million	0.88500% ^(Note)			
Term Loan 12B	Nippon Life Insurance Company	¥1,000 million	0.86100%		Jul. 15, 2015	Jun. 20, 2024
Term Loan 13B	Sumitomo Mitsui Trust Bank, Limited	¥1,700 million	0.92415%	Sep. 20, 2023		
Term Loan 14B	Mizuho Bank, Ltd.	¥1,300 million	0.74900% ^(Note)			
Term Loan 15B	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,300 million	0.78000%			
Term Loan 16B	Shinsei Bank, Limited	¥1,500 million	0.77285%	Aug. 7, 2015		Sep. 20, 2022
Term Loan 17B	The Bank of Fukuoka, Ltd.	¥500 million	0.42755% ^(Note)		Sep. 23, 2020	
Term Loan 18B	Mizuho Trust & Banking Co., Ltd.	¥1,000 million	0.79846%		Jun. 20, 2023	
Term Loan 19B	Development Bank of Japan Inc.	¥1,200 million	0.71004%		Jun. 20, 2022	

Note: It is a borrowing applying floating interest rate as a basic interest rate. However, the interest rate for the borrowing is, in effect, fixed due to the execution of an interest rate swap agreement, and the adjusted interest rate in consideration of swap transactions is stated.

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

Merits of Diversified J-REIT

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



United Urban Investment Corporation

External Growth

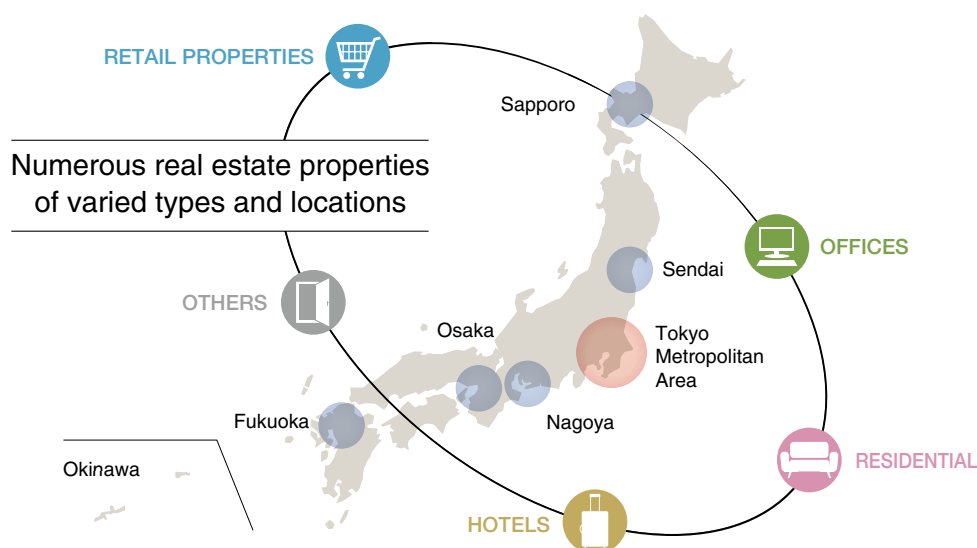
Internal Growth

Financial Strategy

Management Strategy

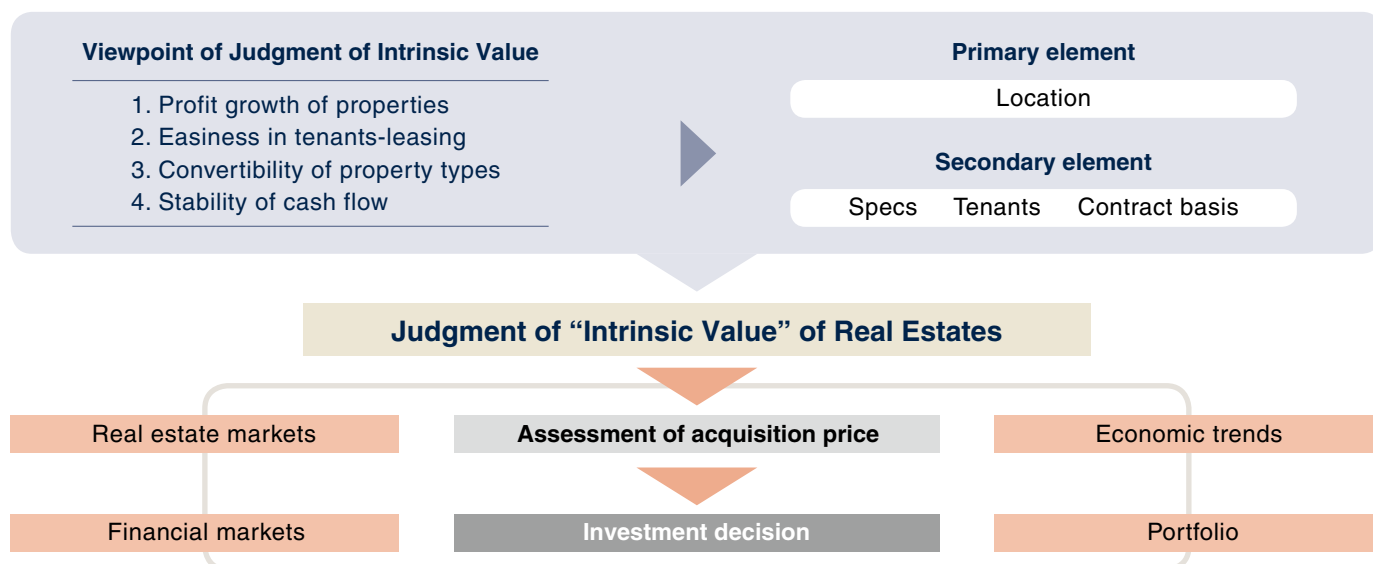
Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

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



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

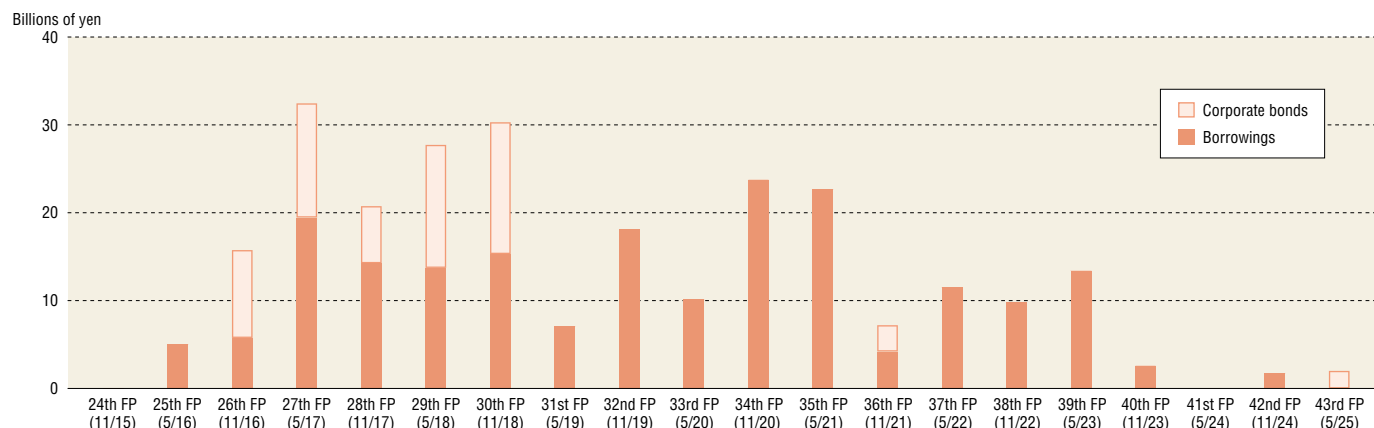
United Urban defines the real estate that can secure stable profitability over the medium to long term as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of various factors such as the external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



Financial Strategy and Financial Status

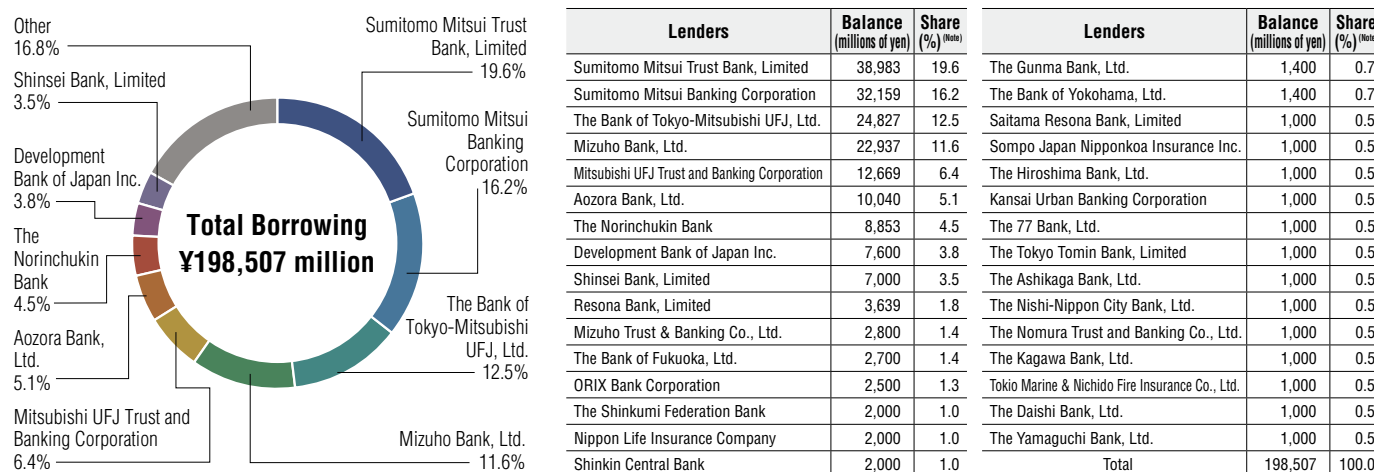
United Urban carefully considers maintaining the LTV within a range deemed to be appropriate and principally seeks to raise long-term fixed-interest-rate funding to prevent any impact on the procurement of funds for interest-bearing liabilities and ratings. United Urban also intends to select the optimal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

Diversification of Maturity Date (As of July 15, 2015) ^(Note)



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

Lenders and Borrowing Amount (As of July 15, 2015)



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

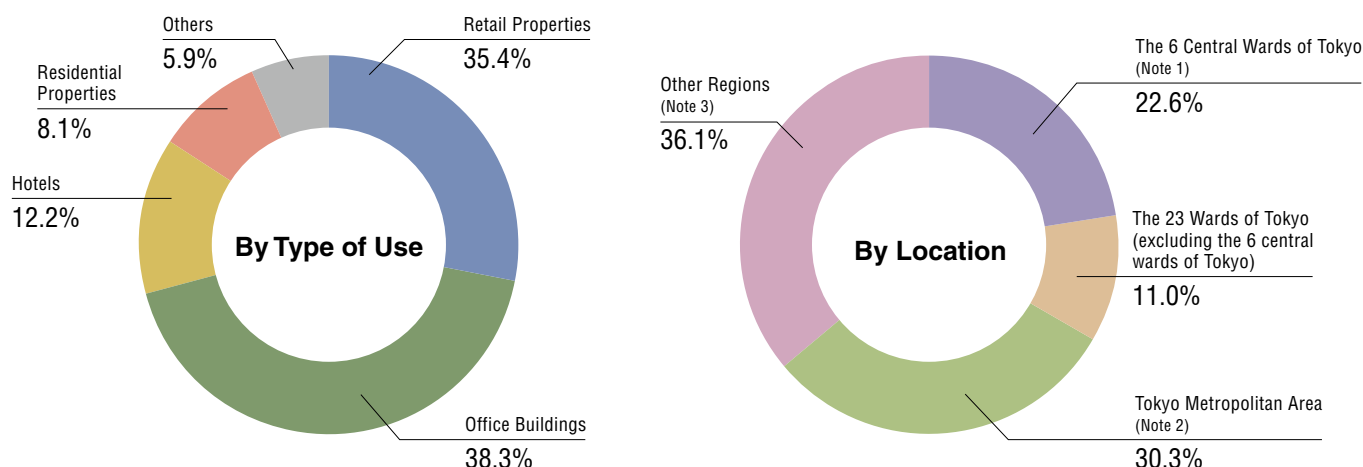
Committed Line of Credit Agreement (As of July 15, 2015)

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Remarks
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥24.0 billion	From Jun. 19, 2015 to Jun. 17, 2016	None	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited	¥12.0 billion	From Dec. 25, 2014 to Dec. 24, 2015	None	Unsecured Unguaranteed
Total	¥36.0 billion			

Portfolio Properties

Portfolio Data

Portfolio Breakdown (Based on acquisition prices) (As of May 31, 2015)



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

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

3. "Other Regions" refers to other major cities in Japan including government designated cities (excluding cities located in Tokyo Metropolitan Area) and surrounding areas thereof. In addition, "Other Regions" includes Osaka, Nagoya, Fukuoka, and other cities.

Occupancy Ratio

	2014			2015		
	End of December	End of January	End of February	End of March	End of April	End of May
Retail Properties	99.8%	99.8%	99.8%	99.8%	99.7%	99.7%
Office Buildings	96.2%	96.5%	97.0%	97.1%	97.2%	97.2%
Hotels	99.7%	99.7%	99.8%	99.8%	99.8%	99.8%
Residential Properties	97.4%	97.8%	97.9%	98.1%	97.6%	96.9%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	98.6%	98.7%	98.9%	98.9%	98.9%	98.8%

Approaches to Environmental Issues

► Environmental Policies

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

► DBJ Green Building Certification

"DBJ Green Building Certification" is a comprehensive evaluation system for real estate properties with high environmental and social awareness by the Development Bank of Japan Inc. (DBJ). DBJ conducts assessments based on an original scoring model and certifies real estate properties with one of five ranks according to the assessment score. "ARENA TOWER" and "Tsubogawa Square Building" owned by United Urban acquired a "three stars" ranking (properties with excellent environmental & social awareness).



► Participation in the GRESB Survey

The "Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark developed by a group of leading European pension funds. It evaluates the sustainability performance of real estate companies and funds, and is becoming a de facto standard among major European, American and Asian institutional investors and is utilized in their investment decision-making processes. United Urban has been participating in the GRESB survey since 2012.



Portfolio Properties

Portfolio Roster (As of May 31, 2015)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Retail Properties						
A1	Daiei Himonya	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A3	Daimaru Peacock Ashiya Kawanishi	Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A5	AEON MALL Uki	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 1, 2010	
A16	Shinsaibashi OPA Kireikan	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 1998	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Yokohama Kariba Shopping Center	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
A31	Tenjin Loft Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1989	Nov. 29, 2013	
A32	Narumi Shopping Center (Site)	Nagoya, Aichi	Real estate	—	Apr. 8, 2014	
A33	Plussing Wave Enoshima	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Dec. 2007	Aug. 29, 2014	
A34	LIFE Nishikujo (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A35	LIFE Tamatsukuri (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
Office Buildings						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B2	SK Nagoya Building	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyoko Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B12	UUR Tsukiji Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1999	Dec. 1, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Hamamatsucho 262 Building (Note 7)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	2.9%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.3%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.1%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	1.0%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.1%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.2%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.6%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	1.0%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.4%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.7%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.8%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.8%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.3%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.5%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	4.4%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	2,770	0.5%	946.53	4,923.95	S/SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.5%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.4%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	0.9%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.5%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	1.0%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.6%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.5%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.4%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	5.4%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	1.0%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.8%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.2%	60,747.02	—	—	—	Proprietary Ownership	—
	1,800	0.3%	2,449.00	3,471.69	S	4F	Proprietary Ownership	Proprietary Ownership
	1,760	0.3%	3,252.76	—	—	—	Proprietary Ownership	—
	1,880	0.4%	2,391.44	—	—	—	Proprietary Ownership	—
	2,257	0.4%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.0%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.4%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.5%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.4%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	2.7%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.7%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.0%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.6%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.8%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	2.8%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co—ownership)
	12,100	2.3%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.3%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.2%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.4%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.8%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	3,290	0.6%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.5%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.4%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.2%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	1.9%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.3%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.5%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.5%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.3%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	0.9%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.5%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership

Portfolio Properties

Portfolio Roster (As of May 31, 2015)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Office Buildings						
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	
B40	GRAND-SQUARE Shin-Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	May 2009	Feb. 28, 2014	
B41	GRAND-SQUARE Meieki-minami	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2009	Feb. 28, 2014	
B42	Shiba 520 Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1994	Mar. 28, 2014	
B43	Hirose-dori SE Building (Note 8)	Sendai, Miyagi	Trust beneficial interest in real estate	Nov. 2007	Jun. 13, 2014	
Hotels						
C1	Shinjuku Washington Hotel Honkan (Note 7)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	UUR Yotsuya Sanhome Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Nagoya, Aichi	Trust beneficial interest in real estate	Jun. 2010	Mar. 25, 2013	
C9	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
D26	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
E5	Logistics Higashi-Ohgishima	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
E6	MT Ariake Center Building I&II (Note 9) (Note 10)	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1)Apr. 1989 (2)Jun. 1992	Nov. 25, 2014	
Total						

- Notes: 1. Each piece of information in the "Completion Date," "Site Area," "Total Floor Space," "Construction" and "Number of Floors" is described as it appears on the real estate register unless otherwise stated in this footnote or other footnotes. Some information may differ from the current situations. In regard to the "Site Area" for properties where a part of the site space is for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures are described.
2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as of December 1, 2010, the effective date of the merger.
3. The "Acquisition Price" is an amount (the amount stated in each purchase and sale agreement, excluding consumption taxes) that does not include the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.
4. For properties consisting of several buildings, some information in the "Construction" and "Number of Floors" are applicable to the main building.
5. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	9,590	1.8%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.3%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.8%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.4%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,480	0.3%	1,294.88	5,333.51	S	7F	Proprietary Ownership	Proprietary Ownership
	1,220	0.2%	1,012.06	5,017.30	S	8F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	3,600	0.7%	2,146.31	10,396.94	S	9F	Proprietary Ownership	Proprietary Ownership
	21,140	4.1%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (in Some Parts, Co-ownership)	Compartmentalized Ownership (in Some Parts, Co-ownership)
	9,721	1.9%	(7,265.79)	(58,882.64)	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	1,884	0.4%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.7%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	0.9%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.5%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.8%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	1.0%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	2,000	0.4%	1,045.37	5,735.24	RC	12F	Proprietary Ownership	Proprietary Ownership
	3,500	0.7%	482.37	3,138.82	SRC	B2F/9F	Proprietary Ownership	Proprietary Ownership
	2,021	0.4%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,680	0.3%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	1,175	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.7%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.2%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.6%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.2%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.2%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.6%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.3%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.7%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.6%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.3%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	5,150	1.0%	2,156.35	14,340.44	RC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	0.9%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.8%	5,294.63	14,742.80	S	11F	Proprietary Ownership	Proprietary Ownership
	3,500	0.7%	645.87	3,105.31	SRC	B3/7F	Surface Right	Proprietary Ownership
	8,300	1.6%	28,351.30	41,949.12	S	4F	Proprietary Ownership	Proprietary Ownership
	8,000	1.5%	8,307.00	22,917.94	(1)S/SRC (2)S	(1)5F (2)5F	Proprietary Ownership	Proprietary Ownership
	520,104	100.0%	706,302.15	1,227,187.61				

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

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

8. "Site Area" of the "Hirose-dori SE Building" is described as it appears on the notification of disposal of replotting.

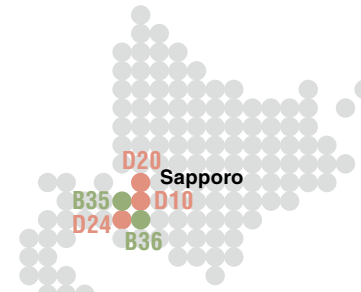
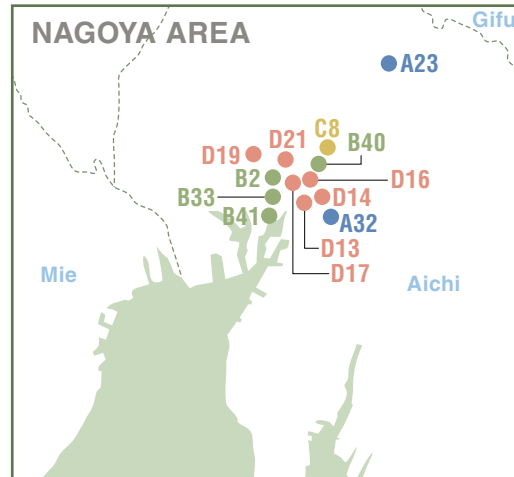
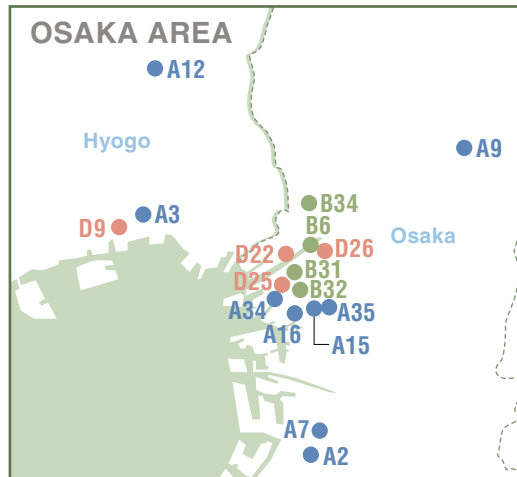
9. "Site Area" of the "MT Ariake Center Building I&II" is described as it appears on the notification for provisional replotting.

10. The property comprises two buildings; MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and some of the information are shown for each of the two buildings, with the Building I expressed as (1) and the Building II expressed as (2).

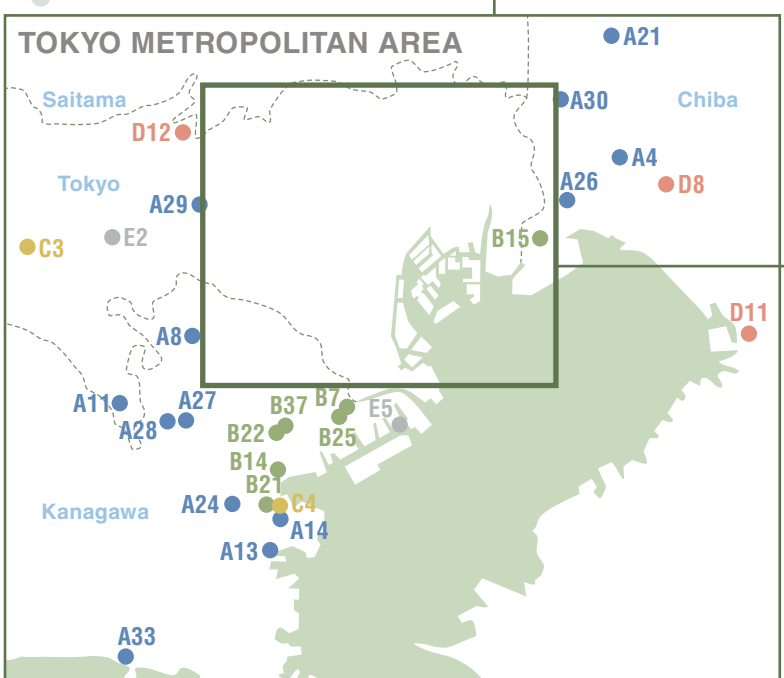
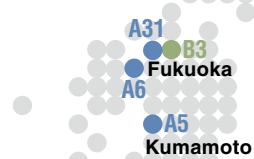
11. United Urban decided to acquire "Luz Shonan Tsujido" on March 25, 2015 and concluded a purchase and sale agreement for the trust beneficial interests of the asset on March 30, 2015. In line with the conclusion of the agreement, United Urban concluded a master lease agreement (rent-guarantee type) with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally).

Portfolio Properties

Portfolio Map

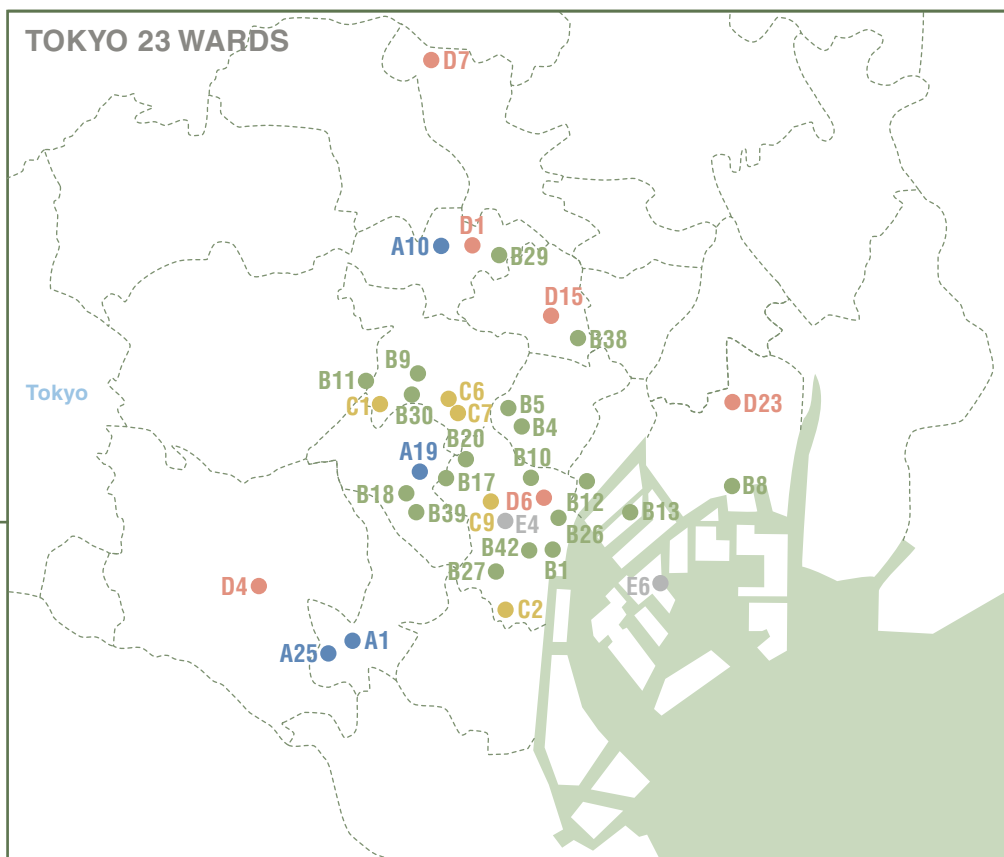


- A1 Daiei Himonya
- A2 Joy Park Izumigaoka
- A3 Daimaru Peacock Ashiya Kawanishi
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- A16 Shinsaibashi OPA Kireikan
- A19 Albore Jingumae
- A20 Albore Sendai
- A21 Mallage Kashiwa
- A23 Ito-Yokado Owariasahi
- A24 Yokohama Kariba Shopping Center
- A25 Luz Jiyugaoka
- A26 ACTIOLE Ichikawa
- A27 VIVAHOME Yokohama Aoba (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Yamada Denki Tecc Land New Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- A33 Plussing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- B1 T&G Hamamatsucho Building
- B2 SK Nagoya Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building



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

B5	Rokubancho K Building	B35	Pacific Marks Sapporo Kita-Ichijo	D9	Aprile Shin-Ohgi Ichibankan
B6	Shin-Osaka Central Tower (Note 2)	B36	Shin-Sapporo Center Building	D10	UUR Court Sapporo Kita-Sanjo
B7	Kawasaki Toshiba Building	B37	ARENA TOWER	D11	UUR Court Chiba Soga
B8	UUR Toyoko Building	B38	Yushima First Building	D12	Higashi-kurume Dormitory Shinkan
B9	FOUR SEASONS BLDG	B39	Dogenzaka Square	D13	Nanzan Court Ichigokan
B10	Hitachi High-Tech Building	B40	GRAND-SQUARE Shin-Sakae	D14	Nanzan Court Nigokan
B11	Pacific Marks Shinjuku Parkside	B41	GRAND-SQUARE Meieki-minami	D15	CLIO Bunkyo Koishikawa
B12	UUR Tsukiji Building	B42	Shiba 520 Building	D16	GRAND-ROUGE Sakae
B13	Pacific Marks Tsukushima	B43	Hirose-dori SE Building	D17	GRAND-ROUGE Sakae II
B14	Pacific Marks Yokohama East	C1	Shinjuku Washington Hotel Honkan	D18	MA Sendai Building
B15	Pacific Marks Shin-Urayasu	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D19	UUR Court Nagoya Meieki
B17	Akasaka Hikawa Building	C3	MZ BLD.	D20	UUR Court Sapporo Shinoro Ichibankan
B18	Pacific Marks Shibuya Koen-dori	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D21	Park Site IZUMI
B20	Pacific Marks Akasaka-mitsuke	C5	Hotel JAL City Naha	D22	UUR Court Osaka Juso-honmachi
B21	Yokohama Aioicho Building	C6	UUR Yotsuya Sanchome Building	D23	UUR Court Kinshicho
B22	Pacific Marks Shin-Yokohama	C7	Yotsuya 213 Building	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B25	Pacific Marks Kawasaki	C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	D25	GLAND-ROUGE Nakanoshima-minami
B26	Hamamatsucho 262 Building	C9	the b roppongi	D26	Glenpark Umeda-kita
B27	Lila Hijirizaka	D1	T&G Higashi-ikebukuro Mansion	E1	Lilycolor Tohoku Branch
B29	Otsuka HT Building	D4	Komazawa Court	E2	KDDI Fuchu Building
B30	Pacific Marks Shinjuku South-gate	D6	Sky Court Shiba-Daimon	E3	Tsubogawa Square Building
B31	Pacific Marks Nishi-Umeda	D7	Maison Ukima	E4	THE PLACE of TOKYO
B32	Pacific Marks Higobashi	D8	Narashino Residence	E5	Logistics Higashi-Ohgishima
B33	Nagoya Nishiki City Building			E6	MT Ariake Center Building I&II
B34	Pacific Marks Esaka				



Notes: 1. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.
 2. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

Portfolio Properties

Major Properties

Retail Properties

A15 Shinsaibashi OPA Honkan



Office Buildings

B37 ARENA TOWER



Residential Properties

D26 Glenpark Umeda-kita



Retail Properties

A29 Yodobashi Camera Multimedia Kichijoji



Office Buildings

B10 Hitachi High-Tech Building



Office Buildings/Hotels

B6 Shin-Osaka Central Tower



Hotels

C1 Shinjuku Washington Hotel Honkan



Retail Properties

A1 Daiei Himonya



Portfolio Properties

Major Properties

Office Buildings

B11 Pacific Marks Shinjuku Parkside



Others

E3 Tsubogawa Square Building



Others

E4 THE PLACE of TOKYO



Retail Properties

A5 AEON MALL Uki



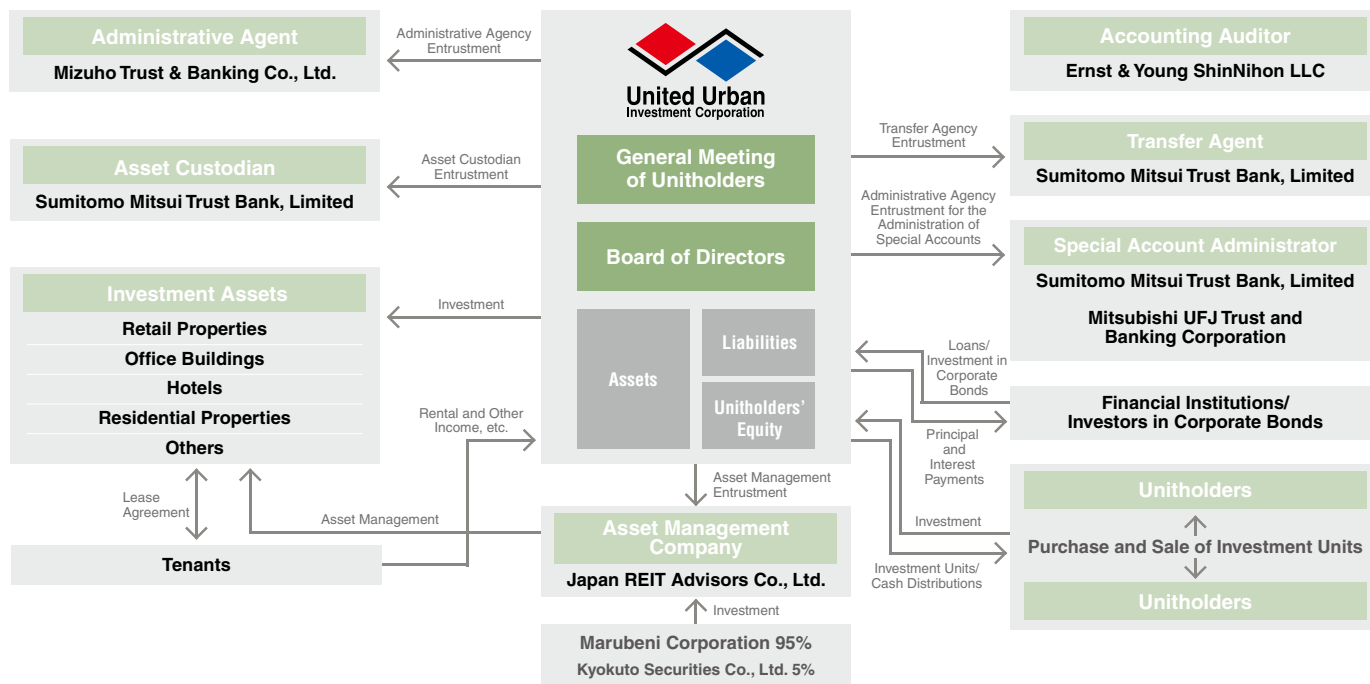
Hotels

C9 the b roppongi



Structure of United Urban / Investment Unit Information

Corporate Structure

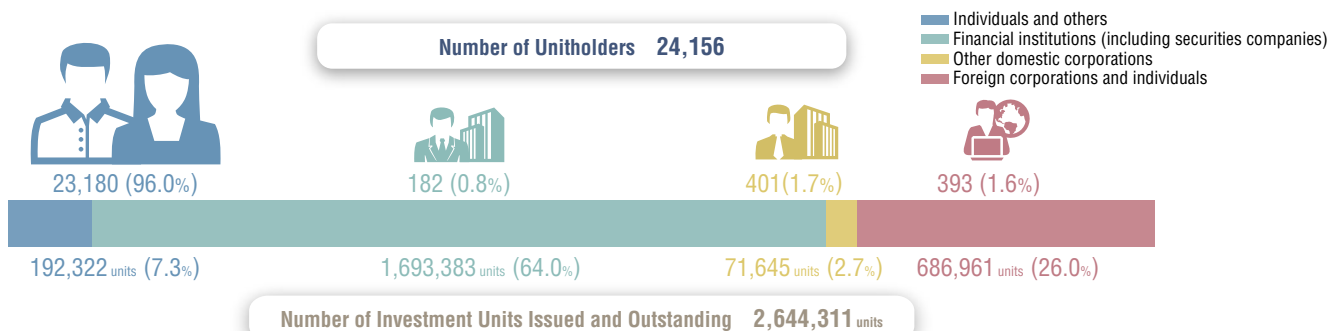


Unit Price and Trading Volume



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

Breakdown of Unitholders (As of May 31, 2015)

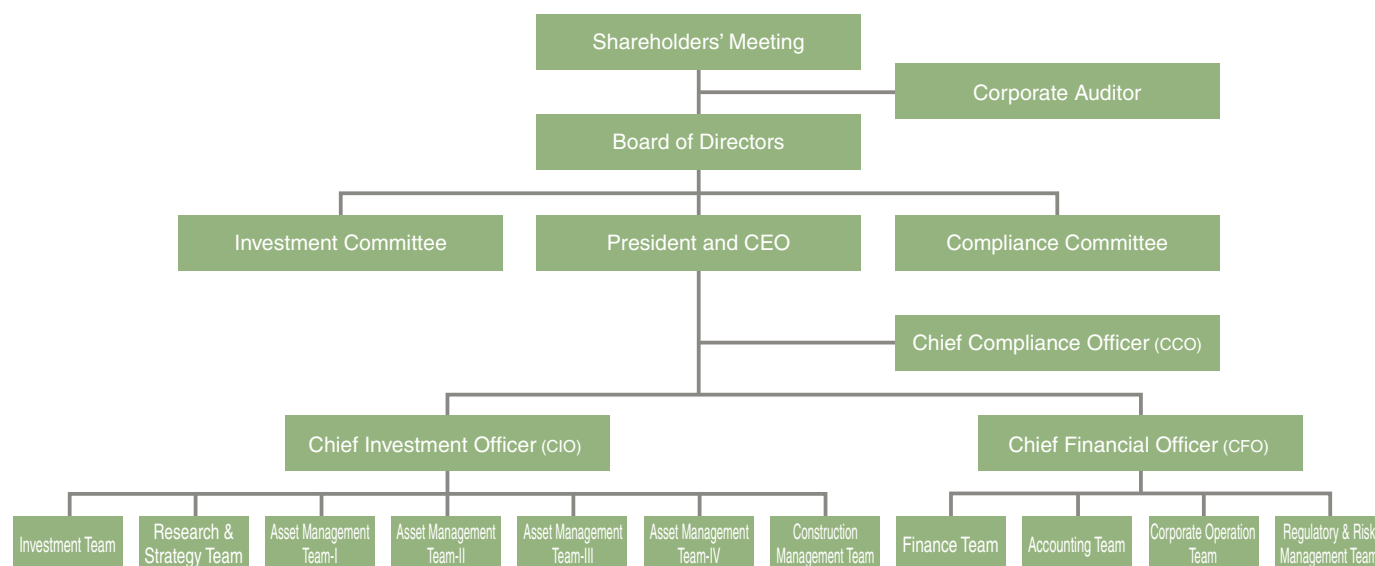


Profile of Asset Management Company

Overview

Corporate Name	Japan REIT Advisors Co., Ltd. ("JRA")		
Address	Shiroyama Trust Tower 18F, 4-3-1 Toranomom, Minato-ku, Tokyo		
Date of Foundation	December 4, 2001		
Capital	¥425 million (As of May 31, 2015)		
Shareholders (As of May 31, 2015)	Marubeni Corporation	95.0%	
	Kyokuto Securities Co., Ltd.	5.0%	
Representative	Ikuo Yoshida, President and CEO		
Description of Business	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act		

Organization (As of May 31, 2015)



Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of May 31, 2015, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of May 31, 2015, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of Corporate Operation Team and one external intellectual (external lawyer).

◆ PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

Fiscal Period (Calculation Period)		Millions of yen, unless otherwise indicated		
		23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Operating revenues	(Note 1)	19,466	18,683	17,548
(Rental revenues)		(19,389)	(18,683)	(17,548)
Operating expenses		10,352	10,033	9,530
(Property-related expenses)		(8,313)	(8,199)	(7,757)
Operating income		9,113	8,650	8,017
Ordinary income		7,790	7,276	6,694
Net income	(a)	7,790	7,275	6,674
Total assets	(b)	573,318	561,415	527,807
Total unitholders' equity (Net assets)	(c)	282,906	258,335	237,208
Unitholders' capital		243,869	219,768	199,230
Total no. of investment units issued and outstanding	(d) (Units)	2,644,311	2,512,246	2,380,181
Net assets per unit	(c)/(d) (Yen)	106,987	102,830	99,659
Total cash distribution	(e)	7,668	7,275	6,674
Net income per unit	(Note 2) (Yen)	2,954	2,905	2,804
Cash distribution per unit	(e)/(d) (Yen)	2,900	2,896	2,804
(Distribution of earnings per unit)	(Yen)	(2,900)	(2,896)	(2,804)
(Distribution in excess of earnings per unit)	(Yen)	(—)	(—)	(—)
Return on assets (Annualized)	(Note 3) (%)	1.4 (2.8)	1.3 (2.7)	1.3 (2.5)
Return on equity (Annualized)	(Note 3) (%)	2.9 (5.8)	2.9 (5.9)	2.8 (5.6)
Equity ratio	(c)/(b) (%)	49.3	46.0	44.9
Payout ratio	(Note 3) (%)	98.1	99.6	100.0
Supplementary information				
No. of investment properties at the end of the period	(Properties)	108	108	103
Total leasable floor space at the end of the period	(m ²)	1,177,654.28	1,177,315.20	1,087,135.55
Total no. of tenants at the end of the period	(Tenants)	1,860	1,881	1,681
Occupancy ratio at the end of the period	(%)	98.8	98.7	98.0
Depreciation and amortization		3,464	3,409	3,358
Capital expenditures		1,429	1,084	2,049
NOI (Net Operating Income) from leasing	(Note 3)	14,540	13,894	13,149
FFO (Funds From Operations) per unit	(Note 3) (Yen)	4,293	4,253	4,215
FFO ratio	(Note 3) (Times)	21.6	22.5	19.3
Debt service coverage ratio	(Note 3) (Times)	9.8	9.3	8.7
Net income before interest, depreciation and amortization	(Note 3)	12,529	11,970	11,335
Interest expense and interest expenses on corporate bonds		1,275	1,284	1,302
Interest-bearing liabilities	(Note 3)	255,357	269,157	257,707
Ratio of interest-bearing liabilities to total assets at the end of the period	(Note 3) (%)	44.5	47.9	48.8
No. of operating days	(Days)	182	183	182

Notes: 1. Operating revenues, etc., do not include consumption taxes.

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

Average no. of investment units during the period

21st fiscal period:	2,380,181 units
22nd fiscal period:	2,503,839 units
23rd fiscal period:	2,636,583 units

3. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures by actual days of each fiscal period, respectively.

Return on assets	Ordinary income / ((Total assets at the beginning of the period + Total assets at the end of the period) / 2) × 100
Return on equity	Net income / ((Net assets at the beginning of the period + Net assets at the end of the period) / 2) × 100
Payout ratio	Cash distribution per unit / Net income per unit × 100 (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets - Gain or loss on sales of real estate properties) / Total no. of investment units issued and outstanding
FFO ratio	Investment unit price at the end of the period / Annualized FFO per unit

Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds
Net income before interest, depreciation and amortization	Net income + Depreciation and amortization + Amortization of deferred assets + Interest expense and Interest expenses on corporate bonds
Interest-bearing liabilities	Short-term borrowings + Current portion of corporate bonds + Long-term borrowings due for repayment within one year + Corporate bonds + Long-term borrowings
Ratio of interest-bearing liabilities to total assets at the end of the period	Interest-bearing liabilities at the end of the period / total assets at the end of the period × 100 (Fractions are rounded down to the nearest one decimal place.)

4. Unless otherwise indicated specifically, amounts above have been rounded down and percentage figures are rounded to the unit stated.
5. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement with rental guarantee with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally). Based on the master lease agreement with rental guarantee, United Urban has been engaged in subleasing as a master lessee, and the profit from subleasing activities has been recorded on or after March 30, 2015. United Urban will acquire this property by September 30, 2015. (For details of the property, please refer to "6. Material Facts Arising after the End of 23rd Fiscal Period and Other Material Events, B. Acquisition of Property and Debt Financing, [Reference: Asset to be Acquired]" below.)

2. Performance Review for the Current Period

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

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

United Urban merged with Nippon Commercial Investment Corporation ("NCI") on December 1, 2010 (the "Merger"). As a result of continuous property acquisitions using fund procurement through borrowings and public offering after the Merger, its asset size has exceeded ¥500 billion, and United Urban is the fifth largest among all J-REITs in terms of asset size (on an acquisition price basis) (as of May 31, 2015).

As a result of performance, a distribution has been made in each of 22 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 22nd fiscal period (fiscal year ended November 30, 2014). For the current period (23rd fiscal period: fiscal year ended May 31, 2015), United Urban decided to make cash distribution of ¥2,900 per unit.

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

A. Investment Environment and Operation

a. Investment Environment

With effects of the additional monetary easing policy by the Bank of Japan last autumn and the depreciation of the yen, corporate profits have increased continuously and the employment environment has improved. In addition, tourists and investments from abroad have continued to increase.

In the real estate sales market, the real estate transactions have been increasing mainly in Tokyo, where the 2020 Olympic Games will be held, and other major cities in Japan due to the domestic and international inflow of capital. With regard to the real estate rental market, as for retail properties, the impact of the increase in the consumption tax has been running its course, and the market for retail properties is remaining steady including demands for blue-chip locations. As for office buildings, tenant's desire to expand or relocate its rental space has been growing, supported by strong corporate performance, and the occupancy ratio in major cities throughout Japan is improving. Moreover, there is movement towards improvement in rent levels for some office buildings in central Tokyo. As for hotels, the room occupancy ratio and the room rates have continued to rise due to an increase in foreign visitors, domestic travel and business travel. As for residential properties, rental properties have steady demand as necessities of life, and both the occupancy ratio and rent levels remains stable.

b. Issuance of New Investment Units

In order to procure funds for repayment of interest-bearing liabilities and for the acquisition of new specified assets, United Urban resolved the issuance of 120,000 new investment units by way of public offering and the issuance of 12,065 new investment units by way of third-party allotment to SMBC Nikko Securities at the board of directors' meeting of United Urban, held on November 20, 2014. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban, held on December 2, 2014. Based on these resolutions, United Urban issued new investment units, and the payments of ¥24,101 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed (the issuance of new investment units by way of both public offering and third-party allotment hereinafter collectively referred to as the "7th Public Offering").

As a result, United Urban's total capital increased to ¥243,869 million and United Urban's total number of investment units issued and outstanding increased to 2,644,311 units.

c. New Acquisitions and Sale of Properties

During the period, United Urban acquired the following two properties.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
A34	Life Nishikujo (Site) (Note 3)	-	Osaka, Osaka	¥1,760 million	March 2, 2015
A35	Life Tamatsukuri (Site) (Note 3)	-	Osaka, Osaka	¥1,880 million	March 2, 2015
Total				¥3,640 million	-

Notes: 1. Of the type of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter. However, United Urban has acquired only lands for these two properties and there is no information for type of use in the real estate register.
2. The acquisition prices are stated based on the purchase prices stated in the purchase and sale agreements concerning the acquisition of each property. In addition, the amounts of the acquisition prices do not include acquisition costs, property tax, city planning tax and consumption tax, etc. The same shall apply hereinafter.
3. United Urban acquired the trust beneficial interests with underlying assets of the site. Buildings and structures situated in the site are not included in the underlying assets.

In addition to the aforementioned new acquisitions during the period, United Urban decided to acquire "Luz Shonan Tsujido" on March 25, 2015 and concluded a purchase and sale agreement of the trust beneficial interest regarding the asset on March 30, 2015. In line with conclusion of the agreement, United Urban has been engaged in subleasing as master lessee of the property based on a rent-guaranteed master lease agreement with a trustee of the same date.

On the other hand, United Urban sold two properties, "Pacific Marks Nihonbashi-Tomizawacho" (as of April 23, 2015, sale price: ¥2,020 million) and "Pacific Marks Aobadai" (as of April 24, 2015, sale price: ¥1,500 million).

d. Portfolio Overview

As of May 31, 2015, United Urban held a total of 108 properties, comprising 31 retail properties, 37 office buildings, 1 retail-office complex, 9 hotels, 1 office-hotel complex, 23 residential properties and 6 others, with an aggregate acquisition price of ¥520,104 million. In addition, the total leasable floor space was 1,177,654.28 sq m. and the numbers of tenants were 1,860.

United Urban has continued to focus on improving occupancy ratios by devoting its attention to improvement in the quality of assets during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 98.6% and 98.9%, and stood at 98.8% on May 31, 2015.

B. Financing

During this period, United Urban procured funds of total ¥5,500 million including fund procurement through the 7th Public Offering for the purpose of procuring funds for repayment of interest-bearing liabilities. In addition, United Urban repaid interest-bearing liabilities of ¥19,300 million by the procurement funds.

The status of interest-bearing liabilities at the end of the previous period and the end of the 23rd fiscal period are as follows.

(Millions of yen)

	Balance at the End of the 22nd Fiscal Period (As of November 30, 2014)	Balance at the End of the 23rd Fiscal Period (As of May 31, 2015)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	¥ 190,657	¥ 181,857	¥ (8,800)
Total of borrowings	190,657	181,857	(8,800)
Corporate bonds	78,500	73,500	(5,000)
Total of interest-bearing liabilities	¥ 269,157	¥ 255,357	¥ (13,800)

In addition, as of the end of the 23rd fiscal period, the amount of borrowings due for repayment within one year was ¥5,000 million, and the amount of the current portion of corporate bonds was ¥10,000 million.

Moreover, the details of issuer ratings as of August 28, 2015 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating: AA	Rating Outlook: Stable
Moody's Japan K.K. (Moody's)	Issuer Rating: A3	Rating Outlook: Positive

Note: After requesting withdrawal of its issuer rating that Rating and Investing Information, Inc. has assigned to United Urban as of July 3, 2015, its issuer rating was withdrawn as of July 10, 2015.

C. Financial Results and Overview of Distribution

As a result of the above operations, United Urban achieved operating revenues of ¥19,466 million (up by 4.2% from the previous period), profit from rental activities of ¥11,075 million (up by 5.6% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥9,113 million (up by 5.4% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥7,790 million (up by 7.1% from the previous period), and a net income of ¥7,790 million (up by 7.1% from the previous period).

With regard to the cash distribution in the period, in terms of the strategic portfolio management and enhanced growth of the Investment Corporation over the medium to long term, as well as considering levels of cash distributions, it was decided that part of the unappropriated retained earnings was reserved within scope that corporation tax is not imposed, based on the applicable requirements of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, the cash distribution per unit was ¥2,900 (total cash distribution: ¥7,668 million).

3. Issuance of New Investment Units

During this period, United Urban procured funds of ¥24,101 million through issuance of new investment units by way of the public offering in December 2014 (120,000 units) and the third-party allotment in January 2015 (12,065 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

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

August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 8)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 9)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 10)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 11)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 12)

- Notes:
1. One investment unit was split into six units.
 2. United Urban conducted an absorption-type merger based on Article 147 of the Investment Trust Act under which United Urban remained as the surviving company and NCI as the absorbed company. Due to the absorption-type merger, one United Urban unit after the split of units was allocated per one NCI unit (257,400 NCI outstanding units prior to the merger, minus 13,881 NCI units for which appraisal rights were invoked).
 3. New investment units were issued through public offering at the offer price of ¥91,162 per unit (issue price (underwriter price) ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.
 4. New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.
 5. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
 6. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
 7. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
 8. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.
 9. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
 10. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
 11. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
 12. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

Changes in Investment Unit Prices

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

	Yen		
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Highest	198,300	195,300	162,900
Lowest	179,100	160,300	138,500

4. Distribution Information

With regard to the cash distribution in the period, in terms of the strategic portfolio management and enhanced growth of the Investment Corporation over the medium to long term, as well as considering levels of cash distributions, it was decided that part of unappropriated retained earnings was reserved within the scope that corporation tax is not imposed, based on the applicable requirements of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, the cash distribution per unit was ¥2,900 for the 23rd fiscal period (total cash distribution: ¥7,668 million).

		23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Unappropriated retained earnings at the end of period	Thousands of yen	7,790,400	7,275,845	6,674,349
Cash distribution	Thousands of yen	7,668,501	7,275,464	6,674,027
Cash distribution per unit	Yen	2,900	2,896	2,804
Unappropriated retained earnings carried forward to the next period	Thousands of yen	121,898	381	321

5. Future Policies and Challenges

As for the real estate rental market in Japan, the further improvement in the occupancy ratio and the rental revenues due to stable rental demand is expected. On the other hand, as for the real estate sales market, it is anticipated that severe competition in property acquisitions will continue, particularly in office buildings and hotels which are sensitive to business conditions, under a favorable financing environment.

Under the circumstances, United Urban will take advantage of the knowledge and network of the sponsor in addition to its information channel of the asset management company for property acquisitions, and make efforts for external growth by utilizing the characteristics of a diversified J-REIT. As for asset management, United Urban will make continuous efforts to maintain or improve the occupancy ratio and the rent levels and to reduce the costs for the purpose of the improvement of profitability of the portfolio.

In regard to the financial strategy, United Urban will make continuous efforts to create robust and stable financial standing by reducing financial costs, extending and diversifying the maturities for interest-bearing liabilities, and ensuring enough liquidity.

6. Material Facts Arising after the End of 23rd Fiscal Period and Other Material Events

A. New Committed Line of Credit Agreement

United Urban concluded a new committed line of credit agreement on June 19, 2015, as set forth below.

Outline of the new committed line of credit agreement

Participating financial institutions	: Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: ¥24,000 million
Date of agreement	: June 19, 2015
Term of agreement	: From June 19, 2015 to June 17, 2016
Collateral	: Unsecured, unguaranteed

B. Acquisition of Property and Debt Financing

a. United Urban acquired the following four properties (including scheduled acquisition).

Property No.	Property Name	Type of Use	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date	
A36	Granbell Ginza Building	Retail Office	Chuo-ku, Tokyo	2,621	June 30, 2015	
A37	UUR Tenjin Nishi-dori Building	Retail	Fukuoka, Fukuoka	5,500	July 15, 2015	
E7	Quartz Tower (Note 1) (Note 3)	Clinic (Note 2)	Shibuya-ku, Tokyo	5,700 (Land: 4,535, Building: 1,165)	Land	June 30, 2015
					Building	November 13, 2015 (Note 1) (Note 3)
E8	Shin-Narashino Logistics Center	Warehouse	Narashino, Chiba	2,555	August 7, 2015	
Total				16,376	-	

- Notes: 1. Quartz Tower is a development type property to be completed in October 2015. United Urban has acquired a trust beneficial interest regarding the land on June 30, 2015. The building of Quartz Tower (the "Building") will be entrusted by the scheduled acquisition date and United Urban will acquire the trust beneficial interest. The acquisition date of the trust beneficial interest regarding the Building was stated in the purchase and sale agreement of the trust beneficial interest (the "PSA") concluded on June 30, 2015. Accordingly, a scheduled acquisition date of the Building above is the schedule as of August 28, 2015. Depending on the progress of construction, the actual acquisition date may be changed.
2. Since the Building of Quartz Tower has not been completed and has not been registered, of the types will be registered after the building's completion, the primary types are shown.
3. The PSA provides that either party may terminate the PSA if the other party has materially breached a provision thereof, in which case the party may request the party in breach to pay an amount equivalent to 20% of the transaction price as penalty charges. However, this PSA is subject to the condition precedent of payment of an acquisition price that United Urban's fund procurement is completed for the acquisition of the trust beneficial interests. Therefore, as for the acquisition of the Building, United Urban can cancel the PSA with no penalty if it cannot consummate fund procurement as of the scheduled acquisition date. In view of the current state of the financial market and financial standings of United Urban, United Urban believes that material adverse effect on United Urban's financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisitions of the Building.

b. United Urban procured debt financing to support the payment for acquiring “Granbell Ginza Building,” “UUR Tenjin Nishi-dori Building,” and “Shin-Narashino Logistics Center” mentioned above a., as set forth below.

Title	Lender	Amount of borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Use of Proceeds	Remarks
Term Loan 04B	Sumitomo Mitsui Banking Corporation	2,900	0.61200% (Note)	June 30, 2015	December 20, 2021	Acquisition of Granbell Ginza Building	Unsecured Unguaranteed
Term Loan 13B	Sumitomo Mitsui Trust Bank, Limited	1,700	0.92415%	July 15, 2015	June 20, 2024	Acquisition of Tenjin Nishi-dori Building	
Term Loan 14B	Mizuho Bank, Ltd.	1,300	0.74900% (Note)		September 20, 2023		
Term Loan 15B	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300	0.78000%		September 20, 2023		
Term Loan 16B	Shinsei Bank, Limited	1,500	0.77285%		September 20, 2022		
Term Loan 17B	The Bank of Fukuoka, Ltd.	500	0.42755% (Note)	August 7, 2015	September 23, 2020	Acquisition of Shin-Narashino Logistics Center	
Term Loan 18B	Mizuho Trust & Banking Co., Ltd.	1,000	0.79846%		June 20, 2023		
Term Loan 19B	Development Bank of Japan Inc.	1,200	0.71004%		June 20, 2022		
Total		11,400					

Note: It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

[Reference: Asset to be Acquired]

United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding “Luz Shonan Tsujido” (“Asset to be Acquired”) March 30, 2015, and has decided to acquire the property on and before September 30, 2015. Details of the Asset to be Acquired are as follows:

Property Name	Type of Use	Location	Scheduled Acquisition Price (Millions of yen) (Note)	Scheduled Acquisition Date (Note)
Luz Shonan Tsujido	Retail	Fujisawa, Kanagawa	3,938	September 30, 2015

Note: Based on the purchase and sale agreement of the trust beneficial interest as of March 30, 2015, “scheduled acquisition price” and “scheduled acquisition date” as of August 28, 2015 are shown. Pursuant to the agreement with the seller of the property, United Urban is able to change the “scheduled acquisition date” to one day between June 30, 2015 and September 30, 2015. If the “scheduled acquisition date” is changed, the “scheduled acquisition price” will change accordingly, based on a prescribed calculation formula. In case United Urban acquired the property on June 30, 2015, the scheduled acquisition price was ¥3,946 million. However, in case United Urban acquires the property on September 30, 2015, the scheduled acquisition price will be ¥3,938 million. In addition, United Urban has concluded the master lease agreement with rental guarantee with the trustee of the Asset to be Acquired on March 30, 2015 (United Urban acquired the leasehold rights for the property collaterally). Based on the master lease agreement, United Urban has been engaged in subleasing as a master lessee, and the profit from subleasing activities has been recorded on or after March 30, 2015.

C. New Borrowings for Redemption

United Urban procured debt financing of a total of ¥8,000 million on July 8, 2015 for the redemption of the existing corporate bonds (¥10,000 million) upon their maturity which is scheduled on July 10, 2015, as set forth below. For the remaining, the proceeds procured from the issuance of Series 16 of Unsecured Corporate Bonds issued on May 29, 2015 (¥2,000 million) was used for the redemption of such existing corporate bonds.

Title	Lenders	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 05B	The Daishi Bank, Ltd.	1,000	0.55000% (Note)	July 8, 2015	June 22, 2020	Unsecured Unguaranteed
Term Loan 06B	The 77 Bank, Ltd. The Bank of Yokohama, Ltd. The Kagawa Bank, Ltd. The Tokyo Tomin Bank, Limited	2,000	0.52685% (Note)		September 23, 2020	
Term Loan 07B	The Norinchukin Bank	1,000	0.50855% (Note)		December 21, 2020	
Term Loan 08B	The Gunma Bank, Ltd.	500	0.55870% (Note)		September 21, 2021	
Term Loan 09B	Shinkin Central Bank	1,000	0.72774%		June 20, 2022	
Term Loan 10B	The Hiroshima Bank, Ltd.	500	0.68500% (Note)		September 20, 2022	
Term Loan 11B	The Yamaguchi Bank, Ltd.	1,000	0.88500% (Note)			
Term Loan 12B	Nippon Life Insurance Company	1,000	0.86100%			
Total		8,000				

Note: It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

D. Lawsuits, etc.

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

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

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

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	23rd Fiscal Period (As of May 31, 2015)	22nd Fiscal Period (As of November 30, 2014)	21st Fiscal Period (As of May 31, 2014)
Total number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (Units)	2,644,311	2,512,246	2,380,181
Total unitholders' capital (Millions of yen)	243,869	219,768	199,230
Number of unitholders	24,156	23,449	22,377

2. Major Unitholders

(As of May 31, 2015)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	630,598	23.85 %
The Master Trust Bank of Japan, Ltd. (trust account)	233,992	8.85 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	189,063	7.15 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	116,935	4.42 %
NOMURA BANK (LUXEMBOURG) S.A.	93,359	3.53 %
STATE STREET BANK WEST CLIENT-TREATY 505234	51,160	1.93 %
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	43,135	1.63 %
Mizuho Securities Co., Ltd.	39,873	1.51 %
THE BANK OF NEW YORK MELLON SA/NV 10	31,138	1.18 %
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	30,594	1.16 %
Total	1,459,847	55.21 %

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

3. Directors and Auditor

A. Board of Directors, etc. of United Urban for the 23rd fiscal period were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Hitoshi Murakami	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, Mitsubishi Kakoki Kaisha, Ltd. (Note 3)	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	22,000 (Note 4)
Total			32,200

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. Masaaki Akiyama resigned the corporate auditor of Mitsubishi Kakoki Kaisha, Ltd. as of June 26, 2015
4. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of corporate bonds and the issuance of new investment units.

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

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

4. Advisors and Agents

(As of May 31, 2015)

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

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		23rd Fiscal Period (As of May 31, 2015)		22nd Fiscal Period (As of November 30, 2014)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,353,479	1.3	7,367,325	1.3
		Other regions			14,112,105	2.5	14,192,455
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,335,688	2.3	13,369,262	2.4
			The 23 wards of Tokyo	9,771,060	1.7	9,771,146	1.7
			Tokyo metropolitan area	9,400,300	1.6	9,451,700	1.7
		Other regions			-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,688,276	0.3	1,702,796	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,337,409	0.8	4,382,904	0.8
		Other regions			-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,984,684	0.5	2,963,061	0.5
			Tokyo metropolitan area	-	-	-	-
		Other regions			789,635	0.1	800,889
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions			-	-	-
	Subtotal				63,772,640	11.1	64,001,543
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,572,115	0.3	1,575,737	0.3
			The 23 wards of Tokyo	23,456,538	4.1	23,544,387	4.2
			Tokyo metropolitan area	68,641,136	12.0	69,014,995	12.3
		Other regions			62,819,910	11.0	59,393,062
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,446,412	10.7	63,421,651	11.3
			The 23 wards of Tokyo	2,119,955	0.4	3,758,486	0.7
			Tokyo metropolitan area	46,783,234	8.2	46,835,263	8.3
		Other regions			53,608,160	9.4	53,546,992
	Hotels	Capital region	The 6 central wards of Tokyo	34,087,945	5.9	33,619,267	6.0
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	3,362,953	0.6	3,410,996	0.6
		Other regions			19,239,248	3.4	19,405,127
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,038,739	0.2	1,048,422	0.2
			The 23 wards of Tokyo	9,252,791	1.6	9,341,534	1.7
			Tokyo metropolitan area	2,084,202	0.4	2,097,815	0.4
		Other regions			22,843,003	4.0	23,102,799
	Others	Capital region	The 6 central wards of Tokyo	3,588,081	0.6	3,614,478	0.6
			The 23 wards of Tokyo	8,058,644	1.4	8,076,799	1.4
			Tokyo metropolitan area	13,445,650	2.3	13,537,031	2.4
		Other regions			5,833,180	1.0	5,869,675
	Subtotal				443,281,904	77.3	444,214,526
Bank Deposits and Other Assets				66,263,940	11.6	53,199,598	9.5
Total Assets				573,318,485	100.0	561,415,668	100.0

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

2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital region excluding the 23 wards of Tokyo.

2. Selected Data by Property

(As of May 31, 2015)

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)(Note 8)	Leasable Floor Space (m ²) (Note 2)	Leased Floor Space (m ²) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
Daiei Himonya	14,668	14,400	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,412	4,400	13,611.24	13,588.92	99.8	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	744	1,120	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,206	5,500	12,968.85	12,678.24	97.8	Retail Properties	Applicable (Note 5)
AEON MALL Uki	9,520	8,490	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,447	5,090	4,194.66	4,103.54	97.8	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	2,896	3,240	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,204	4,900	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,719	1,810	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,713	3,210	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,258	4,390	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,372 (Note 4)	3,920	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,450	11,100	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,342	1,970	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,240	25,600	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,636	3,160	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,572	2,030	931.14	931.14	100.0	Retail Properties	N/A
Albore Sendai	2,424	3,010	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,778	8,370	40,153.16	39,611.12	98.7	Retail Properties	N/A
Ito-Yokado Owariasahi	4,365	4,970	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 6)
Yokohama Kariba Shopping Center	2,327	1,910	11,345.09	11,345.09	100.0	Retail Properties	N/A
Luz Jiyugaoka	5,074	5,840	2,283.47	2,283.47	100.0	Retail Properties	N/A
ACTIOLE Ichikawa	3,217	3,710	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,740	3,050	9,193.00	9,193.00	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Aoba (Site)	2,270	2,400	7,650.63	7,650.63	100.0	Retail Properties	N/A
Yodobashi Camera Multimedia Kichijoji	28,443	34,500	37,932.95	37,932.95	100.0	Retail Properties	N/A
Yamada Denki Tecc Land New Matsudo Honten	5,126	6,210	17,561.23	17,561.23	100.0	Retail Properties	N/A
Tenjin Loft Building	4,491	5,160	7,575.89	7,007.85	92.5	Retail Properties	N/A
Narumi Shopping Center (Site)	6,850	6,780	60,419.26	60,419.26	100.0	Retail Properties	N/A
Plussing Wave Enoshima	1,878	2,060	3,155.64	3,054.86	96.8	Retail Properties	N/A
Life Nishijuku (Site)	1,842	1,870	3,252.76	3,252.76	100.0	Retail Properties	N/A
Life Tamatsukuri (Site)	1,967	1,990	2,391.44	2,391.44	100.0	Retail Properties	N/A
T&G Hamamatsucho Building	2,113	2,950	2,420.85	2,420.85	100.0	Office Buildings	N/A

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)(Note 8)	Leasable Floor Space (m ²) (Note 2)	Leased Floor Space (m ²) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
SK Nagoya Building	5,556	4,580	8,708.52	7,889.69	90.6	Office Buildings	N/A
Fukuoka Eartheon Building	1,678	2,380	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,451	2,370	2,578.84	2,578.84	100.0	Office Buildings	N/A
Rokubancho K Building	2,322	3,520	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,443	25,700	45,978.59	44,606.01	97.0	Office / Hotels	N/A
Kawasaki Toshiba Building	19,122	30,100	36,118.31	36,118.31	100.0	Office Buildings	N/A
UUR Toyoko Building	8,657	8,630	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,277	5,190	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,606	15,100	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,231	10,300	10,971.90	9,784.46	89.2	Office Buildings	N/A
UUR Tsukiji Building	6,481	6,480	5,971.42	5,971.42	100.0	Office Buildings	N/A
Pacific Marks Tsukishima	5,974	6,270	9,336.27	9,283.64	99.4	Office Buildings	N/A
Pacific Marks Yokohama East	7,013	7,040	10,732.11	10,318.13	96.1	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,745	3,970	8,743.05	7,973.54	91.2	Office Buildings	N/A
Akasaka Hikawa Building	3,228	3,840	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,480	2,960	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,180	2,080	1,675.13	1,675.13	100.0	Office Buildings	N/A
Yokohama Aioicho Building	1,098	1,210	2,445.10	2,324.89	95.1	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,606	1,570	3,110.72	3,110.72	100.0	Office Buildings	N/A
Pacific Marks Kawasaki	9,400	10,500	7,382.14	7,173.45	97.2	Office Buildings	N/A
Hamamatsucho 262 Building	6,724	6,820	6,183.89	6,183.89	100.0	Office Buildings	N/A
Lila Hijirizaka	2,667	2,850	4,255.02	4,204.92	98.8	Office Buildings	N/A
Otsuka HT Building	1,113	1,220	1,794.71	1,496.17	83.4	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,513	2,900	1,722.14	1,722.14	100.0	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,423	6,840	11,039.44	10,425.83	94.4	Office Buildings	N/A
Pacific Marks Higobashi	4,395	4,390	7,623.57	7,623.57	100.0	Office Buildings	N/A
Nagoya Nishiki City Building	2,495	2,370	5,608.73	4,529.16	80.8	Office Buildings	N/A
Pacific Marks Esaka	9,346	9,540	20,015.73	19,821.67	99.0	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,862	1,910	4,761.87	4,761.87	100.0	Office Buildings	N/A
Shin-Sapporo Center Building	909	1,080	2,797.03	2,607.59	93.2	Office Buildings	N/A
ARENA TOWER	8,944	11,400	17,967.46	17,967.46	100.0	Office Buildings	N/A
Yushima First Building	2,119	2,740	4,598.87	4,598.87	100.0	Office Buildings	N/A
Dogenzaka Square	2,352	2,690	2,233.57	2,233.57	100.0	Office Buildings	N/A
GRAND-SQUARE Shin-Sakae	1,498	1,840	4,578.93	4,578.93	100.0	Office Buildings	N/A
GRAND-SQUARE Meieki-minami	1,243	1,850	4,003.05	4,003.05	100.0	Office Buildings	N/A
Shiba 520 Building	2,175	2,360	2,854.26	2,854.26	100.0	Office Buildings	N/A
Hirose-dori SE Building	3,654	4,350	8,235.87	6,828.47	82.9	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	21,077	23,500	53,363.11	53,256.78	99.8	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,688	2,230	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,362	3,640	6,670.21	6,494.00	97.4	Hotels	N/A

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)(Note 8)	Leasable Floor Space (m ²) (Note 2)	Leased Floor Space (m ²) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
HOTEL ROUTE-INN Yokohama Bashamichi	4,337	4,530	7,139.44	7,139.44	100.0	Hotels	N/A
Hotel JAL City Naha	7,382	8,860	13,701.80	13,701.80	100.0	Hotels	N/A
UUR Yotsuya Sanhome Building (Note 7)	4,255	4,970	7,854.86	7,854.86	100.0	Hotels	N/A
Yotsuya 213 Building	5,119	5,740	7,550.16	7,550.16	100.0	Hotels	N/A
HOTEL ROUTE-INN Nagoya Imaie Ekimae	1,955	2,670	5,880.69	5,880.69	100.0	Hotels	N/A
the b roppongi	3,635	3,700	2,710.90	2,710.90	100.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,580	2,120	2,603.22	2,320.70	89.1	Residential Properties	N/A
Komazawa Court	1,545	2,230	3,741.17	3,741.17	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,038	1,240	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,261	4,340	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,027	1,210	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,625	3,480	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,083	1,450	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga	592	652	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	464	528	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	940	1,030	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	389	489	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	2,864	3,240	4,097.51	3,808.73	93.0	Residential Properties	N/A
GRAND-ROUGE Sakae	1,328	1,470	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,124	1,310	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,000	4,120	11,525.36	11,178.96	97.0	Residential Properties	N/A
UUR Court Nagoya Meieki	1,313	1,440	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	789	842	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	846	730	2,067.95	1,595.99	77.2	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,426	1,650	3,650.00	3,650.00	100.0	Residential Properties	N/A
UUR Court Kinshicho	2,984	3,510	5,460.39	5,253.20	96.2	Residential Properties	N/A
UUR Court Sapporo Minami-Sanjo Premier Tower	1,988	2,680	7,817.12	6,405.84	81.9	Residential Properties	N/A
GLAND-ROUGE Nakanoshima-minami	1,423	1,640	3,090.36	2,867.22	92.8	Residential Properties	N/A
Glenpark Umeda-kita	5,353	5,530	12,730.60	12,195.87	95.8	Residential Properties	N/A
Lilycolor Tohoku Branch	1,606	2,030	9,271.16	9,271.16	100.0	Others	N/A
KDDI Fuchu Building	4,992	5,390	14,490.92	14,490.92	100.0	Others	N/A
Tsubogawa Square Building	4,226	4,870	10,570.98	10,570.98	100.0	Others	N/A
THE PLACE of TOKYO	3,588	4,040	3,212.21	3,212.21	100.0	Others	N/A
Logistics Higashi-Ohgishima	8,452	8,920	42,113.83	42,113.83	100.0	Others	N/A
MT Ariake Center Building I&II	8,058	8,280	23,934.32	23,934.32	100.0	Others	N/A
Total	507,054	560,351	1,177,654.28	1,163,214.24	98.8		

Notes: 1. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2015 based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
2. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2015. "Leasable Floor Space"

means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The same shall apply hereinafter.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.

3. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
4. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the sale and purchase agreement of trust beneficial interest. The Book Value at the end of the period of this trust beneficial interest is described as ¥3,372 million reflecting the additional amount of trust. However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
5. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
6. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the building and the land of the property.
7. The property name was changed from "Hotel JAL City Yotsuya Tokyo" to "UUR Yotsuya Sanhome Building" on October 1, 2014.
8. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement with rental guarantee with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally). In addition, United Urban obtained an appraisal report with regard to the leasehold right for the property as of May 31, 2015 (appraisal values: ¥40 million). However, the information of the appraisal is not included in the above chart.

3. Selected Financial Data by Property

Name of Property	23rd Fiscal Period (December 1, 2014 to May 31, 2015)			
	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 7)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	459	2.4
Joy Park Izumigaoka	22	99.8	267	1.4
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	14	97.8	255	1.3
AEON MALL Uki	1	100.0	419	2.2
TENJIN LUCE	9	97.8	189	1.0
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	192	1.0
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)
ACTIOLE Minami-ikebukuro	10	100.0	85	0.4
Tip's Machida Building	10	100.0	198	1.0
Daiei Takarazuka Nakayama	1	100.0	151	0.8
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	298	1.5
ACTIOLE Kannai	9	100.0	60	0.3
Shinsaibashi OPA Honkan	1	100.0	707	3.7
Shinsaibashi OPA Kireikan	1	100.0	87	0.5
Albore Jingumae	4	100.0	49	0.3
Albore Sendai	5	100.0	111	0.6
Mallage Kashiwa	96	98.7	700	3.6

Name of Property	23rd Fiscal Period (December 1, 2014 to May 31, 2015)			
	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 7)	Share of Total Rental Revenue (%)
Ito-Yokado Owariasahi	1	100.0	224	1.2
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	22	100.0	175	0.9
ACTIOLE Ichikawa	13	100.0	150	0.8
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	4	92.5	278	1.4
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	7	96.8	79	0.4
Life Nishikujo (Site)	1	100.0	(Note 3)	(Note 3)
Life Tamatsukuri (Site)	1	100.0	(Note 3)	(Note 3)
T&G Hamamatsucho Building	6	100.0	87	0.5
SK Nagoya Building	10	90.6	171	0.9
Fukuoka Eartheon Building	4	100.0	115	0.6
Marumasu Kojimachi Building	17	100.0	84	0.4
Rokubancho K Building	1	100.0	108	0.6
Shin-Osaka Central Tower	58	97.0	1,049	5.4
Kawasaki Toshiba Building	1	100.0	836	4.3
UUR Toyochō Building	1	100.0	279	1.4
FOUR SEASONS BLDG	1	100.0	178	0.9
Hitachi High-Tech Building	2	100.0	396	2.1
Pacific Marks Shinjuku Parkside	23	89.2	264	1.4
UUR Tsukiji Building	4	100.0	186	1.0
Pacific Marks Tsukishima	48	99.4	258	1.3
Pacific Marks Yokohama East	24	96.1	215	1.1
Pacific Marks Shin-Urayasu	13	91.2	190	1.0
Akasaka Hikawa Building	1	100.0	115	0.6
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.4
Pacific Marks Nihonbashi-Tomizawacho (Note 4)	-	-	44	0.2
Pacific Marks Akasaka-mitsuke	8	100.0	65	0.3
Yokohama Aioicho Building	20	95.1	58	0.3
Pacific Marks Shin-Yokohama	11	100.0	64	0.3
Pacific Marks Kawasaki	37	97.2	304	1.6
Hamamatsucho 262 Building	18	100.0	229	1.2
Lila Hijirizaka	15	98.8	114	0.6
Pacific Marks Aobadai (Note 5)	-	-	39	0.2
Otsuka HT Building	5	83.4	53	0.3
Pacific Marks Shinjuku South-gate	10	100.0	84	0.4
Pacific Marks Nishi-Umeda	30	94.4	249	1.3
Pacific Marks Higobashi	24	100.0	157	0.8
Nagoya Nishiki City Building	23	80.8	89	0.5

Name of Property	23rd Fiscal Period (December 1, 2014 to May 31, 2015)			
	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 7)	Share of Total Rental Revenue (%)
Pacific Marks Esaka	35	99.0	512	2.7
Pacific Marks Sapporo Kita-Ichijo	13	100.0	100	0.5
Shin-Sapporo Center Building	18	93.2	61	0.3
ARENA TOWER	13	100.0	431	2.2
Yushima First Building	7	100.0	120	0.6
Dogenzaka Square	31	100.0	88	0.5
GRAND-SQUARE Shin-Sakae	6	100.0	94	0.5
GRAND-SQUARE Meieki-minami	13	100.0	74	0.4
Shiba 520 Building	4	100.0	93	0.5
Hirose-dori SE Building	11	82.9	188	1.0
Shinjuku Washington Hotel Honkan	7	99.8	696	3.6
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.3
MZ BLD.	8	97.4	134	0.7
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	165	0.9
Hotel JAL City Naha	2	100.0	295	1.5
UUR Yotsuya Sanhome Building (Note 6)	3	100.0	186	1.0
Yotsuya 213 Building	4	100.0	178	0.9
HOTEL ROUTE-INN Nagoya Imaike Ekimae	1	100.0	(Note 3)	(Note 3)
the b roppongi	2	100.0	110	0.6
T&G Higashi-ikebukuro Mansion	115	89.1	66	0.3
Komazawa Court	1	100.0	60	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.2
Maison Ukima	1	100.0	124	0.6
Narashino Residence	1	100.0	51	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.3
UUR Court Chiba Soga	1	100.0	(Note 3)	(Note 3)
Higashi-kurume Dormitory Shinkan	1	100.0	16	0.1
Nanzan Court Ichigokan	1	100.0	38	0.2
Nanzan Court Nigokan	1	100.0	16	0.1
CLIO Bunkyo Koishikawa	86	93.0	98	0.5
GRAND-ROUGE Sakae	1	100.0	43	0.2
GRAND-ROUGE Sakae II	1	100.0	38	0.2
MA Sendai Building	144	97.0	168	0.9
UUR Court Nagoya Meieki	1	100.0	45	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.2
Park Site IZUMI	31	77.2	24	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.3
UUR Court Kinshicho	195	96.2	118	0.6
UUR Court Sapporo Minami-Sanjo Premier Tower	125	81.9	107	0.6
GLAND-ROUGE Nakanoshima-minami	110	92.8	53	0.3
Glenpark Umeda-kita	174	95.8	186	1.0

Name of Property	23rd Fiscal Period (December 1, 2014 to May 31, 2015)			
	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 7)	Share of Total Rental Revenue (%)
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	268	1.4
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)
Logistics Higashi-Ohgishima	2	100.0	(Note 3)	(Note 3)
MT Ariake Center Building I&II	3	100.0	(Note 3)	(Note 3)
Total	1,860	98.8	19,287	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. United Urban sold Pacific Marks Nihonbashi-Tomizawacho on April 23, 2015
5. United Urban sold Pacific Marks Aobadai on April 24, 2015
6. The property name was changed from "Hotel JAL City Yotsuya Tokyo" to "UUR Yotsuya Sanhome Building" on October 1, 2014.
7. Though there was the rental revenue of ¥102 million regarding Luz Shonan Tsujido based on the master-lease agreement with rental guarantee, it was not included in the above chart.

4. Amount of Contract and Fair Value of Specified Transactions

(As of May 31, 2015)

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen)
		over one year		(Note 2) (Note 3)
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	84,480,000	84,480,000	(340,170)
Total		84,480,000	84,480,000	(340,170)

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

5. Status of Other Assets

There were no other specified assets other than properties stated in "2. Selected Data by Property" above as of May 31, 2015.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Investment Real Estate") scheduled as of May 31, 2015. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Work	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 23rd fiscal period	Amount already paid
Mallage Kashiwa	Renewal of floor tile (1st period)	From November 2015 to November 2015	102	-	-
Mallage Kashiwa	Renewal of floor tile (2nd period)	From May 2016 to May 2016	102	-	-
Kawasaki Toshiba Building	Renewal of air-conditioning facilities (2nd period)	From December 2014 to April 2016	977	-	-
Pacific Marks Esaka	Renewal of air-conditioning facilities	From September 2015 to November 2015	194	-	-
Pacific Marks Esaka	Renewal of 1st and 2nd floor	From September 2015 to December 2015	131	-	-
Shinjuku Washington Hotel Honkan	Renewal of unit bath and fan coil units	From April 2015 to November 2015	874	-	-
Shinjuku Washington Hotel Honkan	Renewal of elevator	From April 2015 to September 2015	215	-	-
Shinjuku Washington Hotel Honkan	Interior construction of the guest rooms	From April 2015 to November 2015	139	-	-
Shinjuku Washington Hotel Honkan	Renewal of unit bath and fan coil units	From December 2015 to May 2016	749	-	-
Shinjuku Washington Hotel Honkan	Renewal of elevator	From June 2015 to March 2016	248	-	-
Shinjuku Washington Hotel Honkan	Interior construction of the guest rooms	From December 2015 to May 2016	123	-	-

2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Investment Real Estate during the 23rd fiscal period, which totaled ¥1,429 million. Together with ¥422 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥1,851 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of basement exhaust fan and RC duct	From May 2015 to May 2015	18
AEON MALL Uki	Renewal of air-conditioning facilities (movie theater building)	From May 2015 to May 2015	10
Tip's Machida Building	Repair of exterior walls	From January 2015 to May 2015	33
T&G Hamamatsucho Building	Renewal of air-conditioning facilities	From May 2015 to May 2015	11
SK Nagoya Building	Renewal of air-conditioning facilities (2nd period)	From June 2014 To March 2015	245
Kawasaki Toshiba Building	Renewal of luminaries at common area of the entire building	From October 2014 to March 2015	29
Kawasaki Toshiba Building	Renewal of air-conditioning facilities (in some floors)	From October 2014 to March 2015	229
Kawasaki Toshiba Building	Renewal of branch pipes of water supply, etc. Repair of vent pipes of toilets	From January 2015 to May 2015	31

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
UUR Toyochō Building	Renewal of automatic fire alarm facility and emergency broadcasting equipment	From March 2015 to May 2015	14
Pacific Marks Shinjuku Parkside	Installation work of OA floor	From March 2015 to March 2015	14
Hamamatsucho 262 Building	Renewal of air-conditioning facilities (in some floors)	From March 2015 to May 2015	85
Otsuka HT Building	Repair of exterior walls	From March 2015 to May 2015	20
Pacific Marks Shinjuku South-gate	Replacement of parts of receiving and transforming facilities Replacement of switchboard for electric light (1st period)	From March 2015 to March 2015	11
Pacific Marks Nishi-Umeda	Replacement of parts of hot-and chilled-water generator	From May 2015 to May 2015	12
Pacific Marks Higobashi	Repair of exterior walls	From October 2014 to May 2015	25
Pacific Marks Esaka	Renewal of high-voltage receiving and transforming facility (2nd period)	From October 2014 to May 2015	173
Yotsuya 213 Building	Exchange work of keys of exclusive use areas on each floor	From March 2015 to March 2015	11
UUR Court Kinshicho	Large-scale repair work	From July 2014 to December 2014	59
Tsubogawa Square Building	Expansion of a connecting passage	From December 2014 to May 2015	45
Other capital expenditures			346
Total			1,429

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		
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Reserve balance at the beginning of period	692	663	642
Addition to the reserve during the period (Note)	29	106	49
Reduction of reserve during the period	10	77	28
Reserve balance to be carried over to next period	711	692	663

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

Expenses and Debt

1. Asset Management Expenses

	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	Thousands of yen 21st Fiscal Period (December 1, 2013 - May 31, 2014)
Asset management fees (Note)	1,559,775	1,496,485	1,429,032
Asset custodian fees	17,403	16,881	17,065
Administrative agent fees	69,648	66,308	68,913
Directors' fees	10,200	10,200	10,200
Other expenses	205,592	244,110	247,959
Total	1,862,620	1,833,985	1,773,171

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (21st fiscal period: ¥146,080 thousand, 22nd fiscal period: ¥214,800 thousand, 23rd fiscal period: ¥29,120 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (23rd fiscal period: ¥28,160 thousand).

2. Borrowings

Borrowings from financial institutions as of May 31, 2015 were as follows:

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

Lenders	Drawdown Date	Balance at the beginning of the 23rd FP (Millions of yen) (Note 1)	Balance at the end of the 23rd FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Trust Bank, Limited	Dec. 21, 2009	800	-	1.975%	Dec. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation		1,650	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		300	-			
Mizuho Bank, Ltd.		1,000	-			
Mizuho Trust & Banking Co., Ltd.		500	-			
Sumitomo Mitsui Banking Corporation	Apr. 12, 2012	-	1,000	0.531%	Mar. 20, 2016	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.		-	2,000			
Resona Bank, Limited		-	1,000			
Mizuho Trust & Banking Co., Ltd.		-	1,000			
Total		4,250	5,000			

(Long-term debt)

Lenders	Drawdown Date	Balance at the beginning of the 23rd FP (Millions of yen) (Note 1)	Balance at the end of the 23rd FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Banking Corporation	Apr. 12, 2012	1,000	-	0.531%	Mar. 20, 2016	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.		2,000	-			
Resona Bank, Limited		1,000	-			
Mizuho Trust & Banking Co., Ltd.		1,000	-			
Mizuho Bank, Ltd.	Sep. 27, 2011	1,900	-	0.634%	Sep. 20, 2016 (Note 4)	
Sumitomo Mitsui Trust Bank, Limited	Oct. 25, 2011	2,600	-	0.581%	Sep. 20, 2016 (Note 5)	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
Mizuho Bank, Ltd.		2,500	2,500			
The Bank of Fukuoka, Ltd.		1,200	1,200			

Lenders	Drawdown Date	Balance at the beginning of the 23rd FP (Millions of yen) (Note 1)	Balance at the end of the 23rd FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	2,000	2,000	0.581%	Dec. 20, 2016	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.	Dec. 26, 2011	500	500	0.581%	Dec. 20, 2016	
The Norinchukin Bank		4,000	4,000			
Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2012	1,500	1,500	0.581%	Mar. 20, 2017	
Sumitomo Mitsui Banking Corporation		2,400	2,400			
Sompo Japan Nipponkoa Insurance Inc.	Mar. 30, 2012	1,000	1,000	0.993%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
The Hiroshima Bank, Ltd.		500	500			
Kansai Urban Banking Corporation		1,000	1,000			
Mizuho Bank, Ltd.	Apr. 12, 2012	1,500	1,500	0.581%	Mar. 20, 2017	Unsecured Unguaranteed Floating interest rate
Mitsubishi UFJ Trust and Banking Corporation		1,500	1,500			
Shinsei Bank, Limited		1,000	1,000			
The Bank of Fukuoka, Ltd.		1,000	1,000			
The 77 Bank, Ltd.		500	500			
Sumitomo Mitsui Trust Bank, Limited	Apr. 12, 2012	3,500	-	0.481%	Mar. 20, 2017 (Note 6)	Unsecured Unguaranteed Fixed interest rate
Shinsei Bank, Limited	May 18, 2012	1,000	1,000	0.922%	Mar. 20, 2017	
Development Bank of Japan Inc. (Note 3)	Jul. 7, 2010	1,600	1,550	2.142%	Jun. 20, 2017	
Resona Bank, Limited	May 18, 2012	1,300	1,300	0.534% (Note 7)	Jun. 20, 2017	Unsecured Unguaranteed (Note 7)
The Gunma Bank, Ltd.	Jun. 20, 2012	900	900	0.534% (Note 7)	Jun. 20, 2017	
The Bank of Yokohama, Ltd.		900	900			
The Tokyo Tomin Bank, Limited		500	500			
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	2,500	0.484% (Note 7)	Jun. 20, 2017	
Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	2,400	0.434% (Note 7)	Jun. 20, 2017	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	4,400	0.740%	Sep. 20, 2017	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.611% (Note 7)	Mar. 20, 2018	Unsecured Unguaranteed (Note 7)
Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	2,200	0.511% (Note 7)	Mar. 20, 2018	
Mizuho Bank, Ltd.	Mar. 21, 2013	3,000	3,000	0.461% (Note 7)	Mar. 20, 2018	
Aozora Bank, Ltd.	Mar. 21, 2013	1,570	1,570	0.461% (Note 7)	Mar. 20, 2018	
The Norinchukin Bank		2,253	2,253			
Aozora Bank, Ltd.	Mar. 20, 2014	1,700	1,700	0.559%	Mar. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	2,000	2,000	0.778% (Note 7)	Jun. 20, 2018	Unsecured Unguaranteed (Note 7)
Saitama Resona Bank, Limited	Jun. 20, 2013	1,000	1,000	0.449% (Note 7)	Jun. 20, 2018	
The Shinkumi Federation Bank		2,000	2,000			
The Bank of Fukuoka, Ltd.		500	500			
Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	1,000	1,000	0.735% (Note 7)	Jun. 20, 2018	
ORIX Bank Corporation	Jun. 20, 2013	1,500	1,500	0.830%	Jun. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.464%	Sep. 20, 2018	Unsecured Unguaranteed (Note 7)
THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	1,000	0.453% (Note 7)	Sep. 20, 2018	
The Nomura Trust and Banking Co., Ltd.		1,000	1,000			
The Kagawa Bank, Ltd.		500	500			

Lenders	Drawdown Date	Balance at the beginning of the 23rd FP (Millions of yen) (Note 1)	Balance at the end of the 23rd FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	1,000	0.781%	Sep. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Shinkin Central Bank	Nov. 1, 2013	1,000	1,000	0.688%	Sep. 20, 2018	
Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.524% (Note 7)	Mar. 20, 2019	Unsecured Unguaranteed (Note 7)
ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753%	Mar. 20, 2019	Unsecured Unguaranteed Fixed interest rate
The Norinchukin Bank	Feb. 28, 2014	1,600	1,600	0.620% (Note 7)	Mar. 20, 2019	Unsecured Unguaranteed (Note 7)
Resona Bank, Limited	Apr. 8, 2014	1,000	1,000	0.708%	Mar. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.693% (Note 7)	Jun. 20, 2019	Unsecured Unguaranteed (Note 7)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	May 16, 2013	2,000	2,000	0.523% (Note 7)	Jun. 20, 2019	Unsecured Unguaranteed (Note 7)
Shinsei Bank, Limited	May 16, 2013	1,000	1,000	1.056%	Jun. 20, 2019	Unsecured Unguaranteed
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	1,000	1,000	0.511%	Sep. 20, 2019	Fixed interest rate
Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	4,000	0.555% (Note 7)	Sep. 20, 2019	Unsecured Unguaranteed (Note 7)
Mizuho Bank, Ltd.		637	637			
Aozora Bank, Ltd.		1,570	1,570			
Aozora Bank, Ltd.	Aug. 29, 2014	1,200	1,200	0.593%	Sep. 20, 2019	Unsecured
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	4,000	4,000	0.800%	Mar. 23, 2020	Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	2,427	2,427	0.780%	Mar. 23, 2020	
Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.617% (Note 7)	Mar. 23, 2020	Unsecured Unguaranteed (Note 7)
Mitsubishi UFJ Trust and Banking Corporation		869	869			
Resona Bank, Limited		339	339			
Mitsubishi UFJ Trust and Banking Corporation	Mar. 20, 2014	1,300	1,300	0.640% (Note 7)	Mar. 23, 2020	
Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370%	Jun. 20, 2020	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.631% (Note 7)	Jun. 20, 2020	Unsecured Unguaranteed (Note 7)
Sumitomo Mitsui Banking Corporation		1,650	1,650			
Mizuho Bank, Ltd.		1,000	1,000			
Aozora Bank, Ltd.		2,000	2,000			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.668% (Note 7)	Sep. 23, 2020	
Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.668% (Note 7)	Sep. 23, 2020	
Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000%	Sep. 23, 2020	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826%	Sep. 23, 2020	
Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888%	Sep. 23, 2020	
Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	1,300	1,300	0.858%	Dec. 21, 2020	
Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	5,800	5,800	0.850% (Note 7)	Mar. 22, 2021	Unsecured Unguaranteed (Note 7)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 20, 2014	1,400	1,400	0.830%	Mar. 22, 2021	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.841%	Mar. 22, 2021	

Lenders	Drawdown Date	Balance at the beginning of the 23rd FP (Millions of yen) (Note 1)	Balance at the end of the 23rd FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 28, 2014	2,200	2,200	0.850%	Mar. 22, 2021	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	5,700	5,700	0.883%	Mar. 22, 2021	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 29, 2014	1,900	1,900	0.690%	Mar. 22, 2021	
Sumitomo Mitsui Banking Corporation	Oct. 2, 2014	2,000	2,000	0.619% (Note 7)	Mar. 22, 2021	Unsecured Unguaranteed (Note 7)
Mizuho Bank, Ltd.	May 1, 2014	1,700	1,700	0.737% (Note 7)	Jun. 21, 2021	
Sumitomo Mitsui Banking Corporation	May 1, 2014	1,000	1,000	0.872% (Note 7)	Jun. 21, 2021	
Mitsubishi UFJ Trust and Banking Corporation	May 1, 2014	1,000	1,000	0.770% (Note 7)	Jun. 21, 2021	
Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2014	3,000	3,000	0.670% (Note 7)	Dec. 20, 2021	
Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	2,600	1.030%	Mar. 22, 2022	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	3,000	0.661% (Note 7)	Mar. 22, 2022	Unsecured Unguaranteed (Note 7)
Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672% (Note 7)	Jun. 20, 2022	
Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814%	Sep. 20, 2022	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	3,400	1.239%	Dec. 20, 2022	
Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	6,500	0.842%	Mar. 20, 2023	
Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	-	3,500	0.775%	Mar. 20, 2023	
Total		186,407	176,857			

Borrowings Total	190,657	181,857	
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- Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal to the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).
4. As for this borrowing, United Urban made a full repayment on December 22, 2014 prior to the principal repayment date (completion of repayment).
5. Of the borrowing balance of ¥8,300 million, United Urban made an early repayment with regard to ¥2,600 million which has been borrowed from Sumitomo Mitsui Trust Bank, Limited on December 22, 2014. Therefore, the balance after the early repayment is ¥5,700 million.
6. As for this borrowing, United Urban made a full repayment on May 29, 2015 prior to the principal repayment date (completion of repayment).
7. It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

3. Corporate Bonds

Corporate Bonds as of May 31, 2015 were as follows:

Name	Balance at the beginning of the 23rd FP (Millions of yen)	Balance at the end of the 23rd FP (Millions of yen)	Interest Rate (%)	Issue Date	Maturity Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	10,000	1.910	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 5 of Unsecured Corporate Bonds	7,000	-	1.000	Dec. 16, 2011	Dec. 16, 2014	Bullet payment
Series 6 of Unsecured Corporate Bonds	3,000	3,000	1.120	Dec. 9, 2011	Dec. 9, 2016	Bullet payment
Series 7 of Unsecured Corporate Bonds	6,500	6,500	0.950	Jul. 5, 2012	Jul. 5, 2017	Bullet payment
Series 8 of Unsecured Corporate Bonds	10,000	10,000	0.800	Aug. 6, 2012	Aug. 5, 2016	Bullet payment
Series 9 of Unsecured Corporate Bonds	10,000	10,000	0.620	Dec. 19, 2012	Dec. 19, 2016	Bullet payment
Series 10 of Unsecured Corporate Bonds	4,000	4,000	0.690	Dec. 12, 2012	Dec. 12, 2017	Bullet payment
Series 11 of Unsecured Corporate Bonds	8,000	8,000	0.690	May 30, 2013	May 30, 2018	Bullet payment
Series 12 of Unsecured Corporate Bonds	2,000	2,000	0.690	May 30, 2013	May 30, 2018	Bullet payment
Series 13 of Unsecured Corporate Bonds	13,000	13,000	0.470	Nov. 20, 2013	Nov. 20, 2018	Bullet payment
Series 14 of Unsecured Corporate Bonds	2,000	2,000	0.470	Nov. 20, 2013	Nov. 20, 2018	Bullet payment
Series 15 of Unsecured Corporate Bonds	3,000	3,000	0.525	Oct. 30, 2014	Oct. 29, 2021	Bullet payment
Series 16 of Unsecured Corporate Bonds	-	2,000	0.804	May 29, 2015	May 29, 2025	Bullet payment
Total	78,500	73,500				

Trading Activities during the Period

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

(Millions of yen)

Type of Asset	Name of Properties	Acquisition		Transfer			
		Date	Acquisition price (Note 1)	Date	Sale price (Note 1)	Book value	Gain or loss on sale
Trust beneficial interest in real estate	LIFE Nishikujo (Site)	Mar. 2, 2015	1,760	-	-	-	-
Trust beneficial interest in real estate	LIFE Tamatsukuri (Site)	Mar. 2, 2015	1,880	-	-	-	-
Trust beneficial interest in real estate	Pacific Marks Nihonbashi-Tomizawacho	-	-	Apr. 23, 2015	2,020	1,857	76
Trust beneficial interest in real estate	Pacific Marks Aobadai	-	-	Apr. 24, 2015	1,500	1,615	(176)
Total		-	3,640	-	3,520	3,473	(99)

Notes: 1. The "Acquisition price" and "Sale price" are the price stated in the each purchase and sale agreement of the asset, and do not include consumption taxes and expenses necessary for making the relevant acquisition and transfer (e.g. agency fees, taxes and impositions).
2. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement with rental guarantee with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally).
(For details of the property, please refer to "Financial Highlights, 6. Material Facts Arising after the End of 23rd Fiscal Period and Other Material Events, B. Acquisition of Property and Debt Financing, [Reference: Asset to be Acquired]" above.)

2. Trading of Other Assets

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

3. Research for Specified Assets

(1) Real estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Properties	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	LIFE Nishikujo (Site)	Mar. 2, 2015	1,760	1,800	Nov. 1, 2014	The Tanizawa Sōgō Appraisal Co., Ltd.
	Trust beneficial interest in real estate	LIFE Tamatsukuri (Site)	Mar. 2, 2015	1,880	1,920	Nov. 1, 2014	The Tanizawa Sōgō Appraisal Co., Ltd.
Sale	Trust beneficial interest in real estate	Pacific Marks Nihonbashi-Tomizawacho	Apr. 23, 2015	2,020	1,890	Apr. 1, 2015	Japan Real Estate Institute
	Trust beneficial interest in real estate	Pacific Marks Aobadai	Apr. 24, 2015	1,500	1,550	Feb. 28, 2015	Japan Real Estate Institute

Notes: 1. As for transactions that require appraisal values of real estate, etc, regarding specified assets, the appraisal was conducted by real estate appraisal organizations based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.
In addition, United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement with rental guarantee with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally). United Urban obtained an appraisal report with regard to the leasehold right (date of valuation: March 30, 2015, appraisal value: ¥58 million) from Midzuki Real Estate Appraisal Firm. Moreover, United Urban will acquire the trust beneficial interest of the property on and before September 30, 2015.
2. The "Acquisition Price or Sale Price" is the price stated in the purchase and sale agreement of the asset, and do not include consumption taxes and expenses necessary for making the relevant acquisition or sale (e.g. agency fees, taxes and impositions).

(2) Others

There was no applicable information on other specified asset transactions.

4. Trading with Related Parties

(1) Status of transactions

There were no purchase and sale transactions concerning the specified assets with related parties.

(2) Amount of commissions paid to related parties

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Brokerage Commission	105,600	Marubeni Asset Management Co., Ltd.	105,600	100.0
Property Management Fees	1,270,003	Marubeni Real Estate Management Co., Ltd.	361,642	28.5
Casualty Insurance Premium	23,761	Marubeni Safenet Co., Ltd.	23,494	98.9
Construction Management Fees	32,326	Marubeni Real Estate Management Co., Ltd.	10,630	32.9
Other Rental Expenses	78,346	Marubeni Real Estate Management Co., Ltd.	3,494	4.5

Notes: 1. "Related Parties" means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. Among Related Parties, the above-mentioned companies have conducted business or have received payment of commissions during the 23rd fiscal period are stated above.

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

Marubeni Real Estate Management Co., Ltd.: ¥17,552 thousand

Others

Notifications

United Urban Board of Directors

There were no conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 23rd fiscal period.

◆ FINANCIAL SECTION

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BALANCE SHEET

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 60,837,854	¥ 50,179,477
Rent receivables	409,405	399,351
Consumption taxes refundable	-	65,167
Other current assets	2,800,800	116,242
Total current assets	64,048,059	50,760,239
PROPERTY AND EQUIPMENT, AT COST:		
Land	331,212,510	329,918,790
Buildings and structures	212,423,001	212,231,845
Machinery and equipment	1,982,696	1,990,893
Tools, furniture and fixtures	465,100	425,076
Construction in progress	585,621	39,462
Subtotal	546,668,930	544,606,069
Less accumulated depreciation	(43,544,663)	(40,320,276)
Net property and equipment	503,124,267	504,285,792
INVESTMENTS AND OTHER ASSETS:		
Software	31,128	35,269
Leasehold	3,930,277	3,930,277
Other intangible assets	212,437	219,101
Security deposits paid	90,266	90,266
Long-term prepaid expenses	1,882,049	2,094,722
TOTAL ASSETS	¥ 573,318,485	¥ 561,415,668

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 1,517,426	¥ 1,438,510
Current portion of corporate bonds	10,000,000	17,000,000
Long-term debt due for repayment within one year	5,000,000	4,250,000
Accrued expenses	445,478	494,866
Income taxes payable	-	9
Rent received in advance	2,844,386	2,828,185
Other current liabilities	956,215	130,387
Total current liabilities	20,763,506	26,141,959
LONG-TERM LIABILITIES:		
Corporate bonds	63,500,000	61,500,000
Long-term debt	176,857,000	186,407,000
Leasehold and security deposits received	29,234,603	29,019,090
Derivatives liabilities	56,430	12,199
Total long-term liabilities	269,648,034	276,938,290
Total liabilities	290,411,540	303,080,249
NET ASSETS		
UNITHOLDERS' EQUITY:		
Units authorized: 10,000,000 units as of May 31, 2015 and November 30, 2014		
Units issued and outstanding: 2,644,311 units as of May 31, 2015 and 2,512,246 units as of November 30, 2014	243,869,759	219,768,557
Capital surplus	23,548,287	23,548,287
Reserve for distribution	7,754,927	7,754,927
Unappropriated retained earnings	7,790,400	7,275,845
VALUATION AND TRANSLATION ADJUSTMENTS:		
Deferred gains or losses on hedges	(56,430)	(12,199)
Total net assets	282,906,944	258,335,418
TOTAL LIABILITIES AND NET ASSETS	¥ 573,318,485	¥ 561,415,668

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

STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
OPERATING REVENUES		
Rental revenues	¥ 18,053,499	¥ 17,349,664
Other rental revenues	1,335,780	1,334,161
Gain on sales of real estate properties	76,878	-
	19,466,157	18,683,825
OPERATING EXPENSES		
Property-related expenses	8,313,414	8,199,426
Loss on sales of real estate properties	176,491	-
Asset management fees	1,559,775	1,496,485
Administrative service fees	87,052	83,189
Other operating expenses	215,792	254,310
	10,352,526	10,033,412
OPERATING INCOME	9,113,631	8,650,413
NON-OPERATING REVENUES		
Interest income	3,122	2,948
Reversal of cash distributions payable	5,173	1,344
Insurance income	8,110	1,135
Interest on refund	376	576
Compensation income	4,540	-
Other non-operating revenues	2,996	286
	24,320	6,291
NON-OPERATING EXPENSES		
Interest expense	965,096	951,217
Interest expense on corporate bonds	310,083	333,558
Corporate bond issuance expenses	20,684	22,009
Investment unit issuance expenses	25,290	60,538
Other non-operating expenses	26,173	13,252
	1,347,328	1,380,576
ORDINARY INCOME	7,790,623	7,276,128
INCOME BEFORE INCOME TAXES	7,790,623	7,276,128
INCOME TAXES		
Current	605	605
	605	605
NET INCOME	7,790,018	7,275,523
RETAINED EARNINGS BROUGHT FORWARD	381	321
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	¥ 7,790,400	¥ 7,275,845

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

STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

	Thousands of yen							
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Unappropriated Retained Earnings	Total Unitholders' Equity	Total Valuation and Translation Adjustments	Net Assets
BALANCE AS OF MAY 31, 2014	2,380,181	¥199,230,469	¥ 23,548,287	¥7,754,927	¥6,674,349	¥237,208,033	-	¥237,208,033
Issuance of new investment units	132,065	20,538,088	-	-	-	20,538,088	-	20,538,088
Cash distributions disbursed	-	-	-	-	(6,674,027)	(6,674,027)	-	(6,674,027)
Net income	-	-	-	-	7,275,523	7,275,523	-	7,275,523
Net changes of items other than unitholders' equity	-	-	-	-	-	-	(12,199)	(12,199)
BALANCE AS OF NOVEMBER 30, 2014	2,512,246	¥219,768,557	¥ 23,548,287	¥7,754,927	¥7,275,845	¥258,347,618	¥(12,199)	¥258,335,418
Issuance of new investment units	132,065	24,101,202	-	-	-	24,101,202	-	24,101,202
Cash distributions disbursed	-	-	-	-	(7,275,464)	(7,275,464)	-	(7,275,464)
Net income	-	-	-	-	7,790,018	7,790,018	-	7,790,018
Net changes of items other than unitholders' equity	-	-	-	-	-	-	(44,231)	(44,231)
BALANCE AS OF MAY 31, 2015	2,644,311	¥243,869,759	¥ 23,548,287	¥7,754,927	¥7,790,400	¥282,963,375	¥(56,430)	¥282,906,944

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

STATEMENT OF CASH FLOWS

	Thousands of yen	
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 7,790,623	¥ 7,276,128
Depreciation and amortization	3,464,656	3,409,965
Gain on sales of real estate properties	(76,878)	-
Loss on sales of real estate properties	176,491	-
Interest income and interest on securities	(3,122)	(2,948)
Interest expense and interest expense on corporate bonds	1,275,180	1,284,776
Corporate bond issuance expenses	20,684	22,009
Investment unit issuance expenses	25,290	60,538
Increase in rent receivables	(10,053)	(40,432)
Decrease (increase) in consumption taxes refundable	65,167	(7,098)
(Increase) decrease in prepaid expenses	(468,594)	400,792
Decrease in long-term prepaid expenses	24,347	21,132
(Decrease) increase in trade accounts payable	(50,882)	13,803
Decrease in accrued expenses	(18,736)	(24,808)
Increase in consumption taxes payable	853,919	-
Increase in rent received in advance	16,200	196,410
Other, net	(2,331,288)	(40,234)
Subtotal	10,753,004	12,570,035
Interest received	3,102	4,603
Interest paid	(1,114,286)	(1,421,549)
Income taxes paid	(640)	(20,138)
Net cash provided by operating activities	9,641,180	11,132,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments into time deposits	(1,000,000)	-
Sale of property and equipment	3,213,152	-
Purchase of property and equipment	(5,657,751)	(28,963,099)
Purchase of intangible assets	-	(1,396)
Proceeds from collection of leasehold and security deposits	-	876
Payments for leasehold and security deposits	-	(863)
Proceeds from leasehold and security deposits received	830,547	1,417,000
Payments for leasehold and security deposits received	(353,377)	(366,552)
Net cash used in investing activities	(2,967,429)	(27,914,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	3,500,000	23,400,000
Repayment of long-term debt	(12,300,000)	(14,950,000)
Proceeds from issuance of corporate bonds	1,984,693	2,981,790
Repayment of corporate bonds	(7,000,000)	-
Proceeds from issuance of investment units	24,075,912	20,495,156
Distributions to unitholders	(7,275,999)	(6,673,748)
Net cash provided by financing activities	2,984,606	25,253,198
NET CHANGES IN CASH AND CASH EQUIVALENTS	9,658,356	8,472,114
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49,973,947	41,501,833
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 59,632,303	¥ 49,973,947

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

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

United Urban Investment Corporation ("United Urban") is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. ("JRA"). JRA is currently owned 95% by Marubeni Corporation ("Marubeni") and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

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

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

As of May 31, 2015, the end of its 23rd fiscal period, United Urban had ownership of, or beneficial interests in, 31 retail properties, 37 office buildings, 9 hotels, 23 residential properties, 1 property which consisted of retail properties and an office building, 1 property which consisted of an office building and a hotel, and 6 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

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

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

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 23rd fiscal period began on December 1, 2014 and ended on May 31, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

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

	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
Buildings and structures	2 - 67 years	2 - 67 years
Machinery and equipment	2 - 17 years	2 - 17 years
Tools, furniture and fixtures	3 - 15 years	3 - 15 years

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

Intangible Assets

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

Corporate Bond Issuance Expenses

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

Investment Unit Issuance Expenses

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

Cash and Cash Equivalents

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

Revenue Recognition

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

Taxes on Property and Equipment

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥9,806 thousand and ¥39,753 thousand of such property taxes and city planning taxes were capitalized for the fiscal periods ended May 31, 2015 and November 30, 2014, respectively.

Hedge Accounting

United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation based on its financial policy. Derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instrument for the purpose of avoiding interest-rate risks relating to debts. In addition, the effectiveness of hedging is evaluated by comparing the

cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended May 31, 2015.

3. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2015 and November 30, 2014, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
Cash and bank deposits	¥ 205,550	¥ 205,530
Land	4,204,726	4,204,726
Buildings and structures	3,898,800	4,001,601
Tools, furniture and fixtures	1,147	1,424
Total	¥ 8,310,224	¥ 8,413,282

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
Leasehold and security deposits received	¥ 1,440,677	¥ 1,547,945
Total	¥ 1,440,677	¥ 1,547,945

4. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
Total amount of commitment	¥ 36,000,000	¥ 30,000,000
Outstanding borrowings at end of period	-	-
Amount unutilized at end of period	¥ 36,000,000	¥ 30,000,000

5. CONTINGENT LIABILITIES

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

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

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

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

6. UNITHOLDERS' EQUITY

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

7. LONG-TERM DEBT

Long-term debt at May 31, 2015 and November 30, 2014 consisted of the following:

	End of 23rd Fiscal Period (As of May 31, 2015)		End of 22nd Fiscal Period (As of November 30, 2014)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loans from banks and trust banks at fixed interest rate, due December 20, 2014	-	-	¥ 4,250,000	1.975%
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2016	¥ 5,000,000	0.531%	5,000,000	0.545%
Unsecured loan from a bank at floating interest rate, due September 20, 2016 (Note 4)	-	-	1,900,000	0.645%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2016 (Note 5)	5,700,000	0.581%	8,300,000	0.595%

	End of 23rd Fiscal Period (As of May 31, 2015)		End of 22nd Fiscal Period (As of November 30, 2014)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2016	2,000,000	0.581%	2,000,000	0.595%
Unsecured loan from banks at floating interest rate, due December 20, 2016	4,500,000	0.581%	4,500,000	0.595%
Unsecured loan from a bank and a trust bank at floating interest rate, due March 20, 2017	3,900,000	0.581%	3,900,000	0.595%
Unsecured loans from banks and an insurance company at fixed interest rate, due March 20, 2017	2,500,000	0.993%	2,500,000	0.993%
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2017	5,500,000	0.581%	5,500,000	0.595%
Unsecured loan from a trust bank at floating interest rate, due March 20, 2017 (Note 6)	-	-	3,500,000	0.495%
Unsecured loan from a bank at fixed interest rate, due March 20, 2017	1,000,000	0.922%	1,000,000	0.922%
Unsecured loan from a bank at fixed interest rate, due June 20, 2017 (Note 2)	1,550,000	2.142%	1,600,000	2.142%
Unsecured loan from a bank at floating interest rate, due June 20, 2017	1,300,000	0.534% (Note 3)	1,300,000	0.534% (Note 3)
Unsecured loan from banks at floating interest rate, due June 20, 2017	2,300,000	0.534% (Note 3)	2,300,000	0.534% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2017	2,500,000	0.484% (Note 3)	2,500,000	0.484% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2017	2,400,000	0.434% (Note 3)	2,400,000	0.434% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2017	4,400,000	0.740%	4,400,000	0.740%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.611% (Note 3)	3,000,000	0.611% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	2,200,000	0.511% (Note 3)	2,200,000	0.511% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.461% (Note 3)	3,000,000	0.461% (Note 3)
Unsecured loan from banks at floating interest rate, due March 20, 2018	3,823,000	0.461% (Note 3)	3,823,000	0.461% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2018	1,700,000	0.559%	1,700,000	0.559%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	2,000,000	0.778% (Note 3)	2,000,000	0.778% (Note 3)
Unsecured loan from banks and a federation at floating interest rate, due June 20, 2018	3,500,000	0.449% (Note 3)	3,500,000	0.449% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	1,000,000	0.735% (Note 3)	1,000,000	0.735% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2018	1,500,000	0.830%	1,500,000	0.830%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2018	2,500,000	0.453% (Note 3)	2,500,000	0.453% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.781%	1,000,000	0.781%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.688%	1,000,000	0.688%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	3,500,000	0.524% (Note 3)	3,500,000	0.524% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	1,000,000	0.753%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.620% (Note 3)	1,600,000	0.620% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	1,000,000	0.708%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.693% (Note 3)	4,500,000	0.693% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	2,000,000	0.523% (Note 3)	2,000,000	0.523% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	1,000,000	1.056%	1,000,000	1.056%

	End of 23rd Fiscal Period (As of May 31, 2015)		End of 22nd Fiscal Period (As of November 30, 2014)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2019	1,000,000	0.511%	1,000,000	0.511%
Unsecured loan from banks at floating interest rate, due September 20, 2019	6,207,000	0.555% (Note 3)	6,207,000	0.555% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2019	1,200,000	0.593%	1,200,000	0.593%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	2,427,000	0.780%	2,427,000	0.780%
Unsecured loan from banks and a trust bank at floating interest rate, due March 23, 2020	2,417,000	0.617% (Note 3)	2,417,000	0.617% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 23, 2020	1,300,000	0.640% (Note 3)	1,300,000	0.640% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from banks and trust banks at floating interest rate, due June 20, 2020	6,150,000	0.631% (Note 3)	6,150,000	0.631% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.668% (Note 3)	4,500,000	0.668% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.668% (Note 3)	3,283,000	0.668% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due September 23, 2020	1,000,000	1.000%	1,000,000	1.000%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,400,000	0.826%	2,400,000	0.826%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,500,000	0.888%	2,500,000	0.888%
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2020	1,300,000	0.858%	1,300,000	0.858%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	5,800,000	0.850% (Note 3)	5,800,000	0.850% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.830%	1,400,000	0.830%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.841%	1,400,000	0.841%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	2,200,000	0.850%	2,200,000	0.850%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2021	5,700,000	0.883%	5,700,000	0.883%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,900,000	0.690%	1,900,000	0.690%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	2,000,000	0.619% (Note 3)	2,000,000	0.619% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.737% (Note 3)	1,700,000	0.737% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.872% (Note 3)	1,000,000	0.872% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 21, 2021	1,000,000	0.770% (Note 3)	1,000,000	0.770% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2021	3,000,000	0.670% (Note 3)	3,000,000	0.670% (Note 3)
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	2,600,000	1.030%	2,600,000	1.030%
Unsecured loan from a bank at floating interest rate, due March 22, 2022	3,000,000	0.661% (Note 3)	3,000,000	0.661% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2022	2,000,000	0.672% (Note 3)	2,000,000	0.672% (Note 3)
Unsecured loan from a trust bank at fixed interest rate, due September 20, 2022	2,800,000	0.814%	2,800,000	0.814%
Unsecured loan from a trust bank at fixed interest rate, due December 20, 2022	3,400,000	1.239%	3,400,000	1.239%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	6,500,000	0.842%	6,500,000	0.842%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	3,500,000	0.775%	-	-
Total	¥ 181,857,000		¥ 190,657,000	

- Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.
2. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).
3. These are borrowings with floating interest rates applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rates for these borrowings are, in effect, fixed due to the execution of interest rate swap agreements. The adjusted interest rates in consideration of the swap transactions are stated.
4. As for this borrowing, United Urban made a full repayment on December 22, 2014 prior to the principal repayment date (completion of repayment).
5. Of the borrowing balance of ¥8,300 million, United Urban made an early repayment in the amount of ¥2,600 million on December 22, 2014. Therefore, the remaining balance after the early repayment is ¥5,700 million.
6. As for this borrowing, United Urban made a full repayment on May 29, 2015 prior to the principal repayment date (completion of repayment).

8. CORPORATE BONDS

Corporate bonds at May 31, 2015 and November 30, 2014 consisted of the following:

	End of 23rd Fiscal Period (As of May 31, 2015)		End of 22nd Fiscal Period (As of November 30, 2014)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 2 unsecured bonds, due July 10, 2015	¥ 10,000,000	1.910%	¥ 10,000,000	1.910%
Series 5 unsecured bonds, due December 16, 2014	-	-	7,000,000	1.000%
Series 6 unsecured bonds, due December 9, 2016	3,000,000	1.120%	3,000,000	1.120%
Series 7 unsecured bonds, due July 5, 2017	6,500,000	0.950%	6,500,000	0.950%
Series 8 unsecured bonds, due August 5, 2016	10,000,000	0.800%	10,000,000	0.800%
Series 9 unsecured bonds, due December 19, 2016	10,000,000	0.620%	10,000,000	0.620%
Series 10 unsecured bonds, due December 12, 2017	4,000,000	0.690%	4,000,000	0.690%
Series 11 unsecured bonds, due May 30, 2018	8,000,000	0.690%	8,000,000	0.690%
Series 12 unsecured bonds, due May 30, 2018	2,000,000	0.690%	2,000,000	0.690%
Series 13 unsecured bonds, due November 20, 2018	13,000,000	0.470%	13,000,000	0.470%
Series 14 unsecured bonds, due November 20, 2018	2,000,000	0.470%	2,000,000	0.470%
Series 15 unsecured bonds, due October 29, 2021	3,000,000	0.525%	3,000,000	0.525%
Series 16 unsecured bonds, due May 29, 2025	2,000,000	0.804%	-	-
Total	¥ 73,500,000		¥ 78,500,000	

9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2015 and November 30, 2014 were as follows:

	Thousands of yen	
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Operating Revenues	¥ 19,389,279	¥ 18,683,825
Rental Revenues	18,053,499	17,349,664
Rental revenues	15,961,415	15,312,572
Common area charges	1,495,657	1,451,118
Parking revenues	480,543	470,144
Other	115,882	115,828
Other Rental Revenues	1,335,780	1,334,161
Incidental revenues	1,198,084	1,223,050
Temporary revenues (including cancellation charges)	56,873	38,540
Other miscellaneous revenues	80,822	72,570

	Thousands of yen	
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Property-Related Expenses	8,313,414	8,199,426
Property and other taxes	1,484,819	1,456,472
Property management fees	1,270,003	1,222,671
Utilities	1,289,805	1,336,468
Casualty insurance	23,761	23,281
Repairs and maintenance	422,030	379,831
Depreciation and amortization	3,464,656	3,409,965
Other rental expenses	358,336	370,735
Profit from rental activities	¥ 11,075,865	¥ 10,484,398

10. GAIN ON SALES OF REAL ESTATE PROPERTIES

There was no applicable information on gain on sales of real estate properties for the fiscal period ended November 30, 2014. In addition, gain on sales of real estate properties for the fiscal period ended May 31, 2015 was as follows:

(23rd Fiscal Period: December 1, 2014 - May 31, 2015)

<u>Pacific Marks Nihonbashi-Tomizawacho</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 2,020,000
Cost of sales of real estate properties	1,857,892
Other sales expenses	85,229
Gain on sales of real estate properties	<u>¥ 76,878</u>

11. LOSS ON SALES OF REAL ESTATE PROPERTIES

There was no applicable information on loss on sales of real estate properties for the fiscal period ended November 30, 2014. In addition, loss on sales of real estate properties for the fiscal period ended May 31, 2015 was as follows:

(23rd Fiscal Period: December 1, 2014 - May 31, 2015)

<u>Pacific Marks Aobadai</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 1,500,000
Cost of sales of real estate properties	1,615,947
Other sales expenses	60,544
Loss on sales of real estate properties	<u>¥ 176,491</u>

12. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at May 31, 2015 and November 30, 2014 were summarized as follows:

(Thousands of yen)

23rd Fiscal Period (As of May 31, 2015)		22nd Fiscal Period (As of November 30, 2014)	
(Deferred tax assets – current)		(Deferred tax assets – current)	
Difference in revenue recognition for tax purposes	¥ 8,723	Unconfirmed liabilities	¥ 853
Subtotal	8,723	Subtotal	853
Valuation allowance	(8,723)	Valuation allowance	(853)
Total	-	Total	-
(Deferred tax assets – non current)		(Deferred tax assets – non current)	
Valuation difference on assets acquired by merger	22,613,659	Valuation difference on assets acquired by merger	24,699,608
Other	193	Other	306
Subtotal	22,613,852	Subtotal	24,699,915
Valuation allowance	(22,613,852)	Valuation allowance	(24,699,915)
Total	-	Total	-
Total deferred tax assets	-	Total deferred tax assets	-
(Net deferred tax assets)	-	(Net deferred tax assets)	-

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended May 31, 2015 and November 30, 2014 were summarized as follows:

	23rd Fiscal Period (As of May 31, 2015)	22nd Fiscal Period (As of November 30, 2014)
Statutory tax rate	34.15%	34.16%
(Adjustment)		
Distributions of tax-deductible dividends	(24.01)%	(33.90)%
Changes in valuation allowance	(10.14)%	(0.24)%
Other	0.01%	(0.01)%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

(Revisions to deferred tax assets and deferred tax liabilities due to change in corporate tax rate)

The “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015) was issued on March 31, 2015, and corporate tax rate is reduced from fiscal periods beginning on or after April 1, 2015. In line with this, for temporary differences expected to reverse during fiscal periods beginning on or after June 1, 2015, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities will be changed from the existing rate of 34.15% to 32.31%. This change will have no impact on the results of operations of United Urban.

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes within the limit of the amount of earnings. Based on this policy, United Urban decided to distribute ¥7,275,464 thousand which is the amount that does not exceed the unappropriated retained earnings and is the amount equivalent to the maximum integral multiple of number of investment units issued and outstanding (2,512,246 units) for the 22nd fiscal period. For the 23rd fiscal period, United Urban reserved part of unappropriated retained earnings, and decided to distribute ¥7,668,501 thousand, which is the amount equivalent to the integral multiple of total number of investment units issued and outstanding (2,644,311 units). United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

13. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Matters Concerning Financial Instruments

1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of real estate properties and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United

Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks in debt, etc.

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

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 23rd fiscal period) and by taking other measures.

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

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

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

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

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

Matters Concerning the Fair Value, etc. of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of May 31, 2015 and November 30, 2014 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(23rd Fiscal Period: As of May 31, 2015)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 37,784,038	¥ 37,784,038	-
(2) Cash and bank deposits in trust	23,053,815	23,053,815	-
Total assets	¥ 60,837,854	¥ 60,837,854	-
(3) Current portion of corporate bonds	¥ 10,000,000	¥ 10,018,000	¥ 18,000
(4) Long-term debt due for repayment within one year	5,000,000	5,010,734	10,734
(5) Corporate bonds	63,500,000	63,953,050	453,050
(6) Long-term debt	176,857,000	177,511,099	654,099
(7) Leasehold and security deposits received in trust	321,802	332,312	10,510
Total liabilities	¥ 255,678,802	¥ 256,825,197	¥ 1,146,395
(8) Derivative transactions (*)	¥ (56,430)	¥ (56,430)	-
Total derivative transactions	¥ (56,430)	¥ (56,430)	-

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

(22nd Fiscal Period: As of November 30, 2014)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 27,351,231	¥ 27,351,231	-
(2) Cash and bank deposits in trust	22,828,246	22,828,246	-
Total assets	¥ 50,179,477	¥ 50,179,477	-
(3) Current portion of corporate bonds	¥ 17,000,000	¥ 17,097,520	¥ 97,520
(4) Long-term debt due for repayment within one year	4,250,000	4,254,306	4,306
(5) Corporate bonds	61,500,000	62,042,250	542,250
(6) Long-term debt	186,407,000	186,900,149	493,149
(7) Leasehold and security deposits received in trust	429,069	446,998	17,928
Total liabilities	¥ 269,586,069	¥ 270,741,224	¥ 1,155,154
(8) Derivative transactions (*)	¥ (12,199)	¥ (12,199)	-
Total derivative transactions	¥ (12,199)	¥ (12,199)	-

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

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

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

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

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

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

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

The fair value is calculated by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new borrowings corresponding to the remaining loan term. As for long-term debt with floating interest rate that qualifies for the special treatment of interest rate swaps (please refer to "19. Derivative Transactions"), the fair value is calculated by discounting the total amount of principal and interest, which are accounted for as one transaction with the interest swap, by the rate assumed as being applicable in the event of the same type of new borrowings corresponding to the remaining loan term.

(7) Leasehold and security deposits received in trust

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

(8) Derivative transactions

Please refer to "19. Derivative Transactions".

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

	Thousands of yen	
	23rd Fiscal Period (As of May 31, 2015)	22nd Fiscal Period (As of November 30, 2014)
Leasehold and security deposits received (*)	¥ 2,959,624	¥ 2,927,309
Leasehold and security deposits received in trust (*)	¥ 25,417,911	¥ 25,084,067

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

3. Amount of monetary claims to be repaid subsequent to May 31, 2015 and November 30, 2014

(23rd Fiscal Period: As of May 31, 2015)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 37,784,038	-	-	-	-	-
Cash and bank deposits in trust	23,053,815	-	-	-	-	-
Total	¥ 60,837,854	-	-	-	-	-

(22nd Fiscal Period: As of November 30, 2014)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 27,351,231	-	-	-	-	-
Cash and bank deposits in trust	22,828,246	-	-	-	-	-
Total	¥ 50,179,477	-	-	-	-	-

4. Amount of borrowings and corporate bonds to be repaid subsequent to May 31, 2015 and November 30, 2014

(23rd Fiscal Period: As of May 31, 2015)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 10,000,000	¥ 23,000,000	¥ 20,500,000	¥ 15,000,000	-	¥ 5,000,000
Long-term debt	5,000,000	25,100,000	28,173,000	22,400,000	¥ 28,251,000	72,933,000
Total	¥ 15,000,000	¥ 48,100,000	¥ 48,673,000	¥ 37,400,000	¥ 28,251,000	¥ 77,933,000

(22nd Fiscal Period: As of November 30, 2014)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 17,000,000	¥ 10,000,000	¥ 19,500,000	¥ 29,000,000	-	¥ 3,000,000
Long-term debt	4,250,000	15,200,000	37,400,000	29,023,000	¥ 25,207,000	79,577,000
Total	¥ 21,250,000	¥ 25,200,000	¥ 56,900,000	¥ 58,023,000	¥ 25,207,000	¥ 82,577,000

14. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of May 31, 2015 and November 30, 2014 are as follows:

(Thousands of yen)

Type of Use		23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 175,087,964	¥ 174,075,394
	Change during period (Note 2)	2,867,321	1,012,570
	Balance at end of period	177,955,286	175,087,964
	Fair value at end of period (Note 3)	¥ 191,478,000	¥ 184,168,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 200,154,503	¥ 196,948,429
	Change during period (Note 2)	(3,689,691)	3,206,073
	Balance at end of period	196,464,812	200,154,503
	Fair value at end of period (Note 3)	¥ 218,163,000	¥ 218,324,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 62,521,093	¥ 62,859,904
	Change during period (Note 2)	194,740	(338,811)
	Balance at end of period	62,715,833	62,521,093
	Fair value at end of period (Note 3)	¥ 70,249,000	¥ 66,938,000

Type of Use		23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 39,354,523	¥ 34,324,958
	Change during period (Note 2)	(361,467)	5,029,565
	Balance at end of period	38,993,055	39,354,523
	Fair value at end of period (Note 3)	¥ 46,931,000	¥ 45,856,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 31,097,984	¥ 14,638,510
	Change during period (Note 2)	(172,427)	16,459,473
	Balance at end of period	30,925,556	31,097,984
	Fair value at end of period (Note 3)	¥ 33,530,000	¥ 32,800,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 508,216,070	¥ 482,847,198
	Change during period (Note 2)	(1,161,525)	25,368,871
	Balance at end of period	507,054,544	508,216,070
	Fair value at end of period (Note 3)	¥ 560,351,000	¥ 548,086,000

- Notes: 1. The carrying amount on the balance sheet is the acquisition cost (including the expenses incidental to the acquisition) less accumulated depreciation.
2. Of the "Change during period" for the 23rd fiscal period, the amount of the increase is primarily attributable to acquisition of two new properties (total: ¥3,810 million) and capital expenditures (¥1,429 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥3,473 million) and the depreciation and amortization (¥3,457 million).
Of the "Change during period" for the 22nd fiscal period, the amount of the increase is primarily attributable to acquisition of five new properties (total: ¥27,667 million) and capital expenditures (¥1,084 million). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,403 million).
3. The "Fair value at end of period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association, Japan.

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

15. TRANSACTIONS WITH RELATED PARTIES

(23rd Fiscal Period: December 1, 2014 – May 31, 2015)

1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 105,600	-	-
Marubeni Real Estate Management Co., Ltd. (Note 3)	Real estate	-	None	Property leasing	74,024	Leasehold and security deposits received	¥ 37,497
				Other rental revenues	2,090	Rent receivables	236
				Property management fees	361,642	Trade accounts payable	70,768
				Construction management fees	10,630	Trade accounts payable	6,153
				Construction costs	17,552	Trade accounts payable	8,360
				Other rental expenses	11,290	Trade accounts payable	3,605
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	153,476	Trade accounts payable	26,552

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
The Maruetsu, Inc. (Note 4)	Supermarket	-	None	Property leasing	22,541	-	-
				Other rental revenues	6,072	-	-
TIPNESS LIMITED (Note 5)	Fitness club operator	-	None	Property leasing	5,553	-	-
				Other rental revenues	2,683	-	-
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,297	Rent receivables	153
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	4,380	Leasehold and security deposits received	4,200
				Other rental revenues	805	Rent receivables	152
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,160	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	320	Rent receivables	49
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	1,099	Leasehold and security deposits received	12,391
						Rent received in advance	636
				Other rental revenues	56	Rent receivables	56
MG Leasing Corporation	Leasing	-	None	Other rental expenses	30,967	Prepaid expenses	16,200

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.
3. Marubeni Real Estate Co., Ltd. changed its company name to Marubeni Real Estate Management Co., Ltd. on December 1, 2014.
4. As a result of the tender offer for the company through the tender offer notification dated December 9, 2014, The Maruetsu Inc. does not fall under "Related Parties" after January 21, 2015. Accordingly, as for The Maruetsu, Inc., transactions conducted from December 1, 2014 to January 20, 2015 are stated.
5. As a result of the acquisition of the company's shares by Nippon Television Holdings, Inc., TIPNESS LIMITED does not fall under "Related Parties" after December 25, 2014. Accordingly, as for TIPNESS LIMITED, transactions conducted from December 1, 2014 to December 24, 2014 are stated.

2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 3,500,000	Long-term debt	¥ 37,283,000
			Repayment of long-term debt	6,100,000		
			Repayment of long-term debt due for repayment within one year	800,000	-	-
			Interest expenses	141,884	Accrued expenses	41,780
			Loan expenses	100,949	Prepaid expenses	4,830
					Long-term prepaid expenses	594,016
					Accrued expenses	2,794
			Commissions related to corporate bonds	7,107	Prepaid expenses	200
			Custodian fees	23,760	-	-
			Agent commissions	22,729	Accrued expenses	1,915
			Brokerage commissions	109,200	-	-

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

(22nd Fiscal Period: June 1, 2014 – November 30, 2014)

1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sendai Higashi-guchi G.K.	Real estate	-	None	Acquisition of trust beneficial interest in real estate (Note 2)	¥ 3,600,000	-	-
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	108,000	-	-
Marubeni Real Estate Co., Ltd.	Real estate	-	None	Property leasing	74,852	Leasehold and security deposits received	¥ 37,497
				Other rental revenues	1,685	Rent receivables	254
				Brokerage commissions	141,100	-	-
				Property management fees	279,124	Trade accounts payable	50,544
				Construction management fees	9,396	Trade accounts payable	4,668
				Construction costs	30,892	Trade accounts payable	19,911
				Utilities	674	-	-
				Other rental expenses (including communication expenses)	4,985	Trade accounts payable	509
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	162,975	Trade accounts payable	24,082
The Maruetsu, Inc.	Supermarket	-	None	Property leasing	78,096	Leasehold and security deposits received	739,000
						Rent received in advance	14,797
				Other rental revenues	10,124	Rent receivables	2,936
TIPNESS LIMITED	Fitness club operator	-	None	Property leasing	43,040	Leasehold and security deposits received	70,246
						Rent received in advance	7,747
				Other rental revenues	23,372	Rent receivables	4,121
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,295	Rent receivables	180
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	4,380	Leasehold and security deposits received	4,200
				Other rental revenues	926	Rent receivables	169
Benirei Corporation	Wholesale industry	-	None	Property leasing	1,970	Leasehold and security deposits received	3,383
						Rent received in advance	379
				Other rental revenues	281	Rent receivables	49
Marubeni Community Co., Ltd. (Note 4)	Real estate management	-	None	Property leasing	7,370	-	-
				Other rental revenues	941	-	-

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Acquisition of trust beneficial interest in real estate refers to United Urban's acquisition of "Hirose-dori SE Building" from Sendai Higashi-guchi G.K. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).
3. Decisions relating to the terms and conditions of these related party transactions are based on market forces.
4. Marubeni Community Co., Ltd. (its company name was changed to "Mitsubishi Jisho Marubeni Residence Services Co., Ltd." on July 1, 2014) does not fall under "Related Parties" after July 1, 2014 due to the establishment of a new holding company through a joint share transfer for the purpose of integrating the management with Mitsubishi Jisho Community Co., Ltd. Accordingly, as for Marubeni Community Co., Ltd., transactions conducted from June 1, 2014 to June 30, 2014 are stated.

2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 9,300,000	Long-term debt	¥ 39,883,000
			Repayment of long-term debt	3,400,000		
			Repayment of long-term debt due for repayment within one year	3,850,000	Long-term debt due for repayment within one year	800,000
			Interest expenses	136,789	Accrued expenses	33,543
			Loan expenses	95,550	Long-term prepaid expenses	609,965
					Prepaid expenses	8,678
					Accrued expenses	2,340
			Commissions related to corporate bonds	5,943	Prepaid expenses	201
			Custodian fees	23,458	-	-
			Agent commissions	20,985	Accrued expenses	1,797

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

16. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at May 31, 2015 and November 30, 2014 for the fiscal periods then ended are summarized as follows:

	Yen	
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Net assets per unit	¥ 106,987	¥ 102,830
Net income per unit	¥ 2,954	¥ 2,905
Average number of investment units during the period (units)	2,636,583	2,503,839

17. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at May 31, 2015 and November 30, 2014 were as follows:

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
Cash and bank deposits	¥ 60,837,854	¥ 50,179,477
Restricted deposits with a bank (Note)	(205,550)	(205,530)
Time deposit exceeding three months	(1,000,000)	-
Cash and cash equivalents	¥ 59,632,303	¥ 49,973,947

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

18. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2015 and November 30, 2014, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 23rd Fiscal Period (As of May 31, 2015)	End of 22nd Fiscal Period (As of November 30, 2014)
Due within one year	¥ 14,593,076	¥ 14,997,474
Due over one year	41,608,910	44,860,868
Total	¥ 56,201,986	¥ 59,858,343

19. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended May 31, 2015: None

Fiscal period ended November 30, 2014: None

2. Derivative transactions subject to hedge accounting

(23rd Fiscal Period: As of May 31, 2015)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 59,080,000	¥ (56,430)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	25,400,000	25,400,000	(Note 1)	-
Total			¥ 84,480,000	¥ 84,480,000	¥ (56,430)	

(22nd Fiscal Period: As of November 30, 2014)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 59,080,000	¥ (12,199)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	25,400,000	25,400,000	(Note 1)	-
Total			¥ 84,480,000	¥ 84,480,000	¥ (12,199)	

- Notes:
1. Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.
 2. The fair value is measured using values which are calculated based on market interest rates by the counterparty to the transaction.

Independent Auditor's Report

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at May 31, 2015, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at May 31, 2015, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

August 28, 2015

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of May 31, 2015:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥243,869,759,716
Number of Unitholders:	24,156
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditor:	Ernst & Young ShinNihon LLC Hibiya Kokusai Building, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal periods are the six months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

About Our Website

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

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



Disclaimer

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

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

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

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

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



United Urban Investment Corporation

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