

Semiannual Report

Eighth Fiscal Period

From June 1, 2007 to November 30, 2007

8th

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Profile

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

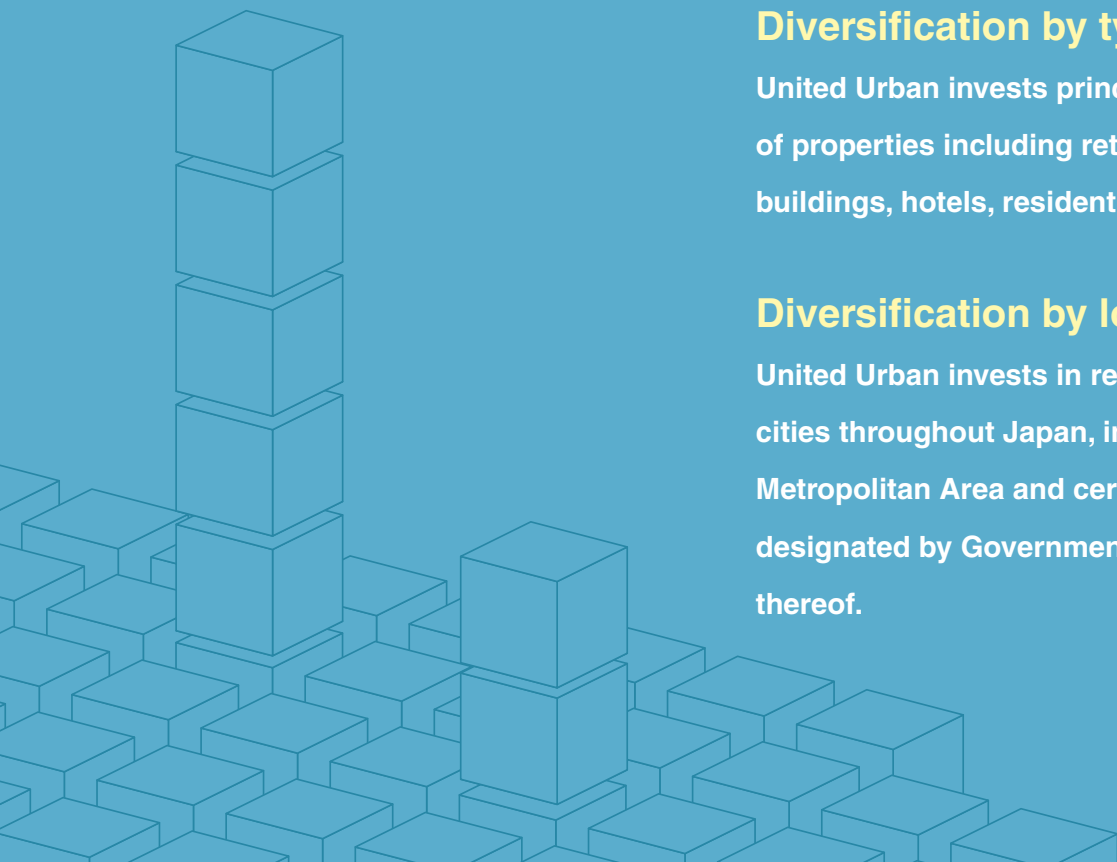
In order to obtain steady earnings over the medium to long term, United Urban intends to form the optimum portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuation and lead to the mitigation of risks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

Diversification by type of use

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

Diversification by location

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



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

Retail Properties



Daiei Himonya

Office Buildings



SK Nagoya Building

Hotels



Shinjuku Washington Hotel-Honkan

Residential Properties



Ropponmatsu Court

Others



Lilycolor Tohoku Branch



United Urban Investment Corporation



To Our Unitholders



Yasuhiro Tanaka

Executive Officer, United Urban Investment Corporation



Hisamitsu Abe

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

Toshio Kenmochi

Supervisory Officer
United Urban Investment Corporation

Masakazu Watase

Supervisory Officer
United Urban Investment Corporation

We are delighted to present this report on our activities during our eighth fiscal period: the six-month period ended November 30, 2007.

Thanks to the continuous support of all our unitholders, United Urban was able to achieve operating revenues of ¥6,673 million, operating income of ¥3,354 million, and net income of ¥2,824 million. As a result, the distribution to unitholders was ¥17,667 per unit.

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

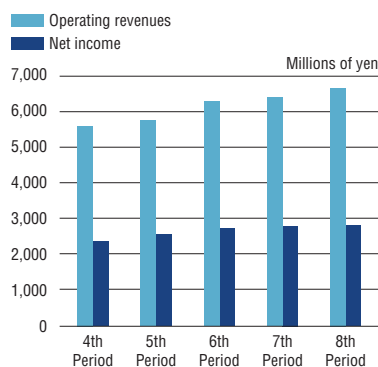
Financial Highlights

Millions of yen, except per unit information

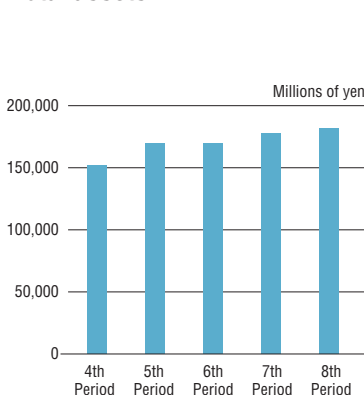
	8th Fiscal Period June 1, 2007- November 30, 2007	7th Fiscal Period December 1, 2006- May 31, 2007	6th Fiscal Period June 1, 2006- November 30, 2006	5th Fiscal Period December 1, 2005- May 31, 2006	4th Fiscal Period June 1, 2005- November 30, 2005
Operating revenues	¥ 6,673	¥ 6,408	¥ 6,295	¥ 5,749	¥ 5,605
Operating income	¥ 3,354	¥ 3,278	¥ 3,148	¥ 2,904	¥ 2,794
Income before income taxes	¥ 2,825	¥ 2,808	¥ 2,750	¥ 2,574	¥ 2,386
Net income	¥ 2,824	¥ 2,807	¥ 2,749	¥ 2,573	¥ 2,385
Cash distributions	¥ 2,824	¥ 2,807	¥ 2,749	¥ 2,573	¥ 2,385
Cash distribution per unit (Yen)	¥ 17,667	¥ 17,558	¥ 17,197	¥ 16,100	¥ 14,919
Dividend payout ratio (%)	100.0	99.9	99.9	100.0	100.0
Total assets	¥ 181,878	¥ 177,687	¥ 169,798	¥ 169,554	¥ 151,462
Total unitholders' equity	¥ 92,663	¥ 92,645	¥ 92,588	¥ 92,412	¥ 92,223
Unitholders' equity per unit (Yen)	¥ 579,710	¥ 579,601	¥ 579,240	¥ 578,143	¥ 576,962

Note: United Urban's 4th fiscal period was for 183 days from June 1, 2005 to November 30, 2005, the 5th fiscal period was for 182 days from December 1, 2005 to May 31, 2006, the 6th fiscal period was for 183 days from June 1, 2006 to November 30, 2006, the 7th fiscal period was for 182 days from December 1, 2006 to May 31, 2007 and the 8th fiscal period was for 183 days from June 1, 2007 to November 30, 2007.

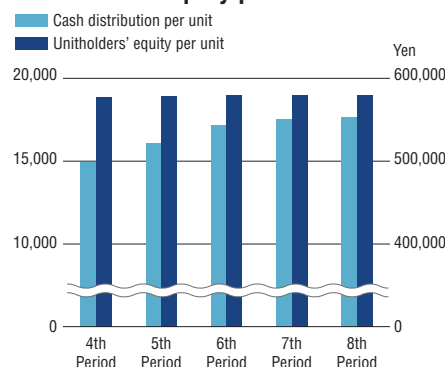
Operating revenues / Net income



Total assets



Cash distribution per unit / Unitholders' equity per unit

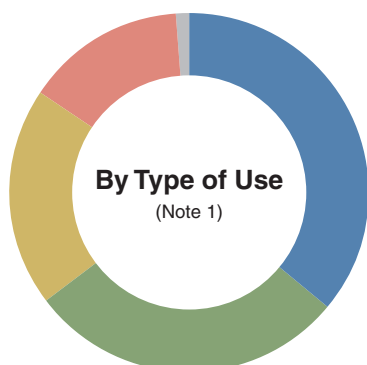


Stock Price Information

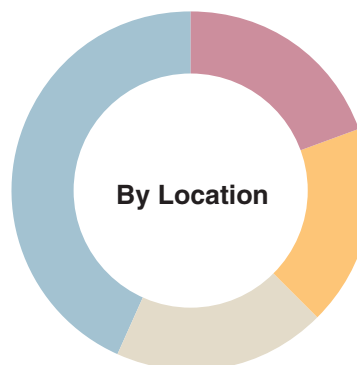


Portfolio Highlights

Portfolio Breakdown (As of November 30, 2007)



Retail Properties	36.0%
Office Buildings	28.7%
Hotels	19.7%
Residential Properties	14.4%
Others	1.2%



The Six Central Wards of Tokyo (Note 2)	19.4%
The 23 Wards of Tokyo (excluding the six central wards)	18.1%
Tokyo Metropolitan Area (excluding the 23 wards of Tokyo) (Note 3)	19.2%
Other Regions	43.3%

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

2. The "Six Central Wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

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

Occupancy Ratio

	2007					
	June	July	August	September	October	November
Retail Properties	99.6%	99.1%	99.2%	99.7%	99.7%	99.7%
Office Buildings	99.5%	99.6%	99.6%	99.4%	98.8%	99.2%
Hotels	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential Properties	99.6%	99.6%	99.5%	99.6%	99.5%	99.7%
Others	— %	— %	100.0%	100.0%	100.0%	100.0%
Total	99.7%	99.5%	99.5%	99.7%	99.5%	99.7%

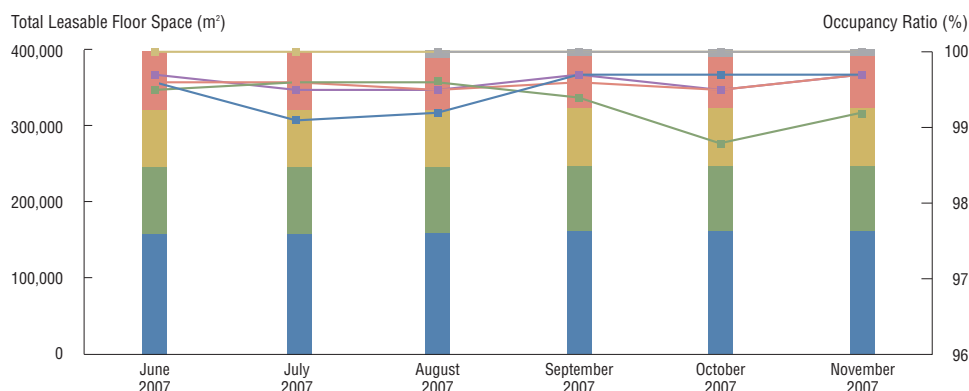
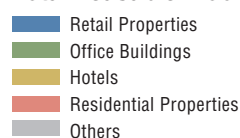
Note: "Occupancy Ratio" is rounded to the nearest one decimal place.

Trends in Total Leasable Floor Space and Occupancy Ratio

Occupancy Ratio



Total Leasable Floor Space



Overview of Investment Corporation

Comprehensive Portfolio Structured to Generate Steady Earnings Maximizing Unitholder Return

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

Retail Properties



Daiei Himonya

Office Buildings



SK Nagoya Building

Hotels



Shinjuku Washington Hotel-Honkan

Residential Properties



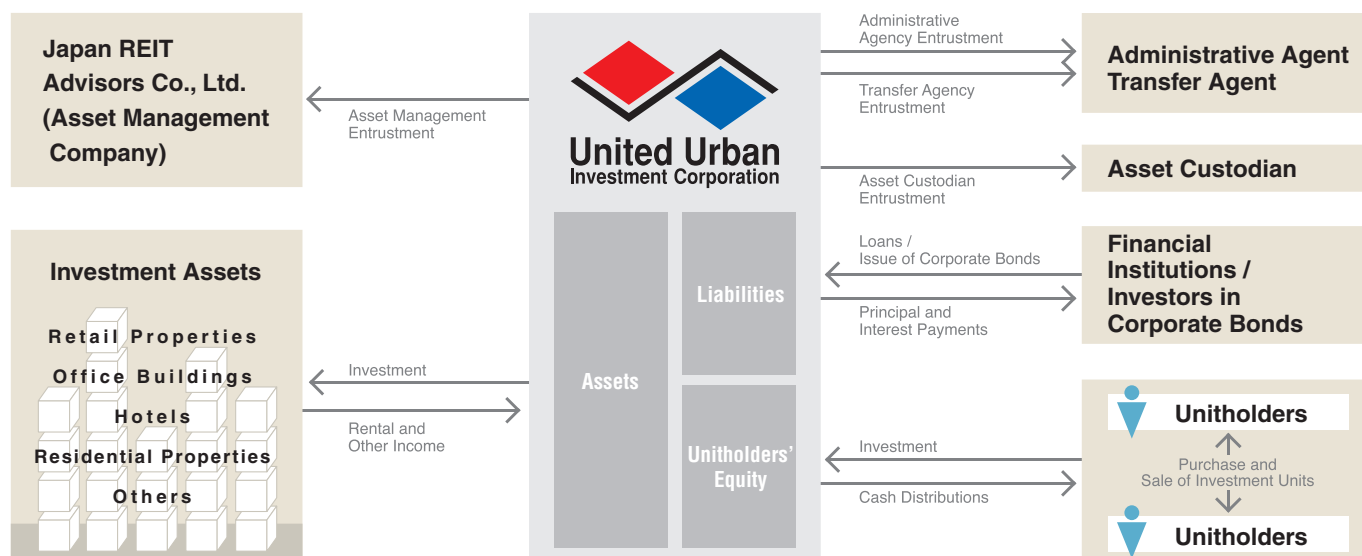
Ropponmatsu Court

Others



Lilycolor Tohoku Branch

Corporate Structure



Advantages as a Comprehensive Investment Policy

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

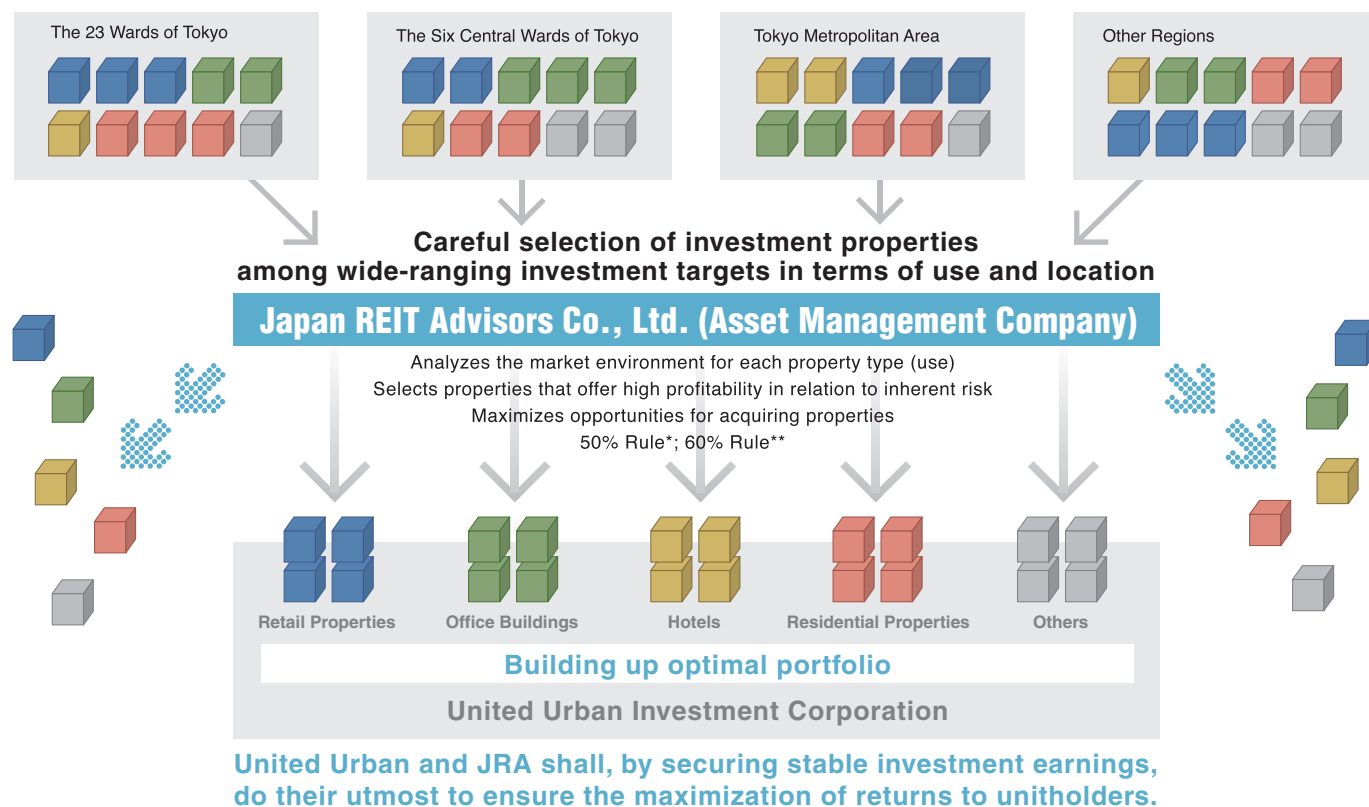
- **Stability of earnings**
 - Spreads the impact of changes such as those in the market environment for specific property types or regions
 - Reduces the risk of loss from natural disasters and other such events
- **External growth potential**
 - Opportunities for external growth are enhanced by the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

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

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

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

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



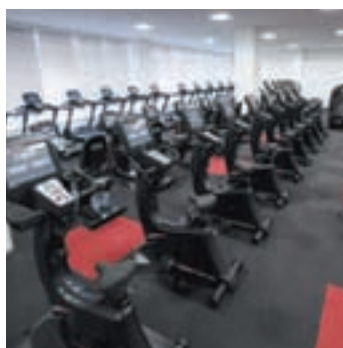
* 50% Rule: United Urban's investment policy of maintaining the ratio (based on appraisal value) of investment in properties in the Tokyo Metropolitan Area at least 50% of its entire portfolio.

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

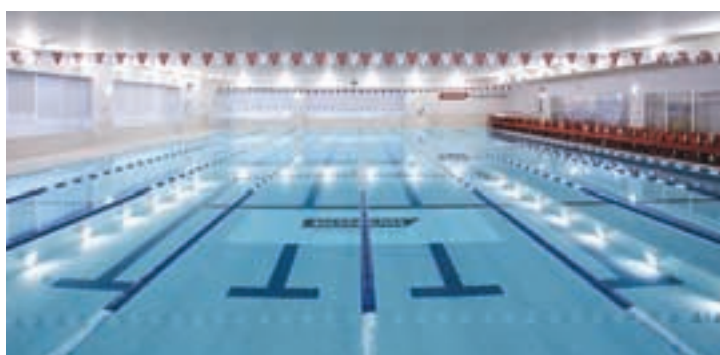
New Acquisitions During the Eighth Fiscal Period

A9

KONAMI SPORTS CLUB Korigaoka



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



The property is a retail property which is located at a residential area in the south of Hirakata City, surrounded by highways. The surrounding area has a high residential density, and there are many shops. Therefore, it is forming a good market. This property has been leased to Konami Sports & Life Co., Ltd. under a long-term lease agreement. Therefore, a stable occupancy ratio is expected.

A10

ACTIOLE minami ikebukuro



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



Located a convenient three-minute walk from Ikebukuro Station, which is used by more than 2.6 million passengers per day, this property is a newly-built retail property with tenants which are mainly eating and drinking establishments. This property is located in the Minami-Ikebukuro area, a downtown with many commercial facilities, and borders the Higashi-Ikebukuro area which is a major shopping and entertainment district. The Minami-Ikebukuro area is therefore usually full with people and as a commercial district, stable demand for leaseholds for the property can be expected.

Planned Acquisition (The sale and purchase agreements have been concluded in the eighth fiscal period)

UUR Court Sapporo Shinoro Ichibankan / Nibankan



UUR Court Sapporo Shinoro Ichibankan

■ Address	6-chome, Shinoro 3-jo, Kita-ku, Sapporo-shi, Hokkaido
■ Site Area	3,340.48 m ²
■ Total Floor Space	6,271.23 m ² (scheduled)
■ Construction	RC (scheduled)
■ Number of Floors	10F (scheduled)
■ Completed	October 2008 (scheduled)
■ Number of Units	
Available for Lease	72 units (scheduled (excluding stores))
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

UUR Court Sapporo Shinoro Nibankan

■ Address	6-chome Shinoro 3-jo, Kita-ku, Sapporo-shi, Hokkaido
■ Site Area	3,065.72 m ²
■ Total Floor Space	6,265.67 m ² (scheduled)
■ Construction	RC (scheduled)
■ Number of Floors	10F (scheduled)
■ Completed	June 2009 (scheduled)
■ Number of Units	
Available for Lease	72 units (scheduled (excluding offices))
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: These graphical contents are created based on design drawings. Accordingly, the actual buildings are subject to change.

UUR Court Nagoya Meieki

■ Address	2-501 Meieki, Nishi-ku, Nagoya-shi, Aichi
■ Site Area	639.17 m ² (scheduled)
■ Total Floor Space	3,596.37 m ² (scheduled)
■ Construction	RC (scheduled)
■ Number of Floors	15F (scheduled)
■ Completed	September 2008 (scheduled)
■ Number of Units	
Available for Lease	121 units (scheduled)
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Note: These graphical contents are created based on design drawings. Accordingly, the actual buildings are subject to change.

Committed Line of Credit

In accordance with expiry of term of the existing committed line of credit agreement (maximum loan amount: ¥2,000 million), United Urban increased the maximum loan amount and concluded a committed line of credit agreement of ¥10,000 million on June 25, 2007.

This will lead to the immediate debt financing regarding acquisition of property and the reduction in risk of refinancing. Moreover, this will promote to squeeze surplus funds and enable to implement cash management effectively.

Participating Financial Institution	Maximum Loan Amount	Contract Period	Collateral	Limitation of Use
The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank, Limited	¥10,000 million	From June 25, 2007 to June 25, 2008	Unsecured Unguaranteed	None

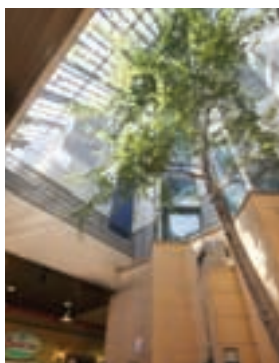
Submission of Shelf Registration Statement of Corporate Bonds

United Urban submitted a shelf registration statement of corporate bonds on September 25, 2007 to build an expeditious issuing system of corporate bonds.

Scheduled amount to be issued	¥100 billion
Submission date of shelf registration statement	September 25, 2007
Scheduled issue period of the corporate bonds	From October 3, 2007 to October 2, 2009
Use of funds	Acquisition of specified assets (which have the same meaning as stated in Article 2, Paragraph 1 of the Law Concerning Investment Trusts and Investment Corporations of Japan), repayment of debts, redemption of corporate bonds, refund of leasehold and security deposits, payment for repairs and maintenance, working funds, etc.

New Acquisitions After the End of the Eighth Fiscal Period

A11 Tip's Machida Building



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

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

A12 Daiei Takarazuka Nakayama



■ Address	21-22 Mefuhigashino-cho, Takarazuka-shi, Hyogo
■ Site Area	16,330.14 m ²
■ Total Floor Space	16,729.60 m ² (attached building (parking lot): 929.40 m ²)
■ Construction	S (attached building: S)
■ Number of Floors	B1/3F (attached building: 5F)
■ Completed	November 1997
■ Type of Ownership	Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership

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

A13

maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (Note 1)

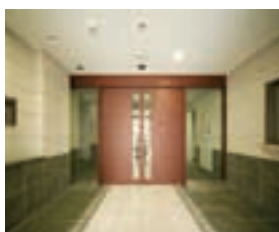
■Address	1-1-1 Isogo, Isogo-ku, Yokohama-shi, Kanagawa, etc.
■Site Area	53,363.57 m ² (Note 2)
■Use District	Neighborhood Commercial District, Industrial District
■Floor-area Ratio	300% / 200%
■Building-to-land Ratio	80% / 60%
■Type of Ownership	Land: Proprietary Ownership (co-ownership)

Notes: 1. The underlying asset of the trust beneficial interest which United Urban acquired is primarily the site and buildings and structures situated in this site are not included in the underlying asset.

2. Figures in the "Site Area" indicates the site area for the entire land as it appears on the real estate register. The co-ownership interest ratio of the site which United Urban acquired is 96%.

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

D17

GRAND-ROUGE Sakae II

■Address	5-21-37 Sakae, Naka-ku, Nagoya-shi, Aichi
■Site Area	674.34 m ²
■Total Floor Space	3,172.34 m ² (attached building (parking lot): 38.61 m ²)
■Construction	RC (attached building: S)
■Number of Floors	11F
■Completed	February 2007
■Number of Units	
Available for Lease	91 units
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

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

Portfolio Map

A Retail Properties

- A1 Daiei Himonya
- A2 Joy Park Izumigaoka
- A3 Daimaru Peacock Ashiya-Kawanishi Ten
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki Value
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE minami ikebukuro
- A11 Tip's Machida Building (Note 1)
- A12 Daiei Takarazuka Nakayama (Note 1)
- A13 maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (Note 1, 2)

B Office Buildings

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

C Hotels

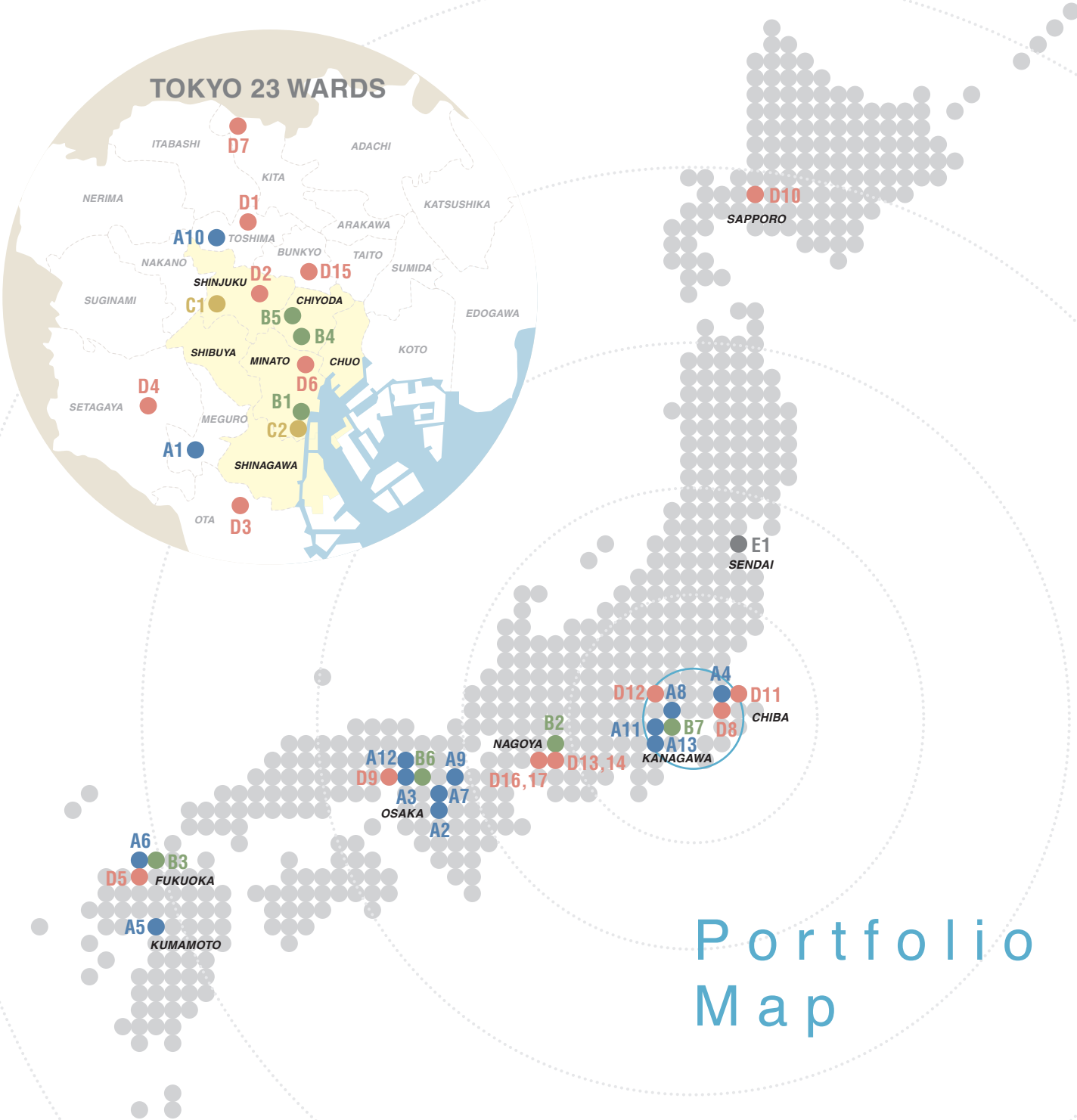
- C1 Shinjuku Washington Hotel-Honkan
- (B6) Shin-Osaka Central Tower (Note 3)
- C2 Toyoko Inn Shinagawa-Eki Takanawaguchi

D Residential Properties

- D1 T&G Higashi-Ikebukuro Mansion
- D2 T&G Yotsuya Mansion
- D3 Excellia Magome
- D4 Komazawa Court
- D5 Ropponmatsu Court
- D6 Sky Court Shiba-Daimon
- D7 Maison Ukima
- D8 Narashino Residence
- D9 Aprile Shin-Ohgi Ichibankan
- D10 UUR Court Sapporo Kitasanjo
- D11 Soga Dormitory
- D12 Higashikurume Dormitory Shinkan
- D13 Nanzan Court Ichigoukan
- D14 Nanzan Court Nigoukan
- D15 CLIO Bunkyo Koishikawa
- D16 GRAND-ROUGE Sakae
- D17 GRAND-ROUGE Sakae II (Note 1)
- (Planned Acquisition)
- UUR Court Sapporo Shinoro Ichibankan (Note 4)
- UUR Court Sapporo Shinoro Nibankan (Note 4)
- UUR Court Nagoya Meieki (Note 4)

E Others

- E1 Lilycolor Tohoku Branch (Note 5)



Notes: 1. New acquisition after the end of the eighth fiscal period.
2. "maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)" includes the retail portion and the office portion.
3. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.
4. The sale and purchase agreements have been concluded about these properties. However, these properties haven't been acquired yet.
5. In accordance with change of the Articles of Incorporation of United Urban, the types of use were changed to "Retail Properties," "Office Buildings," "Hotels," "Residential Properties" and "Others" as of August 30, 2007. Accordingly, the type of use of "Lilycolor Tohoku Branch" was changed from "Residential Properties and Others" to "Others," and the property number was also changed from "D16" to "E1."

Portfolio Roster

(As of November 30, 2007)

No.	Type (Note 1)	Name of Property	Acquisition Price (Millions of yen) (Note 2)	Share in Total Acquisition Price (%)	Share in Type (%)
A1	Retail Properties	Daiei Himonya	15,300	9.2	36.1
A2		Joy Park Izumigaoka	6,770	4.1	
A3		Daimaru Peacock Ashiya-Kawanishi Ten	769	0.5	
A4		Re-LAND Shopping Center	5,200	3.1	
A5		AEON MALL Uki Value (Note 3)	11,100	6.7	
A6		TENJIN LUCE	6,500	3.9	
A7		Yamada Denki Tecc Land Sakai Honten (Note 4)	3,210	1.9	
A8		Miyamae Shopping Center	5,312	3.2	
A9		KONAMI SPORTS CLUB Korigaoka	2,040	1.2	
A10		ACTIOLE minami ikebukuro	3,760	2.3	
B1	Office Buildings	T&G Hamamatsu-Cho Building	2,257	1.4	28.7
B2		SK Nagoya Building	5,400	3.2	
B3		Fukuoka Eartheon Building	2,080	1.3	
B4		Marumasu Koujimachi Building	2,350	1.4	
B5		Rokuban-Cho K Building	2,150	1.3	
B6		Shin-Osaka Central Tower (office portion)	14,279	8.6	
B7		Kawasaki Toshiba Building	19,200	11.5	
C1	Hotels	Shinjuku Washington Hotel-Honkan	21,100	12.7	19.6
(B6)		Shin-Osaka Central Tower (hotel portion)	9,721	5.8	
C2		Toyoko Inn Shinagawa-Eki Takanawaguchi (Note 4)	1,883	1.1	
D1	Residential Properties	T&G Higashi-Ikebukuro Mansion	2,021	1.2	14.4
D2		T&G Yotsuya Mansion	1,355	0.8	
D3		Excellia Magome	697	0.4	
D4		Komazawa Court	1,680	1.0	
D5		Ropponmatsu Court	757	0.5	
D6		Sky Court Shiba-Daimon	1,175	0.7	
D7		Maison Ukima	3,530	2.1	
D8		Narashino Residence	1,140	0.7	
D9		Aprile Shin-Ohgi Ichibankan	3,031	1.8	
D10		UUR Court Sapporo Kitananjo	1,278	0.8	
D11		Soga Dormitory	620	0.4	
D12		Higashikurume Dormitory Shinkan	480	0.3	
D13		Nanzan Court Ichigoukan	1,070	0.6	
D14		Nanzan Court Nigoukan	450	0.3	
D15		CLIO Bunkyo Koishikawa	3,170	1.9	
D16		GRAND-ROUGE Sakae	1,570	0.9	
E1	Others	Lilycolor Tohoku Branch	2,050	1.2	1.2
Total			166,455	100.0	100.0

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

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

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

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

Overview

A1

Daiei Himonya

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



A2

Joy Park Izumigaoka

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



A3

Daimaru Peacock Ashiya-Kawanishi Ten

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



A4

Re-LAND Shopping Center

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



A5

AEON MALL Uki Value (Note 1)

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



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

A6

TENJIN LUCE

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



A7

Yamada Denki Tecc Land Sakai Honten

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



A8

Miyamae Shopping Center

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



B1

T&G Hamamatsu-Cho Building

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



B2

SK Nagoya Building

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



B3

Fukuoka Eartheon Building

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



B4

Marumasu Koujimachi Building

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



B5

Rokuban-Cho K Building

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



B6

Shin-Osaka Central Tower

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



B7**Kawasaki Toshiba Building**

- Address 580-1 Horikawa-cho, Saiwai-ku,
Kawasaki-shi, Kanagawa
- Site Area 8,615.20 m²
- Total Floor Space 51,254.06 m²
- Construction S / RC / SRC
- Number of Floors B2 / 14F
- Completed April 1987
- Type of Ownership Land: Proprietary Ownership
Building: Proprietary Ownership

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

- Address 3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo
- Site Area 6,215.31 m²
- Total Floor Space 59,985.37 m²
- Construction S / SRC
- Number of Floors B4 / 25F
- Number of Rooms 1,296 rooms
- Completed October 1983
- Type of Ownership Land: Proprietary Ownership (part co-ownership)
Building: Compartmentalized Proprietary Ownership
(part co-ownership)



C2

■ Address

4-23-2 Takanawa,
Minato-ku, Tokyo

■ Site Area

482.10 m²

■ Total Floor Space

2,928.94 m²

■ Construction

SRC

■ Number of Floors

14F

■ Number of Rooms

180 rooms

■ Completed

October 1999

■ Type of Ownership

Land: Proprietary
Ownership

Building: Proprietary Ownership



D1

■ Address

3-8-8
Higashi-Ikebukuro,
Toshima-ku, Tokyo

■ Site Area

398.82 m²

■ Total Floor Space

3,300.18 m²

■ Construction

SRC

■ Number of Floors

B1 / 14F

■ Number of Units

129 units

Available for Lease

December 2001

■ Completed

Land: Proprietary Ownership

■ Type of Ownership

Building: Proprietary Ownership



D2

■ Address

10-7 Arakicho,
Shinjuku-ku, Tokyo

■ Site Area

777.40 m²

■ Total Floor Space

2,081.19 m²

■ Construction

RC

■ Number of Floors

B1 / 8F

■ Number of Units

78 units

Available for Lease

May 2002

■ Completed

Land: Proprietary

■ Type of Ownership

Ownership

Building: Proprietary Ownership



D3

■ Address

5-20-2
Minami-Magome,
Ota-ku, Tokyo

■ Site Area

371.29 m²

■ Total Floor Space

1,110.97 m²

■ Construction

RC

■ Number of Floors

7F

■ Number of Units

44 units

Available for Lease

February 2002

■ Completed

Land: Proprietary Ownership (site rights)

■ Type of Ownership

Building: Compartmentalized Proprietary Ownership
(percentage of ownership: 100%)



D4

■ Address

2-37-1 Komazawa,
Setagaya-ku, Tokyo

■ Site Area

2,943.33 m²

■ Total Floor Space

3,580.44 m²

■ Construction

RC

■ Number of Floors

3F

■ Number of Units

95 units

Available for Lease

October 1998

■ Completed

Land: Proprietary

■ Type of Ownership

Ownership

Building: Proprietary Ownership



D5

■ Address

4-3-11 Ropponmatsu,
Chuo-ku, Fukuoka-shi,
Fukuoka

■ Site Area

1,738.67 m²

■ Total Floor Space

3,294.36 m²

■ Construction

RC

■ Number of Floors

6F

■ Number of Units

100 units

Available for Lease

March 1994

■ Completed

Land: Proprietary Ownership

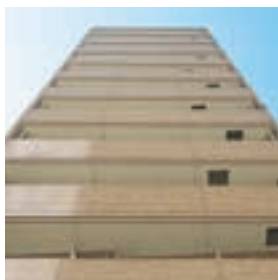
■ Type of Ownership

Building: Proprietary Ownership



D6**Sky Court Shiba-Daimon**

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

**D7****Maison Ukima**

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

**D8****Narashino Residence**

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

**D9****Aprile Shin-Ohgi Ichibankan**

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

**D10****UUR Court Sapporo Kitananjo**

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

**D11****Soga Dormitory**

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



D12

Higashikurume Dormitory Shinkan

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



D13

Nanzan Court Ichigoukan

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



D14

Nanzan Court Nigoukan

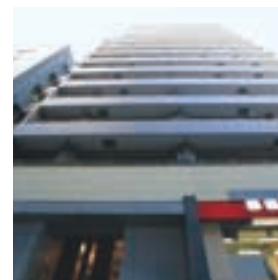
■ Address	5-20 Komagatacho, Showa-ku, Nagoya-shi, Aichi
■ Site Area	1,137.18 m ²
■ Total Floor Space	1,762.40 m ²
■ Construction	RC
■ Number of Floors	5F
■ Number of Units	38 units
Available for Lease	March 1999
■ Completed	Land: Proprietary Ownership Building: Proprietary Ownership
■ Type of Ownership	



D15

CLIO Bunkyo Koishikawa

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



D16

GRAND-ROUGE Sakae

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



E1

Lilycolor Tohoku Branch

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



Profile of Asset Management Company

Overview

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

Capital: ¥425 million (As of November 30, 2007)

Registration / License: Registered for a financial instruments business

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

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

Shareholders

(As of November 30, 2007)

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

Management Policy, Investment Philosophy and Basic Policy

1. Investment Philosophy

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

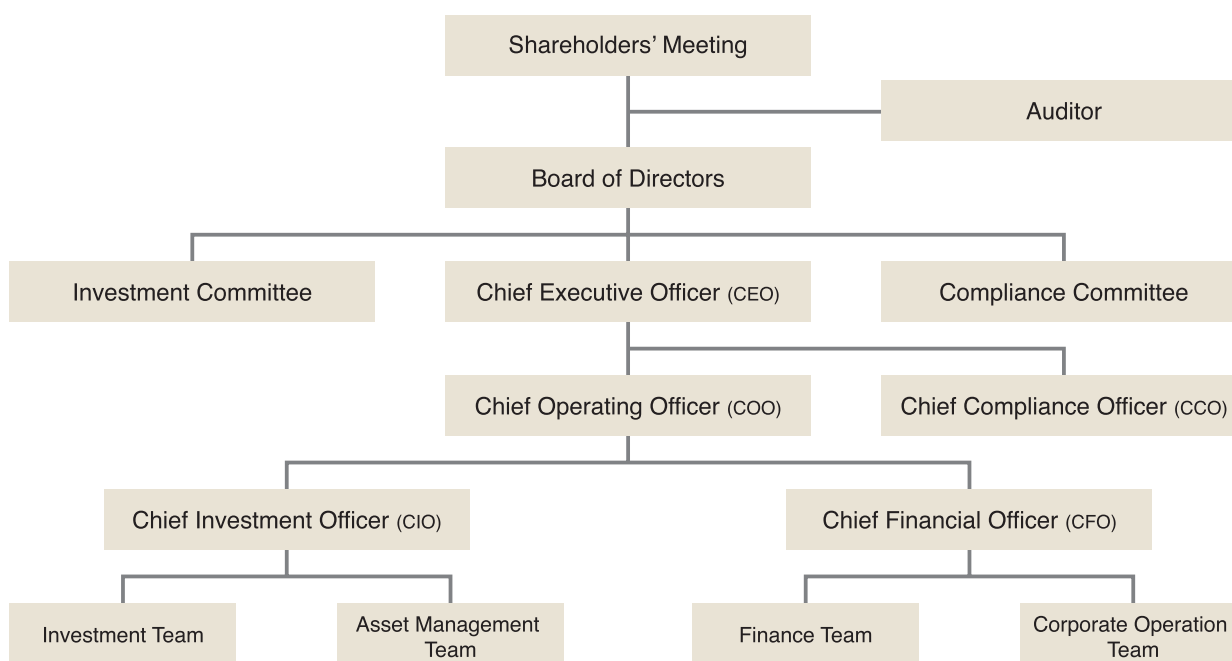
2. Management Stance

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

3. Fund Concept

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

Organization



Investment Team

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

Asset Management Team

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

Finance Team

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

Corporate Operation Team

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

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

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

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

■ Establishment of Compliance Committee and its role

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

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

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

■ Faithful execution of compliance decision process

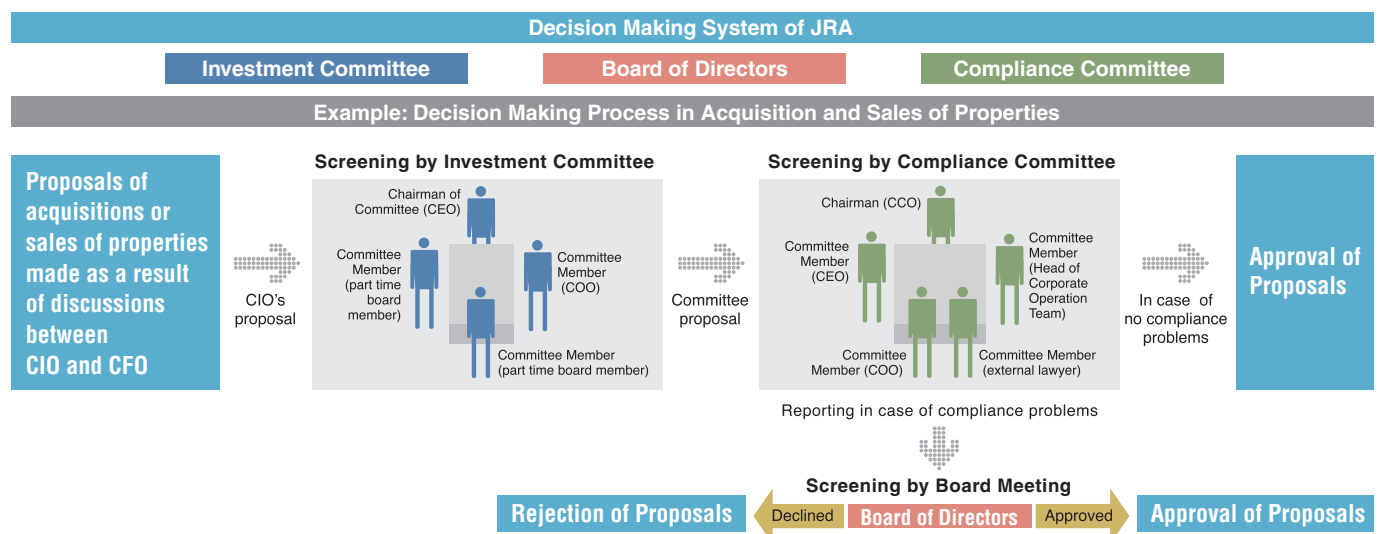
The structure that has been established requires that, in specific transactions such as property acquisitions, approval by the Investment Committee must be obtained, the transactions must then be scrutinized by the Compliance Committee, and if that scrutiny leads to a judgment that there are compliance-related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

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

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

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

Corporate Governance





Optimal investment portfolio and steady earnings

PERFORMANCE REPORT

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Investment Policies

Distribution Policies

Financial Highlights

1. Track Records on Operations

		Millions of yen, unless otherwise indicated		
		8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)	6th Fiscal Period (June 1, 2006 - November 30, 2006)
Operating revenues		6,673	6,408	6,295
(Rental revenues)		(6,673)	(6,408)	(6,295)
Operating expenses		3,319	3,130	3,147
(Property-related expenses)		(2,592)	(2,440)	(2,467)
Operating income		3,354	3,278	3,148
Income before income taxes		2,825	2,808	2,750
Net income	(a)	2,824	2,807	2,749
Total assets	(b)	181,878	177,687	169,798
Total unitholders' equity (Net assets)	(c)	92,663	92,645	92,588
Unitholders' capital		89,839	89,839	89,839
Total no. of investment units issued and outstanding	(d)	159,843	159,843	159,843
Net assets per unit	(c)/(d)	579,710	579,601	579,240
Total cash distribution	(e)	2,824	2,807	2,749
Net income per unit	(Note 3)	17,667	17,558	17,197
Distribution per unit	(e)/(d)	17,667	17,558	17,197
(Distribution of earnings per unit)		(17,667)	(17,558)	(17,197)
(Distribution in excess of earnings per unit)		(-)	(-)	(-)
Return on assets	(Notes 4, 5)	(%) 1.6	(%) 1.6	(%) 1.6
(Annualized)	(Notes 4, 5)	(%) (3.1)	(%) (3.2)	(%) (3.2)
Return on equity	(Notes 4, 5)	(%) 3.0	(%) 3.0	(%) 3.0
(Annualized)	(Notes 4, 5)	(%) (6.1)	(%) (6.1)	(%) (5.9)
Equity ratio (c)/(b)	(Note 5)	(%) 50.9	(%) 52.1	(%) 54.5
Payout ratio (e)/(a)		(%) 100.0	(%) 99.9	(%) 99.9
Supplementary information				
No. of investment properties at the end of the period	(Units)	36	34	33
Total leasable floor space at the end of the period	(m ²)	399,485.87	388,776.79	378,288.87
Total no. of tenants at the end of the period	(Units)	151	147	142
Occupancy ratio at the end of the period	(%)	99.7	99.6	99.1
Depreciation and amortization		1,284	1,254	1,223
Capital expenditures		222	410	232
NOI (Net Operating Income) from leasing	(Note 4)	5,366	5,222	5,052
FFO (Funds From Operations) per unit	(Note 4)	25,864	25,568	25,013
FFO ratio	(Notes 4, 5)	(Times) 14.4	(Times) 19.9	(Times) 14.1
Debt service coverage ratio	(Notes 4, 5)	(Times) 9.2	(Times) 10.2	(Times) 11.7
Net income before interest, depreciation and amortization		4,637	4,530	4,372
Interest expense and interest expenses on corporate bonds		503	443	373
Interest-bearing liabilities		73,900	69,900	63,000
Ratio of interest-bearing liabilities to total assets at the end of the period	(%)	40.6	39.3	37.1
No. of operating days	(Days)	183	182	183

(Notes)

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

Average no. of investment units	6th fiscal period: 159,843units
	7th fiscal period: 159,843units
	8th fiscal period: 159,843units

4. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures. Actual days collapsed in those fiscal periods are 183, 182 and 183 respectively.
- Return on assets.....Income before income taxes / Ave. total assets
 Ave. total assets= (Total assets at the beginning of the period + Total assets at the end of the period) / 2
- Return on equity.....Net income / Ave. net assets
 Ave. net assets= (Net assets at the beginning of the period + Net assets at the end of the period) / 2
- NOI (Net operating income) from leasing
 Income from property leasing in the period (Rental revenues - Rental expenses) + Depreciation and Amortization
- FFO (Funds from operations) per unit
 (Net income + Depreciation + Amortization of deferred assets) / No. of investment units at the end of the period
- FFO ratio Investment unit price at the end of the period / Annualized FFO per unit
- Debt service coverage ratio
 Net income before interest, depreciation and amortization / Interest expense and Interest expense on corporate bonds
5. Fractions are rounded to the nearest one decimal place.

2. Performance Review for the Current Period

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

In December 2004, at the beginning of its third fiscal period, United Urban made a new issue of investment units by public offering together with the issue by means of a third-party allotment. The total number of investment units issued and outstanding as of November 30, 2007 is 159,843.

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

During the period under review, United Urban devoted its attention to the management of its existing properties in its portfolio, in order to ensure stable occupancy ratios. While United Urban aspires to the further external growth, we maintain the attitude to avoid overheated competitiveness for acquiring properties, in consideration of an impact on its existing portfolio. With the support of a sponsor company that is a shareholder of Japan REIT Advisors Co., Ltd. (“JRA”) to which United Urban assigns asset management services (“Sponsor Company”), we acquired two properties (two retail properties, total acquisition price: ¥5,800 million) during this period. In addition, the agreements for acquisitions of three properties which are under development were concluded.

In consequence, as of November 30, 2007, United Urban's assets totaled 36 properties, comprising 10 retail properties, 6 office buildings, 2 hotels, 1 office and hotel complex, 16 residential properties and 1 others; with increased by 2 from the beginning of the period. The aggregate acquisition price totaled ¥166,455 million, increased by ¥5,800 million from the beginning. Also the total leasable floor space increased from 388,776.79 sq. m. to 399,485.87 sq. m., and the number of tenants rose from 147 to 151.

The occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 99.5% and 99.7%, and stood at 99.7% on November 30, 2007.

United Urban procured debt financing (¥4.0 billion) to acquire a property.

At the expiry of term of the existing credit agreement for commitment facility (maximum amount; ¥2.0 billion), United Urban entered into the increased facility of ¥10.0 billion in consideration of United Urban's asset size and risk of refinancing.

As a result, the balance of outstanding borrowings at November 30, 2007, totaled ¥48.9 billion (up by ¥4.0 billion from the end of the previous period), comprising no short-term borrowings (unchanged from

the end of the previous period), ¥10.2 billion of long-term borrowings due for repayment within one year (unchanged from the end of the previous period), ¥38.7 billion of long-term borrowings (up by ¥4.0 billion from the end of the previous period), and the ¥25.0 billion of corporate bonds (unchanged from the end of the previous period).

In addition, the details of issuer ratings as of November 30, 2007 are as follows:

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

3. Issuance of New Investment Units

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

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

(Notes)

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

Changes in Closing Prices

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

	Yen		
	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)	6th Fiscal Period (June 1, 2006 - November 30, 2006)
Highest	1,000,000	1,070,000	735,000
Lowest	683,000	701,000	633,000

4. Distribution Information

With regard to the distribution in the period under review, in view of the special manner in which taxation is applied pursuant to Article 67-15 of the Special Taxation Measures Law, in order to ensure that the maximum amount of distribution of earnings would be deductible, it was decided that the entire amount of unappropriated profit at the end of period would be distributed, excluding cases in which the distributions per investment unit were fractions of one yen. In consequence, the distribution per investment unit was fixed at ¥17,667 for the 8th fiscal period.

		8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)	6th Fiscal Period (June 1, 2006 - November 30, 2006)
Unappropriated retained earnings at the end of period	Thousands of yen	2,824,008	2,806,618	2,748,838
Cash distribution	Thousands of yen	2,823,946	2,806,523	2,748,820
Distribution per unit	Yen	17,667	17,558	17,197
Unappropriated retained earnings carried forward to the next period	Thousands of yen	62	95	18

5. Future Policies

A. Acquisition of new properties (External growth)

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

B. Management and administration (Internal growth)

In its management and administration, United Urban will take into consideration the fact that most of the properties in its portfolio are occupied on comparatively long-term leases, implement to maintenance works and repairs proactively in order to enhance tenant satisfaction and improve its management and service, and will do best in order to build the good relationship with the tenants. In addition, by engaging in leasing activities based on the study and analysis of trends of the leasing market, United Urban will make continuous effort to maintain high occupancy ratio, raise the level of rental income, and reduce costs in order to improve the profitability in leasing its existing portfolio.

6. Reference Information

A. United Urban procured debt financing for the repayment of the existing debts (Note) on December 20, 2007 as set forth below.

Term Loan 17

Lenders	Aozora Bank, Ltd., Shinsei Bank, Limited, Saitama Resona Bank, Limited, The Sumitomo Trust and Banking Co., Ltd., The Dai-ichi Mutual Life Insurance Company and Mitsui Sumitomo Insurance Company, Limited
Borrowed amount	¥10,200 million
Interest rate	1.67119%
Drawdown date	December 20, 2007
Repayment method	Bullet payment at maturity
Maturity date	December 20, 2012
Collateral	Unsecured and unguaranteed at a fixed rate

(Note) The following existing debts were repaid on December 20, 2007

Term Loan 5

Repayment date	December 20, 2007
Lenders	The Kagawa Bank, Ltd., Shinsei Bank, Limited, The Sumitomo Trust and Banking Co., Ltd., The Hyakugo Bank, Ltd., The Hiroshima Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mitsui Sumitomo Insurance Company, Limited
Borrowed amount	¥8,000 million
Interest rate	0.91837%
Drawdown date	December 20, 2004
Repayment method	Bullet payment at maturity
Maturity date	December 20, 2007
Collateral	Unsecured and unguaranteed at a fixed rate

Term Loan 11

Repayment date	December 20, 2007
Lender	Shinsei Bank, Limited
Borrowed amount	¥2,200 million
Interest rate	1.08792%
Drawdown date	May 29, 2006
Repayment method	Bullet payment at maturity
Maturity date	December 20, 2007
Collateral	Unsecured and unguaranteed at a fixed rate

B. United Urban acquired the properties set forth below subsequent to the end of the eighth fiscal period.

< GRAND-ROUGE Sakae II >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥1,300 million
Date of Acquisition	: December 26, 2007

Outline of Property

Location	: 5-21-37 Sakae, Naka-ku, Nagoya-shi, Aichi
Use	: Residential properties (91 units)
Site Area	: Land: 674.34 m ² Building: 3,172.34 m ² Attached building(parking lot): 38.61 m ²
Structure	: RC 11F (attached building: S 1F)
Completion Date	: February 2007
Total Leasable Floor Space	: 2,579.89 m ²

< Tip's Machida Building >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥4,100 million
Date of Acquisition	: December 27, 2007

Outline of Property

Location	: 6-7-8 Haramachida, Machida-shi, Tokyo
Use	: Retail properties / Gym
Site Area	: Land: 1,596.82 m ² Building: 8,075.04 m ²
Structure	: SRC B1/7F
Completion Date	: June 1992
Total Leasable Floor Space	: 6,728.32 m ²

< Daiei Takarazuka Nakayama >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥4,284 million
Date of Acquisition	: January 30, 2008

Outline of Property

Location	: 21-22 Mefuhigashino-cho, Takarazuka-shi, Hyogo
Use	: Retail properties (attached building: parking lot)
Site Area	: Land: 16,330.14 m ² (Note) Building: 16,729.60 m ² Attached building: 929.40 m ²
Structure	: S B1/3F (attached building: S 5F)
Completion Date	: November 1997
Total Leasable Floor Space	: 16,729.60 m ²

(Note) With regard to the "Site Area" of land, the total site area including that for leasehold (334 m²), is described as it appears on the applicable real estate register.

< maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (Note1) >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥11,904 million
Date of Acquisition	: February 18, 2008

Outline of Property

Location	: 1-1-1, etc. Isogo, Isogo-ku, Yokohama-shi, Kanagawa
Site Area	: Land: 53,363.57 m ² (Note 2)
Use District	: Neighborhood Commercial District, Industrial District
Floor-area Ratio	: 300%/200%
Building-to-land Ratio	: 80%/60%
Total Leasable Floor Space	: 52,668.385 m ²

- (Notes) 1. The trust beneficial interest above primarily entrusts the site. Accordingly, buildings and structures situated in this site are not included in the trust asset.
2. "Site Area" describes the site area of the entire land as it appears on the applicable real estate register. The ownership of land as a percentage of trust asset acquired by United Urban was 96%.

- C. Subsequent to the end of the eighth fiscal period, United Urban procured debt financing to support its payments for acquisition of properties and a portion of the related acquisition cost as set forth below.

Term Loan 18

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Borrowed amount	¥4,400 million
Interest rate	1.44618%
Drawdown date	December 27, 2007
Repayment method	Bullet payment at maturity
Maturity date	June 20, 2012
Collateral	Unsecured and unguaranteed at a fixed rate
Use of proceeds	Payment for acquisition of "Tip's Machida Building" (including acquisition cost)

Term Loan 19

Lender	Sumitomo Mitsui Banking Corporation
Borrowed amount	¥4,500 million
Interest rate	1.48031%
Drawdown date	January 30, 2008
Repayment method	Bullet payment at maturity
Maturity date	June 20, 2012
Collateral	Unsecured and unguaranteed at a fixed rate
Use of proceeds	Payment for acquisition of "Daiei Takarazuka Nakayama" (including acquisition cost)

Term Loan 20

Lenders	The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Borrowed amount	¥12,400 million
Interest rate	1.20861%
Drawdown date	February 18, 2008
Repayment method	Bullet payment at maturity
Maturity date	December 20, 2010
Collateral	Unsecured and unguaranteed at a fixed rate
Use of proceeds	Payment for acquisition of "maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)" (including acquisition cost)

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	8th Fiscal Period (As of November 30, 2007)	7th Fiscal Period (As of May 31, 2007)	6th Fiscal Period (As of November 30, 2006)
Number of investment units authorized (Unit)	2,000,000	2,000,000	2,000,000
Number of investment units issued and outstanding (Unit)	159,843	159,843	159,843
Unitholders' capital (Millions of yen)	89,839	89,839	89,839
Number of unitholders	7,188	7,485	9,158

2. Major Unitholders

(As of November 30, 2007)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Unit Held (%)
Japan Trustee Services Bank, Ltd. (trust account)	14,498	9.07 %
The Master Trust Bank of Japan, Ltd. (trust account)	12,894	8.07 %
NikkoCiti Trust and Banking Corporation (investment account)	11,728	7.34 %
Trust & Custody Services Bank, Ltd. (investment trust account)	9,760	6.10 %
The Nomura Trust and Banking Co., Ltd. (investment trust)	6,450	4.03 %
The Bank of Ikeda, Ltd.	4,663	2.92 %
North Pacific Bank, Ltd.	4,274	2.67 %
The Bank of New York, Treaty JASDEC Account	2,856	1.79 %
UBS AG London Asia Equities	2,616	1.64 %
Goldman Sachs International	2,462	1.54 %
Total	72,201	45.17%

(Note)

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

3. Categories of Unitholders

(As of November 30, 2007)				
	Number of Unitholders by Category		Number of Units by Holder Category	
Individuals and others	6,806	94.7 %	17,798 units	11.1 %
Financial institutions (including securities companies)	142	1.9 %	107,726 units	67.4 %
Other domestic corporations	112	1.6 %	4,446 units	2.8 %
Foreign corporations and individuals	128	1.8 %	29,873 units	18.7 %
Total	7,188	100.0 %	159,843 units	100.0 %

4. Member of Board of Directors of United Urban

(As of November 30, 2007)		
Title	Name	Other Title
Executive Officer	Yasuhiro Tanaka	—
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office
Supervisory Officer	Toshio Kenmochi	Representative Partner, Kasumigaseki Audit Representative Director and President, RECS Management Institute Representative Director and President, RECS Technologies Inc.

5. Advisors and Agents

(As of November 30, 2007)	
Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Mizuho Trust & Banking Co., Ltd.
Transfer Agent	The Chuo Mitsui Trust and Banking Company, Limited
Administrative Agent	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to Corporate Bonds)	The Sumitomo Trust and Banking Co., Ltd., Mizuho Securities Co., Ltd., Nikko Citigroup Limited and Kyokuto Securities Co., Ltd.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		8th Fiscal Period (As of November 30, 2007)	
				Total Amounts Held (Thousands of yen) (Note 2)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital Region (Note 3)	The 6 central wards of Tokyo (Note 4)	-	-
			The 23 wards of Tokyo (Note 5)	-	-
			Tokyo metropolitan areas (Note 6)	-	-
		Other regions		3,297,756	1.8
	Office Buildings	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Hotels	Capital Region	The 6 central wards of Tokyo	1,906,088	1.1
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Residential Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Others	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Subtotal			5,203,844	2.9
Real Estate in Trust	Retail Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	18,956,018	10.4
			Tokyo metropolitan areas	10,511,084	5.8
		Other regions		26,777,248	14.7
	Office Buildings	Capital Region	The 6 central wards of Tokyo	6,806,199	3.7
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	19,195,612	10.6
		Other regions		21,539,132	11.8
	Hotels	Capital Region	The 6 central wards of Tokyo	20,915,218	11.5
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		9,743,466	5.4
	Residential Properties (Note 1)	Capital Region	The 6 central wards of Tokyo	2,483,356	1.4
			The 23 wards of Tokyo	11,070,533	6.1
			Tokyo metropolitan areas	2,291,342	1.3
		Other regions		8,267,673	4.5
	Others (Note 1)	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		2,040,466	1.1
	Subtotal			160,597,347	88.3
Bank Deposits and Other Assets			16,076,644	8.8	
Total Assets			181,877,835	100.0	

(Notes)

1. In accordance with change of the Articles of Incorporation of United Urban, the types of use were changed to "Retail Properties", "Office Buildings", "Hotels", "Residential Properties" and "Others" as of August 30, 2007 during the eighth fiscal period.

- Accordingly, the type of use of "Lilycolor Tohoku Branch" was changed from "Residential Properties and Others" to "Others".
2. "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).
3. The "Capital Region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
4. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
5. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "six central wards of Tokyo."
6. "Tokyo metropolitan area" refers to the Tokyo metropolitan area excluding the "23 wards of Tokyo."

2. Selected Data by Property

(As of November 30, 2007)

Type of Property	Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value (Millions of yen) (Note 2)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3)	Occupancy Ratio (%) (Note 3)
Retail Properties	Daiei Himonya	15,041	18,200	26,655.66	26,655.66	100.0
	Joy Park Izumigaoka	6,232	4,400	13,242.67	13,196.91	99.7
	Daimaru Peacock Ashiya-Kawanishi Ten	766	1,130	1,558.80	1,558.80	100.0
	Re-LAND Shopping Center	5,022	6,150	12,968.85	12,860.56	99.2
	AEON MALL Uki Value (Note 5)	10,970	11,200	72,073.39	72,073.39	100.0
	TENJIN LUCE	6,700	6,640	4,194.57	3,920.73 (Note 4)	93.5
	Yamada Denki Tecc Land Sakai Honten	3,298	3,400	8,637.63	8,637.63	100.0
	Miyamae Shopping Center	5,489	5,340	10,487.92	10,487.92	100.0
	KONAMI SPORTS CLUB Korigaoka	2,110	2,050	8,627.58	8,627.58	100.0
	ACTIOLE minami ikebukuro	3,915	3,850	2,081.50	2,081.50 (Note 4)	100.0
Office Buildings	T&G Hamamatsu-Cho Building	2,171	3,236	2,422.93	2,422.93 (Note 4)	100.0
	SK Nagoya Building	5,323	6,864	8,708.52	8,708.52	100.0
	Fukuoka Eartheon Building	1,903	2,880	4,934.39	4,934.39	100.0
	Marumasu Koujimachi Building	2,411	3,930	2,612.42	2,612.42	100.0
	Rokuban-Cho K Building	2,225	3,340	4,031.14	4,031.14	100.0
	Shin-Osaka Central Tower	24,056	29,600	46,024.83	45,298.87	98.4
	Kawasaki Toshiba Building	19,196	26,310	36,212.28	36,212.28	100.0
Hotels	Shinjyuku Washington Hotel - Honkan	20,915	24,800	53,317.45	53,317.45	100.0
	Toyoko Inn Shinagawa-Eki Takanawaguchi	1,906	2,170	3,088.85	3,088.85	100.0
Residential Properties	T&G Higashi-Ikebukuro Mansion	1,913	2,265	2,603.22	2,542.59 (Note 4)	97.7
	T&G Yotsuya Mansion	1,291	1,479	1,679.10	1,635.45 (Note 4)	97.4
	Excellia Magome	666	718	914.98	874.96 (Note 4)	95.6
	Komazawa Court	1,642	1,810	3,741.17	3,741.17	100.0

Residential Properties	Ropponmatsu Court	714	863	3,294.36	3,294.36	100.0
	Sky Court Shiba-Daimon	1,192	1,228	1,486.38	1,486.38	100.0
	Maison Ukima	3,547	4,200	12,691.43	12,691.43	100.0
	Narashino Residence	1,148	1,230	6,840.86	6,840.86	100.0
	Aprile Shin-Ohgi Ichibankan	3,082	3,470	12,700.44	12,700.44	100.0
	UUR Court Sapporo Kitasanjo	1,333	1,387	4,790.50	4,790.50	100.0
	Soga Dormitory	641	637	2,931.14	2,931.14	100.0
	Higashikurume Dormitory Shinkan	502	524	1,397.61	1,397.61	100.0
	Nanzan Court Ichigoukan	1,076	1,090	3,576.74	3,576.74	100.0
	Nanzan Court Nigoukan	455	503	1,890.51	1,890.51	100.0
	CLIO Bunkyo Koishikawa	3,302	3,370	4,097.51	4,010.14 (Note 4)	97.9
	GRAND-ROUGE Sakae	1,608	1,600	3,697.38	3,697.38	100.0
Others	Lilycolor Tohoku Branch	2,040	2,050	9,271.16	9,271.16	100.0
	Total	165,801	193,914	399,485.87	398,100.35	99.7

(Notes)

1. "Book Value" is stated after being rounded to the units stated.
2. "Appraisal Value" is the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers.
3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are stated on the basis of data as of November 30, 2007. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust (In principle these are the numerical values stated in lease agreements. However, the figures for T&G Hamamatsu-Cho Building, T&G Higashi-Ikebukuro Mansion and CLIO Bunkyo Koishikawa are those stated, respectively, in a management report prepared by Heisei Building Co., Ltd. (T&G Hamamatsu-Cho Building) and a monthly report prepared by Mitsui Fudosan Housing Lease Co., Ltd. (T&G Higashi-Ikebukuro Mansion and CLIO Bunkyo Koishikawa) It should also be noted that the values that underlie the numerical values stated in agreements differ from agreement to agreement. Therefore, the figures stated are either the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), 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 a monthly report prepared by the property management companies; and "Leased Floor Space" means the aggregate of the areas (the areas stated in lease agreements, the details being the same as those stated with regard to leasable floor space above) within total leasable floor space that is leased after actual lease agreements are concluded. "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of the main building of Shinjuku Washington Hotel held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
4. Master lease agreements with no rental guarantees have been concluded with regard to TENJIN LUCE, ACTIOLE minami ikebukuro, T&G Hamamatsu-Cho Building, T&G Higashi-Ikebukuro Mansion, T&G Yotsuya Mansion, Excellia Magome, and CLIO Bunkyo Koishikawa. Accordingly, United Urban is able to receive rental revenues only if these holdings of real estate in trust are subleased. In view of this, the "Leased Floor Space" of these properties is stated not as the area rented to the lessees, but as the area subleased by the lessees as of November 30, 2007.
5. The name of the shopping center, Diamond City Value, was changed on September 22, 2007 in accordance with formation of new "AEON MALL Co., Ltd." by merger of Diamond City Co., Ltd., a tenant of the property, and AEON MALL Co., Ltd. as of August 21, 2007.

3. Selected Financial Data by Property

Name of Property	8th Fiscal Period (June 1, 2007 to November 30, 2007)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the period) (Millions of yen) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	528	7.9
Joy Park Izumigaoka	12(5)	99.7	289	4.3
Daimaru Peacock Ashiya-Kawanishi Ten	1	100.0	30	0.5
Re-LAND Shopping Center	15	99.2	278	4.2
AEON MALL Uki Value	1(95)	100.0	458	6.9
TENJIN LUCE	2(7)	93.5	198	3.0
Yamada Denki Tecc Land Sakai Honten	1(1)	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3(8)	100.0	140	2.1
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE minami ikebukuro	1(9)	100.0	37	0.6
T&G Hamamatsu-Cho Building	1(7)	100.0	109	1.6
SK Nagoya Building	9	100.0	280	4.2
Fukuoka Eartheon Building	3(2)	100.0	134	2.0
Marumasu Koujimachi Building	12	100.0	123	1.8
Rokuban-Cho K Building	1(3)	100.0	98	1.5
Shin-Osaka Central Tower	60(1)	98.4	1,213	18.2
Kawasaki Toshiba Building	1(6)	100.0	796	11.9
Shinjyuku Washington Hotel - Honkan	8(1)	100.0	825	12.4
Toyoko Inn Shinagawa-Eki Takanawaguchi	1	100.0	64	1.0
T&G Higashi-Ikebukuro Mansion	1(126 units)	97.7	69	1.0
T&G Yotsuya Mansion	1(76 units)	97.4	47	0.7
Excellia Magome	1(42 units)	95.6	23	0.3
Komazawa Court	1(95 units)	100.0	54	0.8
Ropponmatsu Court	1(86 units)	100.0	35	0.5
Sky Court Shiba-Daimon	1(1)	100.0	32	0.5
Maison Ukima	1	100.0	124	1.9
Narashino Residence	1(1 units)	100.0	51	0.8
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kitasanjo	1(128 units)	100.0	52	0.8
Soga Dormitory	1(1 units)	100.0	26	0.4
Higashikurume Dormitory Shinkan	1	100.0	17	0.3
Nanzan Court Ichigoukan	1(90 units)	100.0	40	0.6
Nanzan Court Nigoukan	1(34 units)	100.0	17	0.3
CLIO Bunkyo Koishikawa	1(89 units)	97.9	100	1.5
GRAND-ROUGE Sakae	1(81 units)	100.0	50	0.8
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	151(995)	99.7	6,673	100.0

(Notes)

1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. In the event that one tenant is renting more than one room, the aggregate number of tenants is stated by treating each such tenant as a single tenant within the same property, and as more than one tenant if the rentals include more than one property. With regard to a property subleased by a lessee, the number of tenants is treated as being one; as of November 30, 2007, the total number of tenants

- subleasing from lessees and the number of rental units were stated in parentheses.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of the main building of Shinjuku Washington Hotel held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
 3. "Rental Revenue" is stated after being rounded to the units stated.
 4. In regard to these properties the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair and other works for properties scheduled as of November 30, 2007. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Works	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 8th fiscal period	Amount already paid
Daiei Himonya	Repair of electrical power receiving facilities	From December 2007 to May 2008	350	-	-
AEON MALL Uki Value	Repair of toilets (JUSCO, TUTAYA etc. of JUSCO wing)	From December 2007 to January 2008	52	-	-
AEON MALL Uki Value	Renewal of central monitoring system	From January 2008 to February 2008	18	-	-
AEON MALL Uki Value	Renewal of air-conditioner (former HW section of JUSCO wing)	From January 2008 to February 2008	24	-	-
AEON MALL Uki Value	Renewal of luminaries (North side of JUSCO wing)	From February 2008 to March 2008	21	-	-
AEON MALL Uki Value	Repair of toilets (second floor, north east, etc. of JUSCO wing.)	From June 2008 to July 2008	80	-	-
AEON MALL Uki Value	Renewal of air-conditioner (former HW section of JUSCO wing)	From July 2008 to August 2008	24	-	-
AEON MALL Uki Value	Renewal of luminaries (JUSCO side of JUSCO wing)	From August 2008 to September 2008	21	-	-
SK Nagoya Building	Repair of exterior walls	From August 2008 to September 2008	48	-	-
Marumasa Koujimachi Building	Repair of central supervisory board	From March 2008 to March 2008	19	-	-
Shin-Osaka Central Tower	Coating ceiling and wall, and replacing floor of common area corridor, (4-11F)	From January 2008 to January 2008	24	-	-
Shin-Osaka Central Tower	Repair of parking lot facilities	From October 2008 to November 2008	47	-	-
Shin-Osaka Central Tower	Repair of air-conditioning facilities (1/4)	From March 2008 to November 2008	90	-	-

Shin-Osaka Central Tower	Equipment work of digital broadcast (1/2)	From April 2008 to November 2008	166	-	-
Shin-Osaka Central Tower	Renewal of air-conditioning automatic control	From October 2008 to November 2008	11	-	-
Kawasaki Toshiba Building	Renewal of cooling water pump (2nd period)	From February 2008 to February 2008	16	-	-
Kawasaki Toshiba Building	Renewal of rotor of total heat exchanger	From March 2008 to March 2008	15	-	-
Kawasaki Toshiba Building	Renewal of dilapidated once-through boiler (1unit/total 2)	From August 2008 to August 2008	16	-	-
Kawasaki Toshiba Building	Renewal of emergency electric lighting and operating DC power supply system	From October 2008 to October 2008	13	-	-
Shinjuku Washington Hotel - Honkan	Removal and replacement of exterior wall seal and examination of tile detachment (1st period)	From September 2007 to December 2007	51	-	-
Shinjuku Washington Hotel - Honkan	Removal and replacement of exterior wall seal and examination of tile detachment (2nd period)	From December 2007 to May 2008	51	-	-
Shinjuku Washington Hotel - Honkan	Replacement of cooling machine	From June 2008 to November 2008	97	-	-
Ropponmatsu Court	Exterior work Waterproofing work	From November 2007 to March 2008	26	-	-
Nanzan Court Ichigoukan	Heat shield work of rooftop	From June 2008 to June 2008	10	-	-
Aprile Shin-Ohgi Ichibankan	Countermeasure of underground pit spring water	From March 2008 to May 2008	15	-	-

2. Capital Expenditures made during the Period

The table below sets out the amounts of United Urban's capital expenditures for its real estate and other assets during the eighth fiscal period, which totaled ¥222 million. Together with ¥44 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥266 million.

Name of Properties	Description of Works	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of escalator of Himonya Building	From May 2007 to June 2007	11
AEON MALL UKi Value	Repair of fire protection facilities	From August 2007 to September 2007	15
AEON MALL UKi Value	Replacement of electricity meter (Specialty Store wing)	From November 2007 to November 2007	14
AEON MALL UKi Value	Renewal of air-conditioner (Turuya Forum section)	From November 2007 to November 2007	14
Kawasaki Toshiba Building	Renewal of dilapidated once-through boiler	From June 2007 to October 2007	17
Other capital expenditures			151
Total			222

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		
	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)	6th Fiscal Period (June 1, 2006 - November 30, 2006)
Reserve balance at the beginning of period	1,297	1,083	868
Addition	221	214	215
Deduction	-	-	-
Reserve balance at the end of period	1,518	1,297	1,083

(Note)

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

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)	6th Fiscal Period (June 1, 2006 - November 30 2006)
Asset management fees	489,376	472,277	460,807
Asset custodian fees	24,778	23,660	23,759
Administrative agent fees	67,657	66,163	67,246
Directors' fees	10,200	10,200	10,200
Other expenses	135,512	117,557	118,425
Total	727,523	689,857	680,437

(Note)

In addition to the amounts stated above, there were asset management fees of ¥12,560 thousand for the 6th fiscal period, ¥42,496 thousand for the 7th fiscal period and ¥46,400 thousand for the 8th fiscal period related to acquisition of properties, which was capitalized and included in acquisition cost of each properties.

2. Borrowings

Borrowings from financial institutions as of November 30, 2007 were as follows;

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

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Kagawa Bank, Ltd.	220	0.91837%	Dec. 20, 2004	Dec. 20, 2007	Unsecured Unguaranteed Fixed rate of interest
The Hyakugo Bank, Ltd.	740	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
The Hiroshima Bank, Ltd.	740	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
Mizuho Trust & Banking Co., Ltd.	1,110	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
Mitsui Sumitomo Insurance Company Limited	740	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
The Sumitomo Trust and Banking Co., Ltd.	2,230	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
Shinsei Bank, Limited	2,220	0.91837%	Dec. 20, 2004	Dec. 20, 2007	
	2,200	1.08792%	May 29, 2006	Dec. 20, 2007	
Total	10,200				

(Long-term debt)

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	2,000	1.39716%	Dec. 20, 2004	Dec. 20, 2009	Unsecured Unguaranteed Fixed rate of interest
	6,850	1.15482%	Apr. 14, 2006	Dec. 20, 2008	Unsecured Unguaranteed Floating rate of interest
	2,550	1.15482%	Apr. 28, 2006	Dec. 20, 2008	
Mizuho Trust & Banking Co., Ltd.	330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	Unsecured Unguaranteed Fixed rate of interest
Saitama Resona Bank, Limited	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Shinsei Bank, Limited	1,330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
	1,900	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
Daido Life Insurance Company	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Mizuho Corporate Bank, Ltd.	2,500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	2,000	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
Aozora Bank, Ltd.	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	900	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
	500	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
The Bank of Fukuoka, Ltd.	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	800	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	4,000	1.66432%	Sep. 27, 2007	Dec. 20, 2012	
Sumitomo Mitsui Banking Corporation	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	2,800	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
The National Mutual Insurance Federation of Agricultural Cooperatives	3,400	1.89500%	Apr. 28, 2006	Dec. 20, 2011	
The Norinchukin Bank	4,000	1.20482%	Dec. 20, 2006	Dec. 20, 2011	Unsecured Unguaranteed Floating rate of interest
Total	38,700				
Borrowings Total	48,900				

(Note)

The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest five decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.

3. Corporate Bonds

Corporate Bonds as of November 30, 2007 were as follows;

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

Trading Activities during the Period

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

(Millions of yen)

Asset Type	Name of Properties	Acquisition		Transfer			
		Date	Price (Note)	Date	Price	Book value	Gain on sale
Beneficiary rights of trusted real estate assets	KONAMI SPORTS CLUB Korigaoka	June 29, 2007	2,040	-	-	-	-
Beneficiary rights of trusted real estate assets	ACTIOLE minami ikebukuro	September 27, 2007	3,760	-	-	-	-
	Total		5,800	-	-	-	-

(Note)

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

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

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

(Millions of yen)

Category	Amount of Purchase and Sale Price etc.	
	Purchase price etc.	Sale price etc.
Total Amount	5,800 (100.0%)	-
	Purchase prices from related parties and major shareholders	Sale prices to related parties and major shareholders
	3,760 (64.8%)	-
Breakdown of status of transactions with related parties and major shareholders		
Marubeni Corporation	ACTIOLE minami ikebukuro 3,760 (100.0%)	-

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

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

Category	Total Commission Paid (A) (Thousands of yen)	Description of Transactions with Related Parties and Major Shareholders		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Property Management Fees	341,629	Marubeni Community Co., Ltd.	23,129	6.8
		Marubeni Real Estate Co., Ltd.	10,099	3.0
		Marubeni Properties Co., Ltd.	94,636	27.7
Casualty Insurance Premium	11,539	Marubeni Safenet Co., Ltd.	11,239	97.4
Construction Management Fees	6,245	Marubeni Community Co., Ltd.	179	2.9
		Marubeni Real Estate Co., Ltd.	1,797	28.8
		Marubeni Properties Co., Ltd.	1,194	19.1
Other Rental Expenses	20,754	Marubeni Real Estate Co., Ltd.	624	3.0
		Marubeni Properties Co., Ltd.	1,673	8.1

(Notes)

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

Others

1. Notifications

(1) General meeting of unitholders

The third general meeting of unitholders of United Urban was held on August 30, 2007. The following were the principal matters approved by the general meeting.

Agenda Item	Summary
Partial amendment of the Articles of Incorporation	The Articles of Incorporation were amended in respect of the following matters. <ul style="list-style-type: none">- Consequential amendments in connection with the enforcement of the Corporate Law and the amendment of the other laws and regulations- Clarification of the beneficial unitholders and the register of beneficial unitholders- Consequential amendments associated with revisions to the tax system, etc.- Expansion and clarification of types of use for investment properties- Change in types of assets for asset management- Amendments required to the issuance of short-term corporate bonds- Amendments associated with the establishment of the rules for exemption from accounting auditors' liability- Other amendments, including transfers and deletions of text and revisions to clause numbering associated with the amendments above
Election of one executive officer	Yasuhiro Tanaka was elected as Executive Officer.
Election of two supervisory officers	Masakazu Watase and Toshio Kenmochi were respectively elected as Supervisory Officer.
Election of one substitute executive officer	Hisamitsu Abe was elected as Substitute Executive Officer.

(2) 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 eighth fiscal period.

Appendix

Investment Policies

Investment Policies

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

Basic Investment Policy

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

(a) Type of Use of Real Estate Assets

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

(b) Area of Location

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

Investment Stance

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

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

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

Management Policy

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

(a) Portfolio Management Criteria

1. Investment Term

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

2. Acquisition Criteria

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

(i) Type of Use of Real Estate Assets

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

(ii) Area of Location

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

(b) Leasing Policy

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

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

1. Selection of High-Quality Tenants

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

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

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

Investment Criteria

Types of Investment Assets

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

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

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

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

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

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

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

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

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

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

Investment Restrictions

Restrictions under the Articles of Incorporation of the Investment Corporation

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

Distribution Policies

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

Profit Distribution

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

Distributions in Excess of Profits

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

Method of Cash Distribution

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

Extinctive Prescription for Cash Distributions

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

Regulations of the Investment Trusts Association of Japan

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

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BALANCE SHEETS

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

	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 15,744,182	¥ 16,357,279
Rent receivables	114,913	106,021
Consumption taxes refundable	-	41,517
Other current assets	21,312	154,837
Total current assets	15,880,407	16,659,654
PROPERTY AND EQUIPMENT, AT COST:		
Land	97,846,403	94,023,627
Buildings and structures	75,230,054	72,805,906
Machinery and equipment	227,417	216,602
Tools, furniture and fixtures	57,152	56,633
Construction in progress	22,570	7,350
Subtotal	173,383,596	167,110,118
Less accumulated depreciation	(7,582,405)	(6,298,163)
Net property and equipment	165,801,191	160,811,955
INVESTMENTS AND OTHER ASSETS:		
Intangible assets	314	314
Security deposits paid	10,013	10,013
Long-term prepaid expenses	159,888	152,675
Organization costs	5,580	11,160
Corporate bond issuance expenses	20,442	40,885
TOTAL ASSETS	¥181,877,835	¥177,686,656

	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
LIABILITIES and UNITHOLDERS' EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 206,093	¥ 307,576
Long-term debt due for repayment within one year	10,200,000	10,200,000
Accrued expenses	307,666	282,770
Income taxes payable	896	1,001
Consumption taxes payable	29,677	-
Rent received in advance	986,411	957,011
Other current liabilities	27,895	18,939
Total current liabilities	11,758,638	11,767,297
LONG-TERM LIABILITIES:		
Corporate bonds	25,000,000	25,000,000
Long-term debt	38,700,000	34,700,000
Leasehold and security deposits received	13,756,509	13,574,061
Total long-term liabilities	77,456,509	73,274,061
Total Liabilities	89,215,147	85,041,358
UNITHOLDERS' EQUITY		
Unitholders' capital:		
Units authorized: 2,000,000 units as of November 30, 2007 and May 31, 2007		
Units issued and outstanding: 159,843 units as of November 30, 2007 and May 31, 2007		
	89,838,680	89,838,680
Retained earnings	2,824,008	2,806,618
Total unitholders' equity	92,662,688	92,645,298
TOTAL LIABILITIES and UNITHOLDERS' EQUITY	¥181,877,835	¥177,686,656

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

STATEMENTS OF INCOME

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

	Thousands of yen	
	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
OPERATING REVENUES		
Rental revenues	¥6,275,608	¥6,068,727
Other rental revenues	397,705	339,173
	6,673,313	6,407,900
OPERATING EXPENSES		
Property-related expenses	2,591,676	2,440,056
Asset management fees	489,376	472,277
Administrative service fees	92,435	89,823
Other operating expenses	145,712	127,757
	3,319,199	3,129,913
OPERATING INCOME	3,354,114	3,277,987
NON-OPERATING REVENUES		
Interest income	395	256
Other non-operating revenues	1,641	1,174
	2,036	1,430
NON-OPERATING EXPENSES		
Interest expense	348,696	289,179
Interest expense on corporate bonds	154,390	154,254
Amortization of corporate bond issuance expenses	20,442	20,442
Amortization of organization costs	5,580	5,580
Other non-operating expenses	2,152	2,315
	531,260	471,770
INCOME BEFORE INCOME TAXES	2,824,890	2,807,647
PROVISION FOR INCOME TAXES		
Current	973	1,049
Deferred	4	(2)
	977	1,047
NET INCOME	¥2,823,913	¥2,806,600

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

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

				Thousands of yen
	Number of Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity
BALANCE AS OF NOVEMBER 30, 2006	159,843	¥ 89,838,680	¥ 2,748,838	¥92,587,518
Cash distributions disbursed	—	—	(2,748,820)	(2,748,820)
Net income	—	—	2,806,600	2,806,600
BALANCE AS OF MAY 31, 2007	159,843	89,838,680	2,806,618	92,645,298
Cash distributions disbursed	—	—	(2,806,523)	(2,806,523)
Net income	—	—	2,823,913	2,823,913
BALANCE AS OF NOVEMBER 30, 2007	159,843	¥ 89,838,680	¥ 2,824,008	¥ 92,662,688

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

STATEMENTS OF CASH FLOWS

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

	Thousands of yen	
	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 2,824,890	¥ 2,807,647
Depreciation and amortization	1,284,242	1,254,283
Interest income	(395)	(256)
Interest expense and interest expense on corporate bonds	503,086	443,434
Amortization of organization costs	5,580	5,580
Amortization of corporate bond issuance expenses	20,442	20,442
(Increase) decrease in rent receivables	(8,893)	8,171
Decrease (increase) in consumption taxes refundable	41,517	(41,517)
Decrease (increase) in prepaid expenses	143,277	(145,787)
Decrease (increase) in long-term prepaid expenses	10,046	(56,952)
Increase in trade accounts payable	5,706	304
Increase (decrease) in accrued expenses	7,862	(11,181)
Increase (decrease) in consumption taxes payable	29,677	(198,670)
Increase in rent received in advance	29,400	43,251
Other, net	1,951	(2,058)
Subtotal	4,898,388	4,126,691
Interest received	396	256
Interest paid	(513,066)	(423,528)
Income taxes paid	(1,078)	(1,044)
Net cash provided by operating activities	4,384,640	3,702,375
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,380,667)	(5,910,250)
Proceeds from leasehold and security deposits received	356,030	1,090,782
Payments for leasehold and security deposits received	(166,582)	(92,878)
Net cash used in investing activities	(6,191,219)	(4,912,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term debt	-	(4,500,000)
Proceeds from long-term debt	4,000,000	16,900,000
Repayment of long-term debt	-	(5,500,000)
Distributions to unitholders	(2,806,518)	(2,748,207)
Net cash provided by financing activities	1,193,482	4,151,793
NET CHANGES IN CASH AND CASH EQUIVALENTS	(613,097)	2,941,822
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,151,749	13,209,927
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥15,538,652	¥16,151,749

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

NOTES TO FINANCIAL STATEMENTS

(November 30, 2007 and May 31, 2007)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

United Urban Investment Corporation ("United Urban") is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. ("JRA"). JRA is currently owned 51% by Marubeni Corporation ("Marubeni"), 44% by Credit Suisse Principal Investments Limited, Tokyo Branch ("CSPI"), and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

United Urban was founded on November 4, 2003, with an initial capitalization of ¥125 million, under the Law Concerning Investment Trusts and Investment Corporations of Japan (the "Investment Trust Law"). Trinity Investment Trust L.L.C., Marubeni, CSPI, Kyokuto, Yamato Life Insurance Co., and JRA initially established United Urban.

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

As of November 30, 2007, the end of its eighth fiscal period, United Urban had ownership of, or beneficial interests in, 10 retail properties, 6 office buildings, 2 hotels, 16 residential properties, 1 other, and 1 property which consisted of an office building and a hotel.

Basis of Presentation of Financial Statements

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

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

United Urban's semiannual accounting periods end either at the end of May or November. United Urban's eighth fiscal period began on June 1, 2007 and ended on November 30, 2007.

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 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
Buildings and structures	2 - 55 years	2 - 55 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	5 - 15 years	5 - 15 years

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

Cash and Cash Equivalents

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

Revenue Recognition

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

Taxes on Property and Equipment

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the dates of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. ¥3,830 thousand and ¥21,678 thousand of such property taxes and city planning taxes were capitalized for the six-month periods ended November 30, 2007 and May 31, 2007, respectively.

Corporate Bond Issuance Expenses

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

Organization Costs

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

Accounting Treatment for Beneficial Interests in Entrusted Assets including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the six-month period ended November 30, 2007.

3. CASH AND CASH EQUIVALENTS

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

	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
Cash and bank deposits	¥ 15,744,182	¥ 16,357,279
Restricted deposits with a bank	(205,530)	(205,530)
Cash and cash equivalents	¥ 15,538,652	¥ 16,151,749

4. PLEDGED ASSETS AND SECURED DEBT

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

Pledged Assets	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
Cash and bank deposits	¥ 206,041	¥ 205,792
Land	2,114,743	2,114,743
Buildings and structures	2,907,199	2,970,220
Total	¥ 5,227,983	¥ 5,290,755

Debt Secured by Pledged Assets	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
Leasehold and security deposits received	¥1,783,378	¥1,783,378
Total	¥1,783,378	¥1,783,378

5. COMMITTED LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
Total amount of commitment	¥10,000,000	¥2,000,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥10,000,000	¥2,000,000

6. UNITHOLDERS' EQUITY

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

7. LONG-TERM DEBT

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

	End of 8th Fiscal Period (As of November 30, 2007)		End of 7th Fiscal Period (As of May 31, 2007)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Unsecured loans from banks, trust banks, and an insurance company at fixed interest rates, due December 20, 2007	¥ 8,000,000	0.918%	¥ 8,000,000	0.918%
Unsecured loans from banks, trust banks, and an insurance company at fixed interest rates, due December 20, 2009	5,000,000	1.397%	5,000,000	1.397%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2007	2,200,000	1.088%	2,200,000	1.088%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008	6,850,000	1.155%	6,850,000	0.986%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008	2,550,000	1.155%	2,550,000	0.986%
Unsecured loan from a federation at a fixed interest rate, due December 20, 2011	3,400,000	1.895%	3,400,000	1.895%
Unsecured loans from banks at fixed interest rates, due December 20, 2009	4,800,000	1.550%	4,800,000	1.550%
Unsecured loans from banks at fixed interest rates, due December 20, 2009	5,600,000	1.477%	5,600,000	1.477%
Unsecured loans from banks at fixed interest rates, due December 20, 2011	2,500,000	1.862%	2,500,000	1.862%
Unsecured loan from a bank at a variable interest rate, due December 20, 2011	4,000,000	1.205%	4,000,000	1.053%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	-	-
Total	¥ 48,900,000		¥ 44,900,000	

8. CORPORATE BONDS

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

	End of 8th Fiscal Period (As of November 30, 2007)		End of 7th Fiscal Period (As of May 31, 2007)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Series 1 unsecured bonds, due July 12, 2010	¥ 15,000,000	0.78%	¥ 15,000,000	0.78%
Series 2 unsecured bonds, due July 10, 2015	10,000,000	1.91%	10,000,000	1.91%
Total	¥ 25,000,000		¥ 25,000,000	

9. OPERATING REVENUES AND EXPENSES

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

	8th Fiscal Period (June 1, 2007 - November 30, 2007)	Thousands of yen 7th Fiscal Period (December 1, 2006 - May 31, 2007)
Operating Revenues	¥ 6,673,313	¥ 6,407,900
Rental Revenues	6,275,608	6,068,727
Rental revenues	5,689,130	5,515,942
Common area charges	418,614	411,359
Parking revenues	147,835	125,858
Other	20,029	15,568
Other Rental Revenues	397,705	339,173
Incidental revenues	323,131	267,735
Temporary revenues (including cancellation charges)	62,639	60,721
Other miscellaneous revenues	11,935	10,717
Property-Related Expenses	2,591,676	2,440,056
Property and other taxes	502,575	450,710
Property management fees	341,629	336,637
Utilities	341,552	272,954
Casualty insurance	11,539	11,308
Repairs and maintenance	69,636	53,336
Depreciation and amortization	1,284,242	1,254,283
Other rental expenses	40,503	60,828
Profit from rental activities	¥ 4,081,637	¥ 3,967,844

10. INCOME TAXES

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

	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
Statutory tax rate	39.39%	39.39%
Distributions of tax-deductible dividends	(39.38)	(39.37)
Other	0.03	0.02
Effective tax rate	0.04%	0.04%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of taxable income for each fiscal period in order to meet the conditions set forth in the Special Taxation Measures Law of Japan concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban made dividend distributions of approximately 100% of its retained earnings in aggregate amounts of ¥2,823,946 thousand and ¥2,806,523 thousand at November 30, 2007 and May 31, 2007, respectively, and treated these distributions as tax deductions. United Urban does not distribute cash dividends in excess of its retained earnings in accordance with its Articles of Incorporation.

11. PER UNIT INFORMATION

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

	Yen	
	8th Fiscal Period (June 1, 2007 - November 30, 2007)	7th Fiscal Period (December 1, 2006 - May 31, 2007)
Net assets per unit at the period end	¥ 579,710	¥ 579,601
Net income per unit	¥ 17,666	¥ 17,558
Weighted-average number of units	159,843	159,843

12. LEASES

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

	Thousands of yen	
	End of 8th Fiscal Period (As of November 30, 2007)	End of 7th Fiscal Period (As of May 31, 2007)
Due within one year	¥ 5,483,296	¥ 5,452,402
Due after one year	32,446,777	31,891,234
Total	¥ 37,930,073	¥ 37,343,636

13. TRANSACTIONS WITH RELATED PARTIES

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

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions	Account	Balance at the End of the Period
Marubeni Corporation	Wholesale industry	0.7	None	Acquisition of trust beneficial interest in real estate (Note 3)	¥ 3,760,000	–	¥ –
Marubeni Community Co., Ltd. (Benny Estate Service Co., Ltd.)	Real estate management	–	None	Property leasing	146,172	Rent receivables	14,787
						Security deposits received	47,587
				Property management fees	23,129	Trade accounts payable	3,895
				Construction management fees	179	Trade accounts payable	11
				Other rental expenses	289	Trade accounts payable	54
Marubeni Real Estate Co., Ltd.	Real estate	–	None	Property management fees	10,099	Trade accounts payable	244
				Construction management fees	1,797	Trade accounts payable	63
				Other rental expenses	624	Trade accounts payable	139
				Other rental expenses (communications)	100	Trade accounts payable	17
Marubeni Safenet Co., Ltd.	Insurance agency	–	None	Casualty insurance	11,239	Long-term prepaid expenses	46,695
Marubeni Properties Co., Ltd.	Real estate management	–	None	Property management fees	94,636	Trade accounts payable	16,546
				Construction management fees	1,194	Trade accounts payable	218
				Other rental expenses	1,673	–	–
The Daiei, Inc.	Supermarket	–	None	Property leasing	528,000	Security deposits received	880,000
						Rent received in advance	92,400
The Maruetsu, Inc.	Supermarket	–	None	Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648

2. Asset Custodian

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

(Notes)

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

(Seventh Fiscal Period: December 1, 2006 – May 31, 2007)

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1)	Account	Balance at the End of the Period
Marubeni Corporation	Wholesale industry	0.7	None	Brokerage commissions	¥ 79,680	–	¥ –
Benny Estate Service Co., Ltd.	Real estate management	–	None	Property leasing	145,409	Rent receivables	14,625
						Security deposits received	47,587
				Property management fees	21,267	Trade accounts payable	2,978
				Construction management fees	187	Trade accounts payable	114
				Other rental expenses	810	–	–
				Construction costs	2,153	–	–
Marubeni Real Estate Co., Ltd.	Real estate	–	None	Property management fees	9,034	Trade accounts payable	247
				Construction management fees	1,268	Trade accounts payable	621
				Other rental expenses	443	Trade accounts payable	360
				Other rental expenses (communications)	86	Trade accounts payable	26
Marubeni Safenet Co., Ltd.	Insurance agency	–	None	Casualty insurance	11,008	Long-term prepaid expenses	56,952
Marubeni Properties Co., Ltd.	Real estate management	–	None	Property management fees	94,210	Trade accounts payable	16,485
				Construction management fees	4,071	Trade accounts payable	2,056
				Other rental expenses	18,463	–	–
The Daiei, Inc.	Supermarket	–	None	Property leasing	528,000	Security deposits received	880,000
						Rent received in advance	92,400
The Maruetsu, Inc.	Supermarket	–	None	Property leasing	40,268	Security deposits received	739,000
						Rent received in advance	12,648

2. Asset Custodian

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions	Account	Balance at the End of the Period
Mizuho Trust & Banking Co., Ltd.	Trust bank	0.0	None	Administrative service fee	¥ 54,046	Accrued expenses	¥ 28,686
				Custodian fee	47,979	–	–

(Notes)

1. “Amount of Transactions” is stated exclusive of consumption taxes; however, “Balance at the End of the Period” is stated inclusive of consumption taxes.
2. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

14. SUBSEQUENT EVENTS

Cash Distribution

On January 23, 2008, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥17,667 per unit, amounting to ¥2,823,946 thousand in the aggregate, to unitholders of record as of November 30, 2007.

Acquisition of Properties

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

< GRAND-ROUGE Sakae II >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥1,300 million
Date of Acquisition	: December 26, 2007

Outline of Property

Location	: 5-21-37 Sakae, Naka-ku, Nagoya-shi, Aichi
Use	: Residential properties (91 units)
Site Area	: Land: 674.34 m ² , Building: 3,172.34 m ² , Attached building (parking lot): 38.61 m ²
Structure	: RC 11F (attached building: S 1F)
Completion Date	: February 2007
Total Leasable Floor Space	: 2,579.89 m ²

< Tip's Machida Building >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥4,100 million
Date of Acquisition	: December 27, 2007

Outline of Property

Location	: 6-7-8 Haramachida, Machida-shi, Tokyo
Use	: Retail properties / Gym
Site Area	: Land: 1,596.82 m ² , Building: 8,075.04 m ²
Structure	: SRC B1/7F
Completion Date	: June 1992
Total Leasable Floor Space	: 6,728.32 m ²

< Daiei Takarazuka Nakayama >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥4,284 million
Date of Acquisition	: January 30, 2008

Outline of Property

Location	: 21-22 Mefuhigashino-cho, Takarazuka-shi, Hyogo
Use	: Retail properties (attached building: parking lot)
Site Area	: Land: 16,330.14 m ² (Note), Building: 16,729.60 m ² , Attached building: 929.40 m ²
Structure	: S B1/3F (attached building: S 5F)
Completion Date	: November 1997
Total Leasable Floor Space	: 16,729.60 m ²

(Note) With regard to the "Site Area" of land, the total site area, including that for leasehold (334 m²), is described as it appears on the applicable real estate register.

< maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (Note 1) >

Summary of Acquisition

Acquired Asset	: Trust beneficial interest in real estate
Acquisition Price	: ¥11,904 million
Date of Acquisition	: February 18, 2008

Outline of Property

Location	: 1-1-1, etc. Isogo, Isogo-ku, Yokohama-shi, Kanagawa
Site Area	: Land: 53,363.57 m ² (Note 2)
Use District	: Neighborhood Commercial District, Industrial District
Floor-area Ratio	: 300%/200%
Building-to-land Ratio	: 80%/60%
Total Leasable Floor Space	: 52,668.385 m ²

(Notes) 1. The trust beneficial interest above primarily entrusts the site. Accordingly, buildings and structures situated in this site are not included in the trust asset.

2. "Site Area" describes the site area of the entire land as it appears on the applicable real estate register. The ownership of land as a percentage of trust asset acquired by United Urban was 96%.

Debt Financing for Acquisition of Properties

Subsequent to the end of the eighth fiscal period, United Urban procured debt financing to support its payments for acquisition of properties and a portion of the related acquisition cost as set forth below:

Term Loan 18

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Borrowed amount	¥4,400 million
Interest rate	1.44618%
Drawdown date	December 27, 2007
Repayment method	Bullet payment at maturity
Maturity date	June 20, 2012
Collateral	Unsecured and unguaranteed at a fixed rate
Use of proceeds	Payment for acquisition of "Tip's Machida Building" (including acquisition cost)

Term Loan 19

Lender	Sumitomo Mitsui Banking Corporation
Borrowed amount	¥4,500 million
Interest rate	1.48031%
Drawdown date	January 30, 2008
Repayment method	Bullet payment at maturity
Maturity date	June 20, 2012
Collateral	Unsecured and unguaranteed at a fixed rate
Use of proceeds	Payment for acquisition of "Daiei Takarazuka Nakayama" (including acquisition cost)

Term Loan 20

Lenders	The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Borrowed amount	¥12,400 million
Interest rate	1.20861%
Drawdown date	February 18, 2008
Repayment method	Bullet payment at maturity
Maturity date	December 20, 2010
Collateral	Unsecured and unguaranteed at a fixed rate
Use of proceeds	Payment for acquisition of "maricom-ISOGO/SYSTEM PLAZA ISOGO (Site)" (including acquisition cost)

Report of Independent Auditors

The Board of Directors and Unitholders of
United Urban Investment Corporation

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

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

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

Ernst & Young Shin Nihon

February 26, 2008

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”) as of November 30, 2007:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 4-3-1, Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189 http://www.united-reit.co.jp
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥89,838,680,160
Number of Unitholders:	7,188
Transfer Agent:	The Chuo Mitsui Trust and Banking Company, Limited 3-33-1, Shiba, Minato-ku, Tokyo 105-8574, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Company, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon Hibiya Kokusai Bldg. 2-2-3, Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is six-months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 4-3-1, Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189

Disclaimer

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

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

None of United Urban, Japan REIT Advisors Co., Ltd. (“JRA”) or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors will be responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by United Urban, JRA or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors.

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

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

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



United Urban Investment Corporation

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