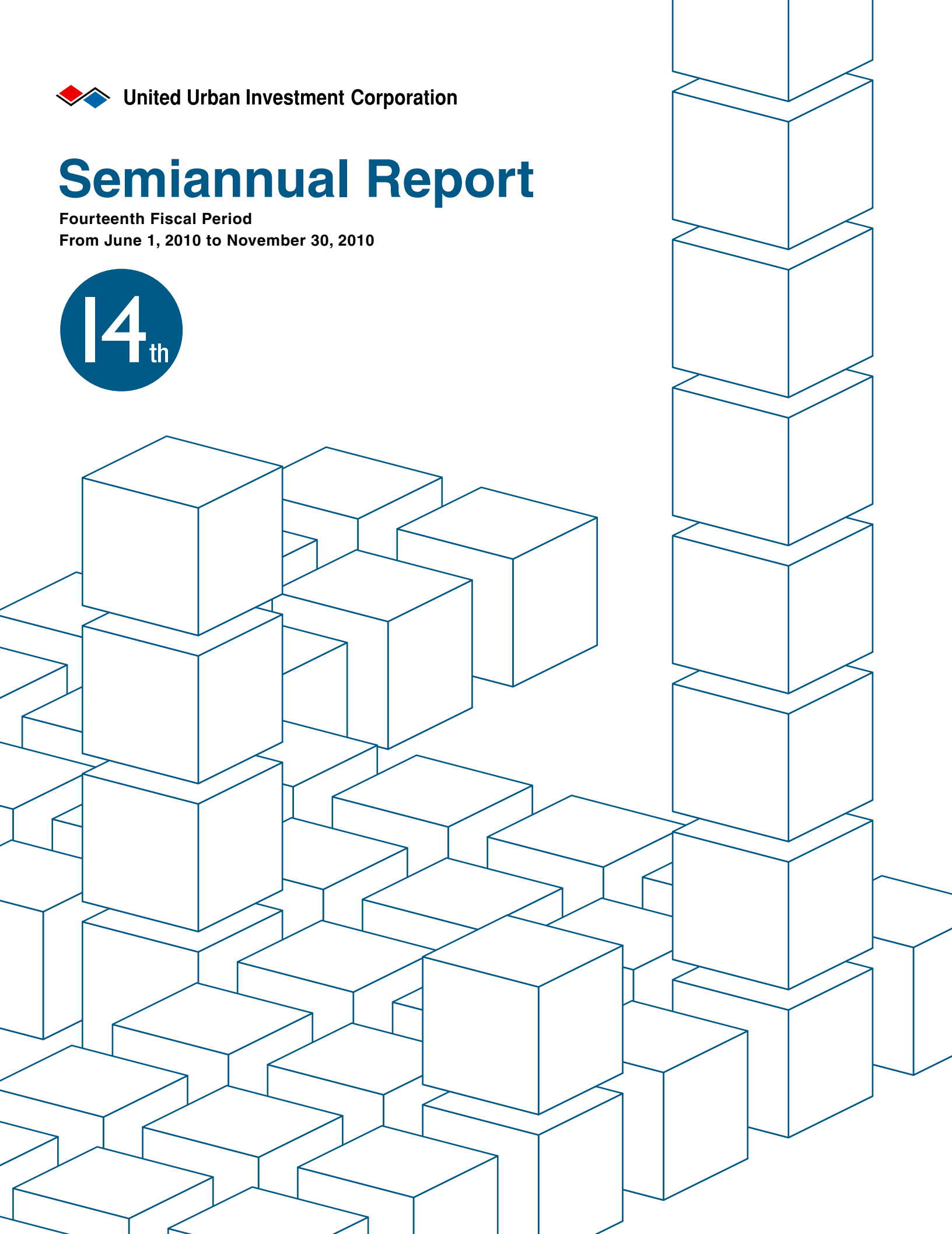


Semiannual Report

Fourteenth Fiscal Period

From June 1, 2010 to November 30, 2010



Contents

3	To Our Unitholders
4	Financial Highlights
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Note: Unless otherwise indicated specifically, all figures in this report are shown being rounded to the units stated in principle.

Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed (Securities Code: 8960) on the J-REIT section of the Tokyo Stock Exchange. In order to obtain stable earnings over the medium to long term, United Urban intends to form the optimal portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuations and lead to the mitigation of risks involved.

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 the 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 fluctuations**
- 3 The capability of an asset management company well versed in real estate and financial markets**

Retail Properties



Dalei Himonya

Office Buildings



Kawasaki Toshiba Building

Hotels



Shinjuku Washington Hotel—Honkan

Residential Properties



MA Sendai Building

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 and COO 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 fourteenth fiscal period: the six-month period ended November 30, 2010.

Thanks to the continuous support of all our unitholders, United Urban was able to achieve operating revenues of ¥8,409 million, operating income of ¥4,249 million, and net income of ¥3,256 million. As a result, the distribution to unitholders was ¥16,173 per unit.

Although United Urban has been securing stable earnings since its listing, while there have been consistent cash distributions since its listing, United Urban merged with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”), based on the analysis that this merger would further facilitate the increased asset value, the increased portfolio quality attendant with the increased asset value, and the reduced risks due to more diversification to United Urban whereby the Merger would serve to further boost its unitholders’ value.

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 stable earnings over the medium to long term. We ask for your continuous support and understanding.

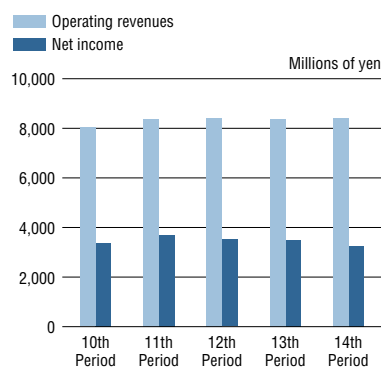
Financial Highlights

Millions of yen, except per unit information

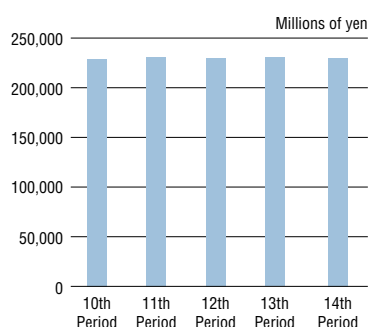
	14th Fiscal Period June 1, 2010- November 30, 2010	13th Fiscal Period December 1, 2009- May 31, 2010	12th Fiscal Period June 1, 2009- November 30, 2009	11th Fiscal Period December 1, 2008- May 31, 2009	10th Fiscal Period June 1, 2008- November 30, 2008
Operating revenues	¥ 8,409	¥ 8,384	¥ 8,427	¥ 8,394	¥ 8,029
Operating income	4,249	4,334	4,335	4,465	4,177
Income before income taxes	3,257	3,482	3,515	3,684	3,361
Net income	3,256	3,481	3,514	3,683	3,360
Cash distributions	3,256	3,481	3,514	3,683	3,360
Cash distribution per unit (Yen)	16,173	17,294	17,459	18,297	16,691
Dividend payout ratio	100.0%	100.0%	100.0%	99.9%	100.0%
Total assets	230,779	231,043	230,752	231,234	229,133
Total unitholders' equity	111,566	111,792	111,825	111,994	111,670
Unitholders' equity per unit (Yen)	554,228	555,349	555,514	556,352	554,746

Note: United Urban's 10th fiscal period was for 183 days from June 1, 2008 to November 30, 2008, the 11th fiscal period was for 182 days from December 1, 2008 to May 31, 2009, the 12th fiscal period was for 183 days from June 1, 2009 to November 30, 2009, the 13th fiscal period was for 182 days from December 1, 2009 to May 31, 2010 and the 14th fiscal period was for 183 days from June 1, 2010 to November 30, 2010.

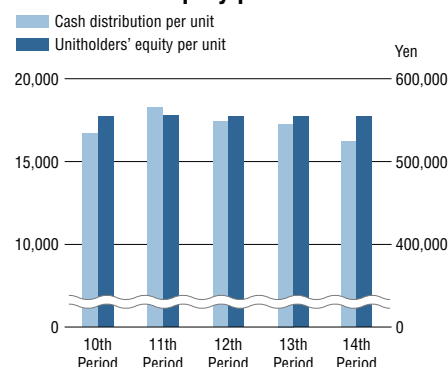
Operating revenues / Net income



Total assets



Cash distribution per unit / Unitholders' equity per unit



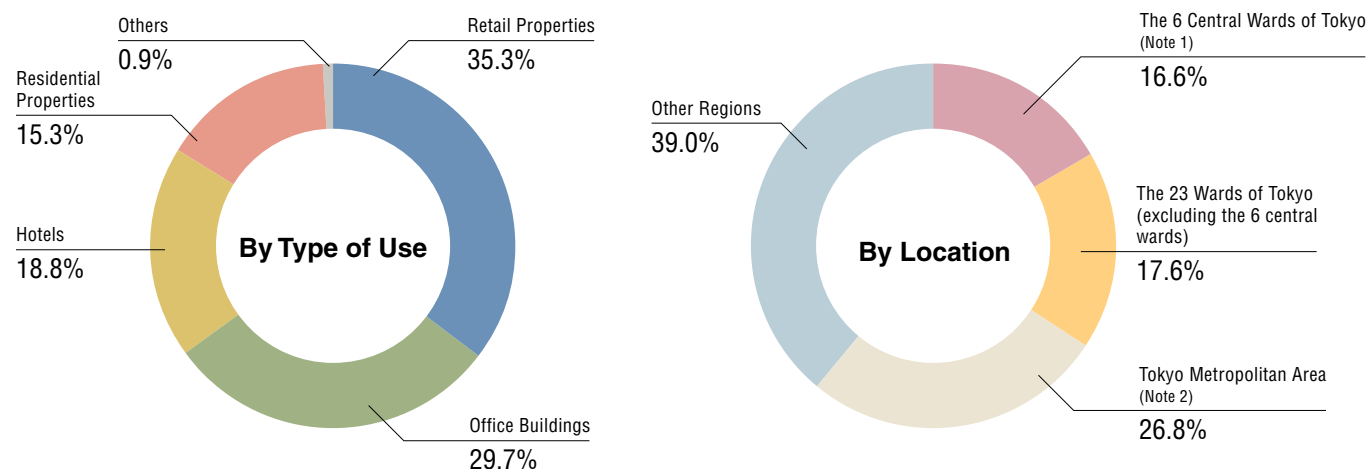
Stock Price Information



Note: United Urban split 1 United Urban unit into 6 units on December 1, 2010. Thereafter, the stock price before the split stated above is divided by 6.

Portfolio Highlights

Portfolio Breakdown (As of November 30, 2010)



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

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

Occupancy Ratio (Note)

	2010					
	June	July	August	September	October	November
Retail Properties	98.9%	98.9%	98.9%	98.9%	99.2%	99.2%
Office Buildings	95.4%	95.7%	95.6%	97.1%	97.0%	96.2%
Hotels	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Residential Properties	99.0%	98.8%	98.7%	98.6%	98.8%	98.7%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	98.2%	98.3%	98.2%	98.5%	98.7%	98.5%

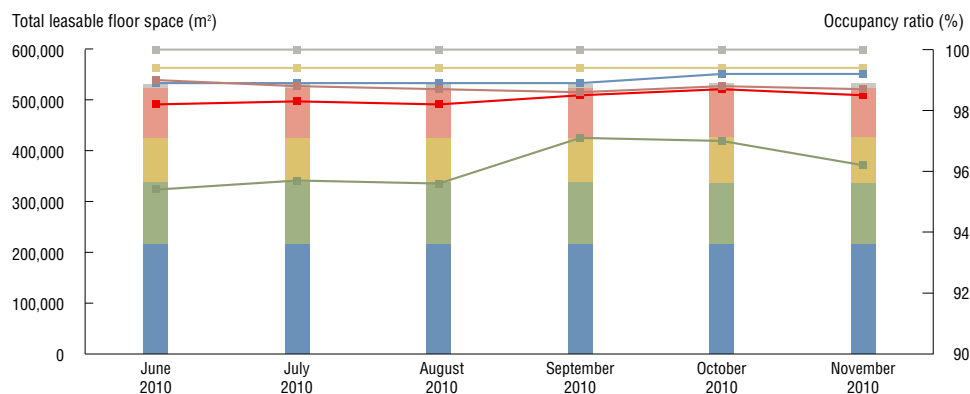
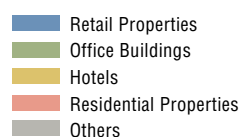
Note: "Occupancy Ratio" is rounded to the nearest one decimal place.

Trends in Total Leasable Floor Space and Occupancy Ratio

Occupancy Ratio



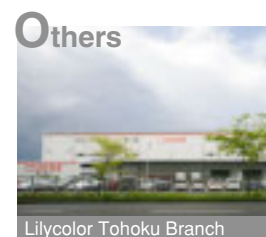
Total Leasable Floor Space



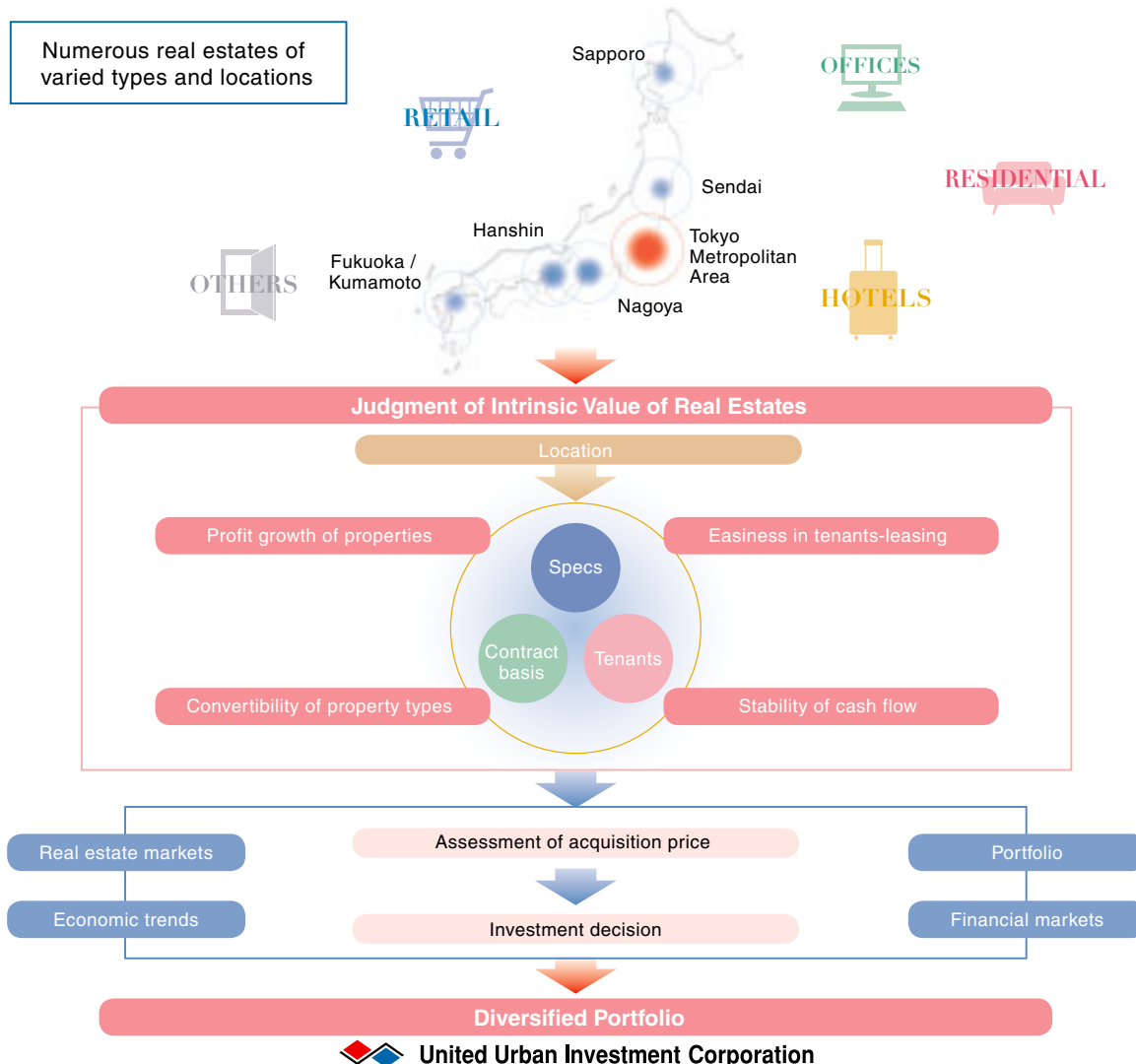
Overview of Investment Corporation

Diversified Portfolio Structured to Generate Stable Earnings Maximizing Unitholder Return

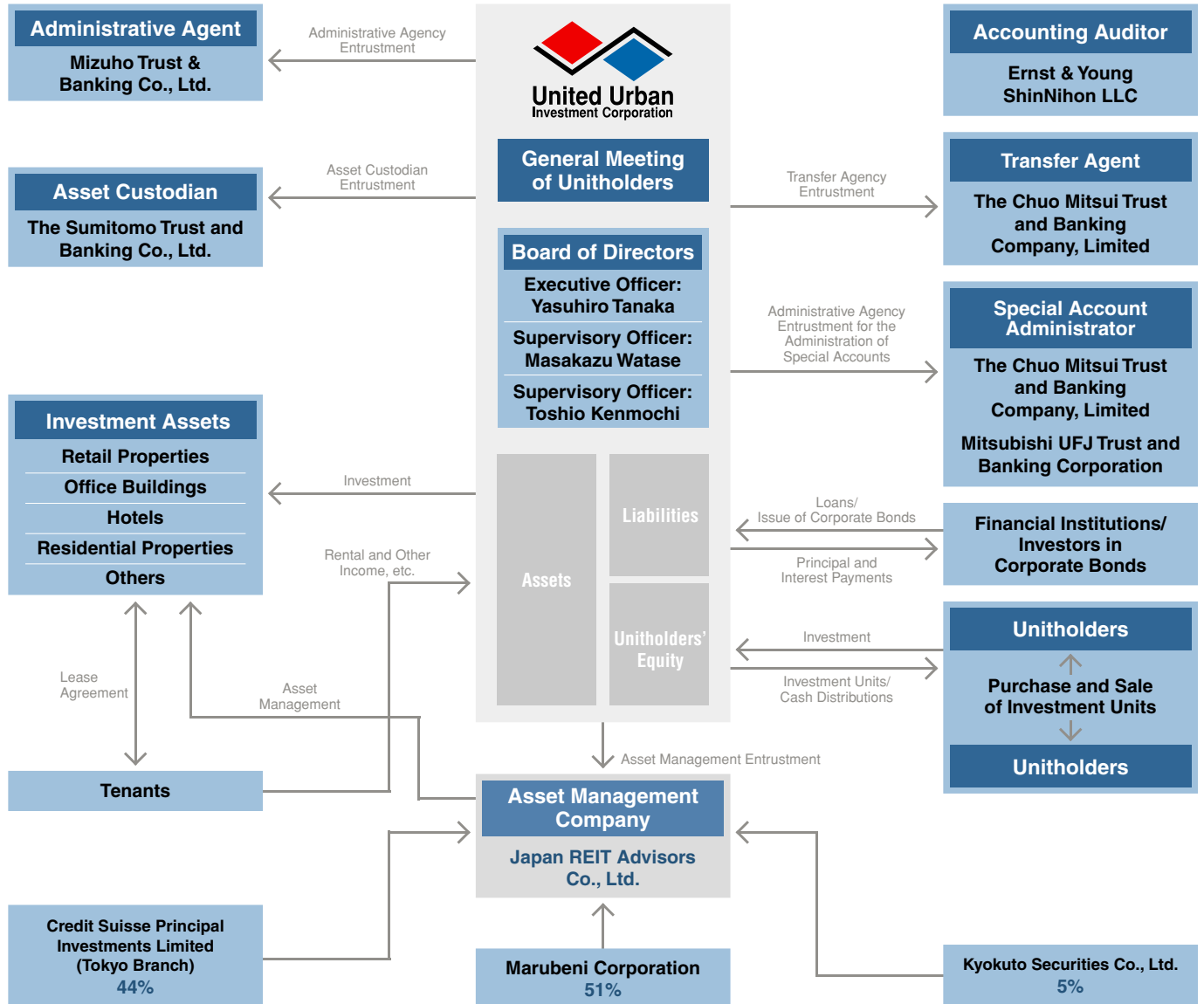
United Urban endeavors to secure stable earnings over the medium to long term. For this purpose, United Urban is going to establish and develop an optimal investment portfolio of real estate assets in terms of types of use (including retail properties, office buildings, hotels, residential properties, 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 order to cope with changes in the general economy and real estate market trends, United Urban makes every effort to minimize risk.



Basic Investment Policy



Corporate Structure



New Acquisition During the Fourteenth Fiscal Period

C1 Shinjuku Washington Hotel Honkan (Additional Acquisition)



■ Address	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	■ Construction	S/SRC
■ Site Area	10.62 m ² (additional acquisition) 6,215.31 m ² (total)	■ Number of Floors	B4/25F
■ Total Floor Space	45.66 m ² (additional acquisition) 59,985.37 m ² (total)	■ Completed	October 1983
■ Acquisition Price	¥40 million (additional acquisition) ¥21,140 million (after additional acquisition)	■ Type of Ownership	Land: Proprietary Ownership (in some parts, co-ownership) Building: Compartmentalized Proprietary Ownership (in some parts, co-ownership)

This property is a hotel which stands in a location where the transportation access is relatively good in the Nishi-Shinjuku area. While the surrounding area of this property is a business area where there is a concentration of office buildings, it also has many surrounding facilities—such as a park, shopping streets, department stores, boutiques and other retail facilities—within walking distance. Therefore, the demands both in business and leisure are anticipated. United Urban deems this additional acquisition will contribute to enhancing the property's asset value and management efficiency, as well as liquidity.

Redemption of Existing Corporate Bonds and Status of Corporate Bonds

United Urban issued the Series 3 of Unsecured Corporate Bonds and procured debt financing for repayment of the Series 1 of Unsecured Corporate Bonds (term: 5 years, issued amount: ¥15,000 million), whose redemption date was set as July 12, 2010.

Issuance of new corporate bonds and new debt

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Remarks	Rating
3 years	Series 3 of Unsecured Corporate Bonds	¥10,000 million	1.55% p.a.	Jun. 17, 2010	Jun. 17, 2013	Unsecured Unguaranteed	A+ (R&I)

Title	Lender	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Term
TL30 (mid term)	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥3,000 million	1.61216%	Jul. 7, 2010	Jun. 20, 2013	Unsecured Unguaranteed	Approx. 3 years
TL31 (long term)	Development Bank of Japan Inc.	¥2,000 million	2.14169%	Jul. 7, 2010	Jun. 20, 2017	Unsecured Unguaranteed	Approx. 7 years



Corporate bonds repaid

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Remarks	Rating
5 years	Series 1 of Unsecured Corporate Bonds	¥15,000 million	0.78% p.a.	Jul. 12, 2005	Jul. 12, 2010	Unsecured Unguaranteed	A+ (R&I)

Committed Line of Credit with Leading Japanese Financial Institutions

United Urban has committed line of credit agreements to procure expeditious and stable financing. Because the existing committed line of credit agreements were terminated on June 25, 2010 upon their expiration, United Urban reconcluded each committed line of credit agreement with the same amount on June 25, 2010.

United Urban believes that these agreements will further reduce refinancing risks and will lead to a strengthening of United Urban's financial standing in order to cope with rapid changes in the financial market.

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Collateral Guarantee
The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥13,500 million	From Jun. 25, 2010 to Jun. 24, 2011	None	Unsecured Unguaranteed
Development Bank of Japan Inc.	¥2,000 million	From Jun. 25, 2010 to Jun. 24, 2011	Refinance	Unsecured Unguaranteed

Issuance of the First Corporate Bonds for Retail Investors

United Urban issued the first J-REIT corporate bonds among J-REITs targeted primarily to retail investors on December 17, 2010. And United Urban repaid the following debt whose redemption date was set as December 20, 2010.

There have been corporate bonds for retail investors issued by companies. However, the corporate bonds for retail investors issued by United Urban (nickname: *Yu Yu Sai*) are the first approach among the J-REIT. United Urban believes that this issuance contributes to fund-raising diversification of United Urban and new financing instruments for retail investors. Therefore, United Urban will consider continuous issuance.

Newly issued corporate bonds

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Remarks	Rating
3 years	Series 4 of Unsecured Corporate Bonds (nickname: <i>Yu Yu Sai</i>)	¥15,000 million	1.38% p.a.	Dec. 17, 2010	Dec. 17, 2013	Unsecured Unguaranteed	A+ (R&I)



Repayment of the existing debt

Title	Lender	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Term
TL20 (mid term)	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥12,400 million	1.20861%	Feb. 18, 2008	Dec. 20, 2010	Unsecured Unguaranteed	Approx. 1 year and 10 months

Ratings (As of March 3, 2011)

Rating Agency	Details	
Rating and Investment Information, Inc. (R&I)	Issuer Rating: A+	Rating Outlook: Negative
Moody's Japan K.K. (Moody's)	Issuer Rating: Baa1	On review for possible upgrade

Merger with Nippon Commercial Investment Corporation

United Urban merged with NCI on December 1, 2010. As a result of the Merger, the total amount of United Urban's portfolio increased to 3,888 billion yen (on the basis of the acquisition price), and United Urban has become one of the largest J-REITs having comprehensive investment policies in the J-REIT market in terms of asset value. United Urban will try to improve its recognition and brand power by taking advantage of the asset value. Moreover, United Urban will aim to establish the position as a leader who can lead the J-REIT market.

Acquisition of High Grade Assets with the Merger

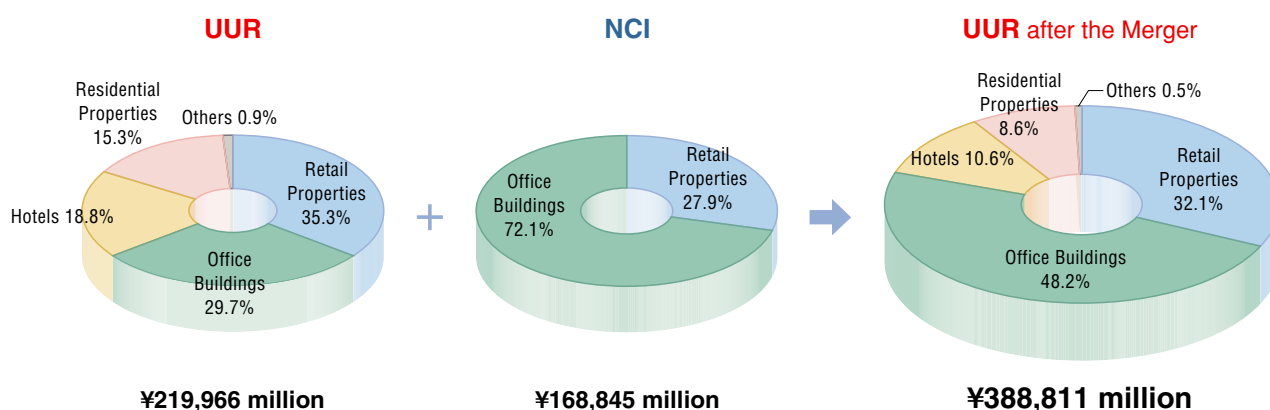
As a result of the Merger, United Urban succeeded to 37 properties totaling 168.8 billion yen (based on acceptance price), consisting of 27 office buildings and 10 retail properties, from NCI. The representative properties from NCI's portfolio include "Shinsaibashi OPA Honkan" (retail property) and "Hitachi High-Tech Building" (office building).

United Urban believes that its portfolio has high affinity with the NCI's portfolio. Therefore, United Urban expects that the Merger is likely to have sufficient synergy effects with respect to asset management including increased asset value, increased portfolio quality, and improved stability of revenue due to more diversity in properties/regions/tenants, among others.

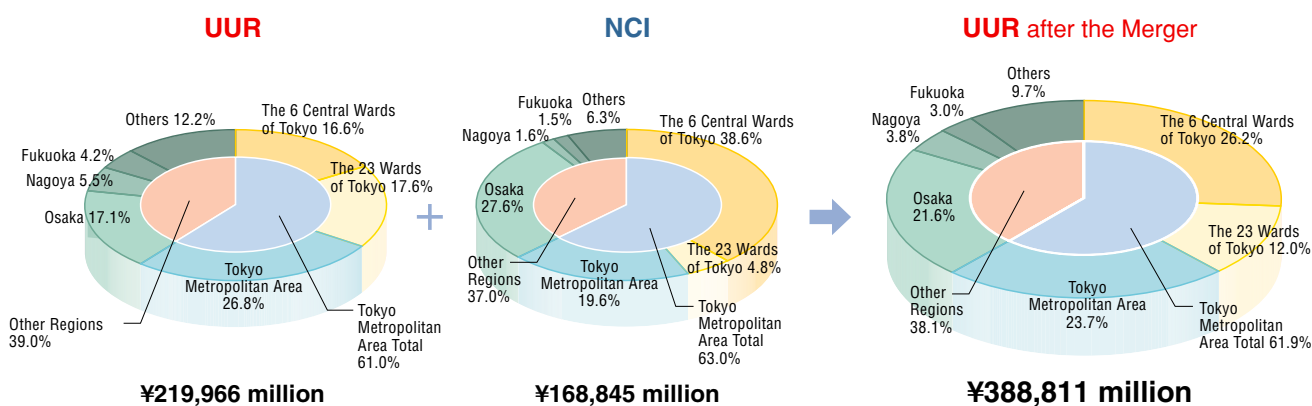
The ratios of portfolio after the Merger are shown below.



Diversification by type of use (As of December 1, 2010)



Diversification by location (As of December 1, 2010)



Note: Based on the acquisition price. For succeeded properties from NCI, the acceptance prices at the Merger are used for calculation.

► Strategic Subject for Rise in LTV

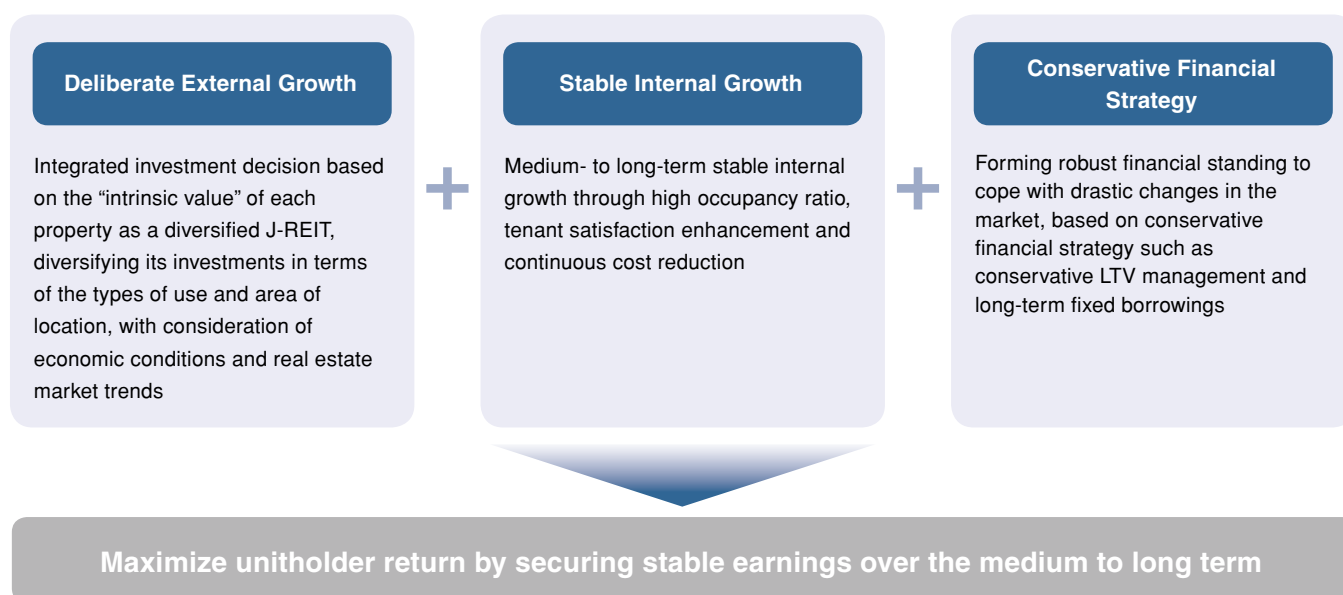
As a result of the Merger, the loan-to-value (LTV) ratio of United Urban rises temporarily due to (i) the succession of large-scale NCI's portfolio, and (ii) the assumption of the interest-bearing liabilities of NCI in the amount of 134.2 billion yen as of December 1, 2010. United Urban will strive to lower LTV to an appropriate level at an early stage and thereby strengthen its financial standing by taking such measures as a reduction of interest-bearing liabilities from the future sale of properties and enhancing capital adequacy through the capital increase via public offering.

Though every NCI's borrowing before the Merger was secured, the release of collateral for the borrowings has been completed with the implementation of the Merger. Accordingly, every borrowing of United Urban is unsecured and unguaranteed as before the Merger. United Urban will nevertheless continue to pursue the future lowering of refinancing risks and also strive to reduce financial costs.

► Operating Strategy of United Urban

United Urban has achieved the external growth carefully and steadily by sticking to the "intrinsic value" of real estates. In addition, United Urban has achieved the medium- to long-term stable internal growth and maintained the conservative financial strategy.

Through utilizing several merits with the Merger, United Urban will follow the existing policy without the change of operating strategy in order to obtain stable earnings over the medium to long term.



Split of Units

United Urban split one (1) United Urban unit into six (6) units on December 1, 2010 as the effective date of the Merger. Because the Merger ratio was UUR:NCI=1:1/6, United Urban split its investment unit into six (6) units to prevent fractional numbers constituting less than one (1) unit being allocated to each former NCI unitholder as a result of the Merger.

As the additional effects with the split of units, United Urban expects to improve the liquidity by the split of units and to expand investors in accordance with a decline in the trading price per unit.

Portfolio Properties

Portfolio Roster (As of November 30, 2010)

RETAIL PROPERTIES (As of November 30, 2019)								
No.	Name of Property	Address	Type of Asset	Completed	Acquisition Date	Acquisition Price (Millions of yen) (Note 1)	Share in Total Acquisition Price (%)	Share in Type (%)
Retail Properties								
A1	Daiei Himonya	4-1-1 Himonya, Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	15,300	7.0	35.3
A2	Joy Park Izumigaoka	1-3 Miharadai 1-cho, Minami-ku, Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	6,770	3.1	
A3	Daimaru Peacock Ashiya Kawanishi	3-28 Kawanishicho, Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	769	0.4	
A4	Re-LAND Shopping Center	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	5,200	2.4	
A5	AEON MALL Uki Value	1-1 Gohnoe, Ogawa-machi, Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 2004	11,100	5.0	
A6	TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	6,500	3.0	
A7	Yamada Denki Tecc Land Sakai Honten	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	3,210	1.5	
A8	Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	5,312	2.4	
A9	KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	2,040	0.9	
A10	ACTIOLE Minami-ikebukuro	2-26-10 Minami-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	3,760	1.7	
A11	Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	4,100	1.9	
A12	Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	4,284	1.9	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 2)	1-1-1, etc., Isogo, Isogo-ku, Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	6,883	3.1	
A14	ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	2,410	1.1	
Office Buildings								
B1	T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	2,257	1.0	29.7
B2	SK Nagoya Building	1-3-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	5,400	2.5	
B3	Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	2,080	0.9	
B4	Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	2,350	1.1	
B5	Rokubancho K Building	2 Rokuban-cho, Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	2,150	1.0	
B6	Shin-Osaka Central Tower (office portion) (Note 3)	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	14,279	6.5	
B7	Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	19,200	8.7	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 2)	1-1-1, etc., Isogo, Isogo-ku, Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	5,021	2.3	
B8	Haseman Building Toyochi	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	8,500	3.9	
B9	FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	4,200	1.9	
Hotels								
C1	Shinjuku Washington Hotel Honkan (Note 4)	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	21,140	9.6	18.8
(B6)	Shin-Osaka Central Tower (hotel portion) (Note 3)	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	9,721	4.4	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	1,883	0.9	
C3	MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	3,800	1.7	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Benten-dori, Naka-ku, Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	4,720	2.1	

No.	Name of Property	Address	Type of Asset	Completed	Acquisition Date	Acquisition Price (Millions of yen) (Note 1)	Share in Total Acquisition Price (%)	Share in Type (%)
Residential Properties								
D1	T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	2,021	0.9	15.3
D2	T&G Yotsuya Mansion	10-7 Arakicho, Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	May 2002	Dec. 26, 2003	1,355	0.6	
D3	Excellia Magome	5-20-2 Minami-Magome, Ota-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2002	Dec. 26, 2003	697	0.3	
D4	Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	1,680	0.8	
D5	Ropponmatsu Court	4-3-11 Ropponmatsu, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1994	Dec. 26, 2003	757	0.3	
D6	Sky Court Shiba-Daimon	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	1,175	0.5	
D7	Maison Ukima	1-3-1 Ukima, Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	3,530	1.6	
D8	Narashino Residence	4-83-10 Narashinodai, Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	1,140	0.5	
D9	Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	3,031	1.4	
D10	UUR Court Sapporo Kita-Sanjo	Kita 3-jo Higashi 3-1-28, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	1,278	0.6	
D11	Soga Dormitory	2-3-5 Minami-cho, Chuo-ku, Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	620	0.3	
D12	Higashi-kurume Dormitory Shinkan	1-8-4 Hikawadai, Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	480	0.2	
D13	Nanzan Court Ichigokan	6-8 Komagatacho, Showa-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	1,070	0.5	
D14	Nanzan Court Nigokan	5-20 Komagatacho, Showa-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	450	0.2	
D15	CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	3,170	1.4	
D16	GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	1,570	0.7	
D17	GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	1,300	0.6	
D18	MA Sendai Building	1-3-7 Kimachi-dori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	3,440	1.6	
D19	UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	1,473	0.7	
D20	UUR Court Sapporo Shinoro Ichibankan	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	870	0.4	
D21	Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	900	0.4	
D22	UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	1,570	0.7	
Others								
E1	Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	2,050	0.9	0.9
Total						219,966	100.0	100.0

Notes: 1. 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 million yen.

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

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

4. For the "Shinjuku Washington Hotel Honkan," the additional acquisition was executed on September 29, 2010. The acquisition price in the above table is the total amount of the existing possession (21,100 million yen) and the additional acquisition (40 million yen).

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



Portfolio Map

Overview

A1 Daiei Himonya

■Address	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
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A2 Joy Park Izumigaoka

■Address	Sakai, Osaka
■Site Area	10,368.45 m ²
■Total Floor Space	29,250.71 m ²
■Construction	RC/S
■Number of Floors	5F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A3 Daimaru Peacock Ashiya Kawanishi

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



A4 Re-LAND Shopping Center

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



A5 AEON MALL Uki Value

■Address	Uki, Kumamoto
■Site Area	173,498.31 m ²
■Total Floor Space	63,058.78 m ²
■Construction	S (Note)
■Number of Floors	2F (Note)
■Type of Ownership	Land: Proprietary Ownership and Term Leasehold Interest Building: Proprietary Ownership



Note: Data applicable to the main building

A6 TENJIN LUCE

■Address	Fukuoka, Fukuoka
■Site Area	1,138.66 m ²
■Total Floor Space	5,369.70 m ²
■Construction	RC
■Number of Floors	B1/7F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A7 Yamada Denki Tecc Land Sakai Honten

■Address	Sakai, Osaka
■Site Area	10,702.86 m ²
■Total Floor Space	8,637.63 m ²
■Construction	S
■Number of Floors	3F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A8 Miyamae Shopping Center

■ Address	Kawasaki, Kanagawa
■ Site Area	6,937.54 m ²
■ Total Floor Space	17,338.54 m ²
■ Construction	RC
■ Number of Floors	4F
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A9 KONAMI SPORTS CLUB Korigaoka

■ Address	Hirakata, Osaka
■ Site Area	4,120.00 m ²
■ Total Floor Space	6,381.40 m ²
■ Construction	S
■ Number of Floors	4F
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



A10 ACTIOLE Minami-ikebukuro

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



A11 Tip's Machida Building

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



A12 Daiei Takarazuka Nakayama

■ Address	Takarazuka, Hyogo
■ Site Area	16,330.14 m ²
■ Total Floor Space	16,729.60 m ²
■ Construction	S
■ Number of Floors	B1/3F
■ Type of Ownership	Land: Proprietary Ownership and Leasehold Right Building: Proprietary Ownership



A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note)

■ Address	Yokohama, Kanagawa
■ Site Area	53,363.57 m ² (whole)
■ Total Floor Space	—
■ Construction	—
■ Number of Floors	—
■ Type of Ownership	Land: Proprietary Ownership (co-ownership) Building: —



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

A14 ACTIOLE Kannai

■ Address	Yokohama, Kanagawa
■ Site Area	375.17 m ²
■ Total Floor Space	2,238.82 m ²
■ Construction	SRC
■ Number of Floors	B1/9F
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



B1 T&G Hamamatsucho Building

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



B2 SK Nagoya Building

■Address	Nagoya, Aichi
■Site Area	1,361.96 m ²
■Total Floor Space	11,795.38 m ²
■Construction	SRC
■Number of Floors	B1/9F
■Type of Ownership	Land: Proprietary Ownership Building: Compartmentalized Proprietary Ownership (percentage of ownership: 100%)

**B3 Fukuoka Eartheon Building**

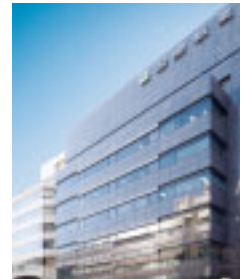
■Address	Fukuoka, Fukuoka
■Site Area	1,358.91 m ²
■Total Floor Space	6,079.35 m ²
■Construction	SRC
■Number of Floors	7F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**B4 Marumasu Kojimachi Building**

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

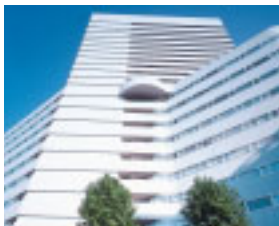
**B5 Rokubancho K Building**

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

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

■Address	Osaka, Osaka
■Site Area	7,265.79 m ²
■Total Floor Space	58,882.64 m ²
■Construction	SRC
■Number of Floors	B1/23F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

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

**B7 Kawasaki Toshiba Building**

■Address	Kawasaki, Kanagawa
■Site Area	8,615.20 m ²
■Total Floor Space	51,254.06 m ²
■Construction	S/RC/SRC
■Number of Floors	B2/14F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



B8 Haseman Building Toyochi

■ Address	Koto-ku, Tokyo
■ Site Area	3,262.50 m ²
■ Total Floor Space	10,768.11 m ²
■ Construction	SRC
■ Number of Floors	B1/6F
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



B9 FOUR SEASONS BLDG

■ Address	Shinjuku-ku, Tokyo
■ Site Area	690.93 m ²
■ Total Floor Space	6,318.81 m ²
■ Construction	S/RC
■ Number of Floors	B1/10F
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



C1 Shinjuku Washington Hotel Honkan

■ Address	Shinjuku-ku, Tokyo
■ Site Area	6,215.31 m ² (whole)
■ Total Floor Space	59,985.37 m ² (whole)
■ Construction	S/SRC
■ Number of Floors	B4/25F
■ Number of Rooms	1,296 rooms
■ Type of Ownership	Land: Proprietary Ownership (in some parts, co-ownership) Building: Compartmentalized Proprietary Ownership (in some parts, co-ownership)



C2 Toyoko Inn Shinagawa-eki Takanawa-guchi

■ Address	Minato-ku, Tokyo
■ Site Area	482.10 m ²
■ Total Floor Space	2,928.94 m ²
■ Construction	SRC
■ Number of Floors	14F
■ Number of Rooms	180 rooms
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



C3 MZ BLD.

■ Address	Hachioji, Tokyo
■ Site Area	1,304.44 m ²
■ Total Floor Space	7,708.88 m ²
■ Construction	S
■ Number of Floors	13F
■ Number of Rooms	257 rooms
■ Type of Ownership	Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership



C4 HOTEL ROUTE-INN Yokohama Bashamichi

■ Address	Yokohama, Kanagawa
■ Site Area	970.83 m ²
■ Total Floor Space	6,610.51 m ²
■ Construction	SRC
■ Number of Floors	11F
■ Number of Rooms	272 rooms
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D1 T&G Higashi-ikebukuro Mansion

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



D2 T&G Yotsuya Mansion

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

**D3 Excellia Magome**

■Address	Ota-ku, Tokyo
■Site Area	371.29 m ²
■Total Floor Space	1,110.97 m ²
■Construction	RC
■Number of Floors	7F
■Number of Units Available for Lease	44 units
■Type of Ownership	Land: Proprietary Ownership (site rights) Building: Compartmentalized Proprietary Ownership (percentage of ownership: 100%)

**D4 Komazawa Court**

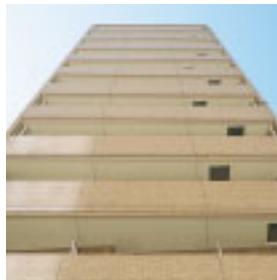
■Address	Setagaya-ku, Tokyo
■Site Area	2,943.33 m ²
■Total Floor Space	3,580.44 m ²
■Construction	RC
■Number of Floors	3F
■Number of Units Available for Lease	95 units
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**D5 Ropponmatsu Court**

■Address	Fukuoka, Fukuoka
■Site Area	1,738.67 m ²
■Total Floor Space	3,294.36 m ²
■Construction	RC
■Number of Floors	6F
■Number of Units Available for Lease	100 units
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**D6 Sky Court Shiba-Daimon**

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

**D7 Maison Ukima**

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

**D8 Narashino Residence**

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

**D9 Aprile Shin-Ohgi Ichibankan**

■Address	Kobe, Hyogo
■Site Area	3,329.45 m ²
■Total Floor Space	12,700.44 m ²
■Construction	SRC
■Number of Floors	14F
■Number of Units Available for Lease	161 units
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D10 UUR Court Sapporo Kita-Sanjo

■ Address	Sapporo, Hokkaido
■ Site Area	1,249.45 m ²
■ Total Floor Space	6,588.72 m ²
■ Construction	RC
■ Number of Floors	B1/14F
■ Number of Units Available for Lease	130 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D11 Soga Dormitory

■ Address	Chiba, 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 Available for Lease	72 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D12 Higashi-kurume Dormitory Shinkan

■ Address	Higashikurume, 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 Available for Lease	52 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D13 Nanzan Court Ichigokan

■ Address	Nagoya, 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 Available for Lease	98 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D14 Nanzan Court Nigokan

■ Address	Nagoya, 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 Available for Lease	38 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



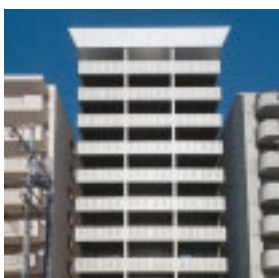
D15 CLIO Bunkyo Koishikawa

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



D16 GRAND-ROUGE Sakae

■ Address	Nagoya, 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 Available for Lease	96 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D17 GRAND-ROUGE Sakae II

■ Address	Nagoya, Aichi
■ Site Area	674.34 m ²
■ Total Floor Space	3,172.34 m ²
■ Construction	RC
■ Number of Floors	11F
■ Number of Units Available for Lease	91 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D18 MA Sendai Building

■Address	Sendai, Miyagi
■Site Area	3,656.44 m ²
■Total Floor Space	12,642.98 m ²
■Construction	SRC/RC
■Number of Floors	B1/14F
■Number of Units Available for Lease	152 units
■Type of Ownership	Land: Leasehold Right Building: Proprietary Ownership

**D19 UUR Court Nagoya Meieki**

■Address	Nagoya, Aichi
■Site Area	639.17 m ²
■Total Floor Space	3,207.39 m ²
■Construction	RC
■Number of Floors	15F
■Number of Units Available for Lease	121 units
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**D20 UUR Court Sapporo Shinoro Ichibankan**

■Address	Sapporo, Hokkaido
■Site Area	3,340.48 m ²
■Total Floor Space	6,255.74 m ²
■Construction	RC
■Number of Floors	10F
■Number of Units Available for Lease	72 units (excluding a retail compartment)
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**D21 Park Site IZUMI**

■Address	Nagoya, Aichi
■Site Area	336.55 m ²
■Total Floor Space	2,196.97 m ²
■Construction	S
■Number of Floors	12F
■Number of Units Available for Lease	38 units (excluding 3 retail compartments)
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**D22 UUR Court Osaka Juso-honmachi**

■Address	Osaka, Osaka
■Site Area	1,266.32 m ²
■Total Floor Space	4,166.73 m ²
■Construction	RC
■Number of Floors	11F
■Number of Units Available for Lease	140 units
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**E1 Lilycolor Tohoku Branch**

■Address	Sendai, Miyagi
■Site Area	5,457.02 m ²
■Total Floor Space	8,693.79 m ²
■Construction	RC/S
■Number of Floors	4F
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Profile of Asset Management Company

Overview

Corporate Name : Japan REIT Advisors Co., Ltd. ("JRA")
 Capital : ¥425 million (As of November 30, 2010)
 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 Act
 Date of Foundation : December 4, 2001

Shareholders

(As of November 30, 2010)

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.

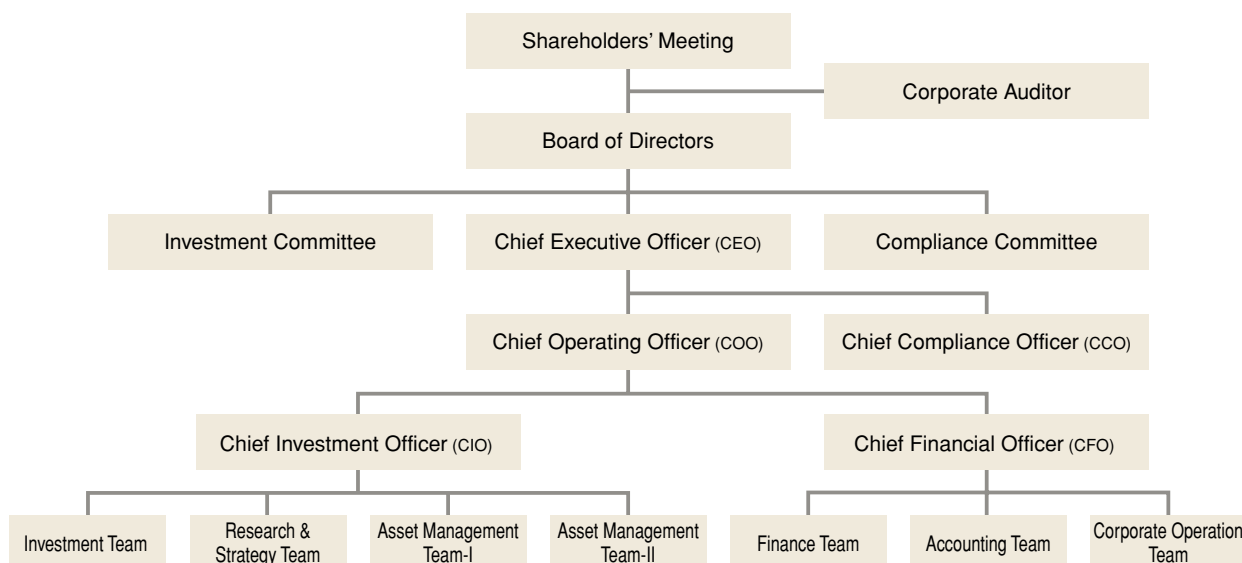
2. Management Stance

- 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



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
- Response 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

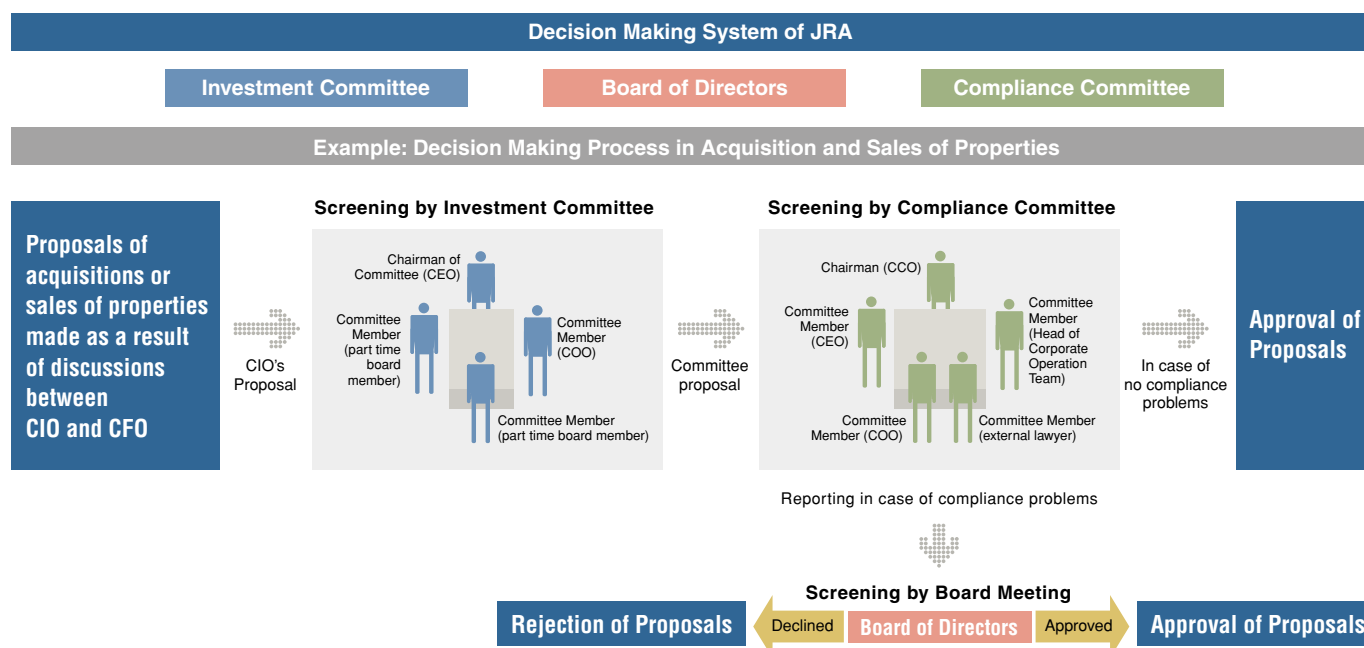
■ Faithful execution of compliance decision process

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.

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

Corporate Governance



Optimal investment portfolio and stable earnings



◆ PERFORMANCE REPORT

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Distribution Policies	

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 12th fiscal period: 201,300units
 13th fiscal period: 201,300units
 14th fiscal period: 201,300units
4. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures, and actual days of each fiscal period 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 ratioInvestment unit price at the end of the period / Annualized FFO per unit
 (Investment units are traded at ex-dividend unit price from November 26, 2010 due to the 6-for-1 unit split which became effective as of December 1, 2010. Accordingly, for the 14th fiscal period, the unit price at the end of the period is deemed the price which is calculated by multiplying the unit price at the end of the period by 6.)
- 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.
6. Payout ratios are computed by the method set out below, and are rounded down to one decimal place.
Cash distribution per unit / Net income per unit

2. Performance Review for the Current Period

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

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with "Intrinsic Value" and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of "Intrinsic Value" as a comprehensive real estate investment trust (REIT), diversifying its investments in terms of the types of use and area of location (Note). As a result of strategy, a distribution has been made in each of thirteen fiscal periods to date, beginning with the first fiscal period ended on May 31, 2004, and United Urban has declared a cash distribution per unit of ¥16,173 for the fourteenth fiscal period.

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

In addition, United Urban merged with NCI on December 1, 2010 under the merger agreement as of May 10, 2010, saying that the Merger shall be conducted through an "absorption-type merger" method under which NCI will be dissolved as the absorbed company.

During the period under review, United Urban focused on more effective management of the existing properties in its portfolio, and relatively-stable occupancy ratios were achieved despite the severe economic environment. In addition, United Urban conducted an additional acquisition (acquisition price: ¥40 million) of a part of Shinjuku Washington Hotel Honkan, which United Urban holds partly contributing to the improvement of our portfolio under its investment policy, Selective Investment Policy, with the active acquisition activity of Japan REIT Advisors Co., Ltd. ("JRA") to which United Urban entrusts the asset management services. In consequence, as of November 30 2010, United Urban's assets totaled 50 properties, comprising 13 retail properties, 8 office buildings, 1 retail and office complex, 4 hotels, 1 office and hotel complex, 22 residential properties and 1 others, with the aggregate acquisition price totaled ¥219,966 million. In addition, the total leasable floor space was increased from 532,869.54 sq. m. to 532,955.43 sq. m. and the number of tenants decreased from 172 to 171.

In addition, United Urban has ensured stable occupancy ratios by devoting its attention to the improvement in the quality of assets with a focus on the management and operation of existing properties during this period. The occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 98.2% and 98.7%, and stood at 98.5% on November 30, 2010.

United Urban will make continuous efforts to maintain policies of conservative external growth considering economic trends and market conditions, the stable internal growth over the medium to long term, and strengthening of conservative financial strategy and financial standing.

During this period, United Urban issued the Series 3 of Unsecured Corporate Bonds (¥10.0 billion) and procured debt financing (¥5.0 billion) to repay the Series 1 of Unsecured Corporate Bonds upon maturity. As a result, the balance of outstanding borrowings at November 30, 2010, totaled ¥81.8 billion (up by ¥5.0 billion from the end of the previous period), comprising no short-term borrowings (unchanged from the end of the previous period), ¥21.1 billion of long-term borrowings due for repayment within one year (up by ¥8.7 billion from the end of the previous period), ¥60.7 billion of long-term borrowings (down by ¥3.7 billion from the end of the previous period), and the ¥20.0 billion of corporate bonds (down by ¥5.0 billion from the end of the previous period) with no current portion of corporate bonds (down by ¥15.0 billion from the end of the previous period).

As the two existing committed line of credit agreements terminated upon their expiration, United Urban entered into both committed line of credit agreements in an amount equal to the existing agreements on June 25, 2010 with consideration of the asset size and the refinance risk of United Urban.

In addition, the details of issuer ratings as of March 3, 2011 are as follows.

Rating Agency	Details
Rating and Investment Information, Inc. (R&I)	Issuer Rating: A+ (Rating outlook: Negative)
Moody's Japan K.K. (Moody's)	Issuer Rating: Baa1 (On review for possible upgrade)

Under above operations, United Urban achieved operating revenues of ¥8,409 million (up by 0.3% from the previous period), profit from rental activities of ¥5,133 million (down by 1.3% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥4,249 million (down by 1.9% from the previous period), income before income taxes reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥3,257 million (down by 6.5% from the previous period), and net income of ¥3,256 million (down by 6.5% from the previous period). As a result, the cash distribution per unit was ¥16,173.

3. Issuance of New Investment Units

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

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
November 4, 2003	Date of incorporation	250	250	125	125	(Note 1)
December 20, 2003	Additional issue of new investment units through initial public offering	79,500	79,750	36,634	36,759	(Note 2)
January 21, 2004	Additional issue of new investment units through third-party allotment	3,988	83,738	1,838	38,597	(Note 3)
December 1, 2004	Additional issue of new investment units through public offering	75,800	159,538	51,037	89,634	(Note 4)
December 22, 2004	Additional issue of new investment units through third-party allotment	305	159,843	205	89,839	(Note 5)
June 24, 2008	Additional issue of new investment units through public offering	40,000	199,843	17,823	107,662	(Note 6)
July 24, 2008	Additional issue of new investment units through third-party allotment	1,457	201,300	649	108,311	(Note 7)

- Notes:
1. United Urban was incorporated with an issue of 250 investment units at ¥500,000 per unit.
 2. New investment units were issued through public offering at the issue price of ¥480,000 per unit (underwriter price ¥460,800), for the purpose of procuring funds for property acquisitions, etc.
 3. New investment units were issued through third-party allotment at the issue price of ¥460,800 per unit for the purpose of procuring funds for property acquisitions, etc.
 4. New investment units were issued through public offering at the issue price of ¥698,250 per unit (underwriter price ¥673,312), for the purpose of procuring funds for property acquisitions, etc.
 5. New investment units were issued through third-party allotment at the issue price of ¥673,312 per unit for the purpose of procuring funds for property acquisitions, etc.
 6. New investment units were issued through public offering at the issue price of ¥461,580 per unit (underwriter price ¥445,566), for the purpose of procuring funds for property acquisitions.
 7. New investment units were issued through third-party allotment at the issue price of ¥445,566 per unit for the purpose of procuring funds for property acquisitions.

In accordance with the split of investment units and the Merger becoming effective, the number of investment units issued and outstanding increased by 1,250,019 units as of December 1, 2010. For details, please refer to "6. Subsequent Events, B. Unit split in connection with the Merger".

Changes in Closing Prices

The highest and lowest closing prices in the J-REIT Section of the Tokyo Stock Exchange are as follows:

	14th Fiscal Period (Note) (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)	12th Fiscal Period (June 1, 2009 - November 30, 2009)
Highest	618,000	618,000	546,000
Lowest	480,000	437,000	388,000

Note: Investment units are traded at ex-dividend unit price from November 26, 2010 due to the 6-for-1 unit split which became effective as of December 1, 2010. Accordingly, as to the highest and lowest price of 14th Fiscal Period above, each unit price after ex-dividend date is deemed the price which is calculated by multiplying the ex-dividend unit price by 6.

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 Act on Special Measures Concerning Taxation, 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 the 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 ¥16,173 for the fourteenth fiscal period.

		14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)	12th Fiscal Period (June 1, 2009 - November 30, 2009)
Unappropriated retained earnings at the end of period	Thousands of yen	3,255,669	3,481,339	3,514,533
Cash distribution	Thousands of yen	3,255,625	3,481,282	3,514,497
Distribution per unit	Yen	16,173	17,294	17,459
Unappropriated retained earnings carried forward to the next period	Thousands of yen	44	57	36

5. Future Policies and Challenges

A. Merger with Nippon Commercial Investment Corporation

United Urban merged with NCI on December 1, 2010, with such date being the effective date of the Merger. (For details, please refer to "6. Subsequent Events, A. Merger with Nippon Commercial Investment Corporation".)

By continuing to make best use of the support of its main sponsor Marubeni Corporation, United Urban will continue to practice its basic philosophy of "maximizing returns to unitholders by securing stable earnings over the medium to long term" pursuant to its investment policy of aiming to establish and develop a comprehensive investment portfolio that is diversified in terms of both type of use and area of location of the real estate in which it invests.

B. Acquisition of new properties (External growth)

As a result of the succession of the assets from NCI (37 properties / United Urban's acquisition value: about ¥168.8 billion (Note 1), hereinafter the "Former NCI Properties") with the Merger, the total amount of United Urban's portfolio (on the basis of the acquisition price/acquisition value) increased to about ¥388.8 billion (Note 2) (87 properties). Accordingly, United Urban has taken a leading position among the listed J-REITs and has become one of the largest J-REITs having comprehensive investment policy in the J-REIT market in terms of asset value (please refer to "7. Reference Information, A. Overview of the Former NCI Properties"). United Urban believes that the expansion of asset value will contribute to the improvement of United Urban's recognition and brand power, diversification of risks and improved stability of revenue due to more diversity in properties/regions/tenants, efficiency of business process, cost reduction and synergy effect, etc.

In addition, United Urban strongly recognizes the importance of external growth and aims to build a portfolio where stable earnings are secured over the medium term to long term. United Urban will work to realize external growth to build an optimum portfolio by utilizing its wide-ranging networks, including harnessing the property pipeline and property information of JRA's

Sponsor Companies, such as shareholders and shareholders' affiliate companies of JRA, under a policy of carefully selecting blue-chip properties by (i) giving due consideration to any adverse impact that the acquisition will have on its existing portfolio and (ii) accurately grasping market trends. Moreover, United Urban plans to implement strategic and expeditious changes in its portfolio from a long-term perspective.

Notes: 1. This figure is the estimated acquisition values which are calculated based on the appraisal values as of November 30, 2010.
2. The total amount of United Urban's portfolio is estimated based on the succession at the estimated acquisition values, stated above (Note 1).

C. Management and administration (Internal growth)

For the Former NCI Properties, the improvement of profitability was an issue. However, the profitability has improved significantly as a result of United Urban's succession of the Former NCI Properties at fair value. In the future, United Urban will make continuous efforts to achieve the internal growth by making the most of synergy effects with the Merger.

United Urban will try to keep the existing management and administration policy, to carry out the maintenance works and repairs which lead to the tenants' satisfaction proactively, and to improve building management and service in order to build the better relationship with the tenants. Moreover, engaged in the leasing activities based on the study and analysis of the real-estate rental market, United Urban will make continuous efforts to maintain the high occupancy ratio, increase the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

D. Financial strategy

Though United Urban sets the upper limit of LTV (Note) at 60%, in practice, United Urban has tried to maintain conservative management practices by targeting the upper limit of LTV at 50%. As a result of the Merger, the LTV ratio of United Urban relatively rises compared to the past levels due to (i) the assumption of the interest-bearing liabilities of NCI in the amount of approximately ¥134.2 billion (as of November 30, 2010; including corporate bonds), which exceeds the total amount of interest-bearing liabilities of United Urban, and (ii) the succession of the Former NCI Properties at fair value. However, United Urban will strive to reduce LTV to an appropriate level at an early stage and thereby strengthen its capital base by taking such measures as enhancing capital adequacy through a reduction of interest-bearing liabilities by the proceeds from the future sale of properties and through the capital increase through public offering.

In addition, with the support of financial institutions, the release of collaterals which have been put in interest-bearing liabilities which United Urban assumed from NCI was completely executed on December 1, 2010, with such date being the effective date of the Merger.

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

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

6. Subsequent Events

A. Merger with Nippon Commercial Investment Corporation (the "Merger")

Effective December 1, 2010, United Urban merged with Nippon Commercial Investment Corporation ("NCI") as a result of which United Urban remained as the surviving entity.

a. Purpose of the Merger

United Urban and NCI analyzed the portfolio potential, growth and financing strategy and other factors with respect to each REIT, and considered how best to improve our respective unitholder values. Based on such analyses and consideration, United Urban and NCI both arrived at the conclusion that the Merger would generate benefits to unitholders from greater economies of scale, improved quality of assets, greater diversification in terms of property type, location and tenants, among other factors, and enhanced stability in revenues. United Urban and NCI entered into the memorandum of understanding concerning the Merger on April 22, 2010, and subsequently, the Merger Agreement was entered into on May 10, 2010.

b. Structure of the Merger

United Urban remained as the surviving entity and NCI became the dissolved entity as a result of the Merger.

c. Merger ratio

One United Urban unit was allocated to NCI unitholders as consideration per one NCI unit. Because each United Urban unit was split into six units on the effective date of the Merger, the merger ratio before unit split was United Urban : NCI = 1 : 1/6.

d. Cash consideration

Each unitholder on NCI's final unitholder register as of November 30, 2010 (other than those who exercised their appraisal rights) received cash consideration in relation to NCI's fiscal period ended November 30, 2010 in lieu of the distributions that such NCI unitholders would have received in the absence of the Merger. United Urban commenced the payment procedures for the cash consideration in February 2011.

e. Unitholders' capital

Increase in unitholders' capital and capital surplus as a result of the Merger is described below

Unitholders capital	: ¥ 0
Capital surplus	: The amount calculated by subtracting the unitholders' capital described above from the amount of change in unitholders' equity stated in the statement 22-1 of "Regulations on financials of investment corporation" (47th Cabinet Office Ordinance on 2006 and revisions made thereafter)

f. Overview of NCI's ninth fiscal period (March 1, 2010 – August 31, 2010)

Business	: Investment and operation of specified assets under the "Act Concerning Investment Trusts and Investment Corporations of Japan"
Operating revenues	: ¥ 7,283,349 thousand
Net income	: ¥ 1,021,141 thousand
Total assets	: ¥ 265,673,115 thousand
Total liabilities	: ¥ 147,977,372 thousand
Total net assets	: ¥ 117,695,743 thousand

B. Unit split in connection with the merger

Effective December 1, 2010, each United Urban unit held by unitholders whose names were listed or recorded in the final unitholders register of United Urban on November 30, 2010 was split into six units (Note).

Note: Unitholders on NCI's final unitholder register as of November 30, 2010 (other than those who exercised their appraisal rights) received one United Urban unit per one NCI unit.

a. Purpose of unit split

United Urban merged with NCI through an "absorption-type merger" method (*kyushu gappei houshiki*) under which United Urban remained as the surviving company and the merger ratio before the unit split was United Urban : NCI = 1 : 1/6. However, allocation of 1/6 United Urban unit per NCI unit would have resulted in a large number of NCI unitholders receiving fractional units. In order to prevent fractional units being allocated to NCI unitholders and to enable NCI unitholders to continuously hold United Urban units, United Urban split each outstanding unit into six units effective as of December 1, 2010.

b. Split method

Each United Urban unit held by unitholders whose names were listed or recorded in the final unitholders register of United Urban on November 30, 2010 was split into six units.

c. Increase of investment units as a consequence of unit split and the Merger

1. Number of investment units issued and outstanding of United Urban prior to the Merger	: 201,300 units
2. Increased number of investment units through unit split	: 1,006,500 units
3. Number of investment units issued and outstanding of United Urban after unit split	: 1,207,800 units
4. Number of investment units issued to NCI unitholders as consideration for the Merger (Note)	: 243,519 units
5. Number of investment units issued and outstanding of United Urban after the Merger	: 1,451,319 units

Note: United Urban units were allotted to 243,519 NCI investment units (257,400 NCI outstanding units prior to the Merger, minus 13,881 NCI units for which appraisal rights were invoked)

Additionally, assuming this unit split was executed at the beginning of 13th fiscal period, the per unit data would be as described below:

	Yen	
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Net assets per unit at the period end	¥ 92,371	¥ 92,558
Net income per unit	¥ 2,695	¥ 2,882

Calculation of net income per unit is based on the weighted-average number of units outstanding during the period. Diluted net income per unit is not disclosed because no dilutive securities have been issued by United Urban.

C. Issuance of corporate bonds

United Urban issued new corporate bonds on December 17, 2010 in the amount of ¥15.0 billion for the repayment of Term Loan 20 borrowed on February 18, 2008 (repayment date: December 20, 2010) pursuant to a November 25, 2010 resolution for the “comprehensive approval concerning corporate bonds” by the Board of Directors of United Urban. Details on the issuance of corporate bonds are as follows:

Series 4 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 4 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥15 billion
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 1.38% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 17, 2010
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 17, 2013. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 17 and December 17 of each year
Use of proceeds	: The proceeds were used for the repayment of Term Loan 20 and will be used for a part of the repayment of other bank loans which become due thereafter.

7. Reference Information

A. Overview of the Former NCI Properties

The overview of the Former NCI Properties which United Urban succeeded from NCI with the Merger were as follows:

Property No.	Type	Name of Property	Estimated Acquisition Value (Millions of yen) (Note1)
A15	Retail Properties	Shinsaibashi OPA Honkan	22,800
A16		Shinsaibashi OPA Kireikan	2,770
A17		PACIFIQUE Tenjin (Note 2)	1,581
A18		Albore Tenjin	826
A19		Albore Jingumae	1,580
A20		Albore Sendai	2,590
A21		Mallage Kashiwa	7,040
A22		Bellfa Uji	511
A23		Ito-Yokado Owariasahi	4,840
A24		Nitori Yokohama Kariba I.C.	2,500
B10	Office Buildings	Hitachi High-Tech Building	14,800
B11		Pacific Marks Shinjuku Parkside	12,100
B12		Pacific Marks Tsukiji	6,860
B13		Pacific Marks Tsukishima	6,080

B14		Pacific Marks Yokohama East	7,050
B15		Pacific Marks Shin-Urayasu	3,920
B16		Omori City Building	4,120
B17		Akasaka Hikawa Building	3,290
B18		Pacific Marks Shibuya Koen-doori	2,570
B19		Pacific Marks Nihonbashi-Tomizawacho	1,890
B20		Pacific Marks Akasaka-mitsuke	2,210
B21		Yokohama Aioicho Building	1,060
B22		Pacific Marks Shin-Yokohama	1,710
B23		Pacific Marks Shinkawa	2,790
B24		Pacific Marks Mejiro	1,160
B25		Pacific Marks Kawasaki	9,890
B26		Towa Hamamatsucho Building	5,850
B27		Lila Hijirizaka	2,750
B28		Pacific Marks Aobadai	1,620
B29		Otsuka HT Building	1,160
B30		Pacific Marks Shinjuku South-gate	2,460
B31		Pacific Marks Nishi-Umeda	6,860
B32		Pacific Marks Higobashi	4,570
B33		Nagoya Nishiki City Building	2,670
B34		Pacific Marks Esaka	9,590
B35		Pacific Marks Sapporo Kita-Ichijo	1,790
B36		Shin-Sapporo Center Building	987
Total			168,845

Notes: 1. This figure is the estimated acquisition values which are calculated based on the appraisal values as of November 30, 2010.

2. United Urban sold the "PACIFIQUE Tenjin" as of January 14, 2011.

B. Sale of property

United Urban sold the property set forth below subsequent to the end of the fourteenth fiscal period.

<PACIFIQUE Tenjin>

<u>Summary of Sale</u>	Type of Asset Sold	: Trust beneficial interest in real estate
	Sale Price	: ¥1,581 million
	Book Value	: ¥1,581 million (Note)
	Difference between Sale Price and Book Value	: ¥ 0 (Note)
	Date of Sale	: January 14, 2011
<u>Outline of Property</u>	Location	: 2-4-11 Tenjin, Chuo-ku, Fukuoka, Fukuoka
	Use	: Retail Property
	Site Area	: Land: 1,111.43 m ² Building: 5,065.54 m ²
	Structure	: SRC/RC, B1/7F

Note: The "Book Value" is the estimated amount, and such "Book Value" may fluctuate in the future. In addition, the "Difference between Sale Price and Book Value" may also fluctuate for the same reason.

C. Unitholders' equity of United Urban after the Merger (as of December 1, 2010)

Unitholders' equity		
Unitholders' capital	¥ 108,310,509,822	(Note 1)
Capital surplus	¥ 23,548,287,300	(Note 1)
Total number of investment units authorized	10,000,000 units	(Note 2)
Total number of investment units issued and outstanding	1,451,319 units	

- Notes: 1. There is no increase or decrease in unitholders' capital as a result of the Merger. United Urban estimates the capital surplus by subtracting unitholders' capital from amount of changes in unitholders' equity stated in Article 22, Paragraph 1 of the Rules on Calculation of Investment Corporations (Cabinet Ordinance No.47 of 2006, as amended). In addition, the above capital surplus have not been determined yet, and it may fluctuate in the future.
2. The total number of investment units authorized was changed from 2,000,000 units to 10,000,000 units by the resolution of the fifth general meeting of unitholders of United Urban held on June 29, 2010.

D. Repayment of existing debt

United Urban repaid the following debt on December 20, 2010 by the procurement funds through the issuance of the Series 4 of Unsecured Corporate Bonds.

Term Loan 20

Lender	: The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowing	: ¥12,400 million
Interest rate	: 1.20861%
Drawdown date	: February 18, 2008
Repayment method	: Bullet payment at maturity
Repayment date	: December 20, 2010
Remarks	: Unsecured, unguaranteed, fixed interest rate

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	14th Fiscal Period (As of November 30, 2010)	13th Fiscal Period (As of May 31, 2010)	12th Fiscal Period (As of November 30, 2009)
Number of investment units authorized (Units)	2,000,000	2,000,000	2,000,000
Number of investment units issued and outstanding (Units)	201,300	201,300	201,300
Unitholders' capital (Millions of yen)	108,311	108,311	108,311
Number of unitholders	9,179	8,957	9,025

2. Major Unitholders

(As of November 30, 2010)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	32,252	16.02 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	21,571	10.72 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	17,048	8.47 %
The Master Trust Bank of Japan, Ltd. (trust account)	8,640	4.29 %
North Pacific Bank, Ltd.	4,626	2.30 %
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	3,200	1.59 %
The Senshu Ikeda Bank, Ltd.	3,067	1.52 %
The Chugoku Bank, Limited	2,895	1.44 %
The Hiroshima Bank, Ltd.	2,859	1.42 %
THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	2,833	1.41 %
Total	98,991	49.18 %

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

3. Categories of Unitholders

(As of November 30, 2010)				
	Number of Unitholders by Category		Number of Units by Holder Category	
Individuals and others	8,748	95.3 %	26,504 units	13.2 %
Financial institutions (including securities companies)	101	1.1 %	121,002 units	60.1 %
Other domestic corporations	155	1.7 %	9,250 units	4.6 %
Foreign corporations and individuals	175	1.9 %	44,544 units	22.1 %
Total	9,179	100.0 %	201,300 units	100.0 %

4. Directors and Auditor

A. Board of Directors, etc. of United Urban as of November 30, 2010 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (thousands of yen)
Executive Officer	Yasuhiro Tanaka	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Toshio Kenmochi	Representative Partner, Kasumigaseki Audit Corporation Representative Director and President, RECS Management Institute Representative Director and President, RECS Technologies Inc. Managing Partner, Baker Tilly Japan	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	15,500
Total			25,700

- Notes:
1. The executive officer and the supervisory officers do not have investment units of United Urban either under their own name or other people's names.
 2. The supervisory officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
 3. At the general meeting of unitholders of United Urban held on June 29, 2010, Hisamitsu Abe, the Chairman of the Board of JRA, was appointed as the Substitute Executive Officer of United Urban.
 4. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of corporate bonds issued on June 2010.

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

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

5. Advisors and Agents

(As of November 30, 2010)

Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	The Sumitomo Trust and Banking Co., Ltd.
Transfer Agent	The Chuo Mitsui Trust and Banking Company, Limited
Special Account Administrator (Note 1)	The Chuo Mitsui Trust and Banking Company, Limited Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Accounting, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to Corporate Bonds) (Note 2)	The Sumitomo Trust and Banking Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd., Mizuho Securities Co., Ltd., Citigroup Global Markets Japan Inc., and Kyokuto Securities Co., Ltd.

- Notes:
1. Under the memorandum regarding the succession of the status between United Urban and NCI concerning the entrustment agreement for the administration of special accounts as of October 27, 2010, United Urban has succeeded the status of NCI under the entrustment agreement for the administration of special accounts concluded between NCI and Mitsubishi UFJ Trust and Banking Corporation ("MUTB") as of December 12, 2008 (as amended).
 2. On December 1, 2010, United Urban succeeded the status of NCI under the fiscal agent and issuing and paying agent agreement concluded between NCI and Mizuho Corporate Bank, Ltd. for the NCI Series 2 of Unsecured Corporate Bonds as of April 6, 2007 (as amended). In addition, with the issuance of the Series 4 of Unsecured Corporate Bonds on December 17, 2010, United Urban concluded the administrative and clerical entrustment agreement for the Series 4 of Unsecured Corporate Bonds with MUTB, who is an administrative agent for the corporate bonds, on December 3, 2010.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		14th Fiscal Period (As of November 30, 2010)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	—	—
			The 23 wards of Tokyo (Note 4)	—	—
			Tokyo metropolitan areas (Note 5)	2,459,709	1.1
		Other regions		3,130,203	1.4
	Office Buildings	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	8,735,772	3.8
			Tokyo metropolitan areas	—	—
		Other regions		—	—
	Hotels	Capital region	The 6 central wards of Tokyo	1,818,963	0.8
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan areas	4,738,457	2.1
		Other regions		—	—
	Residential Properties	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan areas	—	—
		Other regions		877,001	0.4
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan areas	—	—
		Other regions		—	—
	Subtotal			21,760,105	9.4
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	18,787,396	8.1
			Tokyo metropolitan areas	21,340,095	9.2
		Other regions		29,228,974	12.7
	Office Buildings	Capital region	The 6 central wards of Tokyo	11,137,085	4.8
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan areas	24,205,511	10.5
		Other regions		21,584,024	9.4
	Hotels	Capital region	The 6 central wards of Tokyo	20,916,197	9.1
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan areas	3,771,459	1.6
		Other regions		9,920,997	4.3
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,332,522	1.0
			The 23 wards of Tokyo	10,556,334	4.6
			Tokyo metropolitan areas	2,175,585	0.9
		Other regions		15,953,194	6.9
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan areas	—	—
		Other regions		1,832,900	0.8
	Subtotal			193,742,273	84.0
Bank Deposits and Other Assets			15,276,359	6.6	
Total Assets			230,778,737	100.0	

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

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

3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."

5. "Tokyo metropolitan area" refers to the Capital region excluding the "23 wards of Tokyo."

2. Selected Data by Property

(As of November 30, 2010)

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)	Type of Property	Granting of Security
Daiei Himonya	14,952	13,900	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,754	3,590	13,306.45	13,260.69	99.7	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	754	1,050	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,685	5,460	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 6)
AEON MALL Uki Value	10,489	10,000	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,585	4,120	4,194.57	3,547.74 (Note 4)	84.6	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	3,130	3,010	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,282	4,210	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,955	1,650	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,835	3,250	2,081.50	1,838.46 (Note 4)	88.3	Retail Properties	N/A
Tip's Machida Building	4,174	4,260	6,715.75	6,715.75 (Note 4)	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,691 (Note 5)	3,710	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,451	11,100	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,460	1,960	1,938.56	1,505.92 (Note 4)	77.7	Retail Properties	N/A
T&G Hamamatsucho Building	2,141	2,780	2,420.85	2,135.08 (Note 4)	88.2	Office Buildings	N/A
SK Nagoya Building	5,250	5,010	8,708.52	6,009.63	69.0	Office Buildings	N/A
Fukuoka Eartheon Building	1,760	2,120	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,417	2,360	2,612.42	2,250.96	86.2	Office Buildings	N/A
Rokubancho K Building	2,248	3,150	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,494	23,800	46,024.83	44,746.53	97.2	Office / Hotels	N/A
Kawasaki Toshiba Building	18,954	30,100	36,118.31	36,118.31	100.0	Office Buildings	N/A
Haseman Building Toyochō	8,736	7,770	7,540.30	7,540.30 (Note 4)	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,332	4,550	5,000.54	5,000.54	100.0	Office Buildings	N/A
Shinjuku Washington Hotel Honkan (Note 7)	20,916	22,200	53,363.11	53,351.21	99.98	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,819	2,040	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,771	3,230	6,670.21	6,329.18 (Note 4)	94.9	Hotels	N/A
HOTEL LOUTE-INN Yokohama Bashamichi	4,738	4,010	7,139.44	6,969.35	97.6	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,762	1,950	2,603.22	2,260.16 (Note 4)	86.8	Residential Properties	N/A
T&G Yotsuya Mansion	1,198	1,240	1,679.10	1,250.10 (Note 4)	74.5	Residential Properties	N/A
Excellia Magome	617	608	914.98	852.64 (Note 4)	93.2	Residential Properties	N/A

Komazawa Court	1,573	1,960	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	691	623	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,134	1,090	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,478	3,600	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,094	1,080	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,854	2,960	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,234	1,250	4,790.50	4,790.50	100.0	Residential Properties	N/A
Soga Dormitory	596	557	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	486	449	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	1,022	948	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	432	437	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	3,127	3,050	4,097.51	3,950.97 (Note 4)	96.4	Residential Properties	N/A
GRAND-ROUGE Sakae	1,497	1,150	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,271	1,040	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	2,956	3,230	11,525.36	11,457.22 (Note 4)	99.4	Residential Properties	N/A
UUR Court Nagoya Meieki	1,478	1,260	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	877	745	6,271.74	6,271.74 (Note 4)	100.0	Residential Properties	N/A
Park Site IZUMI	923	681	2,067.95	1,869.59 (Note 4)	90.4	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,596	1,440	3,650.00	3,650.00	100.0	Residential Properties	N/A
Lilycolor Tohoku Branch	1,833	1,790	9,271.16	9,271.16	100.0	Others	N/A
Total	215,502	217,528	532,955.43	524,918.73	98.5		

- Notes: 1. "Book Value" is stated after being rounded to the units stated.
2. "Appraisal Value" is the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers.
3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of November 30, 2010. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The followings are the same as above.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site) and Shinjuku Washington Hotel Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, only the occupancy ratio of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
4. With regard to these real estate assets, master lease agreements with no rental guarantees have been concluded for the entire or partial leasable floor space. Accordingly, United Urban is able to receive rental revenues from the master-leased floor spaces only if they are actually subleased. In view of this, the master-leased floor spaces of these real estate assets are stated not as the area rented to the lessees, but as figures calculated as the "Leased Floor Space" by treating the area subleased by the lessees as of November 30, 2010.
5. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this

elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the sale and purchase agreement of trust beneficial interest. The Book Value at the end of the period of this trust beneficial interest is described as ¥3,691 million reflecting the additional amount of trust.

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

6. The right to demand restitution of a security deposit against tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
7. For the Shinjuku Washington Hotel Honkan, United Urban additionally acquired the parts of compartmentalized ownership of this property and the part of land in which this property is located on September 29, 2010 (acquisition price: ¥40 million). Therefore, overview after the additional acquisition is stated in the above chart.

3. Selected Financial Data by Property

Name of Property	14th Fiscal Period (June 1, 2010 to November 30, 2010)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	459	5.5
Joy Park Izumigaoka	17	99.7	248	2.9
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.4
Re-LAND Shopping Center	15	97.9	272	3.2
AEON MALL Uki Value	1	100.0	455	5.4
TENJIN LUCE	2	84.6	173	2.1
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3	100.0	138	1.6
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE Minami-ikebukuro	1	88.3	91	1.1
Tip's Machida Building	2	100.0	222	2.6
Daiei Takarazuka Nakayama	1	100.0	152	1.8
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	3.6
ACTIOLE Kannai	1	77.7	52	0.6
T&G Hamamatsucho Building	1	88.2	94	1.1
SK Nagoya Building	6	69.0	221	2.6
Fukuoka Eartheon Building	3	100.0	117	1.4
Marumasu Kojimachi Building	10	86.2	111	1.3
Rokubancho K Building	1	100.0	117	1.4
Shin-Osaka Central Tower	56	97.2	1,108	13.2
Kawasaki Toshiba Building	1	100.0	969	11.5
Haseman Building Toyochō	1	100.0	282	3.3
FOUR SEASONS BLDG	2	100.0	199	2.4
Shinjuku Washington Hotel Honkan (Note 5)	8	99.98	825	9.8
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.7
MZ BLD.	2	94.9	133	1.6
HOTEL ROUTE-INN Yokohama Bashamichi	3	97.6	162	1.9

T&G Higashi-ikebukuro Mansion	1	86.8	64	0.8
T&G Yotsuya Mansion	1	74.5	39	0.5
Excellia Magome	1	93.2	22	0.3
Komazawa Court	1	100.0	61	0.7
Ropponmatsu Court	1	100.0	22	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.4
Maison Ukima	1	100.0	124	1.5
Narashino Residence	1	100.0	51	0.6
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.6
Soga Dormitory	1	100.0	26	0.3
Higashi-kurume Dormitory Shinkan	1	100.0	17	0.2
Nanzan Court Ichigokan	1	100.0	40	0.5
Nanzan Court Nigokan	1	100.0	18	0.2
CLIO Bunkyo Koishikawa	1	96.4	96	1.1
GRAND-ROUGE Sakae	1	100.0	45	0.5
GRAND-ROUGE Sakae II	1	100.0	40	0.5
MA Sendai Building	2	99.4	159	1.9
UUR Court Nagoya Meieki	1	100.0	45	0.5
UUR Court Sapporo Shinoro Ichibankan	2	100.0	33	0.4
Park Site IZUMI	1	90.4	31	0.4
UUR Court Osaka Juso-honmachi	1	100.0	56	0.7
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	171	98.5	8,409	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. In addition, "Total Number of Tenants" figures are stated by counting lessees that has a lease agreement concluded directly with United Urban or the respective asset custodian as one tenant for each property. Also, in the event of a property subleased by a lessee (master lessee), such lessee (master lessee) has been counted as one tenant.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" and "Shinjuku Washington Hotel Honkan" held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, the occupancy ratio of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
3. "Rental Revenue" is stated after being rounded to the units stated.
4. In regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. For the Shinjuku Washington Hotel Honkan, United Urban additionally acquired the parts of compartmentalized ownership of this property and the part of land in which this property is located on September 29, 2010 (acquisition price: ¥40 million). Therefore, overview after the additional acquisition is stated in the above chart.

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, 2010. 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 14th fiscal period	Amount already paid
Daiei Himonya	Renewal of elevating machine facilities (elevator) (for customer: No.3)	From April 2011 to May 2011	50	—	—
Daiei Himonya	Repair of elevating machine facilities (escalator)	From April 2011 to May 2011	37	—	—
Daiei Himonya	Repair of exterior walls	From February 2011 to April 2011	20	—	—
Daiei Himonya	Rooftop waterproofing	From August 2011 to September 2011	61	—	—
Daiei Himonya	Renewal of elevating machine facilities (elevator) (for customer: No.4)	From June 2011 to July 2011	48	—	—
Daiei Himonya	Repair of elevating machine facilities (escalator)	From June 2011 to July 2011	26	—	—
Daiei Himonya	Major renovation work	From October 2011 to November 2011	50	—	—
AEON MALL Uki Value	Renewal of air-conditioner (JUSCO wing)	From October 2011 to November 2011	40	—	—
TENJIN LUCE	Installation work of air-conditioning facilities, etc. (2F)	From April 2011 to May 2011	25	—	—
TENJIN LUCE	Installation work of air-conditioning facilities, etc. (4F)	From October 2011 to November 2011	15	—	—
Miyamae Shopping Center	Repair of exterior walls	From April 2011 to May 2011	24	—	—
Miyamae Shopping Center	Coating of exterior walls	From May 2011 to June 2011	15	—	—
Tip's Machida Building	Renewal work (exterior walls, signs, etc.)	From December 2010 to May 2011	102	—	—
ACTIOLE Kannai	New advertising display construction	From May 2011 to May 2011	10	—	—
SK Nagoya Building	Renewal of central supervisory equipments	From March 2011 to April 2011	15	—	—
SK Nagoya Building	Renewal of common areas	From March 2011 to April 2011	10	—	—
SK Nagoya Building	Repair of exterior walls	From March 2011 to April 2011	48	—	—
Fukuoka Eartheon Building	Renewal of air-conditioning machines (7F)	From October 2011 to November 2011	22	—	—
Marumasu Kojimachi Building	Repair work (7F)	From February 2011 to May 2011	48	—	—
Marumasu Kojimachi Building	Renewal of air-conditioning machines	From January 2011 to May 2011	101	—	—
Marumasu Kojimachi Building	Replacements of container valves and storage containers for halon gas firefighting equipment	From June 2011 to July 2011	11	—	—

Shin-Osaka Central Tower	Equipment work of terrestrial digital broadcasting (1st period)	From September 2010 to December 2010	49	—	—
Shin-Osaka Central Tower	Renewal of overall supervisory board for disaster prevention	From January 2011 to May 2011	146	—	—
Shin-Osaka Central Tower	Renewal of batteries of north wing	From March 2011 to April 2011	13	—	—
Shin-Osaka Central Tower	Renewal of halon gas firefighting equipment	From April 2011 to May 2011	12	—	—
Shin-Osaka Central Tower	Equipment work of terrestrial digital broadcasting (2nd period)	From January 2011 to May 2011	259	—	—
Shin-Osaka Central Tower	Repair of external tiles (whole area)	From March 2011 to November 2011	30	—	—
Shin-Osaka Central Tower	Renewal of batteries of south wing	From October 2011 to November 2011	19	—	—
Shin-Osaka Central Tower	External wall coatings	From August 2011 to November 2011	61	—	—
Kawasaki Toshiba Building	Inverter control of air-conditioning machines (1st period)	From January 2011 to February 2011	11	—	—
Kawasaki Toshiba Building	Repair of elevator (2nd period)	From November 2010 to February 2011	97	—	—
Kawasaki Toshiba Building	Renewal and overhaul of ventilator (B2F~5F) (1st period)	From January 2011 to February 2011	15	—	—
Kawasaki Toshiba Building	Inverter control of illumination and renewal of speakers (1st period)	From January 2011 to March 2011	121	—	—
Kawasaki Toshiba Building	Renewal of extra-high electricity receiving and transforming facilities (1st period)	From January 2011 to April 2011	17	—	—
Kawasaki Toshiba Building	Renewal of electrically-controlled temperature and humidity controllers (4F, 7F)	From January 2011 to May 2011	17	—	—
Kawasaki Toshiba Building	Renewal of rooftop and outdoor distribution board	From January 2011 to May 2011	12	—	—
Kawasaki Toshiba Building	Renewal of protective relay of high-pressure trunks of every floor's electrical room	From January 2011 to May 2011	12	—	—
Kawasaki Toshiba Building	Installation work of module chiller	From January 2011 to May 2011	106	—	—
Kawasaki Toshiba Building	Inverter control of air-conditioning machines (2nd period)	From February 2011 to May 2011	11	—	—
Kawasaki Toshiba Building	Renewal of two-way valve of cool-water, hot-water and steam piping	From March 2011 to June 2011	30	—	—
Kawasaki Toshiba Building	Overhaul of several pumps	From March 2011 to June 2011	20	—	—
Kawasaki Toshiba Building	Renewal of old pantry sink	From March 2011 to June 2011	19	—	—
Kawasaki Toshiba Building	Renewal of temperature and humidity controllers of general floors	From March 2011 to July 2011	16	—	—
Kawasaki Toshiba Building	Inverter control of illumination and renewal of speakers (2nd period)	From May 2011 to September 2011	71	—	—
Kawasaki Toshiba Building	Renewal of ionization smoke detector	From July 2011 to October 2011	10	—	—
Kawasaki Toshiba Building	Renewal of lagging materials for cooling water and steam piping	From July 2011 to October 2011	48	—	—
Kawasaki Toshiba Building	Renewal of air-conditioning machines of test rooms (4F, 7F) (1st period)	From April 2011 to October 2011	65	—	—

Kawasaki Toshiba Building	Repair of elevator (3rd period)	From March 2011 to November 2011	101	—	—
FOUR SEASONS BLDG	Protection works related to control for mechanical parking facilities	From March 2011 to April 2011	10	—	—
FOUR SEASONS BLDG	Renewal of air-conditioning machines	From June 2011 to November 2011	12	—	—
FOUR SEASONS BLDG	Renewal of air-conditioning machines	From October 2011 to October 2011	12	—	—
Shinjuku Washington Hotel Honkan	Repair for terrestrial digital broadcasting	From May 2011 to May 2011	14	—	—
MZ BLD.	Installation work of air-conditioning machines	From April 2011 to May 2011	12	—	—
HOTEL ROUTE INN Yokohama Bashamichi	Installation work of air-conditioning machines	From May 2011 to May 2011	14	—	—
Komazawa Court	Major renovation work of exterior walls, etc.	From December 2010 to March 2011	26	—	—
Komazawa Court	Waterproofing work of rooftop, etc.	From December 2010 to March 2011	11	—	—
Narashino Residence	Major renovation work (coating and waterproofing)	From January 2011 to March 2011	12	—	—
Aprile Shin-Ohgi Ichibankan	Major renovation work (exterior walls and waterproofing)	From March 2011 to October 2011	118	—	—
Lilycolor Tohoku Branch	Major renovation work (repair of exterior walls, coating, balcony waterproofing, etc.)	From August 2011 to October 2011	63	—	—

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 fourteenth fiscal period, which totaled ¥982 million. Together with ¥77 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥1,060 million.

Name of Properties	Description of Works	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of elevator (No. 7)	From October 2010 to November 2010	46
Daiei Himonya	Maintenance of elevating machines	From October 2010 to November 2010	41
AEON MALL Uki Value	Renewal of air-conditioning machines	From September 2010 to September 2010	25
Rokubancho K Building	Repair of exterior walls (2nd period)	From June 2010 to July 2010	11
Shin-Osaka Central Tower	Individual air-conditioning works (3rd period(final))	From June 2010 to November 2010	545
Shin-Osaka Central Tower	Repair of electric lights (parking facilities)	From July 2010 to November 2010	12
Kawasaki Toshiba Building	Replacements and inspections of container valves and components for halon gas	From September 2010 to October 2010	14
Kawasaki Toshiba Building	Repair of elevators (No.5, No.6)	From July 2010 to November 2010	99
Kawasaki Toshiba Building	Renewal of electric lock control board and cremorne bolt lock	From September 2010 to November 2010	11

Haseman Building Toyoko	Overhaul of air-cooled chiller	From November 2010 to November 2010	12
Other capital expenditures			166
Total			982

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		
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)	12th Fiscal Period (June 1, 2009 - November 30, 2009)
Reserve balance at the beginning of period	2,233	2,446	2,204
Addition	237	248	242
Deduction	2	461	—
Reserve balance at the end of period	2,468	2,233	2,446

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

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)	12th Fiscal Period (June 1, 2009 - November 30, 2009)
Asset management fees	659,809	656,629	647,179
Asset custodian fees	9,931	9,923	30,707
Administrative agent fees	34,041	37,112	79,660
Directors' fees	10,200	10,200	10,200
Other expenses	169,840	152,821	173,758
Total	883,821	866,685	941,504

Note: In addition to the amounts stated above, there were asset management fees of ¥33,600 thousand for the thirteenth fiscal period and ¥320 thousand for the fourteenth fiscal period related to acquisition of properties, which was capitalized and included in acquisition cost of each property.

2. Borrowings

Borrowings from financial institutions as of November 30, 2010 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 Sumitomo Trust and Banking Co., Ltd.	4,000	1.20861%	Feb. 18, 2008	Dec. 20, 2010	Unsecured Unguaranteed Fixed interest rate
	850	1.67585%	Feb. 26, 2009	Jun. 20, 2011	
	3,000	0.93442%	Dec. 22, 2008	Jun. 20, 2011	Unsecured Unguaranteed Variable interest rate
Mizuho Corporate Bank, Ltd.	4,400	1.20861%	Feb. 18, 2008	Dec. 20, 2010	Unsecured Unguaranteed Fixed interest rate
	2,000	1.33256%	Apr. 10, 2008	Jun. 20, 2011	
	850	1.67585%	Feb. 26, 2009	Jun. 20, 2011	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000	1.20861%	Feb. 18, 2008	Dec. 20, 2010	
	2,000	1.33256%	Apr. 10, 2008	Jun. 20, 2011	
Total	21,100				

(Long-term debt)

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	2,700	1.67119%	Dec. 20, 2007	Dec. 20, 2012	Unsecured Unguaranteed Fixed interest rate
	1,000	1.61216%	Jul. 7, 2010	Jun. 20, 2013	
	800	1.97537%	Dec. 21, 2009	Dec. 20, 2014	
	3,000	0.98442%	Dec. 22, 2008	Jun. 20, 2012	Unsecured Unguaranteed Variable interest rate
	3,400	1.08442%	Dec. 22, 2008	Dec. 20, 2013	
Saitama Resona Bank, Limited	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
	1,000	1.64157%	Dec. 21, 2009	Jun. 20, 2013	

Shinsei Bank, Limited	2,500	1.67119%	Dec. 20, 2007	Dec. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.	2,000	1.86167%	Dec. 20, 2008	Dec. 20, 2011	
	1,000	1.61216%	Jul. 7, 2010	Jun. 20, 2013	
	1,000	1.97537%	Dec. 21, 2009	Dec. 20, 2014	
Aozora Bank, Ltd.	500	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
	2,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
	2,000	1.64157%	Dec. 21, 2009	Jun. 20, 2013	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,400	1.44618%	Dec. 27, 2007	Jun. 20, 2012	
	4,000	1.66432%	Sep. 27, 2007	Dec. 20, 2012	
	300	1.97537%	Dec. 21, 2009	Dec. 20, 2014	
Sumitomo Mitsui Banking Corporation	4,500	1.48031%	Jan. 30, 2008	Jun. 20, 2012	
	1,650	1.64157%	Dec. 21, 2009	Jun. 20, 2013	
	1,650	1.97537%	Dec. 21, 2009	Dec. 20, 2014	
Mizuho Trust & Banking Co., Ltd.	500	1.64157%	Dec. 21, 2009	Jun. 20, 2013	
	500	1.97537%	Dec. 21, 2009	Dec. 20, 2014	
National Mutual Insurance Federation of Agricultural Cooperatives	3,400	1.89500%	Apr. 28, 2006	Dec. 20, 2011	
Mitsubishi UFJ Trust and Banking Corporation	2,000	1.35914%	Dec. 21, 2009	Dec. 20, 2011	
	1,000	1.61216%	Jul. 7, 2010	Jun. 20, 2013	
Development Bank of Japan Inc.	900	1.63568%	Nov. 11, 2008	Jun. 20, 2012	
	2,000	2.14169%	Jul. 7, 2010	Jun. 20, 2017	
The Dai-ichi Life Insurance Company, Limited	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Mitsui Sumitomo Insurance Company, Limited	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
ORIX Trust and Banking Corporation	1,500	1.64157%	Dec. 21, 2009	Jun. 20, 2013	
The Shinkumi Federation Bank	2,000	1.64157%	Dec. 21, 2009	Jun. 20, 2013	
The Bank of Fukuoka Ltd.	500	1.64157%	Dec. 21, 2009	Jun. 20, 2013	
The Norinchukin Bank	4,000	0.83442%	Dec. 20, 2006	Dec. 20, 2011	Unsecured Unguaranteed Variable interest rate
Total	60,700				

Borrowings Total	81,800	
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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, 2010 were as follows:

Name	Balance (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 3 of Unsecured Corporate Bonds	10,000	1.55%	Jun. 17, 2010	Jun. 17, 2013	Bullet payment
Total	20,000				

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	Acquisition price (Note 3)	Date	Price	Book value	Gain on sale
Real estate (Note 1)	Shinjuku Washington Hotel Honkan (Note 2)	September 29, 2010	40	—	—	—	—
	Total		40	—	—	—	—

- Note: 1. United Urban entrusted the property to the asset custodian on the same date after acquisition. Therefore, United Urban currently owns this property as a trust beneficial interest.
2. United Urban has already owned the trust beneficial interest of a part of the property. United Urban additionally acquired the parts of compartmentalized ownership of the property and the part of land in which the property is located.
3. The "Acquisition price" is the purchase price for the additional acquisition 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 million yen.

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

There were no sales and purchase transactions concerning the specified assets with related parties and major shareholders.

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

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

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties and Major Shareholders		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Property Management Fees	425,003	Marubeni Community Co., Ltd.	68,715	16.2
		Marubeni Real Estate Co., Ltd.	41,063	9.7
		The Daiei, Inc.	1,200	0.3
Casualty Insurance Premium	8,784	Marubeni Safenet Co., Ltd.	8,517	97.0
Construction Management Fees	16,594	Marubeni Community Co., Ltd.	384	2.3
		Marubeni Real Estate Co., Ltd.	11,490	69.2
Other Rental Expenses	34,327	Marubeni Community Co., Ltd.	2,979	8.7
		Marubeni Real Estate Co., Ltd.	12,961	37.8

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

Marubeni Community Co., Ltd.: ¥299 thousand

Others

Notifications

1. General Meeting of Unitholders

The fifth general meeting of unitholders of United Urban was held on June 29, 2010. The summaries of matters approved at the general meeting of unitholders were as follows:

Partial amendments to the Articles of Incorporation	<p>The following items for the Articles of Incorporation were amended.</p> <ul style="list-style-type: none"> ■ Necessary amendments due to the increase in the total number of investment units authorized ■ Necessary amendments due to the tax system revisions ■ Establishment of provisions necessary to enable United Urban to invest in carbon dioxide equivalent quota based on the Act on Promotion of Global Warming Countermeasures ■ Establishment of provisions regarding the asset valuation methods ■ Establishment of a merger fee for the asset management company ■ Amendments, unification and clarification of wording and expressions
Election of the Substitute Executive Officer	Hisamitsu Abe was elected as the Substitute Executive Officer.

2. United Urban Board of Directors

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

Administrative agency entrustment in accordance with the issuance of the Series 3 of corporate bonds	<p>At the board of directors held on June 7, 2010, the administrative agency entrustment in accordance with the issuance of the series 3 of corporate bonds was resolved as set forth below.</p> <p>(1) Underwriter Daiwa Securities Capital Markets Co., Ltd.</p> <p>(2) Services concerning claim related to the execution and other proposal from corporate bond's creditor, and other services related to corporate bonds (including services as a issuing and paying agent under the operating rules of Japan Securities Depository Center, Incorporated) The Sumitomo Trust and Banking Co., Ltd.</p>
Succession of the status of the entrust agreement for the administration of special accounts	The board of directors held on October 27, 2010 ratified that United Urban succeed the status of NCI under the entrustment agreement for the administration of special accounts concluded between NCI and MUTB as of the effective date of the Merger, on the condition that the Merger becomes effective. And United Urban executed a memorandum regarding the succession of the status with NCI and MUTB on the same date.

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 appointed by the Investment Corporation, 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 operates asset management 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 or superficies, and beneficiary rights of trust in which ownership of real estate, land leases or superficies are entrusted. In addition, the Investment Corporation shall maintain the percentage of value of real estate, etc., as stipulated in Article 22-19 of the Ordinance for Enforcement for the Act on Special Measures Concerning Taxation, of more than 70% in total amount of assets held by the Investment Corporation.
- (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. The Asset Management Guidelines of the Asset Management Company stipulate that "others" includes logistics facilities, parking lots, medical and nursing facilities and training facilities.
- (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 the investment in real estate etc. An investment decision shall be made when the investment value 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

The Investment Corporation defines real estate that will be able to secure stable income over the medium to long term as real estate that has high "Intrinsic Value." The Investment Corporation will implement the Selective Investment Policy, which seeks to acquire real estate that has "Intrinsic Value" from various candidates under the investment policy that the Investment Corporation have established, and to build a portfolio diversified in terms of type of use and area of location.

Based on the aforementioned basic investment policies and investment principles and the management policy above, the Asset Management Company undertakes management of the Investment Corporation's investment assets in accordance with the following asset management criteria:

(a) Portfolio Management Criteria

1. Investment Term

In principle, investment assets shall be acquired for the medium- to long-term holding 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 decision 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, the Asset Management Company constantly surveys and analyzes type of use, market trends according to location, and medium- to long-term perspective, respectively, and 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

Pursuant to the Asset Management Guidelines, 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. 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, of 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 urban areas in Japan other than the Tokyo Metropolitan Area subject to the economic environment and market trends of each region. As a rule, the Investment Corporation shall contain real estate investment in any one urban 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

When the Asset Management Company undertakes real estate leasing activities in connection with the Investment Corporation's real estate assets that were acquired in accordance with the Asset Management Guidelines, the Asset Management Company aims to secure stable medium- and long-term revenues based on the following leasing policies:

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 lease
3. Superficies
4. Beneficiary interests of trust in which real estate, real estate leases or superficies are entrusted (including comprehensive trusts in which cash associated with real estate is also entrusted)
5. Beneficiary interests of trust of money for the purpose of investment in real estate, real estate leases and superficies
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 assets. In addition, if securities which represent rights have not been issued, rights to be represented by securities shall be included:

1. Preferred contribution securities as defined in the Asset Liquidation Act
2. Beneficiary securities as defined in the Investment Trust Act
3. Investment securities as defined in the Investment Trust Act
4. Beneficiary securities of special purpose trusts as defined in the Asset Liquidation Act (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 Ordinance of the Investment Trust Act)
5. Rights relating to financial derivative transactions (with the meaning defined in the Investment Trust Act)

(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 Act (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 Act and facilities attached to the said hot springs
3. Copyrights as defined in the Copyright Act
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 Act
7. Carbon dioxide equivalent quota stipulated in the Act on Promotion of Global Warming Countermeasures and other similar amount of emission or emission rights (including emission rights for greenhouse gas)
8. Trust beneficial interest in the assets set forth in 1. through 7. above.
9. Other than the assets set forth in 1. through 8. above, other rights whose acquisition shall be necessary or useful when investing in Real Estate etc. or Real Estate-Backed Securities.

◆Distribution Policies

The Investment Corporation shall make cash distributions to unitholders and registered unit pledgees whose names are listed or recorded as such on the registry of unitholders as of the last day of each fiscal period in accordance with the following distribution policies:

Distribution of the Investment Corporation's Profit

- (a) Of the total amount of the cash distributions payable to unitholders, the amount of profits shall refer to the amount of total assets less total liabilities (net assets) for the fiscal period, less net unitholders' capital and capital surplus (unitholders' capital, etc.), less total valuation and translation adjustment. The amount of profits shall be calculated in accordance with generally accepted accounting principles in Japan.
- (b) The Investment Corporation shall, in principle, distribute the amount that exceeds 90% of the Investment Corporation's distributable income as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation.

Distributions in Excess of Profits

In the case where the Investment Corporation deems appropriate in consideration of the circumstances and trends in the real estate market and other factors, the Investment Corporation may distribute an aggregate amount in excess of its profits, provided that such excess distribution amount must not exceed the amount of depreciation for the relevant business term, to the extent stipulated by law. Even in this case, if the amount of cash distribution does not satisfy the requirements of special tax treatments for Investment Corporations, the Investment Corporation may distribute the amount that the Investment Corporation decides to distribute in order to satisfy such requirements.

While the Investment Corporation shall make every effort to ensure stable cash distributions, it shall not make any distribution exceeding the profits as long as the applicable tax law requires unitholders to individually calculate capital gains and losses each time they receive cash distributions exceeding the profits. However, when the Board of Directors of the Investment Corporation decides that distributions exceeding the profits are required in order to satisfy the requirements for special tax treatment or other requisite conditions, cash distributions in excess of the profits are allowed according to the aforementioned cash distribution policies.

Method of Cash Distribution

Distributions to the Investment Corporation's unitholders shall be paid in cash and, in principle, within three months from the last day of each fiscal period to unitholders and registered unit pledgees whose names are listed or recorded as such on the registry of unitholders as of the last day of each fiscal period in proportion to the number of units held or the number of units for registered unit pledge.

Extinctive Prescription for Cash Distributions

The Investment Corporation shall be discharged from the obligation to pay the distributions to the Investment Corporation's unitholders or registered unit pledgees after the elapse of not less than three years from the date of commencement of payment of any such distribution. The unpaid cash distributions shall not bear interest.

Rules of the Investment Trusts Association of Japan

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

◆ FINANCIAL SECTION

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BALANCE SHEETS

(As of November 30, 2010 and May 31, 2010)

	Thousands of yen	
	End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 13,931,457	¥ 13,370,238
Rent receivables	132,043	117,429
Consumption taxes refundable	-	5,533
Other current assets	247,832	241,996
Total current assets	14,311,332	13,735,196
PROPERTY AND EQUIPMENT, AT COST:		
Land	132,977,059	132,938,525
Buildings and structures	98,173,782	97,241,929
Machinery and equipment	552,215	517,457
Tools, furniture and fixtures	89,009	79,871
Construction in progress	26,666	425,062
Subtotal	231,818,731	231,202,844
Less accumulated depreciation	(16,316,353)	(14,791,732)
Net property and equipment	215,502,378	216,411,112
INVESTMENTS AND OTHER ASSETS:		
Software	3,601	4,170
Leasehold in trust	437,175	437,175
Intangible assets	1,830	1,874
Security deposits paid	30,652	30,651
Long-term prepaid expenses	491,769	423,257
TOTAL ASSETS	¥230,778,737	¥231,043,435

		Thousands of yen	
		End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
LIABILITIES and UNITHOLDERS' EQUITY			
LIABILITIES			
CURRENT LIABILITIES:			
Trade accounts payable	¥ 641,293	¥ 784,731	
Current portion of corporate bonds	-	15,000,000	
Long-term debt due for repayment within one year	21,100,000	12,400,000	
Accrued expenses	445,488	379,668	
Income taxes payable	872	974	
Rent received in advance	1,207,149	1,228,427	
Other current liabilities	151,143	48,133	
Total current liabilities	23,545,945	29,841,933	
LONG-TERM LIABILITIES:			
Corporate bonds	20,000,000	10,000,000	
Long-term debt	60,700,000	64,400,000	
Leasehold and security deposits received	14,966,613	15,009,653	
Total long-term liabilities	95,666,613	89,409,653	
Total liabilities	119,212,558	119,251,586	
UNITHOLDERS' EQUITY			
Unitholders' capital:			
Units authorized: 2,000,000 units as of November 30, 2010 and May 31, 2010			
Units issued and outstanding: 201,300 units as of November 30, 2010 and May 31, 2010			
	108,310,510	108,310,510	
Retained earnings	3,255,669	3,481,339	
Total unitholders' equity	111,566,179	111,791,849	
TOTAL LIABILITIES and UNITHOLDERS' EQUITY	¥230,778,737	¥231,043,435	

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

STATEMENTS OF INCOME

(For the fiscal periods ended November 30, 2010 and May 31, 2010)

	Thousands of yen	
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
OPERATING REVENUES		
Rental revenues	¥7,938,420	¥7,998,274
Other rental revenues	470,713	385,885
	8,409,713	8,384,159
OPERATING EXPENSES		
Property-related expenses	3,276,047	3,183,836
Asset management fees	659,809	656,629
Administrative service fees	43,972	47,035
Other operating expenses	180,040	163,020
	4,159,868	4,050,520
OPERATING INCOME	4,249,265	4,333,639
NON-OPERATING REVENUES		
Interest income	575	190
Insurance income	1,204	2,861
Compensation received	4,853	2,720
Other non-operating revenues	1,285	746
	7,917	6,517
NON-OPERATING EXPENSES		
Interest expense	758,416	694,556
Interest expense on corporate bonds	179,112	153,578
Corporate bond issuance expenses	52,715	-
Other non-operating expenses	10,339	9,709
	1,000,582	857,843
INCOME BEFORE INCOME TAXES	3,256,600	3,482,313
INCOME TAXES		
Current	987	1,012
Deferred	1	(2)
	988	1,010
NET INCOME	¥3,255,612	¥3,481,303

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the fiscal periods ended November 30, 2010 and May 31, 2010)

			Thousands of yen	
	Number of Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity
BALANCE AS OF NOVEMBER 30, 2009	201,300	¥ 108,310,510	¥ 3,514,533	¥111,825,043
Cash distributions disbursed	—	—	(3,514,497)	(3,514,497)
Net income	—	—	3,481,303	3,481,303
BALANCE AS OF MAY 31, 2010	201,300	¥ 108,310,510	¥ 3,481,339	¥111,791,849
Cash distributions disbursed	—	—	(3,481,282)	(3,481,282)
Net income	—	—	3,255,612	3,255,612
BALANCE AS OF NOVEMBER 30, 2010	201,300	¥ 108,310,510	¥ 3,255,669	¥ 111,566,179

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

STATEMENTS OF CASH FLOWS

(For the fiscal periods ended November 30, 2010 and May 31, 2010)

	Thousands of yen	
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 3,256,600	¥ 3,482,313
Depreciation and amortization	1,529,128	1,525,516
Interest income	(575)	(190)
Interest expense and interest expense on corporate bonds	937,528	848,134
Corporate bond issuance expenses	52,715	-
(Increase) decrease in rent receivables	(14,614)	18,144
Decrease (increase) in consumption taxes refundable	5,533	(5,533)
Decrease (increase) in prepaid expenses	199,169	(196,870)
Increase in long-term prepaid expenses	(21,492)	(41,166)
Increase in trade accounts payable	109,463	63,089
Increase (decrease) in accrued expenses	9,345	(41,566)
Increase (decrease) in consumption taxes payable	101,087	(123,008)
(Decrease) increase in rent received in advance	(21,278)	26,222
Other, net	(201,555)	(49,226)
Subtotal	5,941,054	5,505,859
Interest received	533	108
Interest paid	(951,194)	(972,584)
Income taxes paid	(1,089)	(970)
Net cash provided by operating activities	4,989,304	4,532,413
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(901,267)	(5,240,361)
Payments for leasehold and security deposits paid	-	(138)
Proceeds from leasehold and security deposits received	111,936	525,409
Payments for leasehold and security deposits received	(104,242)	(450,875)
Net cash used in investing activities	(893,573)	(5,165,965)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	5,000,000	15,400,000
Repayment of long-term debt	-	(15,400,000)
Proceed from issuing corporate bonds	9,947,285	-
Repayment of corporate bonds	(15,000,000)	-
Distributions to unitholders	(3,481,838)	(3,514,291)
Net cash used in financing activities	(3,534,553)	(3,514,291)
NET CHANGES IN CASH AND CASH EQUIVALENTS	561,178	(4,147,843)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,163,248	17,311,091
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥13,724,426	¥13,163,248

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

NOTES TO FINANCIAL STATEMENTS

(November 30, 2010 and May 31, 2010)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

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

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

On December 20, 2003, United Urban raised ¥36,633 million through an initial public offering of investment units, and on December 22, 2003, United Urban was listed on the J-REIT section of the Tokyo Stock Exchange. On December 1, 2004, United Urban raised ¥51,037 million through a public offering of investment units. In addition, United Urban raised ¥18,471 million through the issue of additional investment units through its second public offering on June 24, 2008 and a third-party allotment on July 24, 2008.

As of November 30, 2010, the end of its fourteenth fiscal period, United Urban had ownership of, or beneficial interests in, 13 retail properties, 8 office buildings, 4 hotels, 22 residential properties, 1 other property, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

On May 10, 2010, United Urban entered into a merger agreement ("Merger Agreement") with Nippon Commercial Investment Corporation ("NCI"). This transaction is subject to certain closing conditions. See Note 17 of Notes to Financial Statements for additional information related to this transaction.

Basis of Presentation of Financial Statements

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

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

United Urban's semiannual accounting periods end either at the end of May or November. United Urban's fourteenth fiscal period began on June 1, 2010 and ended on November 30, 2010.

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 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
Buildings and structures	2 - 55 years	2 - 55 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	4 - 15 years	5 - 15 years

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

Intangible Assets

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

Corporate Bond Issuance Expenses

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

Cash and Cash Equivalents

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

Revenue Recognition

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

Taxes on Property and Equipment

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the dates of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥423 thousand of capitalized property taxes and city planning taxes for the fiscal period ended May 31, 2010, and ¥115 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended November 30, 2010.

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended November 30, 2010.

3. CHANGE IN ACCOUNTING POLICY

Effective June 1, 2010, United Urban adopted the "Accounting Standard for Asset Retirement Obligations" (Statement No.18 issued by the Accounting Standards Board of Japan on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Financial Accounting Standard Implementation Guidance No.21 issued by the Accounting Standards Board of Japan on March 31, 2008). This adoption had no effect on the statement of income for the fiscal period ended November 30, 2010.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at November 30, 2010 and May 31, 2010 were as follows:

	Thousands of yen	
	End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
Cash and bank deposits	¥ 13,931,457	¥ 13,370,238
Restricted deposits with a bank	(207,031)	(206,990)
Cash and cash equivalents	¥ 13,724,426	¥ 13,163,248

5. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2010 and May 31, 2010, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
Cash and bank deposits	¥ 207,032	¥ 206,990
Land	2,114,743	2,114,743

Buildings and structures	2,567,892	2,625,762
Tools, furniture and fixtures	1,924	2,112
Total	¥ 4,891,591	¥ 4,949,607

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
Leasehold and security deposits received	¥ 1,568,843	¥ 1,568,843
Total	¥ 1,568,843	¥ 1,568,843

6. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
Total amount of commitment	¥15,500,000	¥15,500,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥15,500,000	¥15,500,000

7. UNITHOLDERS' EQUITY

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

8. LONG-TERM DEBT

Long-term debt at November 30, 2010 and May 31, 2010 consisted of the following:

	End of 14th Fiscal Period (As of November 30, 2010)		End of 13th Fiscal Period (As of May 31, 2010)	
	Amount (Thousands of yen)	Weighted-average interest rate	Amount (Thousands of yen)	Weighted-average interest rate
Unsecured loans from banks and a trust bank at fixed interest rates, due December 20, 2010	¥ 12,400,000	1.209%	¥ 12,400,000	1.209%
Unsecured loans from banks at fixed interest rates, due June 20, 2011	4,000,000	1.333%	4,000,000	1.333%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2011	3,000,000	0.934%	3,000,000	1.015%
Unsecured loans from a bank and a trust bank at fixed interest rates, due June 20, 2011	1,700,000	1.676%	1,700,000	1.676%
Unsecured loan from a federation at a fixed interest rate, due December 20, 2011	3,400,000	1.895%	3,400,000	1.895%
Unsecured loans from banks at fixed interest rates, due December 20, 2011	2,500,000	1.862%	2,500,000	1.862%
Unsecured loan from a bank at a variable interest rate, due December 20, 2011	4,000,000	0.834%	4,000,000	0.915%
Unsecured loan from a trust bank at a fixed interest rate, due December 20, 2011	2,000,000	1.359%	2,000,000	1.359%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,400,000	1.446%	4,400,000	1.446%

Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,500,000	1.480%	4,500,000	1.480%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	900,000	1.636%	900,000	1.636%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2012	3,000,000	0.984%	3,000,000	1.065%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	4,000,000	1.664%
Unsecured loans from banks, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	10,200,000	1.671%
Unsecured loans from banks, trust banks, and a federation at fixed interest rates, due June 20, 2013	9,150,000	1.642%	9,150,000	1.642%
Unsecured loans from a bank and trust banks at fixed interest rates, due June 20, 2013	3,000,000	1.612%	-	-
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	1.084%	3,400,000	1.165%
Unsecured loan from banks and trust banks at a fixed interest rates, due December 20, 2014	4,250,000	1.975%	4,250,000	1.975%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2017	2,000,000	2.142%	-	-
Total	¥ 81,800,000		¥ 76,800,000	

9. CORPORATE BONDS

Corporate bonds at November 30, 2010 and May 31, 2010 consisted of the following:

	End of 14th Fiscal Period (As of November 30, 2010)		End of 13th Fiscal Period (As of May 31, 2010)	
	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%
Series 2 unsecured bonds, due July 10, 2015	¥10,000,000	1.91%	10,000,000	1.91%
Series 3 unsecured bonds, due June 17, 2013	10,000,000	1.55%	-	-
Total	¥ 20,000,000		¥ 25,000,000	

10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2010 and May 31, 2010 were as follows:

	Thousands of yen	
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Operating Revenues	¥ 8,409,133	¥ 8,384,159
Rental Revenues	7,938,420	7,998,274
Rental revenues	7,259,749	7,322,503
Common area charges	468,571	465,294
Parking revenues	182,705	181,594
Other	27,395	28,883
Other Rental Revenues	470,713	385,885
Incidental revenues	414,348	346,485
Temporary revenues (including cancellation charges)	39,455	24,275
Other miscellaneous revenues	16,910	15,125
Property-Related Expenses	3,276,047	3,183,836

Property and other taxes	698,711	679,057
Property management fees	425,003	414,403
Utilities	404,458	338,197
Casualty insurance	8,784	9,433
Repairs and maintenance	102,645	123,128
Depreciation and amortization	1,529,128	1,525,516
Other rental expenses	107,318	94,102
Profit from rental activities	¥ 5,133,086	¥ 5,200,323

11. INCOME TAXES

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the fiscal periods ended November 30, 2010 and May 31, 2010 is summarized as follows:

	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009- May 31, 2010)
Statutory tax rate	39.33%	39.33%
Distributions of tax-deductible dividends	(39.32)	(39.32)
Other	0.02	0.02
Effective tax rate	0.03%	0.03%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of taxable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban made dividend distributions of approximately 100% of its retained earnings in aggregate amounts of ¥3,255,625 thousand and ¥3,481,282 thousand at November 30, 2010 and May 31, 2010, 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.

12. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Matters Concerning Financial Instruments

1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of assets and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing surplus funds. Furthermore, United Urban may possibly use derivative transactions in the future for such purposes as hedging interest rate fluctuation risks, but United Urban adopted a policy of not engaging in speculative transactions. No derivative transactions were undertaken in the fiscal periods ended November 30, 2010 and May 31, 2010.

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

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

concerned risks by adjusting the ratio of the debt with floating interest rates to the balance of the total outstanding debt, in response to the financial environment, etc. and by taking other measures.

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

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

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

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

Matters Concerning the Fair Value of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of November 30, 2010 and May 31, 2010, are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(Fourteenth Fiscal Period: June 1, 2010 – November 30, 2010)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 2,879,966	¥ 2,879,966	-
(2) Cash and bank deposits in trust	11,051,491	11,051,491	-
Total assets	¥ 13,931,457	¥ 13,931,457	-
(3) Long-term debt due for repayment within one year	21,100,000	21,129,605	¥ 29,605
(4) Corporate bonds	20,000,000	20,079,000	79,000
(5) Long-term debt	60,700,000	60,137,905	(562,095)
(6) Leasehold and security deposits received in trust	858,139	832,806	(25,333)
Total Liabilities	¥ 102,658,139	¥ 102,179,316	¥ (478,823)

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

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

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

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

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

(4) Corporate bonds

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

(6) Leasehold and security deposits received in trust

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

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

Concerning leasehold and security deposits received (carrying amount: ¥863,044 thousand) and leasehold and security deposits received in trust (carrying amount: ¥12,573,927 thousand) that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

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

(Thousands of yen)	
	Within one year
Cash and bank deposits	¥ 2,879,966
Cash and bank deposits in trust	¥ 11,051,491

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

(Thousands of yen)			
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years
Long-term debt	¥ 21,100,000	¥ 24,700,000	¥ 26,350,000
Corporate bonds	-	-	10,000,000
Total	¥ 21,100,000	¥ 24,700,000	¥ 36,350,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 3,400,000	¥ 4,250,000	¥ 2,000,000
Corporate bonds	-	10,000,000	-
Total	¥ 3,400,000	¥ 14,250,000	¥ 2,000,000

(Thirteenth Fiscal Period: December 1, 2009 – May 31, 2010)

(Thousands of yen)			
	Carrying amounts on the Balance Sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 2,952,415	¥ 2,952,415	-
(2) Cash and bank deposits in trust	10,417,823	10,417,823	-
Total assets	¥ 13,370,238	¥ 13,370,238	-
(3) Current portion of corporate bonds	15,000,000	14,998,500	¥ (1,500)
(4) Long-term debt due for repayment within one year	12,400,000	12,426,063	26,063
(5) Corporate bonds	10,000,000	9,765,000	(235,000)
(6) Long-term debt	64,400,000	63,682,714	(717,286)
(7) Leasehold and security deposits received in trust	858,139	819,806	(38,333)
Total Liabilities	¥ 102,658,139	¥ 101,692,083	¥ (966,056)

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

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

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

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

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

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

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

(7) Leasehold and security deposits received in trust

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

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

Concerning leasehold and security deposits received (carrying amount: ¥858,235 thousand) and leasehold and security deposits received in trust (carrying amount: ¥12,591,175 thousand) that are deposited by lessees, future cash flows cannot be estimated since there is no market price and since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

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

(Thousands of yen)	
	Within one year
Cash and bank deposits	¥ 2,952,415
Cash and bank deposits in trust	¥ 10,417,823

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

(Thousands of yen)			
	Within one year	Over 1 year, less than 2 years	Over 2 year, less than 3 years
Long-term debt	¥ 12,400,000	¥ 20,600,000	¥ 27,000,000
Corporate bonds	15,000,000	-	-
Total	¥ 27,400,000	¥ 20,600,000	¥ 27,000,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 12,550,000	¥ 4,250,000	-
Corporate bonds	-	-	¥ 10,000,000
Total	¥ 12,550,000	¥ 4,250,000	¥ 10,000,000

(Additional information)

Effective from the fiscal period ended May 31, 2010, United Urban has adopted the “Accounting Standard for Financial Instruments” (Statement No.10 issued by the Accounting Standards Board of Japan on January 22, 1999 and revised on March 10, 2008) and the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (the Financial Accounting Standard Implementation Guidance No.19 issued by the Accounting Standards Board of Japan on March 10, 2008).

13. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during this period and the fair values as of November 30, 2010 and May 31, 2010, are as follows:

(Fourteenth Fiscal Period: June 1, 2010 – November 30, 2010)

	Carrying amount on the balance sheet (Note 1)			Fair value at the end of the 14th Fiscal Period (Note 3) (As of November 30, 2010)
	Balance at the end of the 13th Fiscal Period (As of May 31, 2010)	Change during the 14th Fiscal Period (Note 2)	Balance at the end of the 14th Fiscal Period (As of November 30, 2010)	
Retail properties	¥ 75,353,535	¥ (407,159)	¥ 74,946,376	¥ 71,270,000
Office buildings	65,692,740	(30,348)	65,662,392	81,640,000
Hotels	41,235,220	(69,147)	41,166,073	31,480,000
Residential properties	32,261,651	(367,015)	31,894,636	31,348,000
Others	1,867,966	(35,065)	1,832,901	1,790,000
Total	¥ 216,411,112	¥ (908,734)	¥ 215,502,378	¥ 217,528,000

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the “Change during the 14th Fiscal Period,” the amount of the decrease is primarily attributable to depreciation and amortization (¥1,529,128 thousand).
- 3 The “Fair value at the end of the 14th Fiscal Period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

For the revenues and expenses concerning investment and rental properties during the fourteenth fiscal period, please refer to the aforementioned “10. OPERATING REVENUES AND EXPENSES”

(Thirteenth Fiscal Period: December 1, 2009 – May 31, 2010)

(Thousands of yen)

	Carrying amount on the Balance Sheet (Note 1)			Fair value at the end of the 13th fiscal period (Note 3) (As of May 31, 2010)
	Balance at the end of the 12th fiscal period (As of November 30, 2009)	Changes during the 13th fiscal period (Note 2)	Balance at the end of the 13th fiscal period (As of May 31, 2010)	
Retail properties	¥ 75,657,665	¥ (304,130)	¥ 75,353,535	¥ 71,700,000
Office buildings	61,081,161	4,611,579	65,692,740	82,720,000
Hotels	41,175,936	59,284	41,235,220	31,620,000
Residential properties	32,512,947	(251,296)	32,261,651	31,356,000
Others	1,903,390	(35,424)	1,867,966	1,840,000
Total	¥ 212,331,099	¥ 4,080,013	¥ 216,411,112	¥ 219,236,000

Notes: 1 The carrying amount on the Balance Sheet is the amount of acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.

2 Of the “Changes during the 13th fiscal period,” the amount of the increase is primarily attributable to the acquisition of FOUR SEASONS BLDG (¥4,390,853 thousand) and the amount of the decrease is primarily attributable to depreciation and amortization (¥1,525,472 thousand).

3 The “Fair value at the end of the 13th Fiscal Period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

For the revenues and expenses concerning investment and rental properties during the thirteenth fiscal period, please refer to the aforementioned “10. OPERATING REVENUES AND EXPENSES”

(Additional information)

Effective from the fiscal period ended May 31, 2010, United Urban has adopted the “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (Statement No.20 issued by the Accounting Standards Board of Japan on November 28, 2008) and the “Implementation Guidance for Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (the Financial Accounting Standard Implementation Guidance No.23 issued by the Accounting Standards Board of Japan on November 28, 2008).

14. 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, 2010 and May 31, 2010 for the fiscal periods then ended are summarized as follows:

	Yen	
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Net assets per unit at the period end	¥ 554,228	¥ 555,349
Net income per unit	¥ 16,172	¥ 17,294
Weighted-average number of units (units)	201,300	201,300

15. TRANSACTIONS WITH RELATED PARTIES

(Fourteenth Fiscal Period: June 1, 2010 – November 30, 2010)

1. Asset Management Companies and Related Parties

							Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Community Co., Ltd.	Real estate management	–	None	Property leasing	¥ 79,409	Rent receivables	¥ 3,700
						Security deposits received	30,655
				Property management fees	68,715	Trade accounts payable	10,995
				Construction management fees	384	Trade accounts payable	36
				Utilities	1,494	Trade accounts payable	510
				Construction costs	299	–	–
Marubeni Real Estate Co., Ltd.	Real estate	–	None	Other rental expenses	5,879	Trade accounts payable	550
				Property management fees	41,063	Trade accounts payable	6,296
				Construction management fees	11,490	Trade accounts payable	13,203
				Utilities	1,033	–	–
Marubeni Corporation	Wholesale industry	0.6	None	Property leasing	59,400	Other rental expenses (including communication expenses)	121
						Trade accounts payable	19,800
The Daiei, Inc.	Supermarket	–	None	Property leasing	611,360	Rent received in advance	9,900
						Security deposits received	765,600
				Property management fees	1,200	Rent received in advance	106,988
The Maruetsu, Inc.	Supermarket	–	None	Property leasing	72,275	–	–
						Security deposits received	739,000
TIPNESS LIMITED	Fitness club operator	–	None	Property leasing	24,327	Rent received in advance	12,648
						Security deposits received	48,653
				Other rental revenues	24,154	Rent receivables	4,257
				Compensation income for damage	4,853	–	–

2. Asset Custodian

						Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd	Trust bank	—	New long-term debt	1,000,000	Long-term debt	10,900,000
					Long-term debt due for repayment within one year	7,850,000
			Interest expenses	115,766	Accrued expenses	45,085

			Loan expenses	79,165	Long-term prepaid expenses	124,651
					Prepaid expenses	11,527
					Accrued expenses	5,967
			Commissions related to corporate bonds	11,066	Prepaid expenses	182
			Custodian fees	7,263	—	—

Notes: 1. "Amount of Transaction" is stated exclusive of consumption taxes; however, "Balance at the End of the Period" is stated inclusive of consumption taxes.

2. Figures above have been rounded to the nearest whole number.

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

(Thirteenth Fiscal Period: December 1, 2009 – May 31, 2010)

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, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	¥ 116,435	Rent receivables	¥ 3,700
						Security deposits received	30,655
				Other rental revenues	1,133	—	—
				Property management fees	68,485	Trade accounts payable	10,983
				Construction management fees	2,417	Trade accounts payable	244
				Utilities	1,301	Trade accounts payable	414
				Construction costs	323	—	—
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Other rental expenses	8,373	Trade accounts payable	3,004
				Property management fees	41,355	Trade accounts payable	6,297
				Construction management fees	7,748	Trade accounts payable	5,199
Marubeni Corporation	Wholesale industry	0.6	None	Other rental expenses (including communication expenses)	6,425	Trade accounts payable	3,723
				Property leasing	19,800	Security deposits received	19,800
						Rent received in advance	9,900
The Daiei, Inc.	Supermarket	—	None	Property leasing	645,680	Security deposits received	765,600
						Rent received in advance	106,988
The Maruetsu, Inc.	Supermarket	—	None	Property management fees	1,200	—	—
				Property leasing	72,275	Security deposits received	739,000
TIPNESS LIMITED	Fitness club operator	—	None			Rent received in advance	12,648
				Property leasing	24,327	Security deposits received	48,653
						Rent received in advance	4,257
				Other rental revenues	23,914	Rent receivables	4,061

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd.	Trust bank	—	New long-term debt	800,000	Long-term debt	13,750,000
			Repayment of long-term debt due for repayment within one year	2,000,000	Long-term debt due for repayment within one year	4,000,000
			Interest expenses	113,101	Accrued expenses	42,899
			Loan expenses	51,023	Long-term prepaid expenses	139,493
					Prepaid expenses	2,796
					Accrued expenses	4,543
			Commissions related to corporate bonds	1,995	Prepaid expenses	462
			Custodian fees	7,263	—	—

Notes: 1. "Amount of Transaction" is stated exclusive of consumption taxes; however, "Balance at the End of the Period" is stated inclusive of consumption taxes.

2. Figures above have been rounded to the nearest whole number.

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

16. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2010 and May 31, 2010, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 14th Fiscal Period (As of November 30, 2010)	End of 13th Fiscal Period (As of May 31, 2010)
Due within one year	¥ 8,256,580	¥ 7,394,618
Due after one year	44,854,977	47,442,360
Total	¥ 53,111,557	¥ 54,836,978

17. SUBSEQUENT EVENTS

Cash Distribution

On January 27, 2011, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥16,173 per unit, amounting to ¥3,255,625 thousand in the aggregate, to unitholders of record as of November 30, 2010.

Merger with Nippon Commercial Investment Corporation (the "Merger")

Effective December 1, 2010, United Urban merged with Nippon Commercial Investment Corporation ("NCI") as a result of which United Urban remained as the surviving entity.

a. Purpose of the Merger

United Urban and NCI analyzed the portfolio potential, growth and financing strategy and other factors with respect to each REIT, and considered how best to improve our respective unitholder values. Based on such analyses and consideration, United Urban and NCI both arrived at the conclusion that the Merger would generate benefits to unitholders from greater economies of scale, improved quality of assets, greater diversification in terms of property type, location and tenants, among other factors, and enhanced stability in revenues. United Urban and NCI entered into the memorandum of understanding concerning the Merger on April 22, 2010, and subsequently, the

Merger Agreement was entered into on May 10, 2010.

b. Structure of the Merger

United Urban remained as the surviving entity and NCI became the dissolved entity as a result of the Merger.

c. Merger ratio

One United Urban unit was allocated to NCI unitholders as consideration per one NCI unit. Because each United Urban unit was split into six units on the effective date of the Merger, the merger ratio before unit split was United Urban : NCI = 1 : 1/6.

d. Cash consideration

Each unitholder on NCI's final unitholder register as of November 30, 2010 (other than those who exercised their appraisal rights) received cash consideration in relation to NCI's fiscal period ended November 30, 2010 in lieu of the distributions that such NCI unitholders would have received in the absence of the Merger. United Urban commenced the payment procedures for the cash consideration in February 2011.

e. Unitholders' capital

Increase in unitholders' capital and capital surplus as a result of the Merger is described below

Unitholders capital	: ¥ 0
Capital surplus	: The amount calculated by subtracting the unitholders' capital described above from the amount of change in unitholders' equity stated in the statement 22-1 of "Regulations on financials of investment corporation" (47th Cabinet Office Ordinance on 2006 and revisions made thereafter)

f. Overview of NCI's ninth fiscal period (March 1, 2010 – August 31, 2010)

Business	: Investment and operation of specified assets under the "Act Concerning Investment Trusts and Investment Corporations of Japan"
Operating revenues	: ¥ 7,283,349 thousand
Net income	: ¥ 1,021,141 thousand
Total assets	: ¥ 265,673,115 thousand
Total liabilities	: ¥ 147,977,372 thousand
Total net assets	: ¥ 117,695,743 thousand

Unit Split in Connection with the Merger

Effective December 1, 2010, each United Urban unit held by unitholders whose names were listed or recorded in the final unitholders register of United Urban on November 30, 2010 was split into six units (Note).

Note: Unitholders on NCI's final unitholder register as of November 30, 2010 (other than those who exercised their appraisal rights) received one United Urban unit per one NCI unit.

a. Purpose of unit split

United Urban merged with NCI through an "absorption-type merger" method (*kyushu gappei houshiki*) under which United Urban remained as the surviving company and the merger ratio before the unit split was United Urban : NCI = 1 : 1/6. However, allocation of 1/6 United Urban unit per NCI unit would have resulted in a large number of NCI unitholders receiving fractional units. In order to prevent fractional units being allocated to NCI unitholders and to enable NCI unitholders to continuously hold United Urban units, United Urban split each outstanding unit into six units effective as of December 1, 2010.

b. Split method

Each United Urban unit held by unitholders whose names were listed or recorded in the final unitholders register of United Urban on November 30, 2010 was split into six units.

c. Increase of investment units as a consequence of unit split and the Merger

1. Number of investment units issued and outstanding of United Urban prior to the Merger	: 201,300 units
2. Increased number of investment units through unit split	: 1,006,500 units
3. Number of investment units issued and outstanding of United Urban after unit split	: 1,207,800 units
4. Number of investment units issued to NCI unitholders as consideration for the Merger (Note)	: 243,519 units
5. Number of investment units issued and outstanding of United Urban after the Merger	: 1,451,319 units

Note: United Urban units were allotted to 243,519 NCI investment units (257,400 NCI outstanding units prior to the Merger, minus 13,881 NCI units for which appraisal rights were invoked)

Additionally, assuming this unit split was executed at the beginning of 13th fiscal period, the per unit data would be as described below:

	Yen	
	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Net assets per unit at the period end	¥ 92,371	¥ 92,558
Net income per unit	¥ 2,695	¥ 2,882

Calculation of net income per unit is based on the weighted-average number of units outstanding during the period. Diluted net income per unit is not disclosed because no dilutive securities have been issued by United Urban.

Issuance of Corporate Bonds

United Urban issued new corporate bonds on December 17, 2010 in the amount of ¥15.0 billion for the repayment of Term Loan 20 borrowed on February 18, 2008 (repayment date: December 20, 2010) pursuant to a November 25, 2010 resolution for the “comprehensive approval concerning corporate bonds” by the Board of Directors of United Urban. Details on the issuance of corporate bonds are as follows:

Series 4 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 4 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥15 billion
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 1.38% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 17, 2010
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 17, 2013. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 17 and December 17 of each year
Use of proceeds	: The proceeds were used for the repayment of Term Loan 20 and will be used for a part of the repayment of other bank loans which become due thereafter.

Report of Independent Auditors

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of November 30, 2010 and May 31, 2010, and the related statements of income, changes in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation at November 30, 2010 and May 31, 2010, 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.

Supplemental Information

As described in Note 17, Subsequent Events, the Company merged with Nippon Commercial Investment Corporation and executed a unit split. On December 17, 2010, the Company also issued corporate bonds.

February 25, 2011

Ernst & Young ShinNihon LLC

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation ("United Urban") as of November 30, 2010:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥108,310,509,822
Number of Unitholders:	9,179
Transfer Agent:	The Chuo Mitsui Trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo 105-8754, 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 LLC Hibiya Kokusai Bldg., 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is six-months ending on May 31 and November 30.
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189

About Our Website

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

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



Disclaimer

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

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

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

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

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



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