

Semiannual Report

Tenth Fiscal Period

From June 1, 2008 to November 30, 2008



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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 steady earnings over the medium to long term, United Urban intends to form the optimum portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market 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



Daiei Himonya

Office Buildings



Kawasaki Toshiba Building

Hotels



Shinjuku Washington Hotel-Honkan

Residential Properties



Ropponmatsu Court

Others



Lilycolor Tohoku Branch



United Urban Investment Corporation



To Our Unitholders



Yasuhiro Tanaka

Executive Officer
United Urban Investment Corporation



Hisamitsu Abe

Chairman of the Board
CEO 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 tenth fiscal period: the six-month period ended November 30, 2008. In addition, United Urban was able to accomplish the second public offering during the tenth fiscal period since the IPO.

Thanks to the continuous support of all our unitholders, United Urban was able to achieve operating revenues of ¥8,029 million, operating income of ¥4,177 million, and net income of ¥3,360 million. As a result, the distribution to unitholders was ¥16,691 per unit.

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

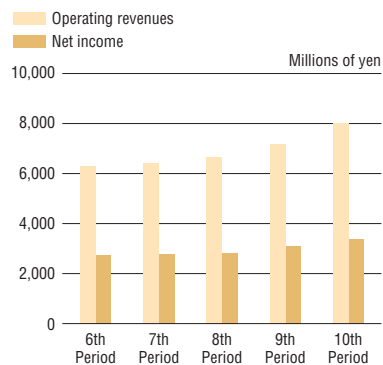
Financial Highlights

Millions of yen, except per unit information

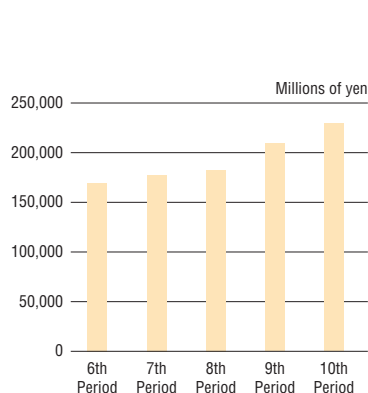
| | 10th Fiscal Period June 1, 2008- November 30, 2008 | 9th Fiscal Period December 1, 2007- May 31, 2008 | 8th Fiscal Period June 1, 2007- November 30, 2007 | 7th Fiscal Period December 1, 2006- May 31, 2007 | 6th Fiscal Period June 1, 2006- November 30, 2006 |
|------------------------------------|--|--|---|--|---|
| Operating revenues | ¥ 8,029 | ¥ 7,184 | ¥ 6,673 | ¥ 6,408 | ¥ 6,295 |
| Operating income | ¥ 4,177 | ¥ 3,797 | ¥ 3,354 | ¥ 3,278 | ¥ 3,148 |
| Income before income taxes | ¥ 3,361 | ¥ 3,097 | ¥ 2,825 | ¥ 2,808 | ¥ 2,750 |
| Net income | ¥ 3,360 | ¥ 3,096 | ¥ 2,824 | ¥ 2,807 | ¥ 2,749 |
| Cash distributions | ¥ 3,360 | ¥ 3,096 | ¥ 2,824 | ¥ 2,807 | ¥ 2,749 |
| Cash distribution per unit (Yen) | ¥ 16,691 | ¥ 19,368 | ¥ 17,667 | ¥ 17,558 | ¥ 17,197 |
| Dividend payout ratio (%) | 100.0 | 99.9 | 100.0 | 99.9 | 99.9 |
| Total assets | ¥ 229,133 | ¥ 208,841 | ¥ 181,878 | ¥ 177,687 | ¥ 169,798 |
| Total unitholders' equity | ¥ 111,670 | ¥ 92,935 | ¥ 92,663 | ¥ 92,645 | ¥ 92,588 |
| Unitholders' equity per unit (Yen) | ¥ 554,746 | ¥ 581,411 | ¥ 579,710 | ¥ 579,601 | ¥ 579,240 |

Note: United Urban's 6th fiscal period was for 183 days from June 1, 2006 to November 30, 2006, the 7th fiscal period was for 182 days from December 1, 2006 to May 31, 2007, the 8th fiscal period was for 183 days from June 1, 2007 to November 30, 2007, the 9th fiscal period was for 183 days from December 1, 2007 to May 31, 2008 and the 10th fiscal period was 183 days from June 1, 2008 to November 30, 2008.

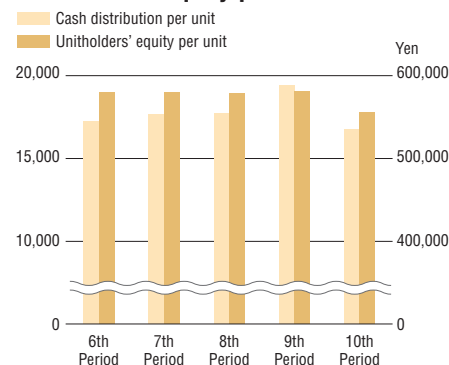
Operating revenues / Net income



Total assets



Cash distribution per unit / Unitholders' equity per unit

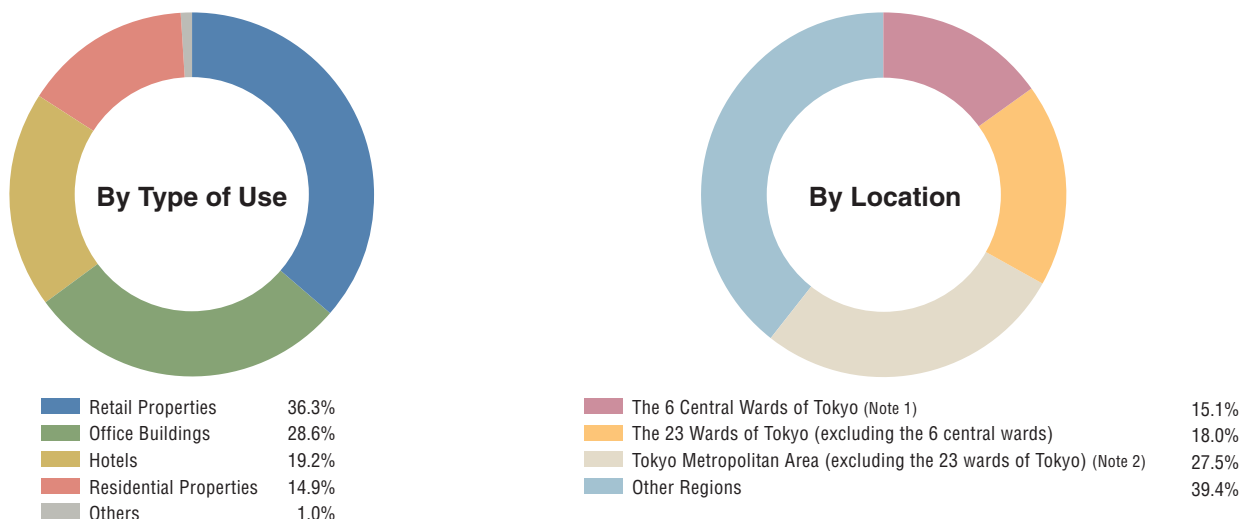


Stock Price Information



Portfolio Highlights

Portfolio Breakdown (As of November 30, 2008)



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 (Note1)

| | 2008 | | | | | |
|------------------------|--------|--------|--------|----------------|---------|----------------|
| | June | July | August | September | October | November |
| Retail Properties | 99.7% | 99.7% | 99.7% | 99.7% | 99.6% | 99.6% |
| Office Buildings | 97.3% | 97.3% | 97.9% | 98.1% | 98.1% | 97.7% |
| Hotels | 98.8% | 98.8% | 98.8% | 99.0% | 99.0% | 99.0% |
| Residential Properties | 99.6% | 99.5% | 99.5% | 95.8% (Note 2) | 99.7% | 92.8% (Note 3) |
| Others | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total | 99.0% | 99.0% | 99.1% | 98.6% | 99.2% | 97.9% |

Notes: 1. "Occupancy Ratio" is rounded to the nearest one decimal place.

2. "UUR Court Nagoya Meieki" which was acquired on September 30, 2008, planned to begin renting on October 1, 2008 (occupancy ratio: 100%). Accordingly, the occupancy ratio as of September 30, 2008 for "UUR Court Nagoya Meieki" was 0%.

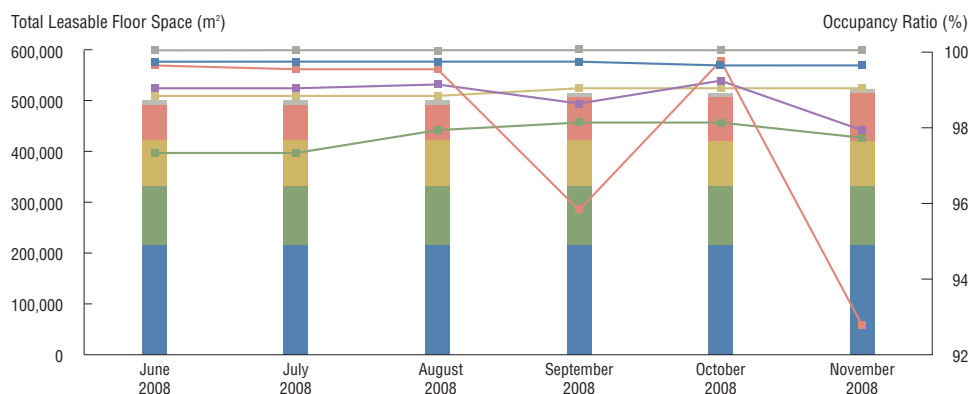
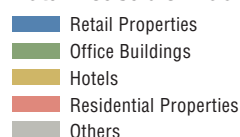
3. "UUR Court Sapporo Shinoro Ichibankan" which was acquired on November 11, 2008 (total leasable floor space: 6,271.74 m²), planned to begin renting on December 1, 2008 (occupancy ratio: 100%) excluding a retail part (leasable floor space: 245.20 m²). Accordingly, the occupancy ratio as of November 30, 2008 for "UUR Court Sapporo Shinoro Ichibankan" was 3.9%.

Trends in Total Leasable Floor Space and Occupancy Ratio

Occupancy Ratio



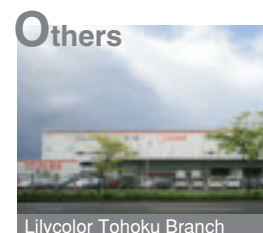
Total Leasable Floor Space



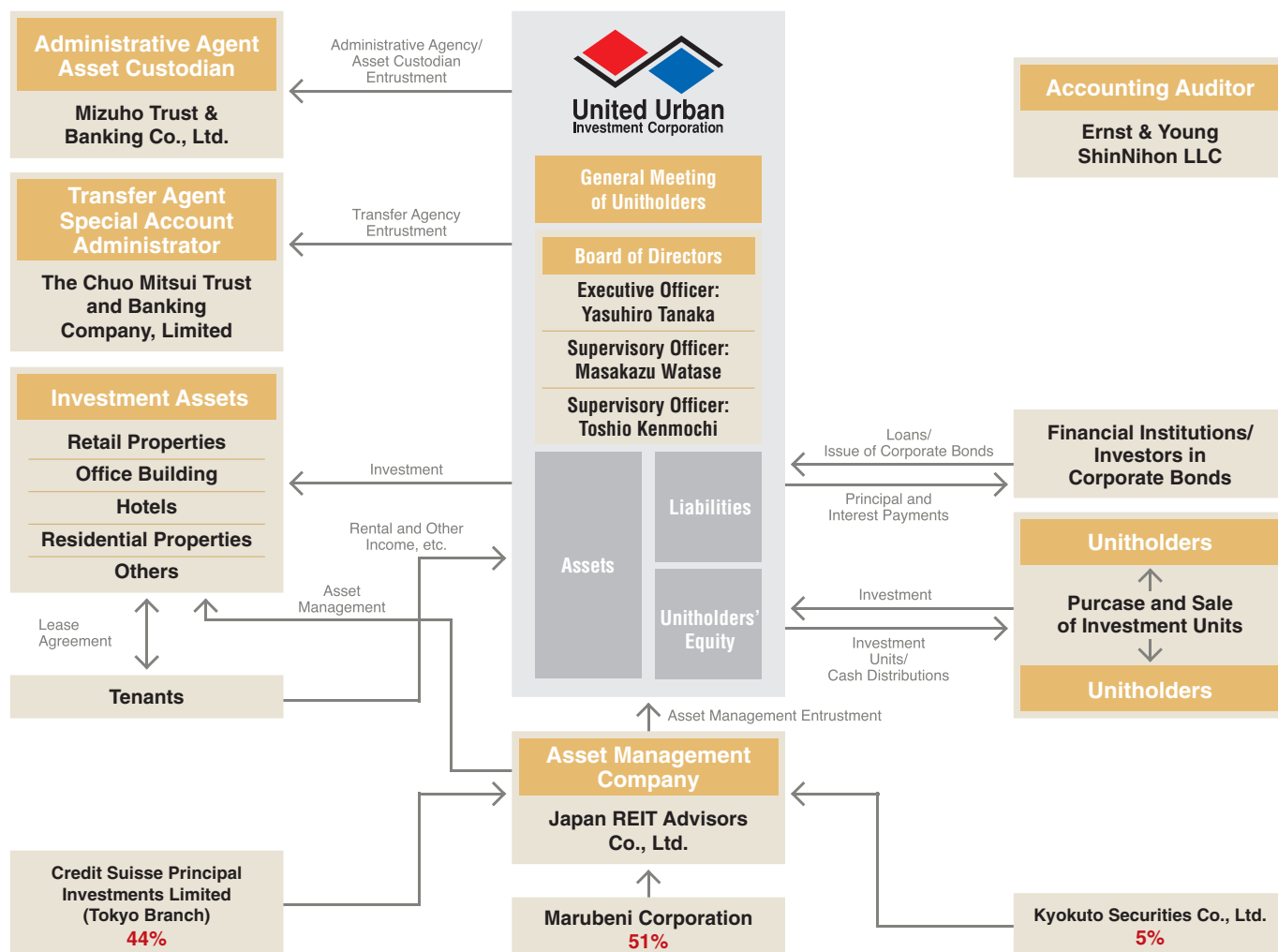
Overview of Investment Corporation

Comprehensive Portfolio Structured to Generate Steady Earnings Maximizing Unitholder Return

United Urban endeavors to secure steady earnings over the medium to long term. 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.



Corporate Structure



Advantage as a Comprehensive Investment Policy

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

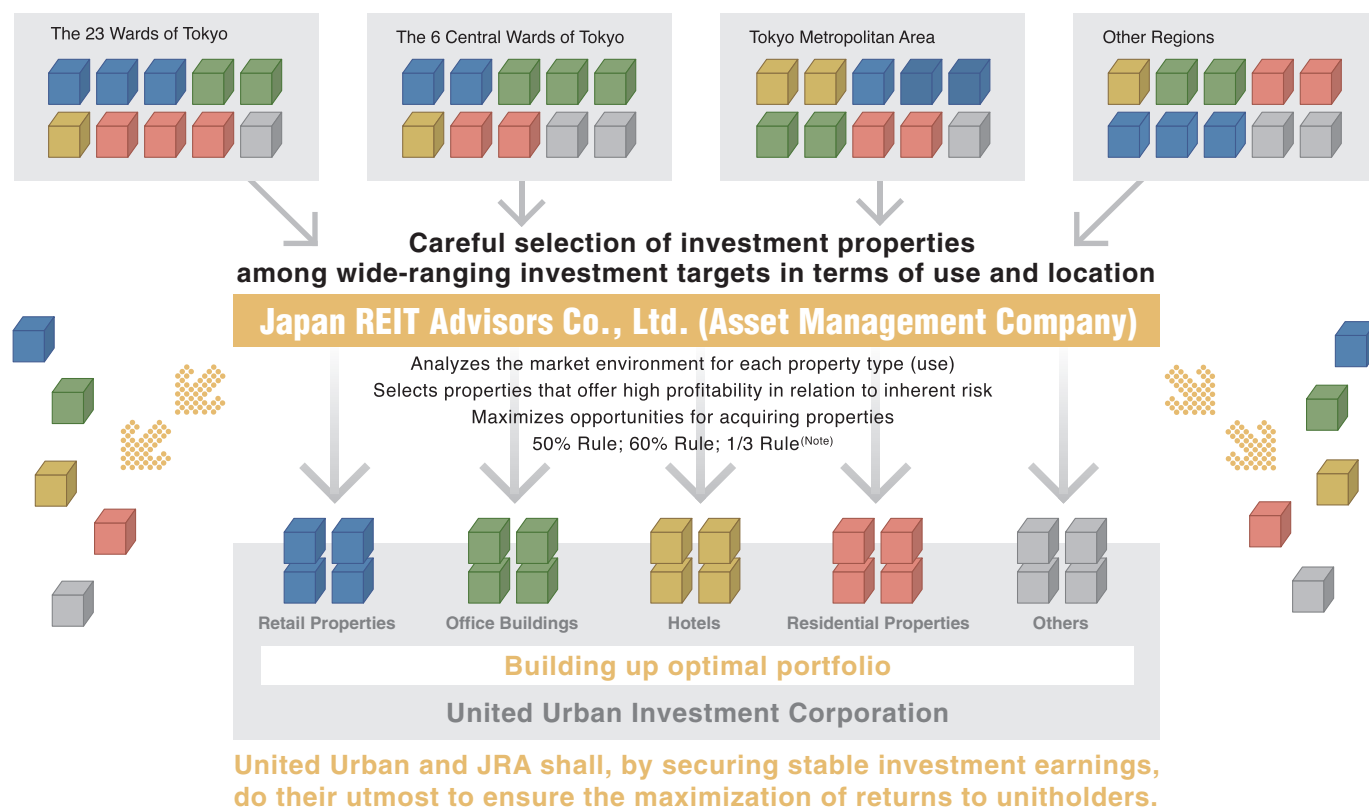
- **Stability of earnings**
Spreads the impact of changes such as those in the market environment for specific property types or regions.
Reduces the risk of loss from natural disasters and other such events.
- **External growth potential**
Opportunities for external growth are enhanced by the absence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

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

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

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

United Urban is confident that, it will be able to build up an optimal investment portfolio with these experts who are engaged in the conduct of its asset management activities as core members.



Note: 50% Rule: United Urban's investment policy for maintaining the ratio (based on appraisal value) of investment in properties in the Tokyo Metropolitan Area, is more than 50% of its entire portfolio.

60% Rule: United Urban's investment policy for maintaining the ratio (based on appraisal value) of investment in properties in each type of use, is less than 60% of its entire portfolio.

1/3 Rule : United Urban's investment policy for maintaining the ratio (based on appraisal value) of any single regional economic zone except for the Tokyo Metropolitan area, is less than 1/3 of its entire portfolio.

New Acquisitions During the Tenth Fiscal Period

A14 ACTIOLE Kannai



| | |
|---------------------|--|
| ■ Address | 3-31 Masago-cho, Naka-ku, Yokohama-shi, Kanagawa |
| ■ Site Area | 375.17 m ² |
| ■ Total Floor Space | 2,238.82 m ² |
| ■ Construction | SRC |
| ■ Number of Floors | B1/9F |
| ■ Completed | September 2007 |
| ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |

This property stands in a location with excellent access as it is located almost midway between Kannai Station on the JR Negishi Line and Yokohama City Subway's Kannai Station and is a two-minute walk from both stations. The surrounding area is the site of offices and, thus, an area with strong needs for the opening of restaurants and amusement businesses for workers. Furthermore, Yokohama City Hall and Yokohama Stadium are nearby and the area in front of the station is a flourishing location. The location has high commercial potential as a result. Therefore, ongoing stable rental demand as a commercial district can be expected.

B8 Haseman Building Toyochō



| | |
|---------------------|--|
| ■ Address | 2-4-18 Toyo, 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 |
| ■ Completed | November 1990 |
| ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |

Located a three-minute walk from Toyochō Station on the Tokyo Metro Tozai Line, this property stands in a location that has particularly excellent access even compared to other favorable locations within the office area based around Toyochō Station and Kiba Station and along Eitai Dori. The surrounding area has superior access to Otemachi in downtown Tokyo and has relatively low rent. Accordingly, there are head offices of many firms and the area is recognized to also have high needs for back offices for financial and IT related firms, etc. This property is favorably located approximately 200 meters from Toyochō Station and has outstanding superiority in terms of floor space and other aspects concerning size. Therefore, ongoing strong demand can be expected.

C4 Hotel Route Inn Yokohama Bashamichi



| | |
|--------------------|--|
| ■Address | 4-53-1 Benten-dori, Naka-ku, Yokohama-shi, Kanagawa |
| ■Site Area | 970.83 m ² |
| ■Total Floor Space | 6,610.51 m ² |
| ■Construction | SRC |
| ■Number of Floors | 11F |
| ■Completed | July 2007 |
| ■Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |



This property is a hotel situated in the Bashamichi area which is a two-minute walk from Bashamichi Station on the Minatomirai Line and within walking distance of Minato Mirai and Red Brick Warehouse, etc. As this area has streets with character and well-maintained pathways, it forms an exceptional environment as a hotel location. The surrounding area has many tourist and leisure facilities, including historical museums and wedding halls, and is the area that has the greatest concentration of offices within the Yokohama area. Consequently, the area is visited all year round by many people with accommodation needs, and occupancy at the property is stable. Aside from a hotel, there are several stores that draw on the commercial potential of the area and ongoing stable earnings are anticipated.

D18 MA Sendai Building



| | |
|--------------------|--|
| ■Address | 1-3-7 Kimachi-dori, Aoba-ku, Sendai-shi, Miyagi |
| ■Site Area | 3,656.44 m ² |
| ■Total Floor Space | 12,642.98 m ² |
| ■Construction | SRC/RC |
| ■Number of Floors | B1/14F |
| ■Completed | February 2008 |
| ■Type of Ownership | Land: Leasehold Right Building: Proprietary Ownership |



This property is a residential and office complex located in Aoba Ward, which is highly popular as a residential area within Sendai City. The surrounding area has a quiet and peaceful nature despite being a commercial district. Being close to Sendai Station by train, the location is convenient in terms of transportation and lifestyle. In addition, to the east is an administrative area that has a concentration of prefectural, city, and ward offices, and to the north is an area with a concentration of university facilities, specifically the Tohoku University School of Medicine and its affiliated hospital. Therefore, rental housing demand from an array of users and office demand from companies are anticipated, and ongoing stable occupancy can be expected.

D19

UUR Court Nagoya Meieki



| | | | |
|---------------------|---|---------------------------------------|--|
| ■ Address | 2-5-4 Meieki, Nishi-ku, Nagoya-shi, Aichi | ■ Completed | August 2008 |
| ■ Site Area | 639.17 m ² | ■ Number of Units Available for Lease | 121 units |
| ■ Total Floor Space | 3,207.39 m ² | ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |
| ■ Construction | RC | | |
| ■ Number of Floors | 15F | | |

This property is located within walking distance from Nagoya Station, a large terminal where railway lines operated by multiple operators converge. Although some of the areas around the property are occupied by a mixture of houses and small-scale office buildings, the Meieki area in which the property is located has witnessed the construction of large complexes mainly comprised of office buildings and commercial facilities, such as “Midland Square” and “Nagoya Lucent Tower.” Therefore, a stable rental demand can be expected from single people who attach importance to convenience, as well as those who prefer to live close to their place of work.

D20

UUR Court Sapporo Shinoro Ichibankan



| | | | |
|---------------------|---|---------------------------------------|--|
| ■ Address | Shinoro 3-jo 6-4-32, Kita-ku, Sapporo-shi, Hokkaido | ■ Completed | September 2008 |
| ■ Site Area | 3,340.48 m ² | ■ Number of Units Available for Lease | 72 units (excluding stores) |
| ■ Total Floor Space | 6,255.74 m ² | ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |
| ■ Construction | RC | | |
| ■ Number of Floors | 10F | | |

Conveniently located in the core of Sapporo district, the property lies to the west of Shinoro Station on the JR Gakuentoshi Line, approximately 10 kilometers to the north of the central area of Sapporo City, and has a number of highways in its periphery. This property is one rental housing of three apartment buildings to be constructed under a private urban redevelopment project, “The First-Class Urban Redevelopment Project in JR Shinoro Station West Second District,” and this property is leased in its entirety for a long period of time by Sapporo City and subleased as council housing. The site is located in an area where a redevelopment project, including the provision of public housing as its core, will be undertaken under a private redevelopment project. Due to the future promotion of transportation infrastructure improvements, including an upgrade of the station plaza and the station road by Sapporo city, coupled with the site’s easy access to the central portion of Sapporo and other regions, steadily continuing rental demand is expected.

D21

Park Site IZUMI



| | | | |
|---------------------|---|---------------------------------------|--|
| ■ Address | 1-14-6 Izumi, Higashi-ku, Nagoya-shi, Aichi | ■ Completed | September 2002 |
| ■ Site Area | 336.55 m ² | ■ Number of Units Available for Lease | 38 units (excluding 3 retail compartments) |
| ■ Total Floor Space | 2,196.97 m ² | ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |
| ■ Construction | S | | |
| ■ Number of Floors | 12F | | |

This property is located in Izumi 1-chome, Higashi Ward, Nagoya City within an approximately three-minute walk from Hisaya-Odori Station on the Nagoya City Subway Sakura-dori Line and Meijo Line. In the surrounding area, a river park with lush greenery has been established on the median strip of Hisaya-Odori and apparel stores, cafes and other facilities targeting the young have opened in the surroundings, creating an area that sets a modern atmosphere. The Sakae central commercial district is within walking distance and the Marunouchi and Fushimi business areas are also reachable by walk or bicycle. In addition, Nagoya Station is also situated 2 subway stations from Hisaya-Odori Station. Consequently, it is an area that is convenient in terms of transportation and lifestyle.

2nd Public Offering (Additional Issue of Investment Units)

United Urban accomplished the second public offering (additional issue of investment units) since the IPO, from June to July 2008 in order to procure financing for the acquisition of new properties.

A. Overview of 2nd Public Offering

| Payment Date | Remarks | Number of Units Issued | Amount Procured |
|---------------|-----------------------|------------------------|------------------|
| June 24, 2008 | Public offering | 40,000 units | ¥ 17,823 million |
| July 24, 2008 | Third-party allotment | 1,457 units | ¥ 649 million |
| Total | | 41,457 units | ¥ 18,472 million |

| | End of the 9th Fiscal Period | End of the 10th Fiscal Period |
|---|------------------------------|-------------------------------|
| Number of Investment Units Issued and Outstanding | 159,843 units | 201,300 units |
| Unitholders' Capital | ¥ 89,839 million | ¥ 108,311 million |
| LTV (Note) | 52.5% | 48.0% |

Note: LTV: Interest bearing liabilities / (Interest bearing liabilities + Unitholders' capital)

B. Significance of 2nd Public Offering

| | | |
|--|---|--|
| 1 Increase of Portfolio <ul style="list-style-type: none"> ● Acquisition of excellent properties ● Further diversification in property types, locations, assets and tenants ● Cost saving by scale merit | 2 Strengthening of Financial Standing <ul style="list-style-type: none"> ● Further stability through capital increase ● Capacity for borrowing through a decline in LTV ● Keeping NAV per unit above the level at the IPO | 3 Approach to the Equities Market <ul style="list-style-type: none"> ● Upgraded recognition through the accomplishment of the public offering in a sluggish market ● Increase in liquidity in the market due to an increase of the number of investment units |
|--|---|--|



Contributions to the medium- to long-term benefits for unitholders
Keeping deliberate investment

Committed Line of Credit

In accordance with the expiration of the term of the existing committed line of credit agreement (maximum loan amount: ¥10,000 million), United Urban concluded another committed line of credit agreement (maximum loan amount: ¥10,000 million) on June 26, 2008.

This will continuously lead to immediate debt financing for the acquisition of property and a reduction in the risk of refinancing. Moreover, this will squeeze surplus funds and implement effective cash management.

| Participating Financial Institution | Maximum Loan Amount | Term of Agreement | Collateral | Limitation of Use |
|--|---------------------|--|---------------------------|-------------------|
| The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank, Limited | ¥10,000 million | From June 26, 2008 to June 25, 2009 | Unsecured Unguaranteed | None |

Subsequent Events

Debt Financing

United Urban procured debt financing for repayment of the existing debt on December 22, 2008.

Repayment of the existing debt

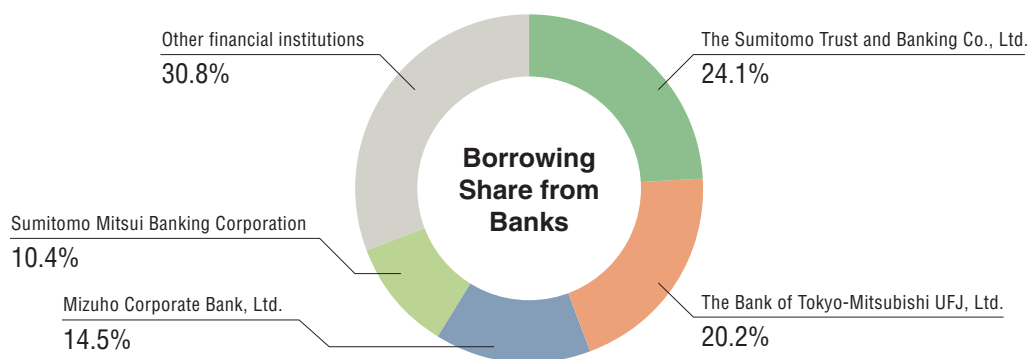
| Title | Lender | Amount of Borrowing | Interest Rate | Drawdown Date | Repayment Date | Collateral Guarantee |
|-----------------|--|---------------------|-------------------------------|----------------|-----------------------------|------------------------|
| TL8 (mid term) | The Sumitomo Trust and Banking Co., Ltd. | ¥6,850 million | Three months JPY TIBOR +0.40% | April 14, 2006 | December 22, 2008 (Note) | Unsecured Unguaranteed |
| TL10 (mid term) | The Sumitomo Trust and Banking Co., Ltd. | ¥2,550 million | Three months JPY TIBOR +0.40% | April 28, 2006 | December 22, 2008 (Note) | Unsecured Unguaranteed |

New debt

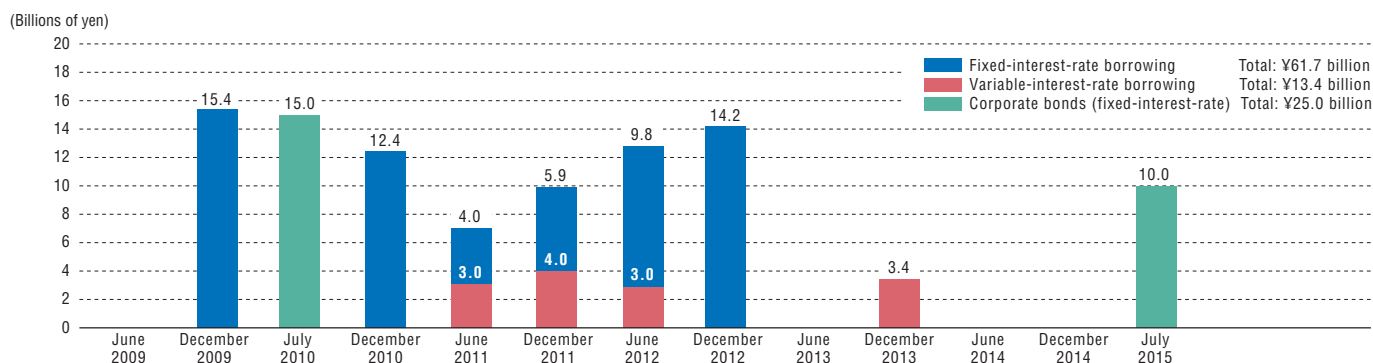
| Title | Lender | Amount of Borrowing | Interest Rate | Drawdown Date | Repayment Date | Collateral Guarantee |
|-----------------|--|---------------------|-------------------------------|-----------------------------|-------------------|------------------------|
| TL23 (mid term) | The Sumitomo Trust and Banking Co., Ltd. | ¥3,000 million | Three months JPY TIBOR +0.55% | December 22, 2008 (Note) | June 20, 2011 | Unsecured Unguaranteed |
| TL24 (mid term) | The Sumitomo Trust and Banking Co., Ltd. | ¥3,000 million | Three months JPY TIBOR +0.60% | December 22, 2008 (Note) | June 20, 2012 | Unsecured Unguaranteed |
| TL25 (mid term) | The Sumitomo Trust and Banking Co., Ltd. | ¥3,400 million | Three months JPY TIBOR +0.70% | December 22, 2008 (Note) | December 20, 2013 | Unsecured Unguaranteed |

Note: As December 20, 2008, the principal repayment date of "Term Loan 8" and "Term Loan 10," is not a business day, the principal repayment date of each Term Loan became "December 22, 2008," the immediately following business day, pursuant to each loan agreement. Accordingly, each debt financing was carried out on December 22, 2008.

Borrowing Share from Banks



Diversification of Repayment Date



New Acquisition After the End of the Tenth Fiscal Period

D22 UUR Court Osaka Jusohommachi



| | |
|---------------------|--|
| ■ Address | 3-4-15 Jusohommachi, Yodogawa-ku, Osaka-shi, Osaka |
| ■ Site Area | 1,266.32 m ² |
| ■ Total Floor Space | 4,166.73 m ² |
| ■ Construction | RC |
| ■ Number of Floors | 11F |
| ■ Completed | January 2009 |
| ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |

This property is located in the Juso area, which is next to the Umeda area, a central district in Osaka, across the Yodo River. The property has excellent railway access as the nearest train station, Hankyu Railway Juso Station, has three lines, the Kobe, Takarazuka and Kyoto Lines, which provide direct access to central Osaka as well as the Sannomiya and Kyoto areas.

The surrounding area features many retail stores and financial institutions due to the presence of an arcaded shopping street with various stores. In addition, the area is highly convenient for everyday life with the ward office and a police station nearby. With such high accessibility and convenience, the area is expected to enjoy stable demand for rental housing from a wide range of tenants from students to singles.



Planned Acquisition (The sale and purchase agreement has been concluded.)

D UUR Court Sapporo Shinoro Nibankan



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

Note: This graphical image at completion was created based on design drawings of the property before completion, but cases exist where the actual property after completion differs to a certain extent from the image.

Portfolio Properties

Portfolio Roster

(As of November 30, 2008)

| No. | Type | Name of Property | Acquisition Price (Millions of yen) (Note 1) | Share in Total Acquisition Price (%) | Share in Type (%) |
|-------|---------------------------|---|---|---|----------------------|
| A1 | Retail Properties | Daiei Himonya | 15,300 | 7.1 | 36.3 |
| A2 | | Joy Park Izumigaoka | 6,770 | 3.2 | |
| A3 | | Daimaru Peacock Ashiya-Kawanishi Ten | 769 | 0.4 | |
| A4 | | Re-LAND Shopping Center | 5,200 | 2.4 | |
| A5 | | AEON MALL Uki Value | 11,100 | 5.2 | |
| A6 | | TENJIN LUCE | 6,500 | 3.0 | |
| A7 | | Yamada Denki Tecc Land Sakai Honten | 3,210 | 1.5 | |
| A8 | | Miyamae Shopping Center | 5,312 | 2.5 | |
| A9 | | KONAMI SPORTS CLUB Korigaoka | 2,040 | 1.0 | |
| A10 | | ACTIOLE minami ikebukuro | 3,760 | 1.8 | |
| A11 | | Tip's Machida Building | 4,100 | 1.9 | |
| A12 | | Daiei Takarazuka Nakayama | 4,284 | 2.0 | |
| A13 | | maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (retail portion) (Note 2) | 6,883 | 3.2 | |
| A14 | | ACTIOLE Kannai | 2,410 | 1.1 | |
| B1 | Office Buildings | T&G Hamamatsu-Cho Building | 2,257 | 1.1 | 28.6 |
| B2 | | SK Nagoya Building | 5,400 | 2.5 | |
| B3 | | Fukuoka Eartheon Building | 2,080 | 1.0 | |
| B4 | | Marumasu Koujimachi Building | 2,350 | 1.1 | |
| B5 | | Rokuban-Cho K Building | 2,150 | 1.0 | |
| B6 | | Shin-Osaka Central Tower (office portion) (Note 3) | 14,279 | 6.7 | |
| B7 | | Kawasaki Toshiba Building | 19,200 | 9.0 | |
| (A13) | | maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) (office portion) (Note 2) | 5,021 | 2.3 | |
| B8 | Hotels | Haseman Building Toyochi | 8,500 | 4.0 | 19.2 |
| C1 | | Shinjuku Washington Hotel-Honkan | 21,100 | 9.9 | |
| (B6) | | Shin-Osaka Central Tower (hotel portion) (Note 3) | 9,721 | 4.5 | |
| C2 | | Toyoko Inn Shinagawa-Eki Takanawaguchi | 1,883 | 0.9 | |
| C3 | | MZ BLD. | 3,800 | 1.8 | |
| C4 | | Hotel Route Inn Yokohama Bashamichi | 4,720 | 2.2 | |
| D1 | Residential Properties | T&G Higashi-Ikebukuro Mansion | 2,021 | 0.9 | 14.9 |
| D2 | | T&G Yotsuya Mansion | 1,355 | 0.6 | |
| D3 | | Excellia Magome | 697 | 0.3 | |
| D4 | | Komazawa Court | 1,680 | 0.8 | |
| D5 | | Ropponmatsu Court | 757 | 0.4 | |
| D6 | | Sky Court Shiba-Daimon | 1,175 | 0.5 | |
| D7 | | Maison Ukima | 3,530 | 1.6 | |
| D8 | | Narashino Residence | 1,140 | 0.5 | |
| D9 | | Aprile Shin-Ohgi Ichibankan | 3,031 | 1.4 | |
| D10 | | UUR Court Sapporo Kitasanjo | 1,278 | 0.6 | |
| D11 | | Soga Dormitory | 620 | 0.3 | |
| D12 | | Higashikurume Dormitory Shinkan | 480 | 0.2 | |
| D13 | | Nanzan Court Ichigoukan | 1,070 | 0.5 | |
| D14 | | Nanzan Court Nigoukan | 450 | 0.2 | |
| D15 | | CLIO Bunkyo Koishikawa | 3,170 | 1.5 | |
| D16 | | GRAND-ROUGE Sakae | 1,570 | 0.7 | |
| D17 | | GRAND-ROUGE Sakae II | 1,300 | 0.6 | |
| D18 | | MA Sendai Building | 3,440 | 1.6 | |
| D19 | | UUR Court Nagoya Meieki | 1,473 | 0.7 | |
| D20 | | UUR Court Sapporo Shinoro Ichibankan | 870 | 0.4 | |
| D21 | | Park Site IZUMI | 900 | 0.4 | |
| E1 | Others | Lilycolor Tohoku Branch | 2,050 | 1.0 | 1.0 |
| Total | | | 214,156 | 100.0 | |

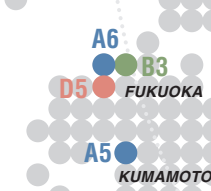
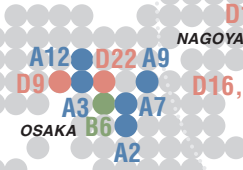
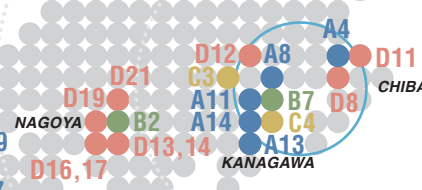
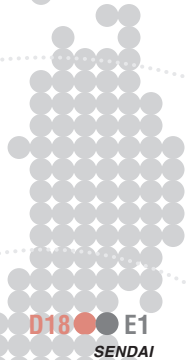
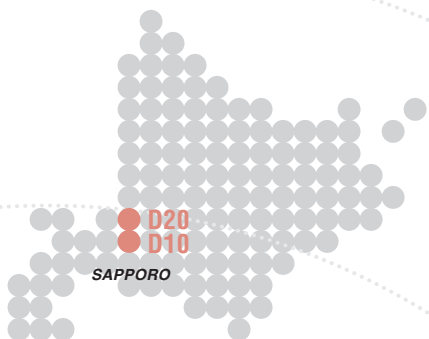
Notes: 1. The acquisition prices above are amounts (the amounts stated in the sales contracts, excluding consumption taxes) that exclude the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions, and are rounded to the nearest million yen.

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

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

4. "UUR Court Osaka Jusohommachi" (D22) was acquired on February 26, 2009 after the end of the 10th fiscal period.

5. "UUR Court Sapporo Shinoro Nibankan" will be acquired on July 2009.



Portfolio Map

Overview

A1

Daiei Himonya

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



A2

Joy Park Izumigaoka

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



A3

Daimaru Peacock
Ashiya-Kawanishi Ten

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



A4

Re-LAND Shopping Center

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



A5

AEON MALL Uki Value

| | |
|---------------------|---|
| ■ Address | 1-1 Gohnoe, Ogawa-machi, Uki-shi, Kumamoto |
| ■ Site Area | 173,498.31 m ² |
| ■ Total Floor Space | 63,058.78 m ² |
| ■ Construction | S (Note) |
| ■ Number of Floors | 2F (Note) |
| ■ Completed | October 1997 (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 | 2-3-24 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka |
| ■Site Area | 1,138.66 m ² |
| ■Total Floor Space | 5,369.70 m ² |
| ■Construction | RC |
| ■Number of Floors | B1/7F |
| ■Completed | November 2005 |
| ■Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |

**A7****Yamada Denki Tecc Land Sakai Honten**

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

**A8****Miyamae Shopping Center**

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

**A9****KONAMI SPORTS CLUB Korigaoka**

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

**A10****ACTIOLE minami ikebukuro**

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

**A11****Tip's Machida Building**

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



A13

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

| | |
|---------------------|---|
| ■ Address | 1-1-1, etc., Isogo, Isogo-ku, Yokohama-shi, Kanagawa |
| ■ Site Area | 53,363.57 m ² |
| ■ Total Floor Space | - |
| ■ Construction | - |
| ■ Number of Floors | - |
| ■ Completed | - |
| ■ 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 ISOGO (Site)" includes the retail portion and the office portion.

A12

Daiei Takarazuka Nakayama

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



B1

T&G Hamamatsu-Cho Building

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



B2

SK Nagoya Building

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



B3

Fukuoka Eartheon Building

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

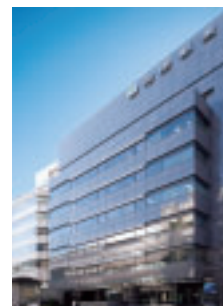


B4**Marumasu Koujimachi Building**

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

**B5****Rokuban-Cho K Building**

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

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

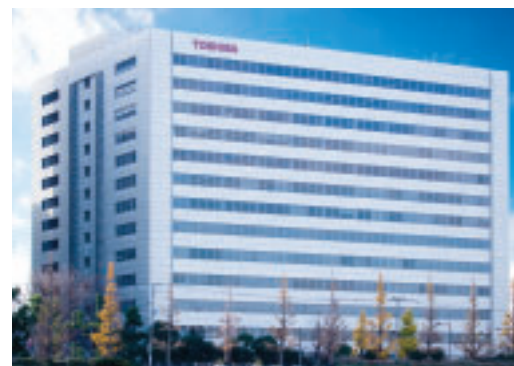
| | |
|--------------------|--|
| ■Address | 5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka-shi, Osaka |
| ■Site Area | 7,265.79 m ² |
| ■Total Floor Space | 58,882.64 m ² |
| ■Construction | SRC |
| ■Number of Floors | B1/23F |
| ■Completed | June 1989 |
| ■Type of Ownership | Land: Proprietary Ownership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



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

B7**Kawasaki Toshiba Building**

| | |
|--------------------|--|
| ■Address | 580-1 Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa |
| ■Site Area | 8,615.20 m ² |
| ■Total Floor Space | 51,254.06 m ² |
| ■Construction | S/RC/SRC |
| ■Number of Floors | B2/14F |
| ■Completed | April 1987 |
| ■Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |



C1

Shinjuku Washington Hotel-Honkan

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



C2

Toyoko Inn Shinagawa-Eki Takanawaguchi

| | |
|---------------------|--|
| ■ Address | 4-23-2 Takanawa, Minato-ku, Tokyo |
| ■ Site Area | 482.10 m ² |
| ■ Total Floor Space | 2,928.94 m ² |
| ■ Construction | SRC |
| ■ Number of Floors | 14F |
| ■ Number of Rooms | 180 rooms |
| ■ Completed | October 1999 |
| ■ Type of Ownership | Land: Proprietary Ownership Building: Proprietary Ownership |



C3

MZ BLD.

| | |
|---------------------|--|
| ■ Address | 2-26-9 Myojin-cho, Hachioji-shi, Tokyo |
| ■ Site Area | 1,304.44 m ² |
| ■ Total Floor Space | 7,708.88 m ² |
| ■ Construction | S |
| ■ Number of Floors | 13F |
| ■ Completed | April 2007 |
| ■ Type of Ownership | Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership |



D1

T&G Higashi-Ikebukuro Mansion

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



D2

T&G Yotsuya Mansion

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



D3

Excellia Magome

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



D4

Komazawa Court

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



D5

Ropponmatsu Court

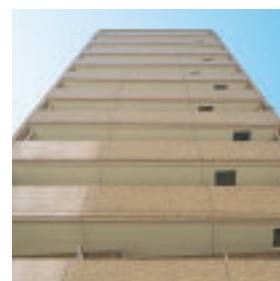
| | |
|---------------------------------------|--|
| ■ Address | 4-3-11 Ropponmatsu, Chuo-ku, Fukuoka-shi, Fukuoka |
| ■ Site Area | 1,738.67 m ² |
| ■ Total Floor Space | 3,294.36 m ² |
| ■ Construction | RC |
| ■ Number of Floors | 6F |
| ■ Number of Units Available for Lease | 100 units |
| ■ Completed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



D6

Sky Court Shiba-Daimon

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



D7

Maison Ukima

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



D8

Narashino Residence

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



D9

Aprile Shin-Ohgi Ichibankan

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



D10

UUR Court Sapporo Kitasanjo

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



D11

Soga Dormitory

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



D12

Higashikurume Dormitory Shinkan

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



D13

Nanzan Court Ichigoukan

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



D14

Nanzan Court Nigoukan

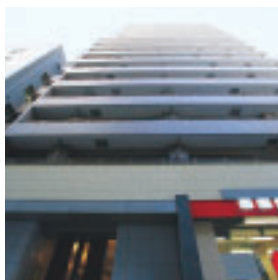
| | |
|--|--|
| ■ Address | 5-20 Komagatacho, Showa-ku, Nagoya-shi, Aichi |
| ■ Site Area | 1,137.18 m ² |
| ■ Total Floor Space | 1,762.40 m ² |
| ■ Construction | RC |
| ■ Number of Floors | 5F |
| ■ Number of Units Available for Lease | 38 units |
| ■ Completed | March 1999 |
| ■ Type of Ownership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



D15

CLIO Bunkyo Koishikawa

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



D16

GRAND-ROUGE Sakae

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



D17

GRAND-ROUGE Sakae II

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



E1

Lilycolor Tohoku Branch

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



Profile of Asset Management Company

Overview

Corporate Name : Japan REIT Advisors Co., Ltd. ("JRA")
Capital : ¥425 million (As of November 30, 2008)
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

Shareholders

(As of November 30, 2008)

| 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.

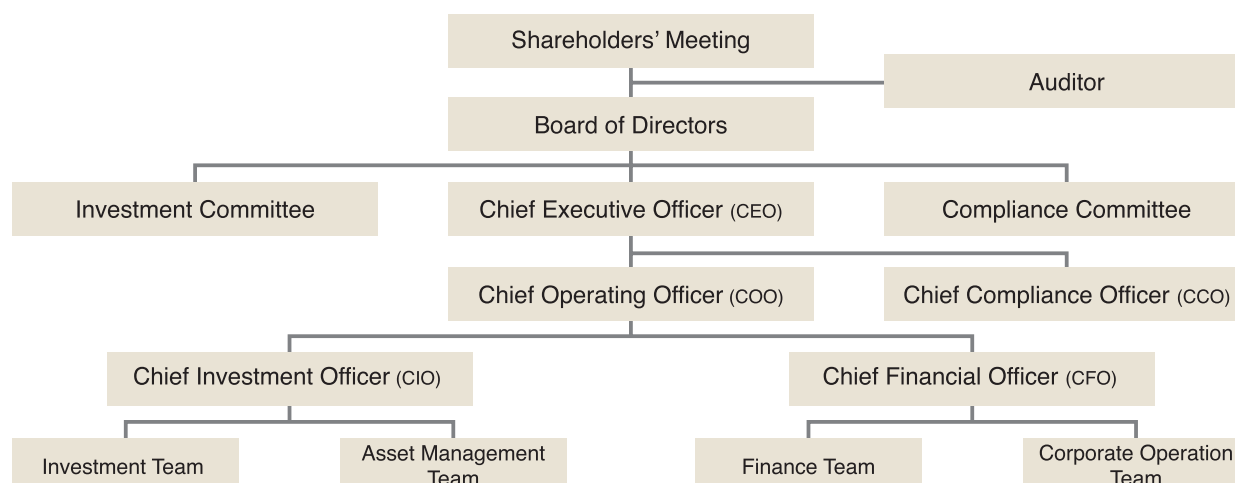
2. Management Stance

- 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**

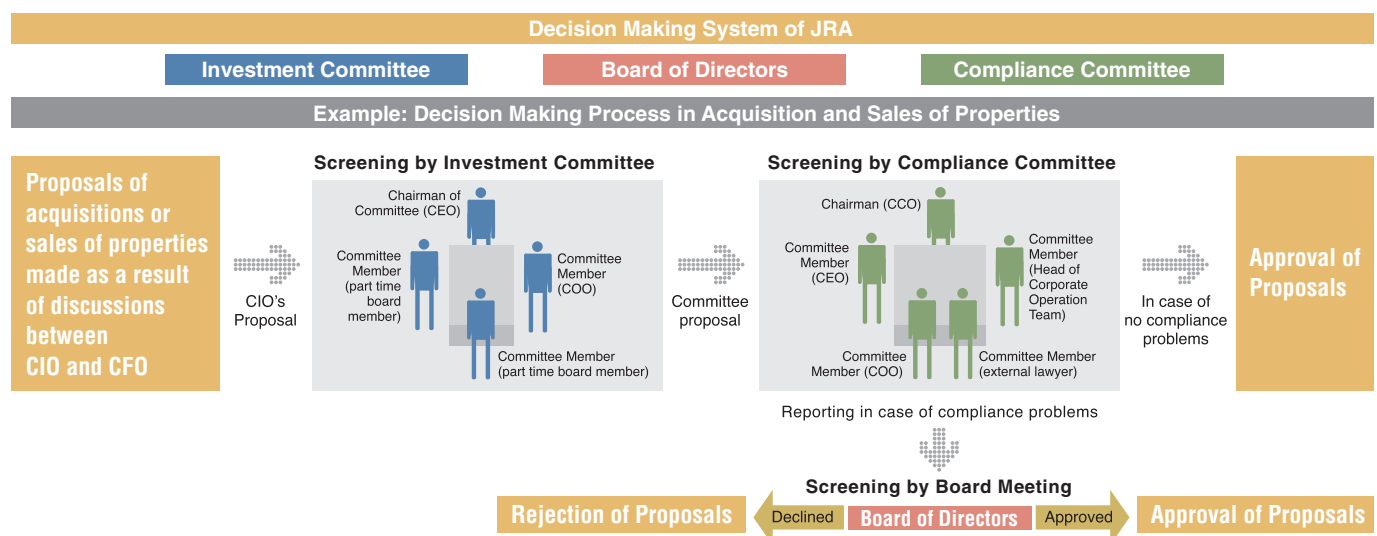
The structure that has been established requires that, in specific transactions such as property acquisitions, approval by the Investment Committee must be obtained, the transactions must then be scrutinized by the Compliance Committee, and if that scrutiny leads to a judgment that there are compliance-related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

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

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

Corporate Governance



Optimal investment portfolio and steady earnings



PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

| | | Millions of yen, unless otherwise indicated | | |
|--|-------------------|---|---|--|
| | | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) | 8th Fiscal Period (June 1, 2007 - November 30, 2007) |
| Operating revenues | | 8,029 | 7,184 | 6,673 |
| (Rental revenues) | | (8,029) | (7,184) | (6,673) |
| Operating expenses | | 3,852 | 3,387 | 3,319 |
| (Property-related expenses) | | (2,958) | (2,620) | (2,592) |
| Operating income | | 4,177 | 3,797 | 3,354 |
| Income before income taxes | | 3,361 | 3,097 | 2,825 |
| Net income | (a) | 3,360 | 3,096 | 2,824 |
| Total assets | (b) | 229,133 | 208,841 | 181,878 |
| Total unitholders' equity (Net assets) | (c) | 111,670 | 92,935 | 92,663 |
| Unitholders' capital | | 108,311 | 89,839 | 89,839 |
| Total no. of investment units issued and outstanding | (d) | 201,300 | 159,843 | 159,843 |
| Net assets per unit | (c)/(d) | 554,746 | 581,411 | 579,710 |
| Total cash distribution | (e) | 3,360 | 3,096 | 2,824 |
| Net income per unit | (Note 3) | 17,155 | 19,368 | 17,667 |
| Distribution per unit | (e)/(d) | 16,691 | 19,368 | 17,667 |
| (Distribution of earnings per unit) | | (16,691) | (19,368) | (17,667) |
| (Distribution in excess of earnings per unit) | | (-) | (-) | (-) |
| Return on assets | (Notes 4, 5) | 1.5 | 1.6 | 1.6 |
| (Annualized) | (Notes 4, 5) | (3.1) | (3.2) | (3.1) |
| Return on equity | (Notes 4, 5) | 3.3 | 3.3 | 3.0 |
| (Annualized) | (Notes 4, 5) | (6.6) | (6.7) | (6.1) |
| Equity ratio (c)/(b) | (Note 5) | 48.7 | 44.5 | 50.9 |
| Payout ratio (e)/(a) | | 100.0 | 99.9 | 100.0 |
| Supplementary information | | | | |
| No. of investment properties at the end of the period | (Units) | 48 | 41 | 36 |
| Total leasable floor space at the end of the period | (m ²) | 524,157.30 | 484,849.70 | 399,485.87 |
| Total no. of tenants at the end of the period | (Units) | 167 | 160 | 151 |
| Occupancy ratio at the end of the period | (%) | 97.9 | 99.4 | 99.7 |
| Depreciation and amortization | | 1,408 | 1,292 | 1,284 |
| Capital expenditures | | 342 | 375 | 222 |
| NOI (Net Operating Income) from leasing | (Note 4) | 6,480 | 5,855 | 5,366 |
| FFO (Funds From Operations) per unit | (Note 4) | 23,688 | 27,612 | 25,864 |
| FFO ratio | (Notes 4, 5) | 6.6 | 11.4 | 14.4 |
| Debt service coverage ratio | (Notes 4, 5) | 7.4 | 7.6 | 9.2 |
| Net income before interest, depreciation and amortization | | 5,518 | 5,086 | 4,637 |
| Interest expense and interest expenses on corporate bonds | | 750 | 673 | 503 |
| Interest-bearing liabilities | | 100,100 | 99,200 | 73,900 |
| Ratio of interest-bearing liabilities to total assets at the end of the period | (%) | 43.7 | 47.5 | 40.6 |
| No. of operating days | (Days) | 183 | 183 | 183 |

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

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

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

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

9th fiscal period: 159,843units

10th fiscal period: 195,850units (weighted-average during the period)

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.

Return on assets.....Income before income taxes / Ave. total assets

$$\text{Ave. total assets} = (\text{Total assets at the beginning of the period} + \text{Total assets at the end of the period}) / 2$$

$$\text{Return on equity} = \text{Net income} / \text{Ave. net assets}$$

$$\text{Ave. net assets} = (\text{Net assets at the beginning of the period} + \text{Net assets at the end of the period}) / 2$$

$$\text{NOI (Net operating income) from leasing} = \text{Income from property leasing in the period (Rental revenues - Rental expenses)} + \text{Depreciation and Amortization}$$

$$\text{FFO (Funds from operations) per unit} = (\text{Net income} + \text{Depreciation} + \text{Amortization of deferred assets}) / \text{No. of investment units at the end of the period}$$

$$\text{FFO ratio} = \text{Investment unit price at the end of the period} / \text{Annualized FFO per unit}$$

$$\text{Debt service coverage ratio} = \text{Net income before interest, depreciation and amortization} / \text{Interest expense and Interest expense on corporate bonds}$$

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

2. Performance Review for the Current Period

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the 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.

After the additional issue of investment units through the second public offering since the IPO in June 2008 and the additional issue of investment units through third-party allotment in July 2008, the total number of investment units issued and outstanding as of November 30, 2008 is 201,300 units.

United Urban aims to secure steady earnings over the medium term to long term as a comprehensive real estate investment trust (REIT), diversifying its investments in terms of the types of use (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). A distribution has been made in each of nine fiscal periods to date, beginning with the first fiscal period ended in May 2004.

During the period under review, for the first time in approximately 3 and a half years, United Urban issued new investment units through the public offering in June 2008, with the aim of expanding its portfolio and reinforcing its financial base. Meanwhile, United Urban devoted its attention to the management of the existing properties in its portfolio to ensure stable occupancy ratios. While continuing to further strengthen its financial base, United Urban will maintain the policy of pursuing further external growth through a careful selection of blue-chip properties, getting around excessive competition for property acquisitions and with due consideration of the impact on its existing portfolio.

With the support of shareholders and their affiliate companies of Japan REIT Advisors Co., Ltd., to which United Urban assigns asset management services (referred to collectively as “Sponsor Companies”), United Urban acquired seven properties (one retail property, one office building, one hotel and four residential properties for a total acquisition price: ¥22,313 million) during this period. In consequence, as of November 30, 2008, United Urban's assets totaled 48 properties, comprising 13 retail properties, 7 office buildings, 1 retail and office complex, 4 hotels, 1 office and hotel complex, 21 residential properties and 1 others; with increased by 7 from the beginning of the period. The aggregate acquisition price totaled ¥214,156 million, increased by ¥22,313 million from the beginning of the period. Also the total leasable floor space increased from 484,849.70 sq. m. to 524,157.30 sq. m., and the number of tenants rose from 160 to 167. In addition, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 97.9% and 99.2%, and stood at 97.9% on November 30, 2008.

Between June and July of 2008, United Urban procured ¥18.5 billion by the additional issue of investment units as mentioned above, and those funds were used for acquisitions of new properties. Moreover, United Urban procured debt financing of ¥0.9 billion to acquire another new property.

As a result, the balance of outstanding borrowings at November 30, 2008, totaled ¥75.1 billion (up by ¥0.9 billion from the end of the previous period), comprising no short-term borrowings (unchanged from the end of the previous period), ¥9.4 billion of long-term borrowings due for repayment within one year (unchanged from the end of the previous period), ¥65.7 billion of long-term borrowings (up by ¥0.9 billion from the end of the previous period), and the ¥25.0 billion of corporate bonds (unchanged from the end of the previous period).

In addition, United Urban received an upgraded issuer rating of A+ from Rating and Investment Information, Inc. as of February 27, 2008. The details of issuer ratings as of November 30, 2008 are as follows:

| Rating Agency | Details | |
|---|-------------------|------------------------|
| Moody's Investors Service | Issuer Rating: A3 | Rating Outlook: Stable |
| Rating and Investment Information, Inc. (R&I) | Issuer Rating: A+ | Rating Outlook: Stable |

However, in a press release Moody's Investors Service announced that they will review the rating of United Urban for downgrade on effective January 15, 2009, after the end of the tenth fiscal period.

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.

Changes in Closing Prices

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

| | Yen | | |
|---------|---|---|--|
| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) | 8th Fiscal Period (June 1, 2007 - November 30, 2007) |
| Highest | 620,000 | 817,000 | 1,000,000 |
| Lowest | 270,000 | 524,000 | 683,000 |

4. Distribution Information

With regard to the distribution in the period under review, in view of the special manner in which taxation is applied pursuant to Article 67-15 of the Special Taxation Measures Act, 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 ¥16,691 for the 10th fiscal period.

| | | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) | 8th Fiscal Period (June 1, 2007 - November 30, 2007) |
|---|------------------|---|---|--|
| Unappropriated retained earnings at the end of period | Thousands of yen | 3,359,941 | 3,095,910 | 2,824,008 |
| Cash distribution | Thousands of yen | 3,359,898 | 3,095,839 | 2,823,946 |
| Distribution per unit | Yen | 16,691 | 19,368 | 17,667 |
| Unappropriated retained earnings carried forward to the next period | Thousands of yen | 42 | 70 | 62 |

5. Future Policies

A. Acquisition of new properties (External growth)

United Urban strongly recognizes the importance of external growth and has been dedicating to making acquisitions since the first fiscal period in order to build a portfolio where stable earnings are secured over the medium term to long term. In the future, 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, 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. However, given the present market situation where market trends are rapidly changing, we believe we should follow a policy of taking a particularly prudent and careful attitude when considering possible external growth.

B. Management and administration (Internal growth)

In its management and administration, United Urban will proactively carry out the maintenance works and repairs which lead to the tenants' satisfaction and improvement of its management and service in order to build the better relationship with the tenants considering the facts that the lease contracts of its portfolio are with the relatively longer term. 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.

6. Reference Information

A. United Urban procured debt financing for the repayment of the existing debts (Note) on December 22, 2008, as set forth below.

Term Loan 23

| | |
|---------------------|---|
| Lender | The Sumitomo Trust and Banking Co., Ltd. |
| Amount of borrowing | ¥3,000 million |
| Interest rate | 1.46750% (from December 22, 2008 to March 23, 2009) |
| Drawdown date | December 22, 2008 |
| Repayment method | Bullet payment at maturity |
| Repayment date | June 20, 2011 |
| Collateral | Unsecured, unguaranteed, floating rate |

Term Loan 24

| | |
|---------------------|---|
| Lender | The Sumitomo Trust and Banking Co., Ltd. |
| Amount of borrowing | ¥3,000 million |
| Interest rate | 1.51750% (from December 22, 2008 to March 23, 2009) |
| Drawdown date | December 22, 2008 |
| Repayment method | Bullet payment at maturity |
| Repayment date | June 20, 2012 |
| Collateral | Unsecured, unguaranteed, floating rate |

Term Loan 25

| | |
|---------------------|---|
| Lender | The Sumitomo Trust and Banking Co., Ltd. |
| Amount of borrowing | ¥3,400 million |
| Interest rate | 1.61750% (from December 22, 2008 to March 23, 2009) |
| Drawdown date | December 22, 2008 |
| Repayment method | Bullet payment at maturity |
| Repayment date | December 20, 2013 |
| Collateral | Unsecured, unguaranteed, floating rate |

(Note) The following existing debts were repaid on December 22, 2008

Term Loan 8

| | |
|---------------------|---|
| Lender | The Sumitomo Trust and Banking Co., Ltd. |
| Amount of borrowing | ¥6,850 million |
| Interest rate | 1.25833% (from September 22, 2008 to December 21, 2008) |
| Drawdown date | April 14, 2006 |
| Repayment method | Bullet payment at maturity |
| Repayment date | December 22, 2008 |
| Collateral | Unsecured, unguaranteed, floating rate |

Term Loan 10

| | |
|---------------------|---|
| Lender | The Sumitomo Trust and Banking Co., Ltd. |
| Amount of borrowing | ¥2,550 million |
| Interest rate | 1.25833% (from September 22, 2008 to December 21, 2008) |
| Drawdown date | April 28, 2006 |
| Repayment method | Bullet payment at maturity |
| Repayment date | December 22, 2008 |
| Collateral | Unsecured, unguaranteed, floating rate |

B. United Urban acquired the property set forth below subsequent to the end of the tenth fiscal period.

< UUR Court Osaka Jusohommachi > (Note 1)

Summary of Acquisition

| | |
|---------------------|--|
| Acquired Asset | : Trust beneficial interest in real estate |
| Acquisition Price | : ¥1,570 million (Note 2) |
| Date of Acquisition | : February 26, 2009 |

Outline of Property

| | |
|-------------------------------------|---|
| Location | : 3-4-15 Jusohommachi, Yodogawa-ku, Osaka-shi, Osaka |
| Use | : Residential properties |
| Site Area | : Land: 1,266.32 m ² Building: 4,166.73 m ² |
| Structure | : RC 11F |
| Number of Units Available for Lease | : 140 units |
| Completion Date | : January 2009 |
| Total Leasable Floor Space | : 3,650.00 m ² |

- Notes: 1. The property name was changed from "UUR Court Jusohommachi" to "UUR Court Osaka Jusohommachi" at the time of acquisition.
2. In view of the economic environment and depressed real estate market after the conclusion of sale and purchase agreement of the trust beneficial interest in real estate and the appraisal value by appraisal agency, the acquisition price was reduced from ¥1,790 million, the original scheduled acquisition price, to ¥1,570 million upon consultation with the Seller.

C. United Urban procured debt financing to support its payments for acquiring the trust beneficial interest in real estate of UUR Court Osaka Jusohommachi and a portion of the related acquisition cost as set forth below, on February 26, 2009.

Term Loan 26

| | |
|---------------------|---|
| Lenders | The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. |
| Amount of borrowing | ¥1,700 million |
| Interest rate | 1.67585% (annual rate) |
| Drawdown date | February 26, 2009 |
| Repayment method | Bullet payment at maturity |
| Repayment date | June 20, 2011 |
| Collateral | Unsecured, unguaranteed, fixed rate |

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

| | 10th Fiscal Period (As of November 30, 2008) | 9th Fiscal Period (As of May 31, 2008) | 8th Fiscal Period (As of November 30, 2007) |
|--|---|---|--|
| Number of investment units authorized (Unit) | 2,000,000 | 2,000,000 | 2,000,000 |
| Number of investment units issued and outstanding (Unit) | 201,300 | 159,843 | 159,843 |
| Unitholders' capital (Millions of yen) | 108,311 | 89,839 | 89,839 |
| Number of unitholders | 9,662 | 7,319 | 7,188 |

2. Major Unitholders

| | (As of November 30, 2008) | |
|---|----------------------------------|--|
| Unitholder Name | Investment Units Held (Units) | Percentage of Investment Unit Held (%) |
| NikkoCiti Trust and Banking Corporation (investment trust account) | 17,998 | 8.94 % |
| Japan Trustee Services Bank, Ltd. (trust account) | 13,848 | 6.88 % |
| Trust & Custody Services Bank, Ltd. (investment trust account) | 13,810 | 6.86 % |
| The Master Trust Bank of Japan, Ltd. (trust account) | 13,256 | 6.59 % |
| THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED | 7,082 | 3.52 % |
| The Nomura Trust and Banking Co., Ltd. (investment trust account) | 6,247 | 3.10 % |
| The Bank of Ikeda, Ltd. | 5,597 | 2.78 % |
| North Pacific Bank, Ltd. | 4,626 | 2.30 % |
| The Gibraltar Life Insurance Co., Ltd. (general account and other) | 3,788 | 1.88 % |
| SIS SegalInterSettle AG | 3,173 | 1.58 % |
| Total | 89,425 | 44.42 % |

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

3. Categories of Unitholders

| | (As of November 30, 2008) | | | |
|---|--------------------------------------|---------|---------------------------------------|---------|
| | Number of Unitholders by Category | | Number of Units by Holder Category | |
| Individuals and others | 9,210 | 95.3 % | 27,915 units | 13.9 % |
| Financial institutions (including securities companies) | 133 | 1.4 % | 124,411 units | 61.8 % |
| Other domestic corporations | 169 | 1.7 % | 8,420 units | 4.2 % |
| Foreign corporations and individuals | 150 | 1.6 % | 40,554 units | 20.1 % |
| Total | 9,662 | 100.0 % | 201,300 units | 100.0 % |

4. Directors and Auditor

A. Board of Directors, etc. of United Urban as of November 30, 2008 were as follows;

| Title | Name | Other Title | Total Amount of Compensations 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 | | 11,000 |
| Total | | | 21,200 |

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. Ernst & Young ShinNihon became "Ernst & Young ShinNihon LLC" as of July 1, 2008 with the change of the category of auditing firm.

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

The dismissal of Independent Auditor shall be considered at the board of directors meeting 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, 2008) | |
|---|---|
| Role | Name |
| Asset Management Company | Japan REIT Advisors Co., Ltd. |
| Asset Custodian | Mizuho Trust & Banking Co., Ltd. |
| Transfer Agent (Note) | The Chuo Mitsui Trust and Banking Company, Limited |
| Administrative Agent | Mizuho Trust & Banking Co., Ltd. |
| Administrative Agent (related to Corporate Bonds) | The Sumitomo Trust and Banking Co., Ltd., Mizuho Securities Co., Ltd., Nikko Citigroup Limited and Kyokuto Securities Co., Ltd. |

Note: United Urban amended its general administration entrustment agreement (transfer agency entrustment agreement) with the Chuo Mitsui Trust and Banking Company, Limited and newly concluded a general administration entrustment agreement (agreement concerning the management of special accounts) with the Chuo Mitsui Trust and Banking Company, Limited on January 5, 2009, in correlation with the implementation of the book-entry transfer system for shares and other securities (dematerialization of share certificates and other securities) pursuant to the Act for Partial Amendments to the Act Concerning Book-entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trades of Shares and Other Securities (Act No. 88 of 2004) taking effect.

Portfolio Profiles

1. Composition of Portfolio

| Categories of Assets | Type of Use | Areas | | 10th Fiscal Period (As of November 30, 2008) | |
|--------------------------------|------------------------|----------------------------|---------------------------------------|---|--------------------------------------|
| | | | | 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) | 2,510,590 | 1.1 |
| | | Other regions | | 3,241,905 | 1.4 |
| | Office Buildings | Capital Region | The 6 central wards of Tokyo | - | - |
| | | | The 23 wards of Tokyo | 14,375 | 0.0 |
| | | | Tokyo metropolitan areas | - | - |
| | | Other regions | | - | - |
| | Hotels | Capital Region | The 6 central wards of Tokyo | 1,877,046 | 0.8 |
| | | | The 23 wards of Tokyo | - | - |
| | | | Tokyo metropolitan areas | 4,908,478 | 2.1 |
| | | Other regions | | - | - |
| | Residential Properties | Capital Region | The 6 central wards of Tokyo | - | - |
| | | | The 23 wards of Tokyo | - | - |
| | | | Tokyo metropolitan areas | - | - |
| | | Other regions | | 921,126 | 0.4 |
| | Others | Capital Region | The 6 central wards of Tokyo | - | - |
| | | | The 23 wards of Tokyo | - | - |
| | | | Tokyo metropolitan areas | - | - |
| | | Other regions | | - | - |
| | Subtotal | | | 13,473,520 | 5.9 |
| Real Estate in Trust | Retail Properties | Capital Region | The 6 central wards of Tokyo | - | - |
| | | | The 23 wards of Tokyo | 18,844,617 | 8.2 |
| | | | Tokyo metropolitan areas | 21,742,018 | 9.5 |
| | | Other regions | | 30,184,698 | 13.2 |
| | Office Buildings | Capital Region | The 6 central wards of Tokyo | 6,794,711 | 3.0 |
| | | | The 23 wards of Tokyo | 8,833,435 | 3.9 |
| | | | Tokyo metropolitan areas | 24,322,016 | 10.6 |
| | | Other regions | | 21,370,834 | 9.3 |
| | Hotels | Capital Region | The 6 central wards of Tokyo | 20,943,545 | 9.1 |
| | | | The 23 wards of Tokyo | - | - |
| | | | Tokyo metropolitan areas | 3,918,661 | 1.7 |
| | | Other regions | | 9,678,451 | 4.2 |
| | Residential Properties | Capital Region | The 6 central wards of Tokyo | 2,430,637 | 1.1 |
| | | | The 23 wards of Tokyo | 10,848,673 | 4.7 |
| | | | Tokyo metropolitan areas | 2,250,994 | 1.0 |
| | | Other regions | | 15,080,944 | 6.6 |
| | Others | Capital Region | The 6 central wards of Tokyo | - | - |
| | | | The 23 wards of Tokyo | - | - |
| | | | Tokyo metropolitan areas | - | - |
| | | Other regions | | 1,973,775 | 0.9 |
| | Subtotal | | | 199,218,009 | 86.9 |
| Bank Deposits and Other Assets | | | 16,441,052 | 7.2 | |
| Total Assets | | | 229,132,581 | 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, 2008)

| 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 | 14,955 | 16,100 | 26,655.66 | 26,655.66 | 100.0 | Retail Properties | N/A |
| Joy Park Izumigaoka | 6,071 | 3,800 | 13,242.67 | 13,196.91 | 99.7 | Retail Properties | N/A |
| Daimaru Peacock Ashiya-Kawanishi Ten | 762 | 1,110 | 1,558.80 | 1,558.80 | 100.0 | Retail Properties | N/A |
| Re-LAND Shopping Center | 4,898 | 5,720 | 12,968.85 | 12,818.77 | 98.8 | Retail Properties | Applicable (Note 7) |
| AEON MALL Uki Value | 10,826 | 10,500 | 72,073.39 | 72,073.39 | 100.0 | Retail Properties | N/A |
| TENJIN LUCE | 6,647 | 5,760 | 4,194.57 | 3,702.06 (Note 4) | 88.3 | Retail Properties | N/A |
| Yamada Denki Tecc Land Sakai Honten | 3,242 | 3,120 | 8,637.63 | 8,637.63 | 100.0 | Retail Properties | N/A |
| Miyamae Shopping Center | 5,398 | 4,490 | 10,487.92 | 10,487.92 | 100.0 | Retail Properties | N/A |
| KONAMI SPORTS CLUB Korigaoka | 2,057 | 1,730 | 8,627.58 | 8,627.58 | 100.0 | Retail Properties | N/A |
| ACTIOLE minami ikebukuro | 3,890 | 3,620 | 2,081.50 | 1,838.46 (Note 4) | 88.3 | Retail Properties | N/A |
| Tip's Machida Building | 4,248 | 4,710 | 6,715.75 | 6,715.75 (Note 4) | 100.0 | Retail Properties | N/A |
| Daiei Takarazuka Nakayama | 3,822 (Note 5) | 3,740 | 16,729.60 | 16,729.60 | 100.0 | Retail Properties | N/A |
| maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) | 12,451 | 11,500 | 52,668.38 | 52,668.38 | 100.0 | Retail / Office | N/A |
| ACTIOLE Kannai | 2,511 | 2,230 | 1,938.56 | 1,938.56 (Note 4) | 100.0 | Retail Properties | N/A |
| T&G Hamamatsu-Cho Building | 2,161 | 3,280 | 2,422.93 | 2,422.93 (Note 4) | 100.0 | Office Buildings | N/A |
| SK Nagoya Building | 5,301 | 6,570 | 8,708.52 | 7,320.01 | 84.1 | Office Buildings | N/A |
| Fukuoka Eartheon Building | 1,853 | 2,580 | 4,934.39 | 4,934.39 | 100.0 | Office Buildings | N/A |
| Marumasu Koujimachi Building | 2,416 | 3,570 | 2,612.42 | 2,612.42 | 100.0 | Office Buildings | N/A |
| Rokuban-Cho K Building | 2,217 | 3,470 | 4,031.14 | 4,031.14 | 100.0 | Office Buildings | N/A |
| Shin-Osaka Central Tower | 23,895 | 28,200 | 45,984.60 | 44,742.14 | 97.3 | Office / Hotels | N/A |
| Kawasaki Toshiba Building | 19,070 | 31,800 | 36,118.31 | 36,118.31 | 100.0 | Office Buildings | N/A |
| Haseman Building Toyocho | 8,848 | 8,710 | 7,540.30 | 7,540.30 (Note 4) | 100.0 | Office Buildings | N/A |
| Shinjyuku Washington Hotel - Honkan | 20,944 | 22,600 | 53,317.45 | 53,317.45 | 100.0 | Hotels | N/A |
| Toyoko Inn Shinagawa-Eki Takanawaguchi | 1,877 | 2,140 | 3,088.85 | 3,088.85 | 100.0 | Hotels | N/A |
| MZ BLD. | 3,919 | 3,440 | 6,670.21 | 5,954.48 (Note 4) | 89.3 | Hotels | N/A |
| Hotel Route Inn Yokohama Bashamichi | 4,908 | 4,490 | 7,139.44 | 6,969.35 | 97.6 | Hotels | N/A |

| | | | | | | | |
|---|---------|---------|------------|-----------------------|-----------------|---------------------------|-----|
| T&G Higashi-Ikebukuro Mansion | 1,863 | 2,190 | 2,603.22 | 2,542.68 (Note 4) | 97.7 | Residential Properties | N/A |
| T&G Yotsuya Mansion | 1,260 | 1,410 | 1,679.10 | 1,593.30 (Note 4) | 94.9 | Residential Properties | N/A |
| Excellia Magome | 649 | 675 | 914.98 | 894.12 (Note 4) | 97.7 | Residential Properties | N/A |
| Komazawa Court | 1,618 | 1,620 | 3,741.17 | 3,741.17 | 100.0 | Residential Properties | N/A |
| Ropponmatsu Court | 721 | 754 | 3,294.36 | 3,294.36 | 100.0 | Residential Properties | N/A |
| Sky Court Shiba-Daimon | 1,171 | 1,160 | 1,486.38 | 1,486.38 | 100.0 | Residential Properties | N/A |
| Maison Ukima | 3,475 | 3,650 | 12,691.43 | 12,691.43 | 100.0 | Residential Properties | N/A |
| Narashino Residence | 1,130 | 1,120 | 6,840.86 | 6,840.86 | 100.0 | Residential Properties | N/A |
| Aprile Shin-Ohgi Ichibankan | 3,008 | 3,040 | 12,700.44 | 12,700.44 | 100.0 | Residential Properties | N/A |
| UUR Court Sapporo Kitasanjo | 1,298 | 1,320 | 4,790.50 | 4,790.50 | 100.0 | Residential Properties | N/A |
| Soga Dormitory | 624 | 569 | 2,931.14 | 2,931.14 | 100.0 | Residential Properties | N/A |
| Higashikurume Dormitory Shinkan | 497 | 456 | 1,397.61 | 1,397.61 | 100.0 | Residential Properties | N/A |
| Nanzan Court Ichigoukan | 1,059 | 971 | 3,576.74 | 3,576.74 | 100.0 | Residential Properties | N/A |
| Nanzan Court Nigoukan | 445 | 448 | 1,890.51 | 1,890.51 | 100.0 | Residential Properties | N/A |
| CLIO Bunkyo Koishikawa | 3,244 | 3,060 | 4,097.51 | 4,001.89 (Note 4) | 97.7 | Residential Properties | N/A |
| GRAND-ROUGE Sakae | 1,572 | 1,170 | 3,697.38 | 3,697.38 | 100.0 | Residential Properties | N/A |
| GRAND-ROUGE Sakae II | 1,336 | 1,140 | 2,579.89 | 2,579.89 | 100.0 | Residential Properties | N/A |
| MA Sendai Building | 3,148 | 3,300 | 11,525.36 | 11,425.86 (Note 4) | 99.1 | Residential Properties | N/A |
| UUR Court Nagoya Meieki | 1,537 | 1,440 | 2,958.45 | 2,958.45 | 100.0 | Residential Properties | N/A |
| UUR Court Sapporo Shinoro Ichibankan | 921 | 870 | 6,271.74 | 245.20 (Note 6) | 3.9 (Note 6) | Residential Properties | N/A |
| Park Site IZUMI | 955 | 827 | 2,067.95 | 1,732.79 (Note 4) | 83.8 | Residential Properties | N/A |
| Lilycolor Tohoku Branch | 1,974 | 1,950 | 9,271.16 | 9,271.16 | 100.0 | Others | N/A |
| Total | 212,692 | 232,120 | 524,157.30 | 512,985.10 | 97.9 | | |

- 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, 2008. "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 Isogo (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.

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, 2008.
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 ¥3,822 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 concluded an agreement with the asset custodian as of January 23, 2009, to the effect that United Urban receives the Reserve for Soil Improvement.
6. "UUR Court Sapporo Shinoro Ichibankan" which was acquired on November 11, 2008 (total leasable floor space: 6,271.74 sq.m), planned to start renting from December 1, 2008 (occupancy ratio: 100%) excluding a retail part (leasable floor space: 245.20 sq.m). Accordingly, the occupancy ratio as of November 30, 2008 of "UUR Court Sapporo Shinoro Ichibankan" was 3.9%.
7. 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.

3. Selected Financial Data by Property

| Name of Property | 10th Fiscal Period (June 1, 2008 to November 30, 2008) | | | |
|---|--|---|---|-----------------------------------|
| | Total Number of Tenants at the End of Period (Note 1) | Occupancy Ratio at the End of Period (%) (Note 2) | Rental Revenue (During the Period) (Millions of yen) (Note 3) | Share of Total Rental Revenue (%) |
| Daiei Himonya | 1 | 100.0 | 528 | 6.6 |
| Joy Park Izumigaoka | 12(5) | 99.7 | 249 | 3.1 |
| Daimaru Peacock Ashiya-Kawanishi Ten | 1 | 100.0 | 30 | 0.4 |
| Re-LAND Shopping Center | 14 | 98.8 | 281 | 3.5 |
| AEON MALL Uki Value | 1(97) | 100.0 | 457 | 5.7 |
| TENJIN LUCE | 2(6) | 88.3 | 197 | 2.5 |
| Yamada Denki Tecc Land Sakai Honten | 1(1) | 100.0 | (Note 4) | (Note 4) |
| Miyamae Shopping Center | 3(8) | 100.0 | 140 | 1.7 |
| KONAMI SPORTS CLUB Korigaoka | 1 | 100.0 | (Note 4) | (Note 4) |
| ACTIOLE minami ikebukuro | 1(9) | 88.3 | 112 | 1.4 |
| Tip's Machida Building | 2(9) | 100.0 | 225 | 2.8 |
| Daiei Takarazuka Nakayama | 1(14) | 100.0 | 152 | 1.9 |
| maricom-ISOGO / SYSTEM PLAZA ISOGO (Site) | 4 | 100.0 | 283 | 3.5 |
| ACTIOLE Kannai | 1(10) | 100.0 | 66 | 0.8 |
| T&G Hamamatsu-Cho Building | 1(6) | 100.0 | 110 | 1.4 |
| SK Nagoya Building | 7 | 84.1 | 242 | 3.0 |
| Fukuoka Eartheon Building | 3(2) | 100.0 | 138 | 1.7 |
| Marumasu Koujimachi Building | 12(1) | 100.0 | 124 | 1.6 |
| Rokuban-Cho K Building | 1(3) | 100.0 | 99 | 1.2 |
| Shin-Osaka Central Tower | 59(1) | 97.3 | 1,194 | 14.9 |
| Kawasaki Toshiba Building | 1(5) | 100.0 | 835 | 10.4 |
| Haseman Building Toyochō | 1(1) | 100.0 | 232 | 2.9 |
| Shinjyuku Washington Hotel - Honkan | 8(1) | 100.0 | 824 | 10.3 |
| Toyoko Inn Shinagawa-Eki Takanawaguchi | 1 | 100.0 | 64 | 0.8 |
| MZ BLD. | 2(5) | 89.3 | 124 | 1.5 |
| Hotel Route Inn Yokohama Bashamichi | 3 | 97.6 | 141 | 1.8 |

| | | | | |
|--------------------------------------|-------------------|--------------|--------------|--------------|
| T&G Higashi-Ikebukuro Mansion | 1(126 units) | 97.7 | 69 | 0.9 |
| T&G Yotsuya Mansion | 1(74 units) | 94.9 | 47 | 0.6 |
| Excellia Magome | 1(43 units) | 97.7 | 24 | 0.3 |
| Komazawa Court | 1(95 units) | 100.0 | 53 | 0.7 |
| Ropponmatsu Court | 1(79 units) | 100.0 | 35 | 0.4 |
| Sky Court Shiba-Daimon | 1(1) | 100.0 | 32 | 0.4 |
| Maison Ukima | 1 | 100.0 | 124 | 1.5 |
| Narashino Residence | 1(1 units) | 100.0 | 51 | 0.6 |
| Aprile Shin-Ohgi Ichibankan | 1 | 100.0 | (Note 4) | (Note 4) |
| UUR Court Sapporo Kitasanjo | 1(129 units) | 100.0 | 52 | 0.7 |
| Soga Dormitory | 1(1 units) | 100.0 | 26 | 0.3 |
| Higashikurume Dormitory Shinkan | 1 | 100.0 | 17 | 0.2 |
| Nanzan Court Ichigoukan | 1(90 units) | 100.0 | 40 | 0.5 |
| Nanzan Court Nigoukan | 1(33 units) | 100.0 | 17 | 0.2 |
| CLIO Bunkyo Koishikawa | 1(89 units) | 97.7 | 100 | 1.2 |
| GRAND-ROUGE Sakae | 1(74 units) | 100.0 | 46 | 0.6 |
| GRAND-ROUGE Sakae II | 1(85 units) | 100.0 | 40 | 0.5 |
| MA Sendai Building | 2(150 units) | 99.1 | 59 | 0.7 |
| UUR Court Nagoya Meieki | 1(35 units) | 100.0 | 2 | 0.0 |
| UUR Court Sapporo Shinoro Ichibankan | 1(1) | 3.9 (Note 5) | 0 | 0.0 |
| Park Site IZUMI | 1(34 units) | 83.8 | 2 | 0.0 |
| Lilycolor Tohoku Branch | 1 | 100.0 | (Note 4) | (Note 4) |
| Total | 167(1,324) | 97.9 | 8,029 | 100.0 |

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. In the event that one tenant is renting more than one room, the aggregate number of tenants is stated by treating each such tenant as a single tenant within the same property, and as more than one tenant if the rentals include more than one property. With regard to a property subleased by a lessee, the number of tenants is treated as being one; as of November 30, 2008, the total number of tenants subleasing from lessees and the number of rental units were stated in parentheses.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA ISOGO (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.
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. "UUR Court Sapporo Shinoro Ichibankan" which was acquired on November 11, 2008 (total leasable floor space: 6,271.74 sq.m), planned to start renting from December 1, 2008 (occupancy ratio: 100%) excluding a retail part (leasable floor space: 245.20 sq.m). Accordingly, the occupancy ratio as of November 30, 2008 of "UUR Court Sapporo Shinoro Ichibankan" was 3.9%.

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, 2008. 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 10th fiscal period | Amount already paid |
| Daiei Himonya | Renewal of elevating machine facilities (elevator) | From December 2008 to May 2009 | 35 | - | - |
| Daiei Himonya | Renewal of elevating machine facilities (elevator) | From June 2009 to November 2009 | 35 | - | - |
| Daiei Himonya | Improvement of electrical power receiving facilities | From June 2009 to November 2009 | 60 | - | - |
| Daiei Himonya | Replacement of smokeproof interlocking board | From August 2009 to October 2009 | 10 | - | - |
| Re-LAND Shopping Center | Repair for lack of building equipment | From June 2009 to July 2009 | 10 | - | - |
| AEON MALL Uki Value | Repair of toilets (JUSCO wing 2F, Oasis court, etc.) | From January 2009 to March 2009 | 80 | - | - |
| AEON MALL Uki Value | Renewal of luminaries (1F, 2F and outdoor lights of JUSCO wing) | From February 2009 to March 2009 | 20 | - | - |
| AEON MALL Uki Value | Renewal of air-conditioner (former HW section of JUSCO wing) | From February 2009 to March 2009 | 24 | - | - |
| AEON MALL Uki Value | Renewal of air handling unit for outside air (east side of JUSCO wing) | From June 2009 to July 2009 | 10 | - | - |
| AEON MALL Uki Value | Renewal of luminaries (JUSCO wing 2F) | From September 2009 to October 2009 | 21 | - | - |
| AEON MALL Uki Value | Renewal of air-conditioner (HW section of JUSCO wing) | From September 2009 to November 2009 | 40 | - | - |
| Tip's Machida Building | Renewal work (exterior walls, signs) | From April 2009 to May 2009 | 100 | - | - |
| Marumasu Koujimachi Building | Renewal of air-conditioner (1st period) | From November 2009 to November 2009 | 25 | - | - |
| Shin-Osaka Central Tower | Air-conditioning work of 2nd floor of office portion | From January 2009 to February 2009 | 30 | - | - |
| Shin-Osaka Central Tower | Renewal of air-conditioning facilities (23F) | From February 2009 to March 2009 | 94 | - | - |
| Shin-Osaka Central Tower | Repair of air-conditioning facilities (3F-11F) (1st period) | From September 2008 to March 2009 | 60 | - | - |
| Shin-Osaka Central Tower | Repair of air-conditioning facilities (3F-11F) (2nd period) | From June 2009 to November 2009 | 300 | - | - |
| Shin-Osaka Central Tower | Renewal of automatic controls | From June 2009 to November 2009 | 11 | - | - |
| Shin-Osaka Central Tower | Equipment work of digital broadcast (1st period) | From January 2009 to May 2009 | 150 | - | - |
| Shin-Osaka Central Tower | Replacement and repair of switch and control board of shutter | From February 2009 to February 2009 | 12 | - | - |

| | | | | | |
|------------------------------------|---|--------------------------------------|-----|---|---|
| Shin-Osaka Central Tower | Repair of parking lot facilities (No.1 and 2) (Renewal of control panel) | From March 2009 to May 2009 | 10 | - | - |
| Shin-Osaka Central Tower | Repair of parking lot facilities (No. 6) (Renewal of control board: 1st period) | From March 2009 to May 2009 | 15 | - | - |
| Shin-Osaka Central Tower | Renewal of dimmer controls | From May 2009 to May 2009 | 20 | - | - |
| Shin-Osaka Central Tower | Renewal of overall supervisory board for disaster prevention | From June 2009 to June 2009 | 160 | - | - |
| Shin-Osaka Central Tower | Renewal of central supervisory board (excluding air-conditioning management software) | From June 2009 to November 2009 | 100 | - | - |
| Shin-Osaka Central Tower | Equipment work of digital broadcast (2nd period) | From June 2009 to November 2009 | 150 | - | - |
| Shin-Osaka Central Tower | Repair of parking lot facilities (No. 3-5) (Renewal of control board) | From September 2009 to November 2009 | 15 | - | - |
| Shin-Osaka Central Tower | Repair of parking lot facilities (No. 1-5) (pallets and parts) | From September 2009 to November 2009 | 43 | - | - |
| Shin-Osaka Central Tower | Repair of parking lot facilities (No. 6) (Renewal of control board: 2nd period) | From September 2009 to November 2009 | 20 | - | - |
| Kawasaki Toshiba Building | Overhaul of plate heat exchangers (5units) | From December 2008 to January 2009 | 27 | - | - |
| Kawasaki Toshiba Building | Overhaul of emergency private power generator | From January 2009 to February 2009 | 21 | - | - |
| Kawasaki Toshiba Building | Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (2nd period) | From January 2009 to March 2009 | 17 | - | - |
| Kawasaki Toshiba Building | Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (3rd period) | From May 2009 to July 2009 | 12 | - | - |
| Shinjuku Washington Hotel - Honkan | Replacement of cooling machine No.1, 2 | From January 2009 to March 2009 | 89 | - | - |
| MZ BLD. | Joinery work of office specification for vacant space (#402) | From May 2009 to May 2009 | 15 | - | - |
| Maison Ukima | Removal and replacement of ceilings | From April 2009 to May 2009 | 18 | - | - |
| Maison Ukima | Repair of exterior wall tiles | From April 2009 to May 2009 | 15 | - | - |
| Maison Ukima | Floor waterproofing and ceiling coating of balcony and corridor | From April 2009 to May 2009 | 24 | - | - |
| Nanzan Court Ichigoukan | Heat shield work of rooftop | From April 2009 to April 2009 | 10 | - | - |

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 tenth fiscal period, which totaled ¥342 million. Together with ¥59 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥401 million.

| Name of Properties | Description of Works | Period Implemented | Expenditure Amount (Millions of yen) |
|----------------------------|--|--------------------------------------|---|
| Daiei Himonya | Maintenance of cold and hot water generator for air-conditioning (No.1) | From September 2008 to November 2008 | 23 |
| AEON MALL Uki Value | Repair of toilets | From June 2008 to August 2008 | 50 |
| AEON MALL Uki Value | Renewal of luminaries (excluding industrial waste disposal costs) | From September 2008 to October 2008 | 23 |
| Shin-Osaka Central Tower | Renewal of emergency broadcasting system | From October 2008 to November 2008 | 20 |
| Kawasaki Toshiba Building | Renewal of dilapidated once-through boiler (unit no.2 / total two units) | From July 2008 to August 2008 | 16 |
| Kawasaki Toshiba Building | Renewal of emergency electric lighting and operating DC power supply system | From July 2008 to October 2008 | 14 |
| Kawasaki Toshiba Building | Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (1st period) | From September 2008 to October 2008 | 16 |
| Other capital expenditures | | | 180 |
| Total | | | 342 |

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 | | |
|--|---|---|--|
| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) | 8th Fiscal Period (June 1, 2007 - November 30, 2007) |
| Reserve balance at the beginning of period | 1,726 | 1,518 | 1,297 |
| Addition | 235 | 228 | 221 |
| Deduction | - | 20 | - |
| Reserve balance at the end of period | 1,961 | 1,726 | 1,518 |

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

| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) | Thousands of yen 8th Fiscal Period (June 1, 2007 - November 30, 2007) |
|---------------------------|---|---|--|
| Asset management fees | 614,382 | 534,843 | 489,376 |
| Asset custodian fees | 28,462 | 25,304 | 24,778 |
| Administrative agent fees | 81,941 | 67,305 | 67,657 |
| Directors' fees | 10,200 | 10,200 | 10,200 |
| Other expenses | 159,533 | 129,357 | 135,512 |
| Total | 894,518 | 767,009 | 727,523 |

Note: In addition to the amounts stated above, there were asset management fees of ¥46,400 thousand for the 8th fiscal period, ¥203,104 thousand for the 9th fiscal period and ¥178,504 thousand for the 10th 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, 2008 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. | 6,850 | 1.25071% | Apr. 14, 2006 | Dec. 20, 2008 | Unsecured Unguaranteed Floating rate of interest |
| | 2,550 | 1.25071% | Apr. 28, 2006 | Dec. 20, 2008 | |
| Total | 9,400 | | | | |

(Long-term debt)

| Lender | Balance (Millions of yen) | Average Interest Rate (Note) | Drawdown Date | Repayment Date | Remarks |
|--|---------------------------------|------------------------------------|------------------|-------------------|--|
| The Sumitomo Trust and Banking Co., Ltd. | 2,000 | 1.39716% | Dec. 20, 2004 | Dec. 20, 2009 | Unsecured Unguaranteed Fixed rate of interest |
| | 4,000 | 1.20861% | Feb. 18, 2008 | Dec. 20, 2010 | |
| | 2,700 | 1.67119% | Dec. 20, 2007 | Dec. 20, 2012 | |
| Mizuho Trust & Banking Co., Ltd. | 330 | 1.39716% | Dec. 20, 2004 | Dec. 20, 2009 | |
| Saitama Resona Bank, Limited | 670 | 1.39716% | Dec. 20, 2004 | Dec. 20, 2009 | |
| | 1,000 | 1.67119% | Dec. 20, 2007 | Dec. 20, 2012 | |
| Shinsei Bank, Limited | 1,330 | 1.39716% | Dec. 20, 2004 | Dec. 20, 2009 | |
| | 1,900 | 1.47730% | Feb. 19, 2007 | Dec. 20, 2009 | |
| | 2,500 | 1.67119% | Dec. 20, 2007 | Dec. 20, 2012 | |
| Daido Life Insurance Company | 670 | 1.39716% | Dec. 20, 2004 | Dec. 20, 2009 | |
| Mizuho Corporate Bank, Ltd. | 2,500 | 1.55035% | Dec. 20, 2006 | Dec. 20, 2009 | |
| | 2,000 | 1.86167% | Dec. 20, 2006 | Dec. 20, 2011 | |
| | 4,400 | 1.20861% | Feb. 18, 2008 | Dec. 20, 2010 | |
| | 2,000 | 1.33256% | Apr. 10, 2008 | Jun. 20, 2011 | |
| Aozora Bank, Ltd. | 500 | 1.55035% | Dec. 20, 2006 | Dec. 20, 2009 | |
| | 900 | 1.47730% | Feb. 19, 2007 | Dec. 20, 2009 | |

| | | | | | |
|---|--------|----------|---------------|---------------|---|
| | 500 | 1.86167% | Dec. 20, 2006 | Dec. 20, 2011 | |
| | 2,000 | 1.67119% | Dec. 20, 2007 | Dec. 20, 2012 | |
| The Bank of Fukuoka, Ltd. | 500 | 1.55035% | Dec. 20, 2006 | Dec. 20, 2009 | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 800 | 1.55035% | Dec. 20, 2006 | Dec. 20, 2009 | |
| | 4,000 | 1.66432% | Sep. 27, 2007 | Dec. 20, 2012 | |
| | 4,000 | 1.20861% | Feb. 18, 2008 | Dec. 20, 2010 | |
| | 2,000 | 1.33256% | Apr. 10, 2008 | Jun. 20, 2011 | |
| | 4,400 | 1.44618% | Dec. 27, 2007 | Jun. 20, 2012 | |
| Sumitomo Mitsui Banking Corporation | 500 | 1.55035% | Dec. 20, 2006 | Dec. 20, 2009 | |
| | 2,800 | 1.47730% | Feb. 19, 2007 | Dec. 20, 2009 | |
| | 4,500 | 1.48031% | Jan. 30, 2008 | Jun. 20, 2012 | |
| The National Mutual Insurance Federation of Agricultural Cooperatives | 3,400 | 1.89500% | Apr. 28, 2006 | Dec. 20, 2011 | |
| The Dai-ichi Mutual Life Insurance Company | 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 | |
| Development Bank of Japan Inc. | 900 | 1.63568% | Nov. 11, 2008 | Jun. 20, 2012 | |
| The Norinchukin Bank | 4,000 | 1.30071% | Dec. 20, 2006 | Dec. 20, 2011 | Unsecured Unguaranteed Floating rate of interest |
| Total | 65,700 | | | | |

| | | |
|------------------|--------|--|
| Borrowings Total | 75,100 | |
|------------------|--------|--|

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, 2008 were as follows;

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

Trading Activities during the Period

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

(Millions of yen)

| Asset Type | Name of Properties | Acquisition | | Transfer | | | |
|--|---|--------------------|-------------------|----------|-------|---------------|-----------------|
| | | Date | Price (Note 1) | Date | Price | Book value | Gain on sale |
| Real estate | ACTIOLE Kannai | June 30, 2008 | 2,410 | - | - | - | - |
| Beneficiary rights of trusted real estate assets (Note 2) | Haseman Building Toyochō | June 30, 2008 | 8,500 | - | - | - | - |
| Real estate | Hotel Route Inn Yokohama Bashamichi | June 30, 2008 | 4,720 | - | - | - | - |
| Beneficiary rights of trusted real estate assets | MA Sendai Building | September 24, 2008 | 3,440 | - | - | - | - |
| Beneficiary rights of trusted real estate assets | UUR Court Nagoya Meieki | September 30, 2008 | 1,473 | - | - | - | - |
| Real estate | UUR Court Sapporo Shinoro Ichibankan | November 11, 2008 | 870 | - | - | - | - |
| Beneficiary rights of trusted real estate assets | Park Site IZUMI | November 21, 2008 | 900 | - | - | - | - |
| | Total | | 22,313 | - | - | - | - |

Notes: 1. The acquisition price is purchase price stated in the sales and purchase agreement of the asset, excluding consumption taxes and expenses necessary for making the relevant acquisition (e.g. agency fees, taxes and impositions), and is rounded to the nearest one million yen.

2. The trust agreement for this property was terminated as of December 1, 2008, and United Urban currently holds this property as actual real estate.

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

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

(Millions of yen)

| Category | Amount of Purchase and Sale Price etc. | |
|---|--|--|
| | Purchase price etc. | Sale price etc. |
| Total Amount | 22,313 (100.0%) | - |
| | Purchase prices from related parties and major shareholders | Sale prices to related parties and major shareholders |
| | 10,570 (47.4%) | - |
| Breakdown of status of transactions with related parties and major shareholders | | |
| MG Leasing Corporation | ACTIOLE Kannai 2,410 (10.8%) | - |
| MG Leasing Corporation | Hotel Route Inn Yokohama Bashamichi 4,720 (21.2%) | - |
| MA Properties LLC | MA Sendai Building 3,440 (15.4%) | - |

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

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

| Category | Total Commission Paid (A) (Thousands of yen) | Description of Transactions with Related Parties and Major Shareholders | | (B)/(A) (%) |
|------------------------------|---|---|---------------------------------------|----------------|
| | | Payee | Amount paid (B) (Thousands of yen) | |
| Brokerage Commission | 662,844 | Marubeni Corporation | 495,294 | 74.7 |
| | | Marubeni Asset Management Co., Ltd. | 40,050 | 6.0 |
| Property Management Fees | 396,661 | Marubeni Community Co., Ltd. | 59,594 | 15.0 |
| | | Marubeni Real Estate Co., Ltd. | 29,390 | 7.4 |
| | | Marubeni Properties Co., Ltd. | 94,321 | 23.8 |
| | | The Daiei, Inc. | 1,200 | 0.3 |
| Casualty Insurance Premium | 14,232 | Marubeni Safenet Co., Ltd. | 13,934 | 97.9 |
| Construction Management Fees | 8,214 | Marubeni Community Co., Ltd. | 548 | 6.7 |
| | | Marubeni Real Estate Co., Ltd. | 2,165 | 26.3 |
| | | Marubeni Properties Co., Ltd. | 2,567 | 31.3 |
| Other Rental Expenses | 28,619 | Marubeni Community Co., Ltd. | 761 | 2.7 |
| | | Marubeni Real Estate Co., Ltd. | 3,307 | 11.6 |
| | | Marubeni Properties Co., Ltd. | 2,468 | 8.6 |

- Notes: 1. Among the related parties of the asset management company, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act, 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 Corporation, Marubeni Asset Management Co., Ltd., Marubeni Community Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Properties Co., Ltd., Marubeni Safenet Co., Ltd. and The Daiei, Inc. as parties that have conducted business up to the end of the tenth fiscal period and have received payment of commissions.
2. In addition to the commissions stated above, a portion of the commissions paid by United Urban to third parties (administrative agents for corporate bonds) for the handling of payments of principal and interest for United Urban's first and second series corporate bonds was paid by the administrative agents to handling agents of payments of principal and interest (including securities companies).
3. In addition to the transactions above, the amount of repair expense paid to related parties during the period under review was as set forth below.

Marubeni Community Co., Ltd. ¥846 thousand

Others

1. Notifications

United Urban Board of Directors

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

Furthermore, United Urban amended its general administration entrustment agreement (transfer agency entrustment agreement) with the Chuo Mitsui Trust and Banking Company, Limited and newly concluded a general administration entrustment agreement (agreement concerning the management of special accounts) with the Chuo Mitsui Trust and Banking Company, Limited on January 5, 2009, which was after the settlement day of the tenth fiscal period of United Urban, in correlation with the implementation of the book-entry transfer system for shares and other securities (dematerialization of share certificates and other securities) pursuant to the Act for Partial Amendments to the Act Concerning Book-entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trades of Shares and Other Securities (Act No. 88 of 2004) taking effect.

Appendix

Investment Policies

Investment Policies

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

Basic Investment Policy

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

(a)Type of Use of Real Estate Assets

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

(b)Area of Location

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

Investment Stance

- (a)In accordance with its asset management policy, the Investment Corporation shall invest in specified assets of which more than 75% are comprised of investments in Specified Real Estate Assets. Specified Real Estate Assets as used herein shall mean real estate, real estate leases, superficies and beneficiary rights of trust in which real estate, land leases or superficies are entrusted.
- (b)The Investment Corporation shall invest primarily in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) such as retail properties (including facilities which are applied to retail, wholesale and restaurant business and services, etc.), office buildings, hotels, residential properties, and others. 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 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

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

(a) Portfolio Management Criteria

1. Investment Term

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

2. Acquisition Criteria

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

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

(ii) Area of Location

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

(b) Leasing Policy

The Asset Management Company shall undertake real estate leasing activities in connection with the

Investment Corporation's investment portfolio with the aim of securing stable medium- and long-term revenues under the following leasing policies in accordance with the Asset Management Guidelines:

1. Selection of High-Quality Tenants

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

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

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

Investment Criteria

Types of Investment Assets

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

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

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

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

1. Preferred contribution securities as defined in the Asset Liquidation 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 Order of the Investment Trust Act)
5. Rights relating to financial derivative transactions (with the meaning defined in the Enforcement Order of 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. Trust beneficial interest in the assets set forth in 1. through 6. above.
8. Other than the assets set forth in 1. through 7. above, other rights whose acquisition shall be necessary or useful when investing in Real Estate etc. or Real Estate-Backed Securities.

Investment Restrictions

Restrictions under the Articles of Incorporation of the Investment Corporation

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

Distribution Policies

The Investment Corporation shall make cash distributions to unitholders and registered investment unit pledgees whose names are 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) Among the total amount of the cash distributions payable to unitholders, the amount of profits, as defined in the Act on Investment Trusts and Investment Corporations, 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 total amount of cash distribution is less than 90% of the Investment Corporation's distributable income, or 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 amount in excess of its distributable profits, provided that such amount does not exceed the amount of depreciation for the relevant business term. 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 shall be paid in cash and, in principle, within three months from the last day of each fiscal period to unitholders and registered investment unit pledgees whose names are recorded as such on the registry of unitholders as of the last day of each fiscal period in proportion to the number of investment units held.

Extinctive Prescription for Cash Distributions

The Investment Corporation shall be discharged from the obligation to pay the distributions to unitholders 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.

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BALANCE SHEETS

(As of November 30, 2008 and May 31, 2008)

| | Thousands of yen | |
|---|--|--|
| | End of 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and bank deposits | ¥ 15,265,609 | ¥ 17,224,783 |
| Rent receivables | 176,271 | 152,805 |
| Consumption taxes refundable | 236,235 | 122,878 |
| Other current assets | 44,163 | 183,967 |
| Total current assets | 15,722,278 | 17,684,433 |
| PROPERTY AND EQUIPMENT, AT COST: | | |
| Land | 129,556,846 | 117,549,908 |
| Buildings and structures | 92,835,607 | 81,716,217 |
| Machinery and equipment | 471,089 | 355,279 |
| Tools, furniture and fixtures | 70,441 | 65,991 |
| Construction in progress | 40,134 | 22,354 |
| Subtotal | 222,974,117 | 199,709,749 |
| Less accumulated depreciation | (10,282,588) | (8,874,164) |
| Net property and equipment | 212,691,529 | 190,835,585 |
| INVESTMENTS AND OTHER ASSETS: | | |
| Leasehold in trust | 437,175 | - |
| Intangible assets | 2,005 | 2,049 |
| Security deposits paid | 30,513 | 30,013 |
| Long-term prepaid expenses | 249,081 | 288,953 |
| TOTAL ASSETS | ¥229,132,581 | ¥208,841,033 |

| | Thousands of yen | |
|--|--|--|
| | End of 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
| LIABILITIES and UNITHOLDERS' EQUITY | | |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Trade accounts payable | ¥ 384,463 | ¥ 408,237 |
| Long-term debt due for repayment within one year | 9,400,000 | 9,400,000 |
| Accrued expenses | 393,768 | 381,458 |
| Income taxes payable | 752 | 889 |
| Rent received in advance | 1,214,030 | 1,086,851 |
| Other current liabilities | 57,241 | 55,844 |
| Total current liabilities | 11,450,254 | 11,333,279 |
| LONG-TERM LIABILITIES: | | |
| Corporate bonds | 25,000,000 | 25,000,000 |
| Long-term debt | 65,700,000 | 64,800,000 |
| Leasehold and security deposits received | 15,311,876 | 14,773,164 |
| Total long-term liabilities | 106,011,876 | 104,573,164 |
| Total liabilities | 117,462,130 | 115,906,443 |
| UNITHOLDERS' EQUITY | | |
| Unitholders' capital: | | |
| Units authorized: 2,000,000 units as of November 30, 2008 and May 31, 2008 | | |
| Units issued and outstanding: 201,300 units as of November 30, 2008 and 159,843 units as of May 31, 2008 | 108,310,510 | 89,838,680 |
| Retained earnings | 3,359,941 | 3,095,910 |
| Total unitholders' equity | 111,670,451 | 92,934,590 |
| TOTAL LIABILITIES and UNITHOLDERS' EQUITY | ¥229,132,581 | ¥208,841,033 |

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

STATEMENTS OF INCOME

(For the six months ended November 30, 2008 and May 31, 2008)

| | Thousands of yen | |
|--|---|---|
| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) |
| OPERATING REVENUES | | |
| Rental revenues | ¥7,537,680 | ¥6,837,741 |
| Other rental revenues | 490,958 | 346,345 |
| | 8,028,638 | 7,184,086 |
| OPERATING EXPENSES | | |
| Property-related expenses | 2,957,582 | 2,620,404 |
| Asset management fees | 614,382 | 534,843 |
| Administrative service fees | 110,402 | 92,609 |
| Other operating expenses | 169,733 | 139,557 |
| | 3,852,099 | 3,387,413 |
| OPERATING INCOME | 4,176,539 | 3,796,673 |
| NON-OPERATING REVENUES | | |
| Interest income | 1,141 | 605 |
| Other non-operating revenues | 4,472 | 1,039 |
| | 5,613 | 1,644 |
| NON-OPERATING EXPENSES | | |
| Interest expense | 594,661 | 518,439 |
| Interest expense on corporate bonds | 154,846 | 154,652 |
| Amortization of corporate bond issuance expenses | - | 20,442 |
| Investment unit issuance expenses | 69,529 | - |
| Amortization of organization costs | - | 5,580 |
| Other non-operating expenses | 2,266 | 2,353 |
| | 821,302 | 701,466 |
| INCOME BEFORE INCOME TAXES | 3,360,850 | 3,096,851 |
| INCOME TAXES | | |
| Current | 978 | 1,005 |
| Deferred | 2 | (2) |
| | 980 | 1,003 |
| NET INCOME | ¥3,359,870 | ¥3,095,848 |

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the six months ended November 30, 2008 and May 31, 2008)

| | | | | Thousands of yen |
|--|--------------------|-------------------------|----------------------|------------------------------|
| | Number of Units | Unitholders' Capital | Retained Earnings | Total Unitholders' Equity |
| BALANCE AS OF NOVEMBER 30, 2007 | 159,843 | ¥ 89,838,680 | ¥ 2,824,008 | ¥92,662,688 |
| Cash distributions disbursed | — | — | (2,823,946) | (2,823,946) |
| Net income | — | — | 3,095,848 | 3,095,848 |
| BALANCE AS OF May 31, 2008 | 159,843 | 89,838,680 | 3,095,910 | 92,934,590 |
| Issuance of new investment units | 41,457 | 18,471,830 | — | 18,471,830 |
| Cash distributions disbursed | — | — | (3,095,839) | (3,095,839) |
| Net income | — | — | 3,359,870 | 3,359,870 |
| BALANCE AS OF NOVEMBER 30, 2008 | 201,300 | ¥ 108,310,510 | ¥ 3,359,941 | ¥ 111,670,451 |

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

STATEMENTS OF CASH FLOWS

(For the six months ended November 30, 2008 and May 31, 2008)

| | Thousands of yen | |
|--|---|---|
| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income taxes | ¥ 3,360,850 | ¥ 3,096,851 |
| Depreciation and amortization | 1,408,468 | 1,291,773 |
| Interest income | (1,141) | (605) |
| Interest expense and interest expense on corporate bonds | 749,507 | 673,091 |
| Amortization of organization costs | - | 5,580 |
| Amortization of corporate bond issuance expenses | - | 20,442 |
| Increase in rent receivables | (23,466) | (37,892) |
| Increase in consumption taxes refundable | (113,358) | (122,877) |
| Decrease (increase) in prepaid expenses | 144,313 | (166,126) |
| Decrease (increase) in long-term prepaid expenses | 10,629 | (18,932) |
| (Decrease) increase in trade accounts payable | (11,542) | 48,125 |
| Increase (decrease) in accrued expenses | 13,711 | (5,899) |
| Increase (decrease) in consumption taxes payable | - | (29,677) |
| Increase in rent received in advance | 127,179 | 100,439 |
| Other, net | (41,002) | 13,240 |
| Subtotal | 5,624,148 | 4,867,533 |
| Interest received | 891 | 359 |
| Interest paid | (729,635) | (694,788) |
| Income taxes paid | (1,115) | (1,011) |
| Net cash provided by operating activities | 4,894,289 | 4,172,093 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (23,276,601) | (26,174,101) |
| Purchases of intangible assets | (437,175) | - |
| Payments for leasehold and security deposits paid | (500) | (20,000) |
| Proceeds from leasehold and security deposits received | 765,573 | 1,093,192 |
| Payments for leasehold and security deposits received | (180,688) | (65,616) |
| Net cash used in investing activities | (23,129,391) | (25,166,525) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term debt | 900,000 | 35,500,000 |
| Repayment of long-term debt | - | (10,200,000) |
| Proceeds from investment unit issuance | 18,471,830 | - |
| Distributions to unitholders | (3,096,152) | (2,825,723) |
| Net cash provided by financing activities | 16,275,678 | 22,474,277 |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | (1,959,424) | 1,479,844 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 17,018,496 | 15,538,652 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | ¥15,059,072 | ¥17,018,496 |

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

NOTES TO FINANCIAL STATEMENTS

(November 30, 2008 and May 31, 2008)

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 the public offering of investment units. In addition, United Urban raised ¥18,471 million through the issue of additional investment units by the second public offering since the IPO on June 24, 2008 and the third-party allotment on July 24, 2008.

As of November 30, 2008, the end of its tenth fiscal period, United Urban had ownership of, or beneficial interests in, 13 retail properties, 7 office buildings, 4 hotels, 21 residential properties, 1 other, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel.

Basis of Presentation of Financial Statements

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

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

United Urban’s semiannual accounting periods end either at the end of May or November. United Urban’s tenth fiscal period began on June 1, 2008 and ended on November 30, 2008.

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 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
|-------------------------------|--|--|
| Buildings and structures | 2 - 55 years | 2 - 55 years |
| Machinery and equipment | 3 - 17 years | 3 - 17 years |
| Tools, furniture and fixtures | 5 - 15 years | 5 - 15 years |

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

Cash and Cash Equivalents

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

Revenue Recognition

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

Taxes on Property and Equipment

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the dates of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. ¥27,531 thousand and ¥122,589 thousand of such property taxes and city planning taxes were capitalized for the six-month periods ended November 30, 2008 and May 31, 2008, respectively.

Corporate Bond Issuance Expenses

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

Organization Costs

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

Investment Unit Issuance Expenses

The total amount of the investment unit issuance expenses was recorded as an expense when the payment was made. Furthermore, the issuance of new investment units through the public offering as of June 24, 2008 was conducted using the spread method, in which underwriters (securities firms) underwrite the issuance at the issue price and sell the investment units to general investors at an offer price that is different from the issue price.

In the spread method, the difference (¥640,560 thousand in this case) between the aggregate offer price and the aggregate issue price practically corresponds to the underwriting fees. Accordingly, United Urban did not pay any underwriting fees to the underwriters, and the investment unit issuance expenses do not include any underwriting fees.

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the six-month period ended November 30, 2008.

Leases

From the 10th fiscal period, United Urban applied the "Accounting Standard for Lease Transactions" (the Accounting Standards Board of Japan, Statement No. 13, revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (the Accounting Standards Board of Japan, Guidance No. 16, revised on March 30, 2007). The application of these accounting standards has not had any impact on the results of operations of United Urban.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at November 30, 2008 and May 31, 2008 were as follows:

| | Thousands of yen | |
|---------------------------------|--|--|
| | End of 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
| Cash and bank deposits | ¥ 15,265,609 | ¥ 17,224,783 |
| Restricted deposits with a bank | (206,537) | (206,287) |
| Cash and cash equivalents | ¥ 15,059,072 | ¥ 17,018,496 |

4. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2008 and May 31, 2008, the following assets were pledged as collateral for the following debt:

| Pledged Assets | Thousands of yen | |
|--------------------------|--|--|
| | End of 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
| Cash and bank deposits | ¥ 206,537 | ¥ 206,288 |
| Land | 2,114,743 | 2,114,743 |
| Buildings and structures | 2,782,820 | 2,845,433 |
| Total | ¥ 5,104,100 | ¥ 5,166,464 |

| Debt Secured by Pledged Assets | Thousands of yen | |
|--|--|--|
| | End of 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
| Leasehold and security deposits received | ¥1,783,378 | ¥1,783,378 |
| Total | ¥1,783,378 | ¥1,783,378 |

5. COMMITTED LINE-OF-CREDIT AGREEMENT

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

| | Thousands of yen | |
|---|--|--|
| | End of 10th Fiscal Period (As of November 30, 2008) | End of 9th Fiscal Period (As of May 31, 2008) |
| Total amount of commitment | ¥10,000,000 | ¥10,000,000 |
| Outstanding borrowings at end of the period | — | — |
| Amount unutilized at end of the period | ¥10,000,000 | ¥10,000,000 |

6. UNITHOLDERS' EQUITY

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

7. LONG-TERM DEBT

Long-term debt at November 30, 2008 and May 31, 2008 consisted of the following:

| | End of 10th Fiscal Period (As of November 30, 2008) | | End of 9th Fiscal Period (As of May 31, 2008) | |
|--|--|---------------------------------------|--|---------------------------------------|
| | Amount (Thousands of yen) | Weighted- average interest rate | Amount (Thousands of yen) | Weighted- average interest rate |
| Unsecured loans from banks, trust banks, and an insurance company at fixed interest rates, due December 20, 2009 | ¥ 5,000,000 | 1.397% | ¥ 5,000,000 | 1.397% |
| Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008 | 6,850,000 | 1.251% | 6,850,000 | 1.264% |
| Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008 | 2,550,000 | 1.251% | 2,550,000 | 1.264% |
| Unsecured loan from a federation at a fixed interest rate, due December 20, 2011 | 3,400,000 | 1.895% | 3,400,000 | 1.895% |
| Unsecured loans from banks at fixed interest rates, due December 20, 2009 | 4,800,000 | 1.550% | 4,800,000 | 1.550% |
| Unsecured loans from banks at fixed interest rates, due December 20, 2009 | 5,600,000 | 1.477% | 5,600,000 | 1.477% |
| Unsecured loans from banks at fixed interest rates, due December 20, 2011 | 2,500,000 | 1.862% | 2,500,000 | 1.862% |
| Unsecured loan from a bank at a variable interest rate, due December 20, 2011 | 4,000,000 | 1.301% | 4,000,000 | 1.314% |
| 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 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 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 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 loan from a bank at a fixed interest rate, due June 20, 2012 | 900,000 | 1.636% | - | - |
| Total | ¥ 75,100,000 | | ¥ 74,200,000 | |

8. CORPORATE BONDS

Corporate bonds at November 30, 2008 and May 31, 2008 consisted of the following:

| | End of 10th Fiscal Period (As of November 30, 2008) | | End of 9th Fiscal Period (As of May 31, 2008) | |
|---|--|---------------------------------------|--|---------------------------------------|
| | Amount (Thousands of yen) | Weighted- average interest rate | Amount (Thousands of yen) | Weighted- average interest rate |
| Series 1 unsecured bonds, due July 12, 2010 | ¥ 15,000,000 | 0.78% | ¥ 15,000,000 | 0.78% |
| Series 2 unsecured bonds, due July 10, 2015 | 10,000,000 | 1.91% | 10,000,000 | 1.91% |
| Total | ¥ 25,000,000 | | ¥ 25,000,000 | |

9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the six-month periods ended November 30, 2008 and May 31, 2008 were as follows:

| | Thousands of yen | |
|---|---|---|
| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) |
| Operating Revenues | ¥ 8,028,638 | ¥ 7,184,086 |
| Rental Revenues | 7,537,680 | 6,837,741 |
| Rental revenues | 6,900,942 | 6,237,631 |
| Common area charges | 451,930 | 427,261 |
| Parking revenues | 156,158 | 148,209 |
| Other | 28,650 | 24,640 |
| Other Rental Revenues | 490,958 | 346,345 |
| Incidental revenues | 419,796 | 313,143 |
| Temporary revenues (including cancellation charges) | 57,975 | 20,524 |
| Other miscellaneous revenues | 13,187 | 12,678 |
| Property-Related Expenses | 2,957,582 | 2,620,404 |
| Property and other taxes | 552,148 | 503,714 |
| Property management fees | 396,661 | 360,854 |
| Utilities | 428,183 | 316,131 |
| Casualty insurance | 14,232 | 12,774 |
| Repairs and maintenance | 84,886 | 76,092 |
| Depreciation and amortization | 1,408,468 | 1,291,773 |
| Other rental expenses | 73,004 | 59,066 |
| Profit from rental activities | ¥ 5,071,056 | ¥ 4,563,682 |

10. INCOME TAXES

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the six-month periods ended November 30, 2008 and May 31, 2008 is summarized as follows:

| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) |
|---|---|---|
| Statutory tax rate | 39.39% | 39.39% |
| Distributions of tax-deductible dividends | (39.38) | (39.38) |
| 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 income for each fiscal period in order to meet the conditions set forth in the Special Taxation Measures Act of Japan concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban made dividend distributions of approximately 100% of its retained earnings in aggregate amounts of ¥3,359,898 thousand and ¥3,095,839 thousand at November 30, 2008 and May 31, 2008, 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.

The statutory tax rate used to calculate deferred tax assets and liabilities has been changed from 39.39% to 39.33% in accordance with the Provisional Measure Act concerning Special Taxes for Local Corporations (Act No.25, 2008) promulgated on April 30, 2008. This change in the statutory tax rate has no significant impact.

11. PER UNIT INFORMATION

The calculation of net assets per unit is based on the number of units outstanding at the period end, and the calculation of net income per unit is based on the weighted-average number of units outstanding during the period. Net assets per unit and net income per unit at November 30, 2008 and May 31, 2008 for the six-month periods then ended are summarized as follows:

| | Yen | |
|---------------------------------------|---|---|
| | 10th Fiscal Period (June 1, 2008 - November 30, 2008) | 9th Fiscal Period (December 1, 2007 - May 31, 2008) |
| Net assets per unit at the period end | ¥ 554,746 | ¥ 581,411 |
| Net income per unit | ¥ 17,155 | ¥ 19,368 |
| Weighted-average number of units | 195,850 | 159,843 |

12. TRANSACTIONS WITH RELATED PARTIES

(Tenth Fiscal Period: June 1, 2008 – November 30, 2008)

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 Corporation | Wholesale industry | 0.6 | None | Brokerage commissions | ¥ 495,294 | - | ¥ - |
| Marubeni Community Co., Ltd. | Real estate management | - | None | Property leasing | 145,175 | Rent receivables | 14,787 |
| | | | | | | Security deposits received | 47,587 |
| | | | | Property management fees | 59,594 | Trade accounts payable | 12,417 |
| | | | | Construction management fees | 548 | Trade accounts payable | 213 |
| | | | | Utilities | 1,346 | Trade accounts payable | 424 |
| | | | | Construction costs | 846 | Trade accounts payable | 98 |
| | | | | Other rental expenses | 1,923 | Trade accounts payable | 844 |
| Marubeni Real Estate Co., Ltd. | Real estate | - | None | Property management fees | 29,390 | Trade accounts payable | 3,664 |
| | | | | Construction management fees | 2,165 | Trade accounts payable | 128 |
| | | | | Other rental expenses | 3,307 | Trade accounts payable | 210 |
| | | | | Other rental expenses (communications) | 124 | Trade accounts payable | 21 |
| Marubeni Safenet Co., Ltd. | Insurance agency | - | None | Casualty insurance | 13,934 | Long-term prepaid expenses | 30,650 |
| Marubeni Properties Co., Ltd. | Real estate management | - | None | Property management fees | 94,321 | Trade accounts payable | 16,528 |
| | | | | Construction management fees | 2,567 | Trade accounts payable | 1,383 |
| | | | | Other rental expenses | 2,468 | - | - |
| The Daiei, Inc. | Supermarket | - | None | Property leasing | 680,000 | Security deposits received | 880,000 |
| | | | | | | Rent received in advance | 119,000 |
| | | | | Property management fees | 1,200 | - | - |

| | | | | | | | |
|-------------------------------------|-----------------------|---|------|--|-----------|----------------------------|---------|
| The Maruetsu, Inc. | Supermarket | – | None | Property leasing | 72,275 | Security deposits received | 739,000 |
| | | | | | | Rent received in advance | 12,648 |
| TIPNESS LIMITED | Fitness club operator | – | None | Property leasing | 24,327 | Security deposits received | 48,653 |
| | | | | | | Rent received in advance | 4,257 |
| | | | | Other rental revenues | 24,531 | Rent receivables | 3,050 |
| MA Properties LLC | Real estate | – | None | Acquisition of trust beneficial interest in real estate (Note 3) | 3,440,000 | – | – |
| MG Leasing Corporation | Leasing | – | None | Acquisition of real estate (Note 4) | 7,130,000 | – | – |
| Marubeni Asset Management Co., Ltd. | Investing | – | None | Brokerage commissions | 40,050 | – | – |
| Telemarketing Japan, Inc. | Marketing | – | None | Property leasing | 17,014 | Security deposits received | 30,795 |
| | | | | | | Rent received in advance | 2,977 |
| | | | | Other rental revenues | 2,499 | Rent receivables | 838 |
| TSUNAGU NETWORK COMMUNICATIONS INC. | Communication service | – | None | Other rental expenses | 306 | Trade accounts payable | 287 |

2. Asset Custodian

| 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) |
| Mizuho Trust & Banking Co., Ltd. | Trust bank | – | None | Administrative service fee | ¥ 64,444 | Accrued expenses | ¥ 33,648 |
| | | | | Custodian fee | 53,739 | – | – |

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

2. Figures above have been rounded to the units stated.

3. The above-mentioned acquisition of trust beneficial interest in real estate concerns "MA Sendai Building", and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).

4. The above-mentioned acquisitions of real estate concern "ACTIOLE Kannai" and "Hotel Route Inn Yokohama Bashamichi", and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisitions (such as brokerage commissions, taxes and public dues).

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

(Ninth Fiscal Period: December 1, 2007 – May 31, 2008)

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 Corporation | Wholesale industry | 0.7 | None | Acquisition of trust beneficial interest in real estate (Note 3) | ¥ 1,300,000 | - | ¥ - |
| | | | | Brokerage commissions | 128,520 | - | - |

| | | | | | | | |
|--------------------------------|------------------------|---|------|--|-----------|----------------------------|---------|
| Marubeni Community Co., Ltd. | Real estate management | — | None | Property leasing | 144,605 | Rent receivables | 14,400 |
| | | | | | | Security deposits received | 47,587 |
| | | | | Property management fees | 42,868 | Trade accounts payable | 8,060 |
| | | | | Construction management fees | 1,085 | Trade accounts payable | 155 |
| | | | | Utilities | 66 | Trade accounts payable | 67 |
| | | | | Construction costs | 1,036 | - | - |
| | | | | Other rental expenses | 1,283 | Trade accounts payable | 42 |
| Marubeni Real Estate Co., Ltd. | Real estate | — | None | Property management fees | 10,183 | Trade accounts payable | 244 |
| | | | | Construction management fees | 2,121 | Trade accounts payable | 0 |
| | | | | Other rental expenses | 50 | - | - |
| | | | | Other rental expenses (communications) | 95 | Trade accounts payable | 10 |
| Marubeni Safenet Co., Ltd. | Insurance agency | — | None | Casualty insurance | 12,476 | Long-term prepaid expenses | 40,596 |
| Marubeni Properties Co., Ltd. | Real estate management | — | None | Property management fees | 94,626 | Trade accounts payable | 16,556 |
| | | | | Construction management fees | 3,470 | Trade accounts payable | 866 |
| | | | | Other rental expenses | 8,480 | — | — |
| The Daiei, Inc. | Supermarket | — | None | Property leasing | 630,968 | Security deposits received | 880,000 |
| | | | | | | Rent received in advance | 119,000 |
| | | | | Property management fees | 813 | — | — |
| The Maruetsu, Inc. | Supermarket | — | None | Property leasing | 72,275 | Security deposits received | 739,000 |
| | | | | | | Rent received in advance | 12,648 |
| TIPNESS LIMITED | Fitness club operator | — | None | Acquisition of trust beneficial interest in real estate (Note 4) | 4,100,000 | — | — |
| | | | | Property leasing | 20,926 | Security deposits received | 48,653 |
| | | | | | | Rent received in advance | 4,257 |
| | | | | Other rental revenues | 23,614 | Rent receivables | 6,119 |
| Takarazuka Nakayama LLC | Real estate | — | None | Acquisition of trust beneficial interest in real estate (Note 5) | 4,284,000 | — | — |
| SJ Mita Investment Co., Ltd. | Real estate | — | None | Acquisition of trust beneficial interest in real estate (Note 6) | 3,800,000 | — | — |
| Telemarketing Japan, Inc. | Marketing | — | None | Property leasing | 17,013 | Security deposits received | 30,794 |
| | | | | | | Rent received in advance | 2,977 |
| | | | | Other rental revenues | 2,025 | Rent receivables | 552 |

2. Asset Custodian

| 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) |
| Mizuho Trust & Banking Co., Ltd. | Trust bank | — | None | Administrative service fee | ¥ 57,674 | Accrued expenses | ¥ 30,444 |

| | | | | | | | |
|--|--|--|--|----------------------|---------|---|---|
| | | | | Custodian fee | 62,869 | — | — |
| | | | | Brokerage commission | 357,120 | — | — |

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

2. Figures above have been rounded to the units stated.

3. The above-mentioned acquisition of trust beneficial interest in real estate concerns "GRAND-ROUGE Sakae II," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).

4. The above-mentioned acquisition of trust beneficial interest in real estate concerns "Tip's Machida Building," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).

5. The above-mentioned acquisition of trust beneficial interest in real estate concerns "Daiei Takarazuka Nakayama," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).

6. The above-mentioned acquisition of trust beneficial interest in real estate concerns "MZ BLD.," and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).

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

13. SUBSEQUENT EVENTS

Cash Distribution

On January 23, 2009, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥16,691 per unit, amounting to ¥3,359,898 thousand in the aggregate, to unitholders of record as of November 30, 2008.

Report of Independent Auditors

The Board of Directors and Unitholders of
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of November 30, 2008 and May 31, 2008, 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, 2008 and May 31, 2008, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

February 27, 2009

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation ("United Urban") as of November 30, 2008:

| | |
|--|---|
| 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 http://www.united-reit.co.jp |
| Date of Incorporation: | November 4, 2003 |
| Paid-in Capital: | ¥108,310,509,822 |
| Number of Unitholders: | 9,662 |
| Transfer Agent: | The Chuo Mitsui Trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo 105-8574, Japan |
| Business Office of the Transfer Agent: | Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Company, Limited 2-8-4 Izumi, Sugunami-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 the 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 be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English translation contained herein, the Japanese documents will always govern the meaning and interpretation.

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

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

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

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



United Urban Investment Corporation

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

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