

# Semiannual Report

**Eighteenth Fiscal Period**

**From June 1, 2012 to November 30, 2012**



# Profile

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

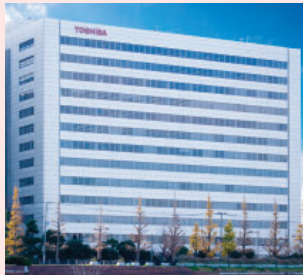
In order to obtain stable earnings over the medium to long term, United Urban intends to form an optimal portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuations and lead to the mitigation of risks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

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



# Retail Properties

Daiei Himonya

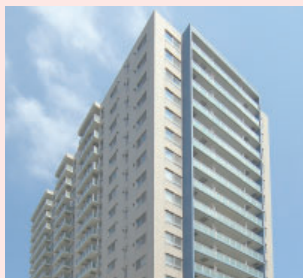
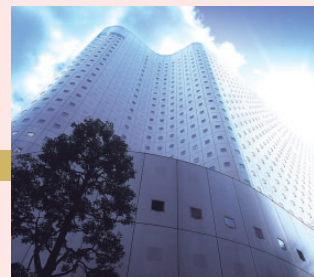


## Office Buildings

Kawasaki Toshiba Building

## Hotels

Shinjuku Washington Hotel Honkan



## Residential Properties

Glenpark Sapporo Premier Tower

## Others

Lilycolor Tohoku Branch



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Note: Unless otherwise indicated specifically, all figures in this report are shown being rounded to the units stated in principle.

# Key Figures (As of November 30, 2012)

Cash Distribution per Unit  
for the 18th Fiscal Period

¥2,750

Occupancy Ratio

94.6%

Total Acquisition Price

¥429.0 billion

Number of Properties

94

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

48.6%

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

## Ratings

(As of January 18, 2013)

JCR

Long-Term  
Senior Debt Rating:

AA-

Rating Outlook: Stable

R&I

Issuer Rating:

A+

Rating Outlook: Stable

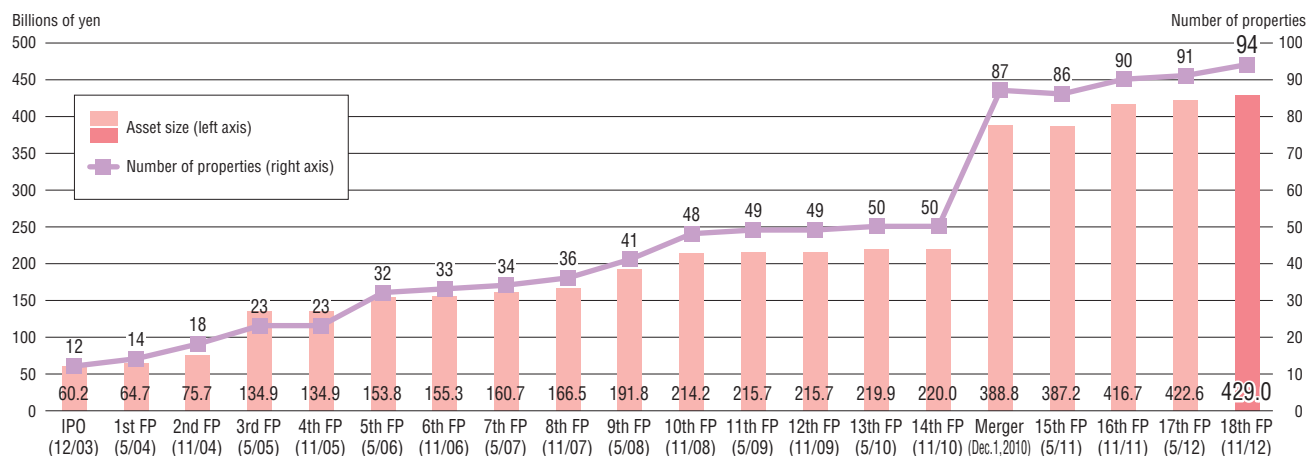
Moody's

Issuer Rating:

A3

Rating Outlook: Stable

## Growth of Assets



Note: "Asset size" means total acquisition price of properties owned by United Urban at the end of each fiscal period.

# Financial Highlights

Millions of yen, except per unit information

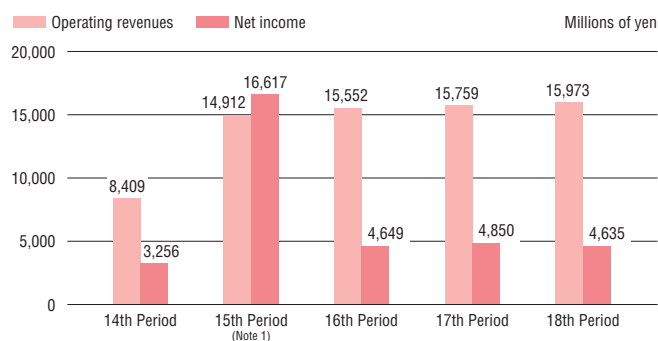
	18th Fiscal Period June 1, 2012- November 30, 2012	17th Fiscal Period December 1, 2011- May 31, 2012	16th Fiscal Period June 1, 2011- November 30, 2011	15th Fiscal Period December 1, 2010- May 31, 2011	14th Fiscal Period June 1, 2010- November 30, 2010
Operating revenues	¥ 15,973	¥ 15,759	¥ 15,552	¥ 14,912	¥ 8,409
Operating income	7,004	6,960	7,027	7,079	4,249
Ordinary income	4,636	4,851	4,650	4,316	3,257
Net income	4,635	4,850	4,649	16,617 <sup>(Note 3)</sup>	3,256
Cash distribution	5,784	5,784	5,784	4,123	3,256
Cash distribution per unit (Yen) <sup>(Note 2)</sup>	2,750	2,750	2,750	2,841	16,173
Total assets	462,504	457,026	450,963	416,471	230,779
Total unitholders' equity	204,533	205,682	206,586	148,414	111,566
Unitholders' equity per unit (Yen) <sup>(Note 2)</sup>	97,240	97,786	98,215	102,261	554,228

Notes: 1. United Urban's 14th fiscal period was for 183 days from June 1, 2010 to November 30, 2010, the 15th fiscal period was for 182 days from December 1, 2010 to May 31, 2011, the 16th fiscal period was for 183 days from June 1, 2011 to November 30, 2011, the 17th fiscal period was for 183 days from December 1, 2011 to May 31, 2012 and the 18th fiscal period was for 183 days from June 1, 2012 to November 30, 2012.

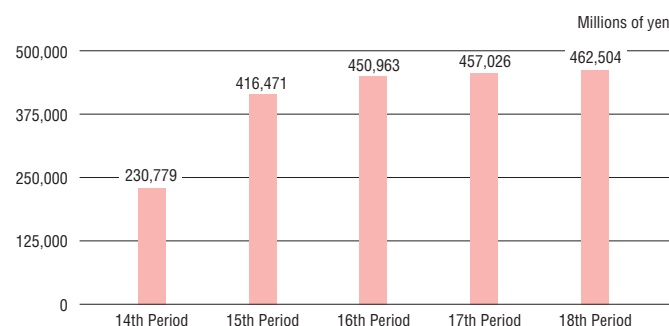
2. The investment unit of United Urban was split into six units as of December 1, 2010.

3. "Net Income" of the 15th fiscal period includes gain on negative goodwill of ¥12,493 million recognized as extraordinary income.

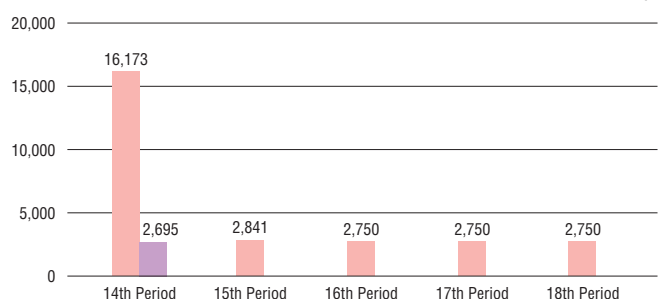
## Operating revenues / Net income



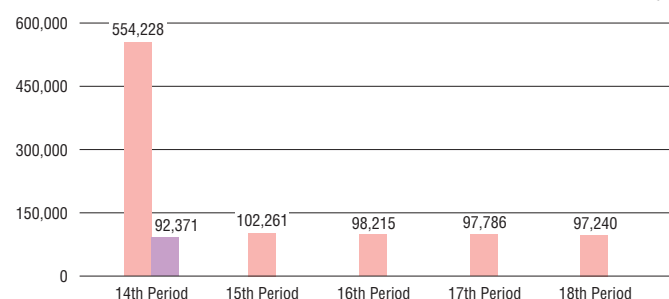
## Total assets



## Cash distribution per unit <sup>(Note 2)</sup>



## Unitholders' equity per unit <sup>(Note 2)</sup>



Notes: 1. "Net Income" of the 15th fiscal period includes gain on negative goodwill of ¥12,493 million recognized as extraordinary income.

2. United Urban split one investment unit into six units as of December 1, 2010. Accordingly, "Cash distribution per unit" and "Unitholders' equity per unit" are the values after the splitting from the 15th fiscal period. For reference, historical records of the 14th fiscal period, divided by six, are listed (bar graph in purple).

# To Our Unitholders

We are delighted to present this report on our business activities during our 18th fiscal period: the six-month period ended November 30, 2012.

As a diversified J-REIT, investing in properties varied both in types of use and geographical location, United Urban has increased its asset size and continued stable cash distribution since its listing in 2003. After the merger with Nippon Commercial Investment Corporation, United Urban has become the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size as of November 30, 2012.

During the 18th fiscal period, United Urban acquired two office buildings and one residential property (total acquisition price: ¥6,450 million), which brought our further growth in asset size. As for the business results of the 18th fiscal period, United Urban was able to achieve operating revenues of ¥15,973 million, operating income of ¥7,004 million and net income of ¥4,635 million. We decided the distribution amount for this fiscal period to be ¥5,784 million or ¥2,750 per unit by adding ¥1,149 million from reserve for distribution to the unappropriated profit at the end of the period (¥4,635 million).

United Urban, together with its asset manager, Japan REIT Advisors Co., Ltd., will do its best to secure the stability in its earnings over the medium to long term pursuant to its investment policy. Your continuous support and kind attention will be highly appreciated.



**Hisamitsu Abe**

Executive Officer  
United Urban Investment Corporation

**Kenichiro Oikawa**

President and CEO  
Japan REIT Advisors Co., Ltd.



# Topics of 18th Fiscal Period

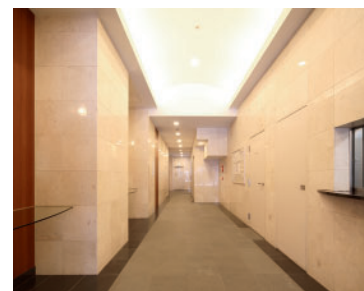
## New Acquisitions during the 18th Fiscal Period

### D24 Glenpark Sapporo Premier Tower

Residential Properties



■ Acquisition Date	June 28, 2012
■ Address	2-3, 3-1-11-18-22 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido
■ Site Area	1,077.92 m <sup>2</sup>
■ Total Floor Space	10,224.31 m <sup>2</sup>
■ Construction	RC
■ Number of Floors	B1/17F
■ Completed	September 2006
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



### B38 Yushima First Building

Office Buildings



■ Acquisition Date	August 29, 2012
■ Address	3-19-11 Yushima, Bunkyo-ku, Tokyo
■ Site Area	1,120.85 m <sup>2</sup>
■ Total Floor Space	6,165.88 m <sup>2</sup>
■ Construction	SRC
■ Number of Floors	B1/8F
■ Completed	February 1989
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



# Topics of 18th Fiscal Period

## B39 Dogenzaka Square

Office Buildings



■ Acquisition Date	November 22, 2012
■ Address	5-18 Maruyamacho, Shibuya-ku, Tokyo
■ Site Area	488.93 m <sup>2</sup> (Note)
■ Total Floor Space	3,227.62 m <sup>2</sup> (Note)
■ Construction	SRC
■ Number of Floors	B1/9F
■ Completed	October 2004
■ Type of Ownership	Land: Right of Site (Co-ownership) Building: Compartmentalized Ownership

Note: "Site Area" and "Total Floor Space" describes the numerical value for the entire property.



## DBJ Green Building Certification

"ARENA TOWER" owned by United Urban acquired "Silver 2012" (properties with excellent "environmental and social awareness") of DBJ Green Building Certification from Development Bank of Japan Inc. ("DBJ") as of November 9, 2012.

The DBJ Green Building Certification System is a system to certify excellent buildings that meet the latest social requirements from stakeholders surrounding the relevant properties based on the scoring model originally developed by DBJ. This system aims to promote the expansion of "Green Buildings" that are friendly to the environment and consider such various demands.

The following points of ARENA TOWER were especially appreciated: (i) consideration on the environment, (ii) high specification as an office building, and (iii) the disaster prevention measures.



B37 ARENA TOWER (Office Buildings)



(acquired in November 2012)

Address	3-1-9, 10, 12~14 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa (lot number)
Site Area	2,733.00 m <sup>2</sup>
Total Floor Space	24,412.67 m <sup>2</sup>
Construction	S/SRC
Number of Floors	B1/15F
Completed	May 2008



## Issuance of Corporate Bonds and Early Repayment of Borrowings

United Urban issued the Series 7 of Unsecured Corporate Bonds on July 5, 2012 and the Series 8 of Unsecured Corporate Bonds targeted at retail investors on August 6, 2012 to procure funds for early repayment of the existing borrowings for the purpose of reducing interest-bearing debt costs over the medium term. United Urban repaid the following existing borrowings (succeeded from Nippon Commercial Investment Corporation ("NCI")) prior to the principal repayment date with proceeds procured from the issuance of corporate bonds and cash on hand.

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating
5 years	Series 7 of Unsecured Corporate Bonds (for institutional investors)	¥6,500 million	0.95% p.a.	Jul. 5, 2012	Jul. 5, 2017	Unsecured Unguaranteed	AA-(JCR)
4 years	Series 8 of Unsecured Corporate Bonds (for retail investors)	¥10,000 million	0.80% p.a.	Aug. 6, 2012	Aug. 5, 2016	Unsecured Unguaranteed	AA-(JCR)



[Early repayment of existing borrowings]

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date <sup>(Note)</sup>	Repayment Date	Early Repayment Date
Facility 40-F (mid term)	Aozora Bank, Ltd.	¥4,269 million	2.01602% (fixed)	Nov. 29, 2010	Sep. 22, 2014	Jul. 12, 2012
Facility 40-E (mid term)	Sumitomo Mitsui Banking Corporation	¥12,260 million	1.94316% (fixed)	Oct. 29, 2010	Sep. 22, 2014	Aug. 7, 2012

Note: These borrowings were succeeded to from NCI along with the merger between United Urban and NCI that took effect on December 1, 2010. Therefore, the "Drawdown Date" shows the drawdown date of NCI.

## Debt Financing

United Urban procured debt financing during the 18th fiscal period, as set forth below.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Use of Proceeds
TL48 (long term)	The Gunma Bank, Ltd. The Bank of Yokohama, Ltd. The Tokyo Tomlin Bank, Limited	¥2,300 million	0.58000% (variable) <sup>(Note)</sup>	Jun. 20, 2012	Jun. 20, 2017	Unsecured Unguaranteed	Repayment of TL18, 19, 22, 24 and Facility G
TL49 (long term)	Sumitomo Mitsui Trust Bank, Limited	¥2,500 million	0.53000% (variable) <sup>(Note)</sup>		Jun. 20, 2017	Unsecured Unguaranteed	
TL50 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,400 million	0.74000% (fixed)		Sep. 20, 2017	Unsecured Unguaranteed	
TL51 (long term)	Development Bank of Japan Inc.	¥900 million	1.37045% (fixed)		Jun. 20, 2020	Unsecured Unguaranteed	
TL52 (long term)	Sumitomo Mitsui Banking Corporation	¥4,500 million	0.68000% (variable) <sup>(Note)</sup>		Jun. 20, 2019	Unsecured Unguaranteed	
TL53 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥2,200 million	0.96000% (fixed)	Jun. 28, 2012	Jun. 20, 2019	Unsecured Unguaranteed	Payment for acquisition of Glenpark Sapporo Premier Tower
TL54 (long term)	Sumitomo Mitsui Banking Corporation	¥2,200 million	0.53000% (variable) <sup>(Note)</sup>	Aug. 29, 2012	Mar. 20, 2018	Unsecured Unguaranteed	Payment for acquisition of Yushima First Building
TL55 (mid term)	Mizuho Corporate Bank, Ltd.	¥2,400 million	0.48000% (variable) <sup>(Note)</sup>	Nov. 22, 2012	Jun. 20, 2017	Unsecured Unguaranteed	Payment for acquisition of Dogenzaka Square

Note: Interest rate is the rate at the time of drawdown date.

## Committed Line of Credit

Though two existing committed line of credit agreements terminated upon their expiration, United Urban reconcluded two committed line of credit agreements with leading Japanese financial institutions on June 22, 2012 to secure expeditious and stable financing.

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Collateral Guarantee
Sumitomo Mitsui Trust Bank, Limited Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥13,500 million	From Jun. 22, 2012 to Jun. 21, 2013	None	Unsecured Unguaranteed
Development Bank of Japan Inc.	¥2,000 million	From Jun. 22, 2012 to Jun. 21, 2013	Refinance	Unsecured Unguaranteed

# Subsequent Events

## Issuance of New Investment Units

The board of directors' meeting of United Urban, held on February 22, 2013, resolved the issuance of 190,000 new investment units by way of public offering, and the secondary offering (over-allotment) of up to 12,060 investment units through over-allotment and issuance of 12,064 new investment units by way of third party allotment to SMBC Nikko Securities Inc. (collectively, the "Offering"), as set forth below. Through the Offering, United Urban aims to expand its portfolio and enhance its stability with the acquisition of new properties, and to secure debt funding capacity by reducing its LTV level, and thus aims to increase the net income and minimize the reversal of reserve for distribution (minimize the utilization of negative goodwill).

### [Overview]

#### Issuance of New Investment Units by way of Offering

Resolution Date of the Issuance	February 22, 2013
Pricing Date	March 5, 2013
Number of Investment Units Issued	190,000 units
Offer Price (per unit)	¥123,382
Total Offer Price	¥23,442,580,000
Issue Price (per unit)	¥119,479
Total Issue Price	¥22,701,010,000
Payment Date	March 12, 2013
Delivery Date	March 13, 2013

#### Secondary Offering (Over-Allotment)

Resolution Date of the Issuance	February 22, 2013
Pricing Date	March 5, 2013
Number of Investment Units Sold	12,064 units
Selling Price (per unit)	¥123,382
Total Selling Price	¥1,488,480,448
Delivery Date	March 13, 2013

#### Issuance of New Investment Units by way of Third-Party Allotment

Resolution Date of the Issuance	February 22, 2013
Pricing Date	March 5, 2013
Number of Investment Units to be Issued <sup>(Note)</sup>	12,064 units
Issue Price (per unit)	¥119,479
Total Issue Price (maximum)	¥1,441,394,656
Payment Date	April 10, 2013
Allottee	SMBC Nikko Securities Inc.

Note: In the case where the investment units to be issued through the third-party allotment are not subscribed for, in whole or in part, the final number of the investment units with respect to the third-party allotment may be reduced by the number of units not subscribed for, or the issuance itself may be cancelled entirely.

### [Properties to be Acquired]

Property No.	Type of Use	Property Name	Location	Scheduled Acquisition Price <sup>(Note)</sup>	Scheduled Acquisition Date
A29	Retail Properties	Yodobashi Camera Multimedia Kichijoji	Tokyo metropolitan area	¥28,000 million	March 18, 2013
A30	Retail Properties	Yamada Denki Tecc Land New Matsudo Honten	Tokyo metropolitan area	¥5,150 million	March 18, 2013
C7	Hotels	Yotsuya 213 Building	6 central wards of Tokyo	¥5,020 million	March 18, 2013
C8	Hotels	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Other regions	¥2,000 million	March 25, 2013
Total				¥40,170 million	

Note: The "Scheduled Acquisition Price" is based on the purchase price stated in the respective sale and purchase agreements. In addition, the prices are shown in the amount excluding acquisition costs, consumption taxes and other costs.

## New Committed Line of Credit Agreement and Amendment to the Existing Agreement to Increase Its Maximum Loan Amount

United Urban has concluded two committed line of credit agreements with leading Japanese financial institutions to secure expeditious and stable financing. With an aim to further strengthen its financial stability, United Urban concluded a new committed line of credit agreement and amended one of the existing agreements to increase its maximum loan amount. United Urban will make continuous efforts to build its robust financial standing in order to cope with any sudden changes in the financial market.

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Collateral Guarantee	Remarks
Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited	¥9,000 million	From Dec. 25, 2012 to Dec. 24, 2013	None	Unsecured Unguaranteed	New agreement
Sumitomo Mitsui Trust Bank, Limited Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	(Before amendment) ¥13,500 million (After amendment) ¥19,000 million	From Jun. 22, 2012 to Jun. 21, 2013 (Date of amendment: Dec. 25, 2012)	None	Unsecured Unguaranteed	Increase in maximum loan amount of the existing agreement (Items other than the maximum loan amount remain unchanged.)

## Issuance of Corporate Bonds and Refinancing

United Urban issued the Series 9 of Unsecured Corporate Bonds targeted at retail investors on December 19, 2012 and the Series 10 of Unsecured Corporate Bonds on December 12, 2012. United Urban diversified its financing methods through the issuance of corporate bonds and repaid existing borrowings together with cash on hand.

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating
4 years	Series 9 of Unsecured Corporate Bonds (for retail investors)	¥10,000 million	0.62% p.a.	Dec. 19, 2012	Dec. 19, 2016	Unsecured Unguaranteed	AA-(JCR)
5 years	Series 10 of Unsecured Corporate Bonds (for institutional investors)	¥4,000 million	0.69% p.a.	Dec. 12, 2012	Dec. 12, 2017	Unsecured Unguaranteed	AA-(JCR)



[Repayment of existing borrowing]

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date
TL16 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,000 million	1.66432% (fixed)	Sep. 27, 2007	Dec. 20, 2012
TL17 (long term)	Aozora Bank, Ltd. Shinsei Bank, Limited Saitama Resona Bank, Limited Sumitomo Mitsui Trust Bank, Limited The Dai-ichi Life Insurance Company, Limited Mitsui Sumitomo Insurance Company Limited	¥10,200 million	1.67119% (fixed)	Dec. 20, 2007	

## Sale of Property during the 19th Fiscal Period

United Urban has been comprehensively considering the various factors such as the real estate market and financial market trends and the stability of medium- to long-term cash flows from each of its portfolio assets, and has been considering the possibility of a sale of a portion of its portfolio assets. As a result, United Urban decided to sell "Pacific Marks Shinkawa" and implemented the sale as of December 27, 2012.

Property No.	Type	Property Name	Location	Book Value (as of Nov. 30, 2012)	Sale Price	Date of Sale
B23	Office Buildings	Pacific Marks Shinkawa	Chuo-ku, Tokyo	¥2,730 million	¥2,900 million	Dec. 27, 2012

## New Acquisition during the 19th Fiscal Period

### B26 Hamamatsucho 262 Building (Additional Acquisition) (Note 1)

Office Buildings



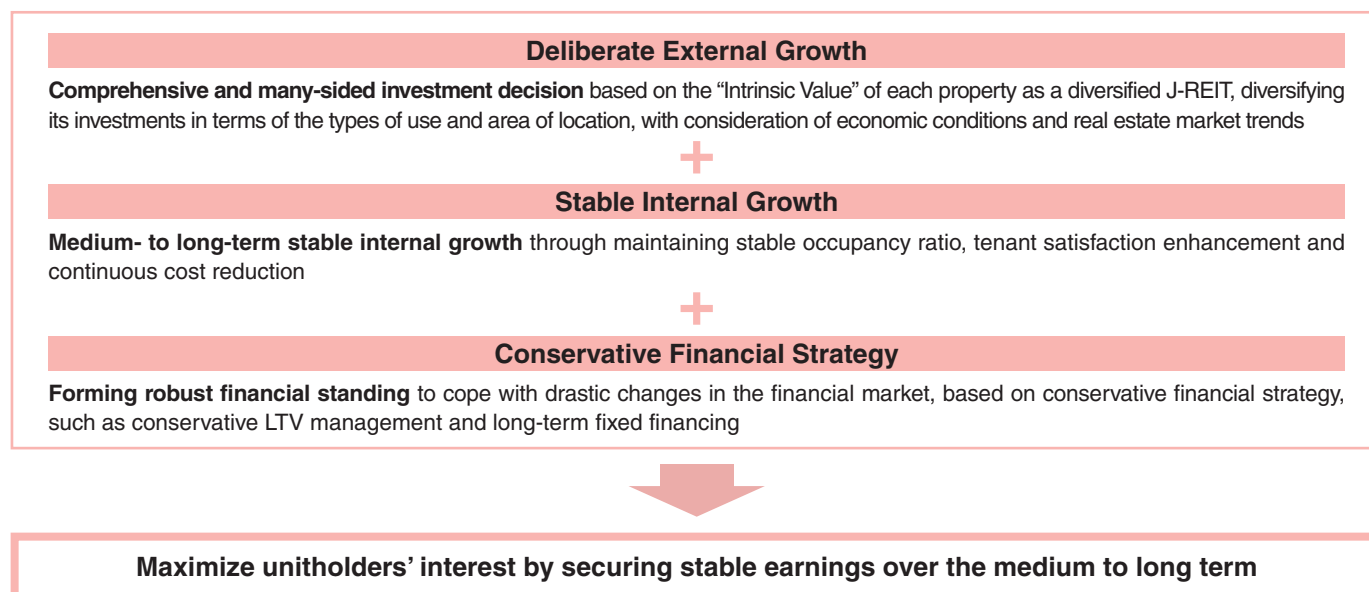
■ Acquisition Date	January 23, 2013
■ Address	2-6-2 Hamamatsucho, Minato-ku, Tokyo
■ Site Area	(Additional acquisition) 176.64 m <sup>2</sup> (Note 2) (Total) 1,401.61 m <sup>2</sup>
■ Total Floor Space	(Additional acquisition) 877.99 m <sup>2</sup> (Total) 8,331.90 m <sup>2</sup>
■ Construction	S/RC
■ Number of Floors	B2/8F
■ Completed	February 1993
■ Type of Ownership	Land: Right of Site (Co-ownership) Building: Compartmentalized Ownership

Note: 1. The property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.

2. Site area of additional acquisition stated above is calculated by multiplying the area of the land by the percentage of the co-ownership interest of site right that has been acquired in the form of common ownership.

# Management Strategy of United Urban

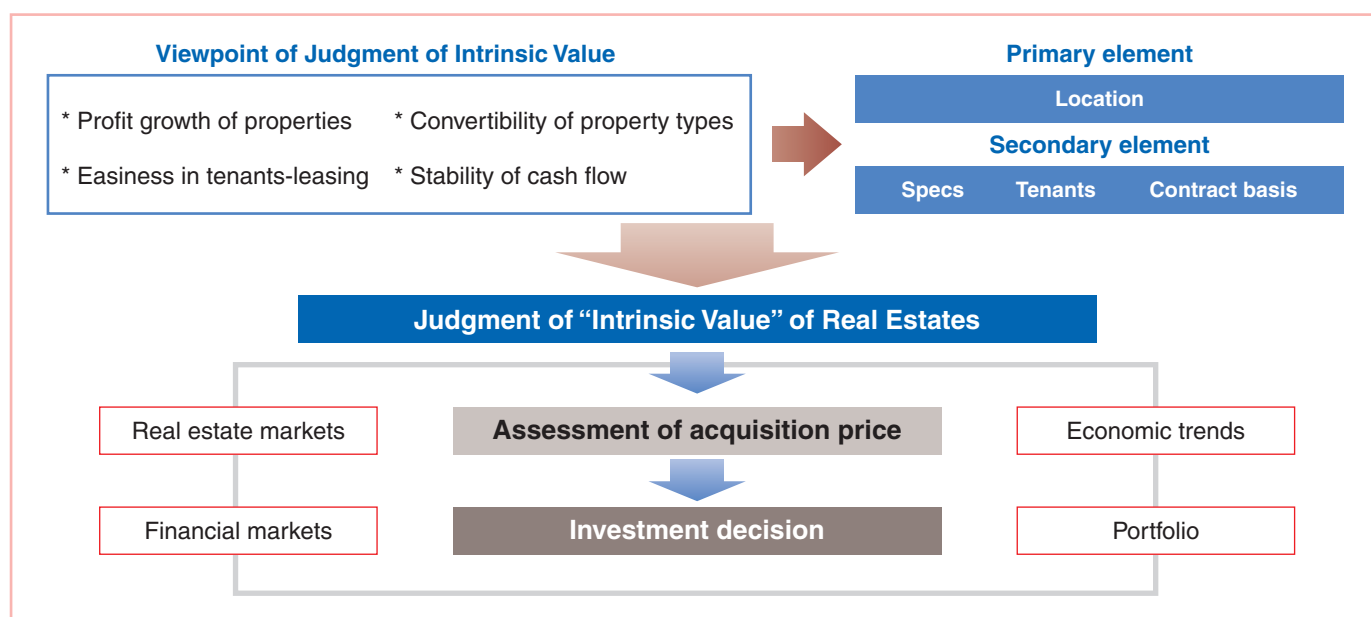
## Management Strategy



## External Growth Strategy

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

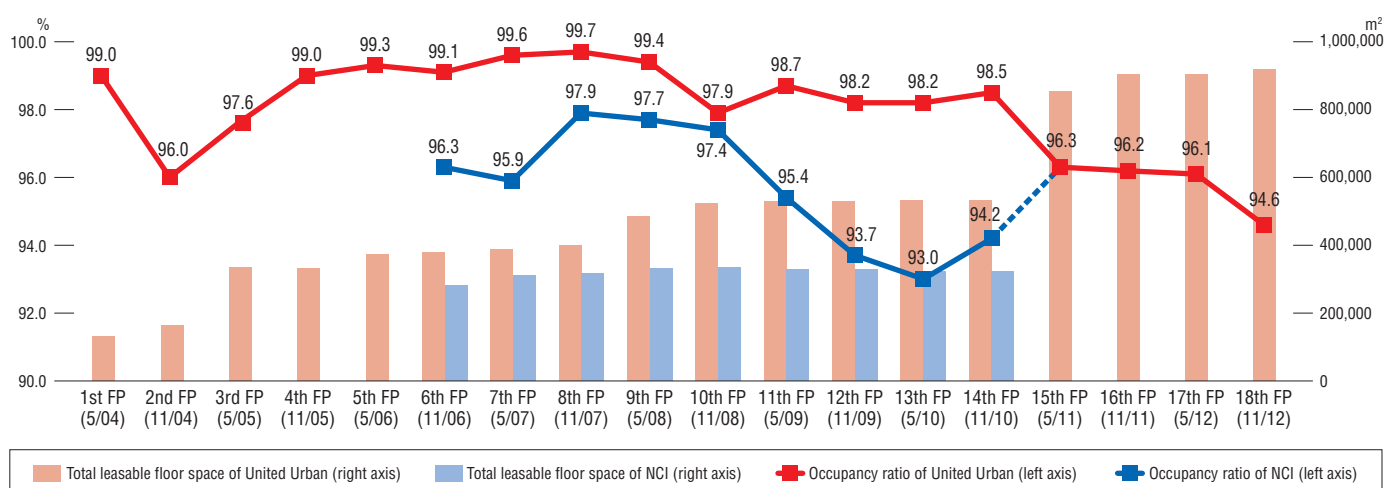
United Urban defines the real estate that can secure stable profitability over the medium to long term, as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” Through analysis of several factors such as the external environment, United Urban makes a final investment decision.



## Internal Growth Strategy

United Urban has been managing its properties with a relatively high occupancy ratio. However, there can be seen high rate of vacancy in some of our properties due to Japanese economic situation of the last several years. Under these circumstances, United Urban tries to raise tenants' satisfaction by improving the quality of building management and services. Moreover, United Urban will try to improve the profitability of its existing portfolio through continuous efforts to maintain and improve the occupancy ratio and the rental income by leasing activities based on the study and analysis of the real-estate rental market, while reducing its costs.

The changes in occupancy ratio <sup>(Note 1)</sup> and total leasable floor space <sup>(Note 2)</sup> of both United Urban properties and former NCI properties are as follows.



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

2. For both United Urban and NCI, each occupancy ratio and total leasable space for the entire portfolio at the end of each fiscal period of United Urban (end of May and November) are shown.

## Financial Strategy

### Basic Policy of Financial Strategy

1. Maintaining the LTV level at or below 50%
2. In principle, fixed and long-term financing
3. Selection of optimal financing methods and conditions
  - A. Dispersed debt maturity to minimize refinancing risk
  - B. Maintaining committed line of credit to secure financial stability and liquidity
  - C. Close monitoring of financial market trends in order to select efficient financing methods and appropriate duration

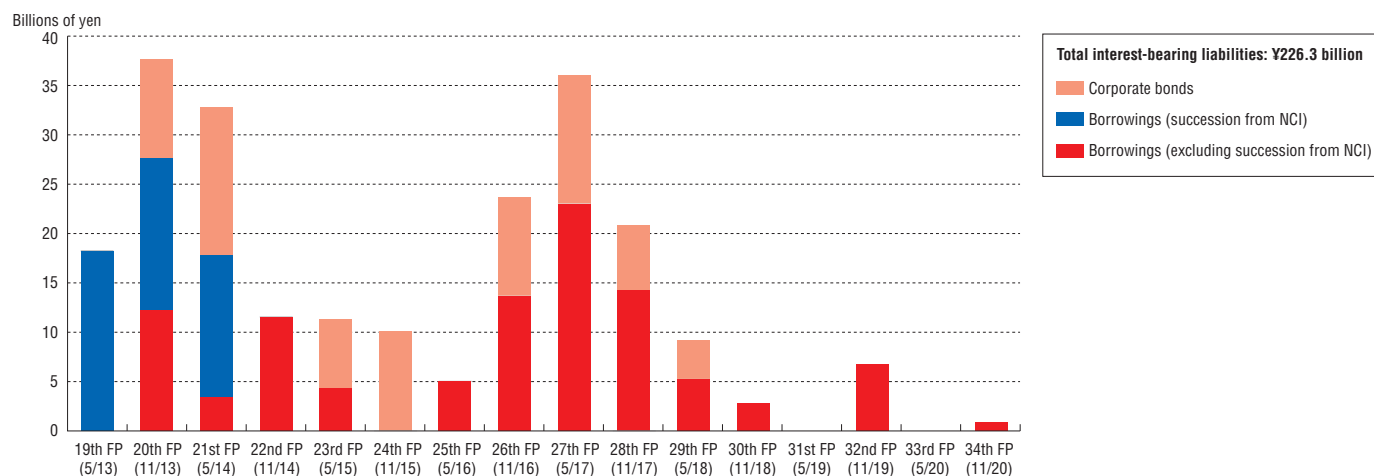


Strengthening the financial standing to cope with changes in the financial situation



# Financial Status

## Diversification of Repayment Date (As of January 18, 2013)



## Borrowings (As of January 18, 2013)

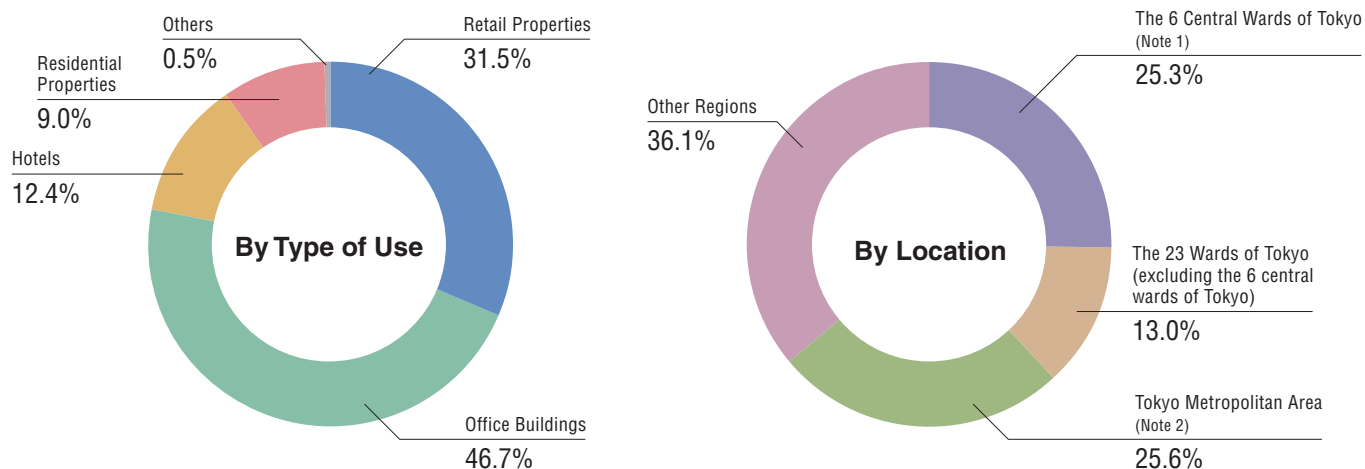
Lenders	Balance (millions of yen)	Share (%) (Note)
Sumitomo Mitsui Trust Bank, Limited	31,164	20.7
Sumitomo Mitsui Banking Corporation	25,409	16.8
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	19,096	12.7
Mizuho Corporate Bank, Ltd.	18,190	12.1
Mitsubishi UFJ Trust and Banking Corporation	10,767	7.1
Aozora Bank, Ltd.	8,545	5.7
The Norinchukin Bank	8,506	5.6
Shinsei Bank, Limited	5,577	3.7
Development Bank of Japan Inc.	5,450	3.6
Resona Bank, Limited	3,652	2.4
The Bank of Fukuoka, Ltd.	2,700	1.8
The Shinkumi Federation Bank	2,000	1.3
Mizuho Trust & Banking Co., Ltd.	2,000	1.3
ORIX Bank Corporation	1,500	1.0
Saitama Resona Bank, Limited	1,000	0.7
Sompo Japan Insurance Inc.	1,000	0.7
Kansai Urban Banking Corporation	1,000	0.7
The Gunma Bank, Ltd.	900	0.6
The Bank of Yokohama, Ltd.	900	0.6
The Hiroshima Bank, Ltd.	500	0.3
The 77 Bank, Ltd.	500	0.3
The Tokyo Tomin Bank, Limited	500	0.3
Total	150,856	100.0

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

# Portfolio Properties

## Portfolio Data

### Portfolio Breakdown (Based on acquisition prices) (As of November 30, 2012)



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

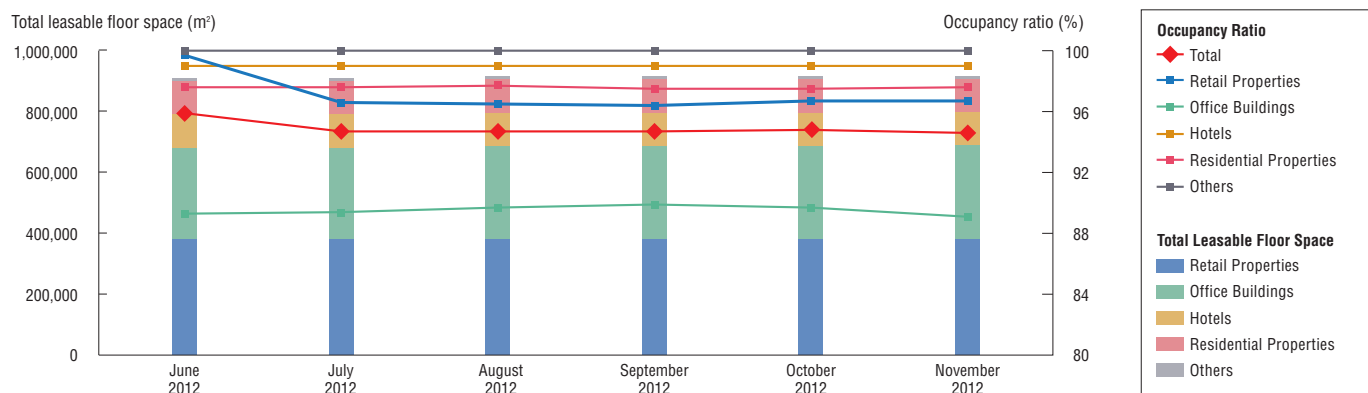
2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi) excluding the 23 Wards of Tokyo.

### Occupancy Ratio (Note)

	2012					
	End of June	End of July	End of August	End of September	End of October	End of November
Retail Properties	99.7%	96.6%	96.5%	96.4%	96.7%	96.7%
Office Buildings	89.3%	89.4%	89.7%	89.9%	89.7%	89.1%
Hotels	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Residential Properties	97.6%	97.6%	97.7%	97.5%	97.5%	97.6%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	95.9%	94.7%	94.7%	94.7%	94.8%	94.6%

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

### Trends in Occupancy Ratio and Total Leasable Floor Space



# Portfolio Properties

## Portfolio Roster (As of November 30, 2012)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Retail Properties</b>						
A1	Daiei Himonya	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A3	Daimaru Peacock Ashiya Kawanishi	Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A5	AEON MALL Uki	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 03, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 01, 2010	
A16	Shinsaibashi OPA Kireikan	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 1998	Dec. 01, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 01, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 01, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 01, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 01, 2010	
A24	Yokohama Kariba Shopping Center (Note 8)	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 01, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
<b>Office Buildings</b>						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B2	SK Nagoya Building	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 02, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyochō Building (Note 9)	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 01, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 01, 2010	
B12	UUR Tsukiji Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1999	Dec. 01, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 01, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 01, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 01, 2010	
B16	Omori City Building	Ota-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1980	Dec. 01, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 01, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 01, 2010	
B19	Pacific Marks Nihonbashi-Tomizawacho	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1991	Dec. 01, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 01, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 01, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 01, 2010	
B23	Pacific Marks Shinkawa (Note 10)	Chuo-ku, Tokyo	Trust beneficial interest in real estate	May 1992	Dec. 01, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 01, 2010	
B26	Hamamatsucho 262 Building (Note 7) (Note 11)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 01, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 01, 2010	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m <sup>2</sup> ) (Note 1)	Total Floor Space (m <sup>2</sup> ) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	3.6%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.6%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.2%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	1.2%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.6%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.5%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.7%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	1.2%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.5%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.9%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	1.0%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	1.0%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.6%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.6%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	5.3%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	2,770	0.6%	946.53	4,923.95	S/SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	1,580	0.4%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.6%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.6%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	1.1%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.6%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	1.2%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.8%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.6%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.5%	7,594.00	—	—	—	Proprietary Ownership	—
	2,257	0.5%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.3%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.5%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.5%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.5%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	3.3%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	4.5%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.2%	(53,363.57)	(—)	(—)	(—)	Proprietary Ownership (Co-ownership)	—
	8,500	2.0%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	1.0%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	3.4%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.8%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.6%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.4%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.6%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.9%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	4,120	1.0%	1,041.44	6,550.12	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	3,290	0.8%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.6%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	1,890	0.4%	550.67	3,627.03	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.5%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.2%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.4%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	2,790	0.7%	949.85	6,058.75	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	9,890	2.3%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,260	1.5%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.6%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership

# Portfolio Properties

## Portfolio Roster (As of November 30, 2012)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Office Buildings</b>						
B28	Pacific Marks Aobadai	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1993	Dec. 01, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 01, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 01, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 01, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 01, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 01, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 01, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 01, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 01, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	
<b>Hotels</b>						
C1	Shinjuku Washington Hotel Honkan (Note 7)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 02, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	Hotel JAL City Yotsuya Tokyo	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
<b>Residential Properties</b>						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D2	T&G Yotsuya Mansion	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	May 2002	Dec. 26, 2003	
D3	Excellia Magome	Ota-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2002	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D5	Ropponmatsu Court	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1994	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 08, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 08, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho (Note 12)	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	Glenpark Sapporo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
<b>Others</b>						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
Total						

Notes: 1. Each piece of information in the "Completion Date," "Site Area," "Total Floor Space," "Construction" and "Number of Floors" is described as it appears on the real estate register. Some information may differ from the current situations. In regard to the "Site Area" of properties which have a site space for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures including co-ownership space are described.

2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as December 1, 2010, the effective date of the merger.

3. The "Acquisition Price" is an amount (the amounts stated in each sale and purchase agreements, excluding consumption taxes) that excludes the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.

4. For properties consisting of several buildings, some information in the "Construction" and "Number of Floors" are applicable to the main building.

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

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



	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m <sup>2</sup> ) (Note 1)	Total Floor Space (m <sup>2</sup> ) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	1,620	0.4%	701.83	3,215.11	SRC	B1/7F	Proprietary Ownership	Compartmentalized Ownership
	1,160	0.3%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.6%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.6%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	1.1%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.6%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	2.2%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.4%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	2.2%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.5%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.5%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	21,140	4.9%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (in Some Parts, Co-ownership)	Compartmentalized Ownership (in Some Parts, Co-ownership)
	9,721	2.3%	(7,265.79)	(58,882.64)	(SRC)	(B1/23F)	(Proprietary Ownership)	(Proprietary Ownership)
	1,884	0.4%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.9%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	1.1%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.8%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	1.0%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	2,021	0.5%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,355	0.3%	777.40	2,081.19	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	697	0.2%	371.29	1,110.97	RC	7F	Right of Site	Compartmentalized Ownership
	1,680	0.4%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	757	0.2%	1,738.67	3,294.36	RC	6F	Proprietary Ownership	Proprietary Ownership
	1,175	0.3%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.8%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.3%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.7%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.3%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.2%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.7%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.4%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.3%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.8%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.4%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.7%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.5%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	2,050	0.5%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	429,033	100.0%	572,137.08	1,027,414.42				

Notes: 7. For the "Shinjuku Washington Hotel Honkan" and the "Hamamatsucho 262 Building," the additional acquisitions were executed on September 29, 2010 and October 31, 2011, respectively. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition. In addition, for "Hamamatsucho 262 Building," the further additional acquisition was executed on January 23, 2013 after the end of the 18th fiscal period. However, the acquisition price in the above table doesn't include the further additional acquisition.

8. The property name was changed from "Nitori Yokohama Kariba I.C." to "Yokohama Kariba Shopping Center" on July 1, 2012.

9. The property name was changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.

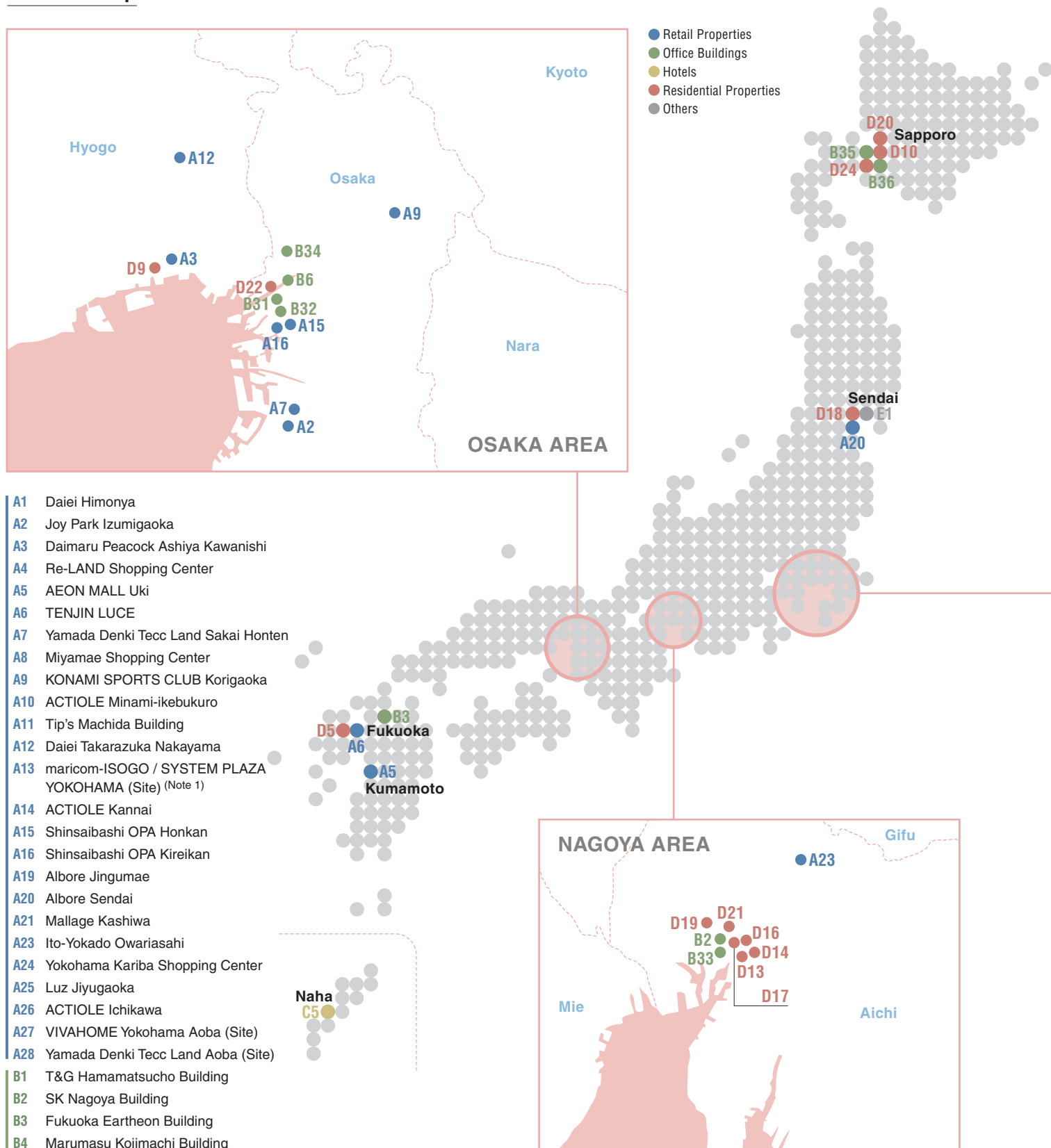
10. "Pacific Marks Shinkawa" was sold on December 27, 2012.

11. The property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.

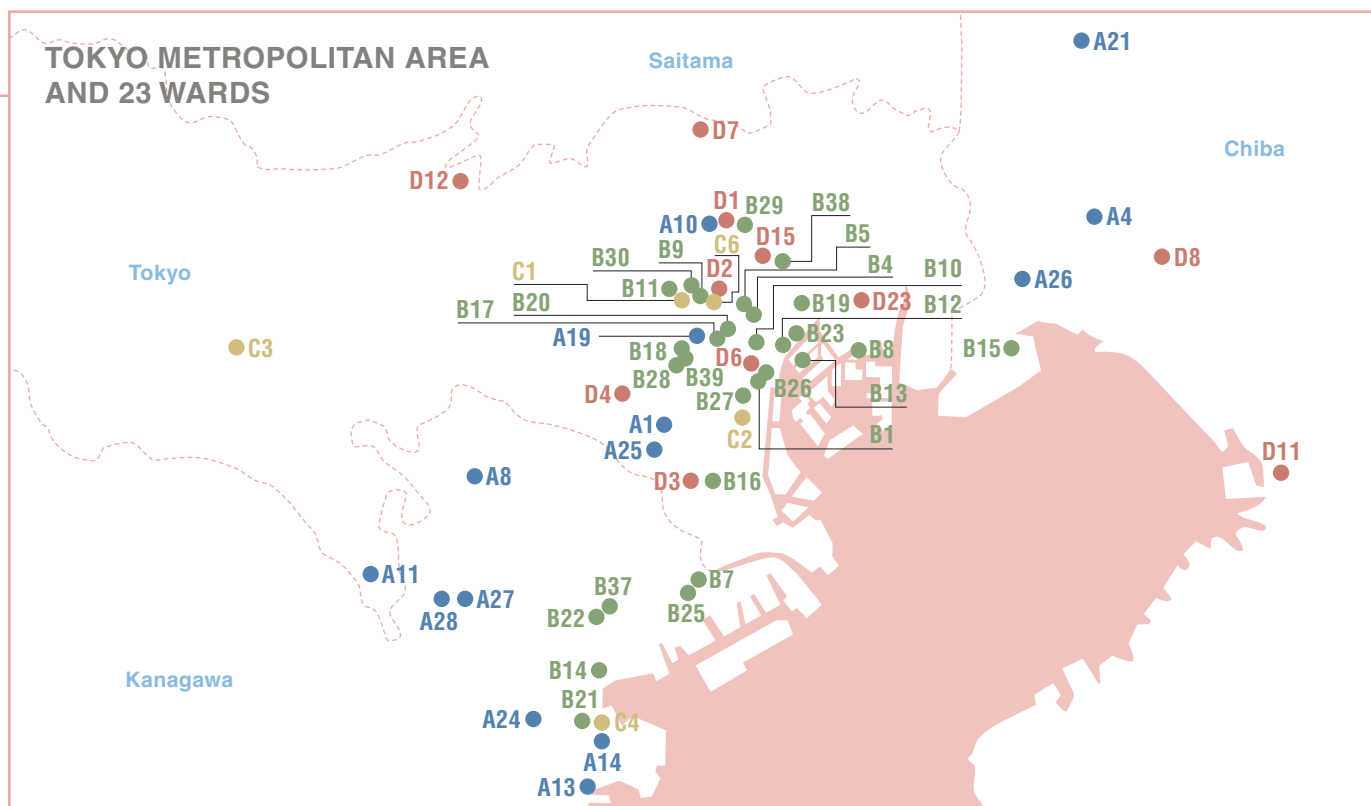
12. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

# Portfolio Properties

## Portfolio Map



B5	Rokubancho K Building	B28	Pacific Marks Aobadai	D4	Komazawa Court
B6	Shin-Osaka Central Tower (Note 2)	B29	Otsuka HT Building	D5	Ropponmatsu Court
B7	Kawasaki Toshiba Building	B30	Pacific Marks Shinjuku South-gate	D6	Sky Court Shiba-Daimon
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)	B31	Pacific Marks Nishi-Umeda	D7	Maison Ukima
B8	UUR Toyoko Building	B32	Pacific Marks Higobashi	D8	Narashino Residence
B9	FOUR SEASONS BLDG	B33	Nagoya Nishiki City Building	D9	Aprile Shin-Ohgi Ichibankan
B10	Hitachi High-Tech Building	B34	Pacific Marks Esaka	D10	UUR Court Sapporo Kita-Sanjo
B11	Pacific Marks Shinjuku Parkside	B35	Pacific Marks Sapporo Kita-Ichijo	D11	UUR Court Chiba Soga
B12	UUR Tsukiji Building	B36	Shin-Sapporo Center Building	D12	Higashi-kurume Dormitory Shinkan
B13	Pacific Marks Tsukishima	B37	ARENA TOWER	D13	Nanzan Court Ichigokan
B14	Pacific Marks Yokohama East	B38	Yushima First Building	D14	Nanzan Court Nigokan
B15	Pacific Marks Shin-Urayasu	B39	Dogenzaka Square	D15	CLIO Bunkyo Koishikawa
B16	Omori City Building	C1	Shinjuku Washington Hotel Honkan	D16	GRAND-ROUGE Sakae
B17	Akasaka Hikawa Building	(B6)	Shin-Osaka Central Tower (Note 2)	D17	GRAND-ROUGE Sakae II
B18	Pacific Marks Shibuya Koen-dori	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D18	MA Sendai Building
B19	Pacific Marks Nihonbashi-Tomizawacho	C3	MZ BLD.	D19	UUR Court Nagoya Meieki
B20	Pacific Marks Akasaka-mitsuke	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D20	UUR Court Sapporo Shinoro Ichibankan
B21	Yokohama Aioicho Building	C5	Hotel JAL City Naha	D21	Park Site IZUMI
B22	Pacific Marks Shin-Yokohama	C6	Hotel JAL City Yotsuya Tokyo	D22	UUR Court Osaka Juso-honmachi
B23	Pacific Marks Shinkawa (Note 3)			D23	UUR Court Kinshicho
B25	Pacific Marks Kawasaki	D1	T&G Higashi-ikebukuro Mansion	D24	Glenpark Sapporo Premier Tower
B26	Hamamatsucho 262 Building	D2	T&G Yotsuya Mansion		
B27	Lila Hijirizaka	D3	Excellia Magome	I E1	Lilycolor Tohoku Branch



Notes: 1. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.

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

3. "Pacific Marks Shinkawa" was sold on December 27, 2012.



# Portfolio Properties

## Major Properties

### Hotels

#### **C1** Shinjuku Washington Hotel Honkan



### Office Buildings/Hotels

#### **B6** Shin-Osaka Central Tower



### Retail Properties

#### **A15** Shinsaibashi OPA Honkan



### Residential Properties

#### **D18** MA Sendai Building





Office Buildings

**B7** Kawasaki Toshiba Building



Hotels

**C5** Hotel JAL City Naha



Retail Properties

**A1** Daiei Himonya



Office Buildings

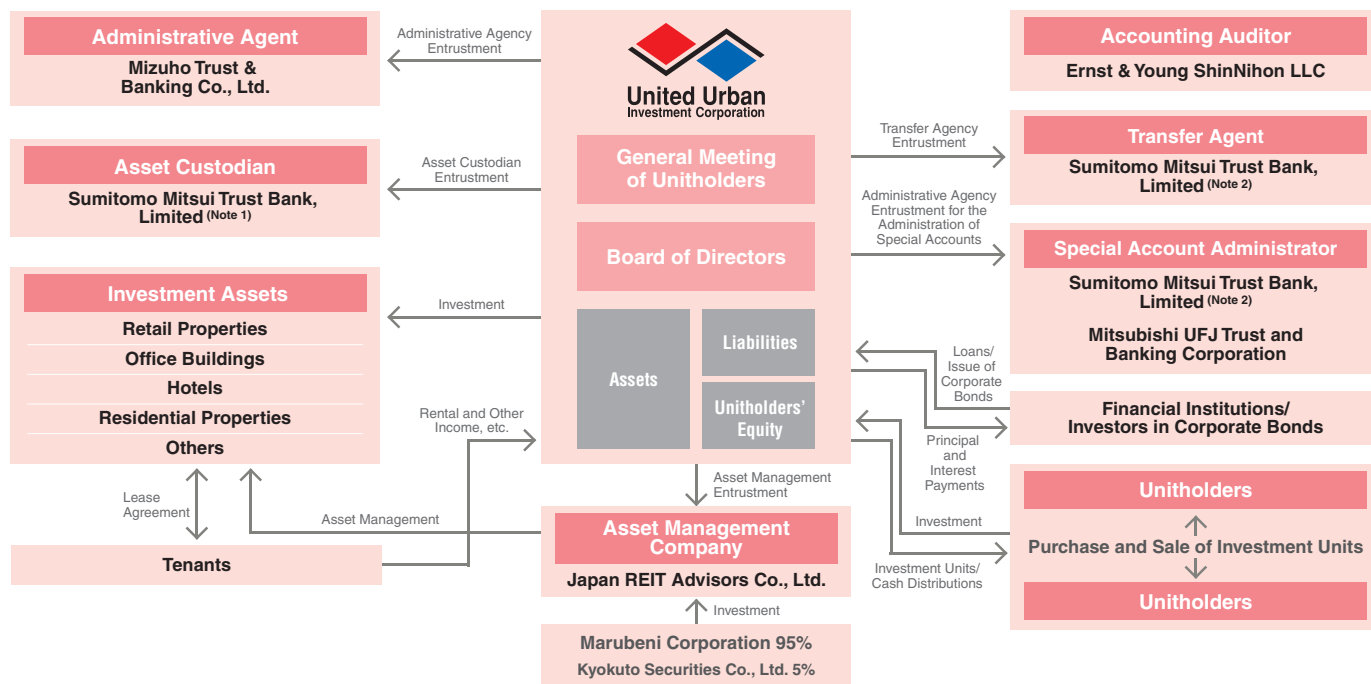
**B10** Hitachi High-Tech Building





# Structure of United Urban / Investment Unit Information

## Corporate Structure



Notes: 1. The Sumitomo Trust and Banking Co., Ltd. changed its company name to "Sumitomo Mitsui Trust Bank, Limited" on April 1, 2012.

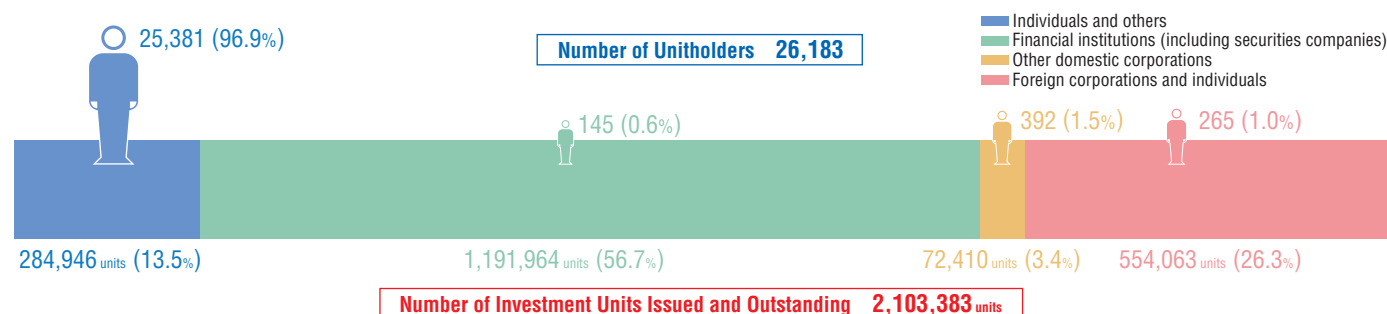
2. The Chuo Mitsui Trust and Banking Company, Limited, which was a transfer agent and a special account administrator of United Urban, was dissolved by an absorption-type merger under which The Sumitomo Trust and Banking Co., Ltd. remains as the surviving company, and The Chuo Mitsui Trust and Banking Company, Limited and Chuo Mitsui Asset Trust and Banking Company Limited are dissolved as absorbed companies on April 1, 2012. Therefore, The Sumitomo Trust and Banking Co., Ltd. has succeeded the status of a transfer agent and a special account administrator of United Urban. In addition, The Sumitomo Trust and Banking Co., Ltd. changed its company name to "Sumitomo Mitsui Trust Bank, Limited" on the same day.

## Unit Price and Trading Volume



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

## Breakdown of Unitholders (As of November 30, 2012)

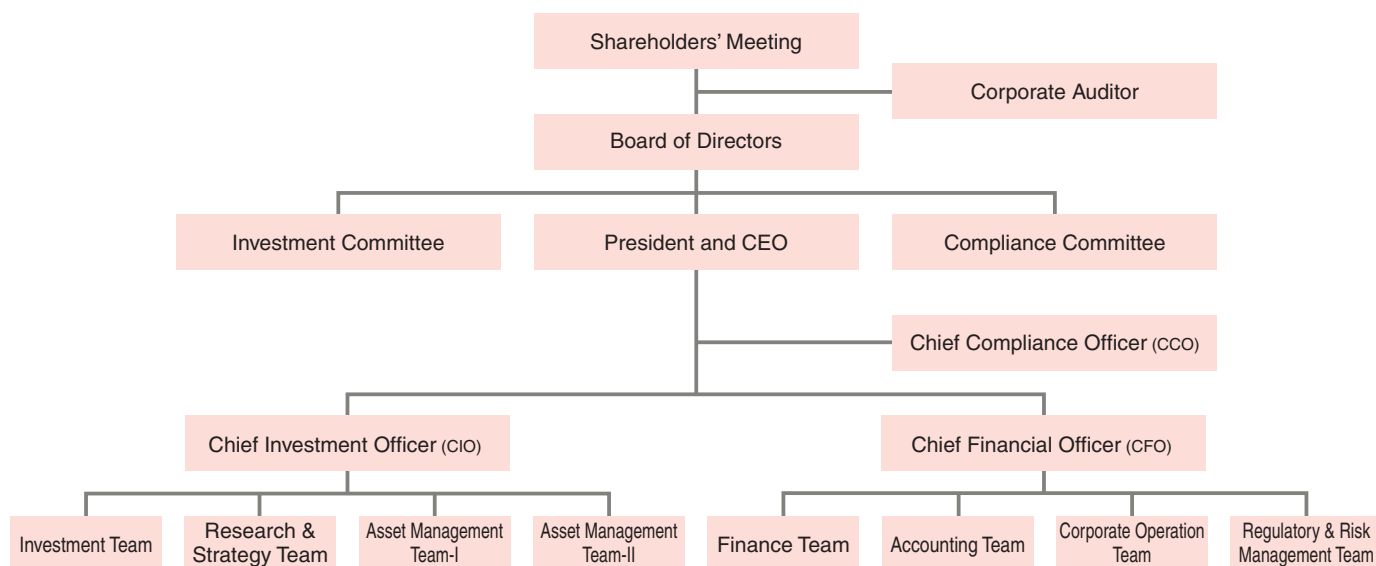


# Profile of Asset Management Company

## Overview

<b>Corporate Name</b>	Japan REIT Advisors Co., Ltd. ("JRA")
<b>Address</b>	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo
<b>Date of Foundation</b>	December 4, 2001
<b>Capital</b>	¥425 million (As of November 30, 2012)
<b>Shareholders</b> (As of November 30, 2012)	<div> <div>Marubeni Corporation</div> <div>95.0%</div> </div> <div> <div>Kyokuto Securities Co., Ltd.</div> <div>5.0%</div> </div> <p>(Note) Credit Suisse Principal Investments Limited, Tokyo Branch, one of the shareholders of JRA, transferred all of its common shares of JRA (3,740 shares) to Marubeni Corporation, the parent company of JRA, on June 29, 2012.</p>
<b>Representative</b>	Kenichiro Oikawa, President and CEO
<b>Description of Business</b>	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act

## Organization



### Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of November 30, 2012, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

### Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of November 30, 2012, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of Corporate Operation Team and one external intellectual (external lawyer).

## ◆ PERFORMANCE REPORT

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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 during the period set out below.
 

Average no. of investment units during the period	16th fiscal period:	2,076,594 units
	17th fiscal period:	2,103,383 units
	18th fiscal period:	2,103,383 units
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 days.

Return on assets	Ordinary income / Ave. total assets Ave. total assets= (Total assets at the beginning of the period + Total assets at the end of the period) / 2
Return on equity	Net income / Ave. net assets Ave. net assets= (Net assets at the beginning of the period + Net assets at the end of the period) / 2
NOI (Net operating income) from leasing	Income from property leasing in the period (Rental revenues - Rental expenses) + Depreciation and Amortization
FFO (Funds from operations) per unit	(Net income + Depreciation + Amortization of deferred assets – Gain or loss on sales of real estate) / No. of investment units at the end of the period *The gain or loss on sales of real estate is deducted from the 16th fiscal period.
FFO ratio	Investment unit price at the end of the period / Annualized FFO per unit (Investment units are traded at ex-dividend unit price from November 26, 2010 due to the six-for-one unit split which became effective as of December 1, 2010)
Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expense on corporate bonds

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

6. Payout ratios are computed by the method set out below, and are rounded down to one decimal place.

.....Cash distribution per unit / Net income per unit

## 2. Performance Review for the Current Period

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

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with “Intrinsic Value” and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of “Intrinsic Value” as a diversified real estate investment trust (REIT), diversifying its investments in terms of the types of use and area of location (Note). In addition, United Urban merged with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”). After the subsequent issuance of new investment units by way of public offering in June 2011 and the third party allotment in July 2011, United Urban has been the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size (as of November 30, 2012).

As a result of performance, a distribution has been made in each of 17 fiscal periods from the 1st fiscal period ended on May 31, 2004 to the 17th fiscal period ended on May 31, 2012. For the 18th fiscal period ended November 30, 2012, United Urban decided to make cash distribution of ¥2,750 per unit.

Note: “Type of use” : Retail properties, office buildings, hotels, residential properties, and others

“Area of location” : Tokyo metropolitan area and major Japanese cities including government designated cities and surrounding areas thereof

### A. Performance during the period

During the period under review, United Urban acquired the following three properties (total acquisition price: ¥6,450 million).

Property No.	Property Name	Type of Use (Note 1)	Location (Residential)	Acquisition Price (Note 2)	Acquisition Date
B38	Yushima First Building	Office Parking Lot	3-19-11 Yushima, Bunkyo-ku, Tokyo	¥2,100 million	August 29, 2012
B39	Dogenzaka Square	Office Retail Apartment	5-18 Maruyamacho, Shibuya-ku, Tokyo	¥2,300 million	November 22, 2012
D24	Glenpark Sapporo Premier Tower	Residence Retail	2-3, 3-1・11・18・22 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido (lot number) (Note 3)	¥2,050 million	June 28, 2012
Total				¥6,450 million	-

Notes: 1. Of the type of use indicated in the real estate register, the primary types are shown.

2. The acquisition prices shown are based on the purchase prices stated in the sale and purchase agreements. In addition, the prices are shown in an amount excluding acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.

3. The location of “Glenpark Sapporo Premier Tower” shows the location indicated on the real estate register for the building because the property is yet to be assigned an indication of residential address.

As a result of aforementioned acquisitions, as of November 30, 2012, United Urban’s assets totaled 94 properties, comprising 24



retail properties, 37 office buildings, 1 retail and office complex, 6 hotels, 1 office and hotel complex, 24 residential properties and 1 others, with an aggregate acquisition price of ¥429,033 million. In addition, the total leasable floor space was increased from 903,995.65 sq. m. to 918,643.45 sq. m. and the number of tenants increased from 1,403 to 1,550. Furthermore, as a result of acquisition of equity interests for two anonymous associations (total contribution amount: ¥2,450 million) during the 17th fiscal period ended May 2012, United Urban has obtained preferential negotiation rights to acquire the assets in which each anonymous association invests.

In addition, United Urban has ensured stable occupancy ratios by devoting its attention to the improvement in the quality of assets with a focus on the management and operation of existing properties during this period. The occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 94.6% and 95.9%, and stood at 94.6% on November 30, 2012.

## B. Financing

During this period, United Urban conducted various debt financings for the purpose of procuring funds for repayment of existing borrowings and acquisition of specified assets. Moreover, United Urban issued the Series 7 of Unsecured Corporate Bonds of ¥6,500 million (the “7th Bonds”) on July 5, 2012 and the Series 8 of Unsecured Corporate Bonds of ¥10,000 million (the “8th Bonds”) on August 6, 2012, and repaid borrowings succeeded to from NCI due to the Merger with relatively-high cost, to reduce future burden on interest payments.

The status of interest-bearing liabilities at the end of the previous period and the end of the 18th fiscal period are as follows:

(Millions of yen)			
	Balance at the End of the 17th Fiscal Period (As of May 31, 2012)	Balance at the End of the 18th Fiscal Period (As of November 30, 2012)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	¥ 174,916	¥ 165,106	¥ (9,810)
Total of borrowings	174,916	165,106	(9,810)
Corporate bonds	45,000	61,500	16,500
Total of interest-bearing liabilities	¥ 219,916	¥ 226,606	¥ 6,690

In addition, amount of borrowings due for repayment within one year is ¥59,880 million, and amount of current portion of corporate bonds is ¥10,000 million. Moreover, the details of issuer ratings as of December 31, 2012 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency Ltd. (JCR)	Long-Term Senior Debt Rating: AA-	Rating Outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer Rating: A+	Rating Outlook: Stable
Moody's Japan K.K. (Moody's)	Issuer Rating: A3	Rating Outlook: Stable

## C. Financial results and overview of distribution

Under above operations, United Urban achieved operating revenues of ¥15,973 million (up by 1.4% from the previous period), profit from rental activities of ¥8,597 million (down by 0.7% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥7,004 million (up by 0.6% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥4,636 million (down by 4.4% from the previous period), and a net income of ¥4,635 million (down by 4.4% from the previous period).

With regard to the distribution in the period under review, by the application of Article 67-15 of the Act on Special Measures Concerning Taxation and by the utilization of reserve for distribution, it was decided that an amount of ¥5,784 million, which is a total of unappropriated profit at the end of the period of ¥4,635 million and reversal of reserve for distribution of ¥1,149 million would be distributed. As a result, the cash distribution per unit was ¥2,750.

United Urban will continue to promote effective use of reserve for distribution from the viewpoint of strategic management of its portfolio over a medium to long term perspective and promotion of growth of United Urban, while paying heed to the level of cash distribution.

### 3. Issuance of New Investment Units

During this period, there were no changes in number of investment units issued and outstanding and unitholders' capital. The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
June 24, 2008	Additional issue of new investment units through public offering	40,000	199,843	17,823	107,662	(Note 1)
July 24, 2008	Additional issue of new investment units through third-party allotment	1,457	201,300	649	108,311	(Note 2)
December 1, 2010	Split of investment units	1,006,500	1,207,800	-	108,311	(Note 3)
December 1, 2010	Merger with NCI	243,519	1,451,319	-	108,311	(Note 4)
June 8, 2011	Additional issue of new investment units through public offering	640,000	2,091,319	56,548	164,859	(Note 5)
July 6, 2011	Additional issue of new investment units through third-party allotment	12,064	2,103,383	1,066	165,925	(Note 6)

- Notes: 1. New investment units were issued through public offering at the offer price of ¥461,580 per unit (issue price (underwriter price) ¥445,566), for the purpose of procuring funds for property acquisitions.  
2. 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.  
3. One investment unit was split into six units.  
4. United Urban conducted an absorption-type merger based on article 147 of the Investment Trust Act under which United Urban remained as the surviving company and NCI as the absorbed company. Due to the absorption-type merger, one United Urban unit after the split of units was allocated per one NCI unit (257,400 NCI outstanding units prior to the merger, minus 13,881 NCI units for which appraisal rights were invoked).  
5. New investment units were issued through public offering at the offer price of ¥91,162 per unit (issue price (underwriter price) ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.  
6. New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.

#### Changes in Investment Unit Prices

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

	Yen		
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
Highest	98,700	96,100	95,600
Lowest	80,300	79,600	77,100

### 4. Distribution Information

With regard to the distribution in the period under review, by application of the Article 67-15 of the Act on Special Measures Concerning Taxation and by utilization of reserve for distribution, it was decided to distribute ¥5,784 million, which is a total of unappropriated profit at the end of the period of ¥4,635 million and reversal of reserve for distribution of ¥1,149 million. In consequence, the distribution per investment unit was fixed at ¥2,750 for the 18th fiscal period.

		18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
Unappropriated retained earnings at the end of period	Thousands of yen	4,635,153	4,849,950	4,650,445
Cash distribution	Thousands of yen	5,784,303	5,784,303	5,784,303
Cash distribution per unit	Yen	2,750	2,750	2,750
Unappropriated retained earnings carried forward to the next period	Thousands of yen	-	-	-

## 5. Future Policies and Challenges

### A. Acquisition of new properties (External growth)

United Urban positions the external growth as an important strategic challenge. To build a portfolio where stable earnings are secured over the medium term to long term, United Urban will work to realize external growth to build an optimum portfolio by utilizing its wide-ranging networks including Marubeni Corporation, JRA's sponsor, under a policy of carefully selecting blue-chip properties in consideration of "Intrinsic Value of real estate" by (i) giving due consideration to any adverse impact that the acquisition will have on its existing portfolio and (ii) accurately grasping market trends. Moreover, United Urban plans to implement strategic and expeditious changes in its portfolio from a long-term perspective.

### B. Management and administration (Internal growth)

United Urban makes continuous efforts to achieve the stable internal growth, and in particular, aims to incorporate synergistic effects caused by the Merger into our internal growth. Because some properties succeeded to from NCI due to the Merger, have room for further improvement in occupancy ratio or profitability, United Urban will focus on improving their performance. In addition, United Urban will try to carry out the maintenance works and repairs which lead to the tenants' satisfaction proactively, and to improve building management and service in order to build a better relationship with the tenants. Moreover, engaged in the leasing activities based on the study and analysis of the real-estate rental market, United Urban will make continuous efforts to maintain or improve the high occupancy ratio and the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

### C. Financial strategy

Though United Urban sets the upper limit of LTV (Note) at 60%, in practice, United Urban has tried to maintain conservative management practices by targeting the upper limit of LTV at 50%.

In the future, United Urban aims to create robust and stable financial standing by raising funds with long-term and fixed-interest-rate loans or bonds in principle with careful observation and analysis of the capital market trends, and by ensuring enough liquidity through dispersion and lengthening of debt maturity and the establishment of committed lines of credit. In addition, United Urban will make continuous efforts to reduce the financial costs.

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

## 6. Subsequent Events

### A. Issuance of corporate bonds

a. United Urban ratified the issuance of Series 9 of Unsecured Corporate Bonds in the amount of ¥10,000 million (the "9th Bond") and Series 10 of Unsecured Corporate Bonds in the amount of ¥4,000 million (the "10th Bond") on November 30, 2012, in accordance with the approval at the board of directors' meeting of United Urban held on October 24, 2012, for repayment of existing borrowings (¥14,200 million) at their maturity on December 20, 2012. United Urban issued the 9th Bond on December 19, 2012 and the 10th Bond on December 12, 2012, and those payments have been completed. Details on the issuance of each series of corporate bonds are as follows:

#### Series 9 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 9 of Unsecured Corporate Bonds (with pari passu conditions among corporate bonds)
Total amount issued	: ¥10,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.62% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 19, 2012
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 19, 2016. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the book-entry transfer agent.
Interest payment dates	: June 19 and December 19 of each year
Corporate bond trustee	: Mitsubishi UFJ Trust and Banking Corporation
Use of proceeds	: The proceeds were used to repay existing borrowings.

#### Series 10 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 10 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥4,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.69% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 12, 2012
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 12, 2017. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the book-entry transfer agent.
Interest payment dates	: June 12 and December 12 of each year
Corporate bond trustee	: Sumitomo Mitsui Trust Bank, Limited
Use of proceeds	: The proceeds were used to repay existing borrowings.

#### B. Issuance of new investment units

The board of directors' meeting of United Urban, held on February 22, 2013, resolved the issuance of 190,000 new investment units by way of public offering, and the secondary offering (over-allotment) of up to 12,060 investment units through over-allotment and issuance of 12,064 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., as set forth below.

##### a. Issuance of new investment units by way of public offering

(1) Resolution date of the issuance	: February 22, 2013
(2) Pricing date	: March 5, 2013
(3) Number of investment units issued	: 190,000 units
(4) Offer price (per unit)	: ¥123,382
(5) Total offer price	: ¥23,442,580,000
(6) Issue price (per unit)	: ¥119,479
(7) Total issue price	: ¥22,701,010,000
(8) Payment date	: March 12, 2013
(9) Delivery date	: March 13, 2013

##### b. Secondary offering (over-allotment)

(1) Resolution date of the issuance	: February 22, 2013
(2) Pricing date	: March 5, 2013
(3) Number of investment units sold	: 12,064 units
(4) Selling price (per unit)	: ¥123,382
(5) Total selling price	: ¥1,488,480,448
(6) Delivery date	: March 13, 2013

##### c. Issuance of new investment units by way of third-party allotment

(1) Resolution date of the issuance	: February 22, 2013
(2) Pricing date	: March 5, 2013
(3) Number of investment units to be issued (Note)	: 12,064 units
(4) Issue price (per unit)	: ¥119,479
(5) Total issue price (maximum)	: ¥1,441,394,656
(6) Payment date	: April 10, 2013
(7) Allottee	: SMBC Nikko Securities Inc.

(Note) In the case where the investment units to be issued through the third-party allotment are not subscribed for, in whole or in part, the final number of the investment units with respect to the third-party allotment may be reduced by the number of units not subscribed for, or the issuance itself may be cancelled entirely.

##### d. Use of proceeds

The proceeds from the public offering and the third-party allotment will be used for the acquisition of new properties as described below "C. Acquisition of properties".

#### C. Acquisition of properties

United Urban resolved on February 22, 2013 to acquire the following trust beneficial interests in real estate with proceeds from the issuance of new investment units, mentioned above in B, cash on hand, and proceeds from new borrowings mentioned below in "7. Reference Information, E. Debt Financing".

Property Name	Type of Use (Note 1)	Location (residential)	Scheduled Acquisition Price (Note 2)	Scheduled Acquisition Date (Note 2)
Yodobashi Camera Multimedia Kichijoji	Department store	1-19-1 Kichijoji-honcho, Musashino, Tokyo	¥28,000 million	March 18, 2013
Yamada Denki Tecc Land New Matsudo Honten	Store	2289-3,6,8,12 Matsudo Aza Iwase-sakai, Matsudo, Chiba, 612-1,7 Iwase Aza Kajizuka, Matsudo, Chiba (Note 3)	¥5,150 million	March 18, 2013
Yotsuya 213 Building (Note 4)	Hotel, Apartment, Store	2-1-3 Yotsuya, Shinjuku-ku, Tokyo (Note 3)	¥5,020 million	March 18, 2013
HOTEL ROUTE-INN Nagoya Imaie Ekimae	Hotel	3-31-7 Uchiyama, Chikusa-ku, Nagoya, Aichi	¥2,000 million	March 25, 2013
Total			¥40,170 million	

- Notes: 1. Of the types indicated on the real estate register, the primary types are shown.  
2. In order to ensure that each property is acquired on the respective scheduled acquisition dates, United Urban executed a sale and purchase agreement of trust beneficial interest with each seller of properties mentioned above. The scheduled acquisition prices shown are based on the purchase prices stated in the sale and purchase agreements. In addition, the prices are shown in the amount excluding acquisition costs, consumption taxes and other costs.  
3. The location of "Yamada Denki Tecc Land New Matsudo Honten" and "Yotsuya 213 Building" show the location indicated on the real estate register for the building because the location of property is not assigned an indication of residential address.  
4. The name of this property was changed from "Yotsuya Tokyu Building" to "Yotsuya 213 Building" on September 3, 2012.  
5. The sale and purchase agreements are subject to conditions precedent that United Urban's issuance of new investment units mentioned above in "B. Issuance of new investment units" or other funding are completed. Therefore, each of the sale and purchase agreements will be terminated without any payment of penalty or other charges if United Urban does not complete the issuance of new investment units or other funding. Consequently, United Urban believes that there is not likely to be material impact on United Urban's financial standing, payment of cash distributions or other conditions.

## 7. Reference Information

### A. Repayment of existing borrowings

United Urban repaid the following borrowings on December 20, 2012 with the proceeds procured from issuance of the 9th Bond and the 10th Bond and cash on hand, as set forth below.

Title	Lender	Amount of Borrowings	Drawdown Date	Repayment Date
Term Loan 16	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,000 million	September 27, 2007	December 20, 2012
Term Loan 17	Aozora Bank, Ltd. Shinsei Bank, Limited Saitama Resona Bank, Limited Sumitomo Mitsui Trust Bank, Limited The Dai-ichi Life Insurance Company, Limited Mitsui Sumitomo Insurance Company, Limited	¥10,200 million	December 20, 2007	
Total		¥14,200 million	-	-

### B. New committed line of credit agreement and amendment to the existing agreement

United Urban concluded a new committed line of credit agreement and amended one of the existing agreements to increase its maximum loan amount on December 25, 2012, as set forth below. As a result, the total maximum loan amount under the committed line of credit agreements increased from ¥15,500 million to ¥30,000 million.

#### a. New committed line of credit

Participating financial institutions : Sumitomo Mitsui Banking Corporation  
Mitsubishi UFJ Trust and Banking Corporation  
Mizuho Trust & Banking Co., Ltd.  
Resona Bank, Limited  
Maximum loan amount : ¥9,000 million  
Date of agreement : December 25, 2012  
Term of agreement : From December 25, 2012 to December 24, 2013  
Collateral : Unsecured, unguaranteed

b. Amendments to a existing committed line of credit (Note)

Participating financial institution	: Sumitomo Mitsui Trust Bank, Limited Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: (Before amendment) ¥13,500 million (After amendment) ¥19,000 million
Original date of agreement	: June 22, 2012
Date of amendment	: December 25, 2012
Term of agreement	: From June 22, 2012 to June 21, 2013
Collateral	: Unsecured, unguaranteed

Note: Items other than the maximum loan amount remain unchanged.

C. Sale of Property

United Urban sold the following property on December 27, 2012.

Property No.	Type of Use	Property Name	Location	Book Value (As of November 30, 2012)	Sale Price (Note 1)	Difference between Book Value and Sale Price (Note 2)	Date of Sale
B23	Office Buildings	Pacific Marks Shinkawa	Chuo-ku, Tokyo	¥2,731 million	¥2,900 million	¥169 million	December 27, 2012

Notes: 1. "Sale Price" shown is based on the sale price stated in the sale and purchase agreement. In addition, the "Sale Price" excludes miscellaneous expenses for the sale, settlement money for taxes and public dues, and consumption taxes, etc.  
2. "Difference between Book Value and Sale Price" shows an indicative amount calculated by using book value as of November 30, 2012. Therefore, such amount is not a value as of the date of the sale.

D. Acquisition of Property

United Urban additionally acquired compartmentalized ownership, etc. of the following asset on January 23, 2013. (Note 1)

Property Name	Type of Use (Note 2)	Location (residential)	Acquisition Price	Acquisition Date
Hamamatsucho 262 Building (Note 3)	Office	2-6-2 Hamamatsucho, Minato-ku, Tokyo	¥580 million	January 23, 2013

Notes: 1. The asset (real estate) acquired by United Urban is comprised of i) a portion of compartmentalized ownership of Hamamatsucho 262 Building, and ii) a portion of co-ownership of the site right (ownership) of land on which the property is located. While United Urban acquired the aforementioned property in the form of real estate, United Urban entrusted the property to Sumitomo Mitsui Trust Bank, Limited acting as the trustee on the same date after the acquisition. Since then, United Urban has held the property in the form of trust beneficial interest.  
2. Of the types indicated on the real estate register, the primary types are shown.  
3. The property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.

E. Debt Financing

United Urban decided to procure debt financing (Total amount: ¥15,000 million) to support the payment for acquiring new properties mentioned above in "6. Subsequent Events, C. Acquisition of properties" on February 22, 2013, set forth below.

	Term Loan 56	Term Loan 57	Term Loan 58	Term Loan 59
Drawdown date	March 15, 2013			March 21, 2013
Repayment date	September 23, 2020	March 20, 2019	March 23, 2020	March 20, 2018
Amount of borrowing	Total amount: ¥15,000 million			
Lenders	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Banking Corporation	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mizuho Corporate Bank, Ltd.
Remarks	Unsecured, unguaranteed			

F. Lawsuits, etc.

a. With regard to the petition cases for determining the purchase prices for 13,781 NCI units which have been brought before the Tokyo District Court by United Urban and five NCI unitholders upon the Merger, United Urban and two unitholders (118 units) agreed on the purchase prices based on the determination by the Tokyo District Court on February 20, 2012, and the payments



by United Urban have been completed. For two unitholders (892 units) out of three unitholders (13,663 units), who appealed to the Tokyo High Court, their appeals were dismissed by the Tokyo High Court and their special appeals to the Supreme Court were also dismissed by the Supreme Court. Based on these dismissals, the payments to these two unitholders by United Urban were made based on the unit price decided by Tokyo District Court on February 20, 2012. The case with the remaining unitholder (12,771 units) is on trial in the Tokyo High Court as of February 22, 2013.

- b. With regard to Shinsaibashi OPA Honkan and Shinsaibashi OPA Kireikan (hereinafter collectively referred to as the “Two Properties”), a case against United Urban to reduce the rent of the Two Properties (the “Case”) was brought to the Tokyo District Court on October 15, 2012 by OPA co., Ltd. the tenant of the Two Properties. Then, the Tokyo District Court ruled to transfer the Case to the Osaka District Court, and the Case is on trial in the Osaka District Court as of February 22, 2013. OPA co, Ltd has requested to reduce the rent of Shinsaibashi OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of Shinsaibashi OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent for the Two Properties and United Urban intends to allege to that effect in the judicial proceedings.

## Overall Condition of Investment Corporation

### 1. Summary of Unitholders' Contribution

	18th Fiscal Period (As of November 30, 2012)	17th Fiscal Period (As of May 31, 2012)	16th Fiscal Period (As of November 30, 2011)
Number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000
Number of investment units issued and outstanding (Units)	2,103,383	2,103,383	2,103,383
Unitholders' capital (Millions of yen)	165,925	165,925	165,925
Number of unitholders	26,183	26,218	28,326

### 2. Major Unitholders

(As of November 30, 2012)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	438,479	20.85 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	137,789	6.55 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	123,640	5.88 %
The Master Trust Bank of Japan, Ltd. (trust account)	93,697	4.45 %
NOMURA BANK (LUXEMBOURG) S.A.	76,006	3.61 %
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	33,656	1.60 %
North Pacific Bank, Ltd.	27,756	1.32 %
The Chugoku Bank, Ltd.	23,971	1.14 %
The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	22,953	1.09 %
The Joyo Bank, Ltd.	22,568	1.07 %
Total	1,000,515	47.57 %

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

### 3. Directors and Auditor

A. Board of Directors, etc. of United Urban as of November 30, 2012 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer (Note 1)	Hisamitsu Abe	—	5,033
	Yasuhiro Tanaka	— (Note 2)	967
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, Mitsubishi Kakoki Kaisha, Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	25,350
Total			35,550

- Notes: 1. Yasuhiro Tanaka, the Executive Officer of United Urban resigned the Executive Officer on June 29, 2012, and Hisamitsu Abe assumed the office as the Executive Officer of United Urban on June 30, 2012.
2. Because Yasuhiro Tanaka resigned the Executive Officer on June 29, 2012, information of other title is omitted.
3. 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.
4. 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.
5. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of corporate bonds.

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

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

**4. Advisors and Agents**

(As of November 30, 2012)

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

## Portfolio Profiles

### 1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		18th Fiscal Period (As of November 30, 2012)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	—	—
			The 23 wards of Tokyo (Note 4)	—	—
			Tokyo metropolitan area (Note 5)	7,421,885	1.6
		Other regions		7,662,296	1.7
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,369,595	2.9
			The 23 wards of Tokyo	9,911,991	2.1
			Tokyo metropolitan area	9,678,061	2.1
		Other regions		—	—
	Hotels	Capital region	The 6 central wards of Tokyo	1,760,880	0.4
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	4,554,213	1.0
		Other regions		—	—
	Residential Properties	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	3,092,462	0.7
			Tokyo metropolitan area	—	—
Other regions		833,376	0.2		
Others	Capital region	The 6 central wards of Tokyo	—	—	
		The 23 wards of Tokyo	—	—	
		Tokyo metropolitan area	—	—	
	Other regions		—	—	
Subtotal				58,284,759	12.6
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,579,911	0.3
			The 23 wards of Tokyo	23,902,128	5.2
			Tokyo metropolitan area	33,994,584	7.4
		Other regions		55,912,504	12.1
	Office Buildings	Capital region	The 6 central wards of Tokyo	63,556,981	13.7
			The 23 wards of Tokyo	7,836,548	1.7
			Tokyo metropolitan area	47,564,237	10.3
		Other regions		47,356,083	10.2
	Hotels	Capital region	The 6 central wards of Tokyo	25,081,528	5.4
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	3,604,717	0.8
		Other regions		17,722,612	3.8
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,230,047	0.5
			The 23 wards of Tokyo	10,216,488	2.2
			Tokyo metropolitan area	2,128,385	0.5
		Other regions		17,798,288	3.8
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
Other regions		1,751,027	0.4		
Subtotal				362,236,068	78.3
Anonymous Association Equity Interests (Note 6)				2,212,517	0.5
Bank Deposits and Other Assets				39,770,650	8.6
Total Assets				462,503,994	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."
6. "Anonymous Association Equity Interests" are anonymous association equity interests with regard to an anonymous association with Godo Kaisha Kichijoji YCM Funding being the operator and an anonymous association with Godo Kaisha Euler being the operator.

## 2. Selected Data by Property

(As of November 30, 2012)

Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3)(Note 4)	Occupancy Ratio (%) (Note 3)	Type of Property	Granting of Security
Daiei Himonya	14,904	14,100	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,445	3,600	13,306.45	13,260.69	99.7	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	751	1,050	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,469	5,290	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 6)
AEON MALL Uki	10,031	10,000	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,491	4,180	4,194.66	3,857.49	92.0	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	3,021	3,000	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,220	4,240	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,851	1,660	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,780	3,220	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,277	4,060	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,558 (Note 5)	3,770	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,451	11,100	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,411	1,810	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,610	23,000	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,664	2,800	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,580	1,590	931.14	931.14	100.0	Retail Properties	N/A
Albore Sendai	2,513	2,640	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	7,024	7,280	40,152.71	39,873.22	99.3	Retail Properties	N/A
Ito-Yokado Owariasahi	4,641	4,800	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 7)
Yokohama Kariba Shopping Center (Note 8)	2,414	1,720	11,345.09	0.00	0.0	Retail Properties	N/A
Luz Jiyugaoka	5,218	5,170	2,283.47	2,035.84	89.2	Retail Properties	N/A
ACTIOLE Ichikawa	3,391	3,390	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,741	2,910	9,193.00	9,193.00	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Aoba (Site)	2,270	2,320	7,650.63	7,650.63	100.0	Retail Properties	N/A
T&G Hamamatsucho Building	2,145	2,750	2,420.85	2,135.08	88.2	Office Buildings	N/A
SK Nagoya Building	5,240	4,730	8,708.52	5,768.56	66.2	Office Buildings	N/A
Fukuoka Eartheon Building	1,728	2,210	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,497	2,230	2,581.45	1,773.13	68.7	Office Buildings	N/A

Rokubancho K Building	2,256	3,280	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,763	24,500	45,984.60	42,569.99	92.6	Office / Hotels	N/A
Kawasaki Toshiba Building	19,278	30,300	36,118.31	36,118.31	100.0	Office Buildings	N/A
UUR Toyochō Building (Note 9)	8,786	7,850	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,265	4,770	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,702	13,300	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,011	10,700	11,184.88	6,951.02	62.1	Office Buildings	N/A
UUR Tsukiji Building	6,700	6,130	5,971.42	2,646.27	44.3	Office Buildings	N/A
Pacific Marks Tsukishima	5,983	5,970	9,336.27	8,684.93	93.0	Office Buildings	N/A
Pacific Marks Yokohama East	6,996	6,630	10,793.68	6,636.94	61.5	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,861	3,860	8,743.05	7,106.86	81.3	Office Buildings	N/A
Omori City Building	4,033	4,310	4,929.82	4,659.13	94.5	Office Buildings	N/A
Akasaka Hikawa Building	3,271	3,420	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,534	2,660	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Nihonbashi-Tomizawacho	1,854	1,820	2,631.17	2,227.56	84.7	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,213	2,050	1,675.13	918.30	54.8	Office Buildings	N/A
Yokohama Aioicho Building	1,024	1,090	2,444.45	1,990.26	81.4	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,693	1,470	3,110.72	2,771.59	89.1	Office Buildings	N/A
Pacific Marks Shinkawa (Note 10)	2,731	2,850	4,116.33	4,116.33	100.0	Office Buildings	N/A
Pacific Marks Kawasaki	9,678	10,000	7,383.29	6,666.76	90.3	Office Buildings	N/A
Hamamatsucho 262 Building (Note 11)	6,182	5,950	5,340.87	4,788.50	89.7	Office Buildings	N/A
Lila Hijirizaka	2,726	2,630	4,255.02	3,632.57	85.4	Office Buildings	N/A
Pacific Marks Aobadai	1,618	1,520	2,486.40	2,206.30	88.7	Office Buildings	N/A
Otsuka HT Building	1,126	1,180	1,794.71	1,198.50	66.8	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,447	2,670	1,742.04	1,531.44	87.9	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,634	6,820	11,039.27	9,542.03	86.4	Office Buildings	N/A
Pacific Marks Higobashi	4,455	4,330	7,623.59	5,570.39	73.1	Office Buildings	N/A
Nagoya Nishiki City Building	2,504	2,430	5,617.28	4,858.01	86.5	Office Buildings	N/A
Pacific Marks Esaka	9,281	9,640	20,052.44	19,316.31	96.3	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,821	1,790	4,761.87	4,657.11	97.8	Office Buildings	N/A
Shin-Sapporo Center Building	959	982	2,797.03	2,320.87	83.0	Office Buildings	N/A
ARENA TOWER	9,460	10,300	17,967.45	17,355.61	96.6	Office Buildings	N/A
Yushima First Building	2,185	2,420	4,623.66	4,241.10	91.7	Office Buildings	N/A
Dogenzaka Square	2,410	2,460	2,231.84	2,084.75	93.4	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	20,755	20,100	53,363.11	53,244.88	99.8	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,761	2,130	3,088.85	3,088.85	100.0	Hotels	N/A

MZ BLD.	3,605	3,290	6,670.21	6,222.14	93.3	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,554	4,170	7,139.44	6,969.35	97.6	Hotels	N/A
Hotel JAL City Naha	7,693	7,460	13,701.80	13,701.80	100.0	Hotels	N/A
Hotel JAL City Yotsuya Tokyo	4,327	4,590	7,854.86	7,461.40	95.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,667	1,970	2,603.22	2,239.98	86.0	Residential Properties	N/A
T&G Yotsuya Mansion	1,138	1,250	1,679.10	1,635.45	97.4	Residential Properties	N/A
Excellia Magome	585	616	914.98	831.96	90.9	Residential Properties	N/A
Komazawa Court	1,566	2,040	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	664	518	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,092	1,100	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,388	3,880	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,072	1,160	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Oghi Ichibankan	2,796	3,120	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,162	1,290	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga	582	609	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	474	479	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	981	984	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	414	468	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	3,011	3,010	4,097.51	4,066.19	99.2	Residential Properties	N/A
GRAND-ROUGE Sakae	1,422	1,290	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,205	1,140	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,202	3,520	11,525.36	11,525.36	100.0	Residential Properties	N/A
UUR Court Nagoya Meieki	1,405	1,290	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	833	806	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	889	657	2,067.95	1,834.42	88.7	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,521	1,390	3,650.00	3,650.00	100.0	Residential Properties	N/A
UUR Court Kinshicho (Note 12)	3,092	3,130	5,420.18	4,590.58	84.7	Residential Properties	N/A
Glenpark Sapporo Premier Tower	2,138	2,320	7,817.12	6,705.71	85.8	Residential Properties	N/A
Lilycolor Tohoku Branch	1,751	1,880	9,271.16	9,271.16	100.0	Others	N/A
Total	420,521	424,359	918,643.45	868,866.24	94.6		

Notes: 1. "Book Value" is stated after being rounded to the units stated.

2. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of November 30, 2012 based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).

3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of November 30, 2012. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko*



yuka menseki), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The followings are the same as above.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building 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. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
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 ¥3,558 million reflecting the additional amount of trust. However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
6. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
7. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the building and the land of the property.
8. The property name was changed from "Nitori Yokohama Kariba I.C." to "Yokohama Kariba Shopping Center" on July 1, 2012.
9. The property name was changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.
10. United Urban sold Pacific Marks Shinkawa on December 27, 2012.
11. For Hamamatsucho 262 Building, United Urban additionally acquired a portion of the compartmentalized ownership on January 23, 2013. However, some information regarding the additional acquisition is not included in the above table. In addition, the property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.
12. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

### 3. Selected Financial Data by Property

Name of Property	18th Fiscal Period (June 1, 2012 to November 30, 2012)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	459	2.9
Joy Park Izumigaoka	17	99.7	249	1.6
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	15	97.9	265	1.7
AEON MALL Uki	1	100.0	453	2.9
TENJIN LUCE	8	92.0	162	1.0
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3	100.0	138	0.9
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE Minami-ikebukuro	9	100.0	96	0.6
Tip's Machida Building	10	100.0	211	1.3
Daiei Takarazuka Nakayama	1	100.0	152	1.0
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.9
ACTIOLE Kannai	9	100.0	52	0.3
Shinsaibashi OPA Honkan	1	100.0	708	4.5
Shinsaibashi OPA Kireikan	1	100.0	88	0.6
Albore Jingumae	4	100.0	36	0.2
Albore Sendai	5	100.0	98	0.6
Mallage Kashiwa	96	99.3	688	4.3
Ito-Yokado Owariasahi	1	100.0	224	1.4
Yokohama Kariba Shopping Center (Note 5)	0	0.0	309	1.9

Luz Jiyugaoka	20	89.2	199	1.3
ACTIOLE Ichikawa	13	100.0	149	0.9
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 4)	(Note 4)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 4)	(Note 4)
T&G Hamamatsucho Building	5	88.2	70	0.4
SK Nagoya Building	6	66.2	161	1.0
Fukuoka Eartheon Building	4	100.0	119	0.7
Marumasu Kojimachi Building	12	68.7	50	0.3
Rokubancho K Building	1	100.0	116	0.7
Shin-Osaka Central Tower	58	92.6	1,170	7.4
Kawasaki Toshiba Building	1	100.0	969	6.1
UUR Toyoko Building (Note 6)	1	100.0	277	1.7
FOUR SEASONS BLDG	2	100.0	199	1.3
Hitachi High-Tech Building	2	100.0	387	2.4
Pacific Marks Shinjuku Parkside	13	62.1	222	1.4
UUR Tsukiji Building	1	44.3	88	0.6
Pacific Marks Tsukishima	40	93.0	250	1.6
Pacific Marks Yokohama East	12	61.5	196	1.2
Pacific Marks Shin-Urayasu	11	81.3	184	1.2
Omori City Building	8	94.5	167	1.0
Akasaka Hikawa Building	1	100.0	120	0.8
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.5
Pacific Marks Nihonbashi-Tomizawacho	7	84.7	63	0.4
Pacific Marks Akasaka-mitsuke	5	54.8	43	0.3
Yokohama Aioicho Building	17	81.4	58	0.4
Pacific Marks Shin-Yokohama	11	89.1	50	0.3
Pacific Marks Shinkawa (Note 7)	10	100.0	128	0.8
Pacific Marks Kawasaki	37	90.3	332	2.1
Hamamatsucho 262 Building (Note 8)	16	89.7	192	1.2
Lila Hijirizaka	14	85.4	110	0.7
Pacific Marks Aobadai	5	88.7	70	0.4
Otsuka HT Building	4	66.8	45	0.3
Pacific Marks Shinjuku South-gate	9	87.9	84	0.5
Pacific Marks Nishi-Umeda	22	86.4	285	1.8
Pacific Marks Higobashi	17	73.1	149	0.9
Nagoya Nishiki City Building	15	86.5	105	0.7
Pacific Marks Esaka	30	96.3	471	3.0
Pacific Marks Sapporo Kita-Ichijo	13	97.8	89	0.6
Shin-Sapporo Center Building	16	83.0	58	0.4
ARENA TOWER	13	96.6	397	2.5
Yushima First Building	6	91.7	58	0.4
Dogenzaka Square	27	93.4	4	0.0

Shinjuku Washington Hotel Honkan	7	99.8	739	4.7
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.4
MZ BLD.	8	93.3	131	0.8
HOTEL ROUTE-INN Yokohama Bashamichi	3	97.6	152	1.0
Hotel JAL City Naha	2	100.0	221	1.4
Hotel JAL City Yotsuya Tokyo	2	95.0	178	1.1
T&G Higashi-ikebukuro Mansion	111	86.0	63	0.4
T&G Yotsuya Mansion	76	97.4	44	0.3
Excellia Magome	40	90.9	21	0.1
Komazawa Court	1	100.0	61	0.4
Ropponmatsu Court	1	100.0	21	0.1
Sky Court Shiba-Daimon	1	100.0	34	0.2
Maison Ukima	1	100.0	124	0.8
Narashino Residence	1	100.0	52	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kita-Sanjo	1	100.0	53	0.3
UUR Court Chiba Soga	1	100.0	(Note 4)	(Note 4)
Higashi-kurume Dormitory Shinkan	1	100.0	17	0.1
Nanzan Court Ichigokan	1	100.0	39	0.2
Nanzan Court Nigokan	1	100.0	17	0.1
CLIO Bunkyo Koishikawa	90	99.2	95	0.6
GRAND-ROUGE Sakae	1	100.0	44	0.3
GRAND-ROUGE Sakae II	1	100.0	39	0.2
MA Sendai Building	153	100.0	162	1.0
UUR Court Nagoya Meieki	1	100.0	45	0.3
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.2
Park Site IZUMI	37	88.7	27	0.2
UUR Court Osaka Juso-honmachi	1	100.0	53	0.3
UUR Court Kinshicho (Note 9)	173	84.7	108	0.7
Glenpark Sapporo Premier Tower	131	85.8	91	0.6
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	1,550	94.6	15,888	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building 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. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. The property name was changed from "Nitori Yokohama Kariba I.C." to "Yokohama Kariba Shopping Center" on July 1, 2012.
6. The property name was changed from "Haseman Building Toyochi" to "UUR Toyochi Building" on April 17, 2012.
7. United Urban sold Pacific Marks Shinkawa on December 27, 2012.
8. For Hamamatsucho 262 Building, United Urban additionally acquired a portion of the compartmentalized ownership on January 23, 2013.

- In addition, the property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.
9. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

#### 4. Details of Investment Securities

(As of November 30, 2012)

Name of Asset	Type of Asset	Quantity	Book Value		Appraisal Value (Note 1)		Valuation Gain or Loss (Thousands of yen)	Remarks
			Unit price	Amount (Thousands of yen)	Unit price	Amount (Thousands of yen)		
Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest (Note 2)	Anonymous association equity interest	-	-	1,967,959	-	2,722,109	754,150	-
Godo Kaisha Euler Anonymous Association Equity Interest (Note 2)	Anonymous association equity interest	-	-	244,558	-	278,039	33,481	-
Total		-	-	2,212,517	-	3,000,148	787,631	

- Notes: 1. In accordance with the United Urban's Articles of Incorporation, if the assets owned by the anonymous association are comprised of real estate, real estate leases or superficies, and trust beneficial interest in which ownership of real estate and real estate leases or superficies are entrusted, those investment securities are assessed at values based on the appraisal by the third party real estate appraisers. In case of financial assets, after those assets are valued according to generally accepted corporate accounting practices, net assets equivalent to anonymous association equity interests are assessed by deducting the amount of liabilities of the anonymous association from the total amount.
2. The investment assets held by the anonymous association are as follows:

Name of Asset	Investment Asset	Location (Residential)
Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest	Trust beneficial interest in real estate of Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji Honcho, Musashino, Tokyo
Godo Kaisha Euler Anonymous Association Equity Interest	Trust beneficial interest in real estate of Yotsuya 213 Building (Note)	2-1-3 Yotsuya, Shinjuku-ku, Tokyo

(Note) The property name was changed from "Yotsuya Tokyu Building" to "Yotsuya 213 Building" on September 3, 2012.

#### 5. Status of Other Assets

There were no other specified assets other than properties stated in "2. Selected Data by Property" and "4. Details of Investment Securities" above as of November 30, 2012.

## 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, 2012. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Work	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 18th fiscal period	Amount already paid
Daiei Himonya	Renewal of air-conditioning equipments	From September 2013 to November 2013	192	—	—
Daiei Himonya	Renewal of high-voltage receiving and transforming facility	From August 2013 to November 2013	198	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning facilities of hotel (3rd period)	From December 2012 to February 2013	202	—	—
Kawasaki Toshiba Building	Renewal of air-conditioning facilities (1st period)	From July 2013 to October 2013	142	—	—
Pacific Marks Shinjuku Parkside	Renewal of air-conditioning facilities (3rd period)	From October 2012 to December 2012	142	—	—
Pacific Marks Shinjuku Parkside	Renewal of air-conditioning facilities (4th period)	From March 2013 to June 2013	163	—	—
Pacific Marks Yokohama East	Renewal of air-conditioning facilities (3rd period)	From December 2012 to May 2013	120	—	—
Pacific Marks Yokohama East	Renewal of air-conditioning facilities (4th period)	From June 2013 to November 2013	130	—	—
Nagoya Nishiki City Building	Renewal of air-conditioning facilities	From October 2012 to May 2013	175	—	—

### 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 18th fiscal period, which totaled ¥1,821 million. Together with ¥346 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,167 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of elevator	From July 2012 to November 2012	49
Tip's Machida Building	Reinforcement work for steel frame of the roof	From April 2012 to June 2012	24
Mallage Kashiwa	Installation work for new tenant	From August 2012 to October 2012	47
Mallage Kashiwa	Compartment formation work for new tenant	From September 2012 to October 2012	25
Mallage Kashiwa	Replacement of LED illumination	From October 2012 to October 2012	31
T&G Hamamatsucho Building	Renewal of air-conditioning facilities	From November 2012 to November 2012	12
SK Nagoya Building	Renewal of common area	From November 2012 to November 2012	15
Fukuoka Eartheon Building	Renewal of air-conditioning facilities (2F, 3F)	From October 2012 to November 2012	37
Fukuoka Eartheon Building	Conversion to LED illumination (common area)	From November 2012 to November 2012	10
Shin-Osaka Central Tower	Renewal of air-conditioning facilities of hotel (2nd period)	From June 2012 to November 2012	473
Shin-Osaka Central Tower	Installation of office automation floors	From November 2012 to November 2012	12
Kawasaki Toshiba Building	Repair of elevator (5th period)	From April 2012 to October 2012	42



Kawasaki Toshiba Building	Overhaul of various pumps (2nd period)	From October 2012 to November 2012	16
Kawasaki Toshiba Building	Renewal of pipe insulation material (2nd period)	From November 2012 to November 2012	25
UUR Toyochō Building (Note 1)	Renewal of air-conditioning facilities (1st period)	From May 2012 to August 2012	74
UUR Toyochō Building (Note 1)	Renewal of air-conditioning facilities (2nd period)	From April 2012 to September 2012	95
FOUR SEASONS BLDG	Renewal of air-conditioning facilities (2nd period)	From October 2012 to November 2012	35
Hitachi High-Tech Building	Renovation of rest rooms	From September 2012 to September 2012	12
Pacific Marks Tsukishima	Renewal of hot-water supply equipment for office	From November 2012 to November 2012	11
Pacific Marks Yokohama East	Renewal of air-conditioning facilities (2nd period)	From June 2012 to November 2012	80
Pacific Marks Shin-Urayasu	Repair of exterior walls	From August 2012 to November 2012	46
Pacific Marks Shin-Yokohama	Renewal of air-conditioning facilities for common area	From October 2012 to November 2012	12
Hamamatsucho 262 Building (Note 2)	Renewal of air-conditioning facilities	From October 2012 to November 2012	36
Lila Hijirizaka	Renewal of air-conditioning facilities	From September 2012 to November 2012	25
Pacific Marks Nishi-Umeda	Replacement work for preventive maintenance of multilevel parking structure (auxiliary roller, infrastructures)	From October 2012 to November 2012	11
Pacific Marks Esaka	Installation work for new tenant	From September 2012 to October 2012	10
Pacific Marks Sapporo Kita-Ichijo	Improvement work of parking facility	From November 2012 to November 2012	25
UUR Court Kinshicho (Note 3)	Repair of exterior walls	From August 2012 to November 2012	53
Other capital expenditures			478
Total			1,821

Notes: 1. The property name was changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.  
2. The property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.  
3. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

### 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		
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
Reserve balance at the beginning of period	4,005	3,758	3,368
Addition (Note)	655	484	468
Deduction	164	237	78
Reserve balance at the end of period	4,496	4,005	3,758

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

## Expenses and Debt

### 1. Asset Management Expenses

	Thousands of yen		
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
Asset management fees	1,281,800	1,264,693	1,209,756
Asset custodian fees	16,141	16,019	15,330
Administrative agent fees	69,011	71,835	61,207
Directors' fees	10,200	10,200	10,200
Other expenses	301,020	266,587	288,450
Total	1,678,172	1,629,334	1,548,943

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (16th fiscal period: ¥252,000 thousand, 17th fiscal period: ¥70,400 thousand, 18th fiscal period: ¥51,600 thousand) and asset management fees related to sale of properties which was deducted from gains from sale of real estate (16th fiscal period: ¥16,760 thousand, 17th fiscal period: ¥3,328 thousand).

### 2. Borrowings

Borrowings from financial institutions as of November 30, 2012 were as follows:

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

Lenders	Drawdown Date	Balance at the beginning of the 18th FP (Millions of yen) (Note 1)	Balance at the end of the 18th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 27, 2007	4,400	-	1.44618%	Jun. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Jan. 30, 2008	4,500	-	1.48031%	Jun. 20, 2012	
Development Bank of Japan Inc.	Nov. 11, 2008	900	-	1.63568%	Jun. 20, 2012	
Sumitomo Mitsui Trust Bank, Limited	Dec. 22, 2008	3,000	-	0.93643%	Jun. 20, 2012	Unsecured Unguaranteed Variable interest rate
DAIDO LIFE INSURANCE COMPANY	Jun. 26, 2007 (Note 3)	1,831	-	2.25750%	Jun. 26, 2012	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	4,000	4,000	1.66432%	Dec. 20, 2012	
Aozora Bank, Ltd.	Dec. 20, 2007	2,000	2,000	1.67119%	Dec. 20, 2012	
Saitama Resona Bank, Limited		1,000	1,000			
Shinsei Bank, Limited		2,500	2,500			
The Dai-ichi Life Insurance Company, Limited		1,000	1,000			
Mitsui Sumitomo Insurance Company, Limited		1,000	1,000			
Sumitomo Mitsui Trust Bank, Limited		2,700	2,700			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,140	1,140	1.58345%	Mar. 21, 2013	
Mizuho Corporate Bank, Ltd.		637	637			
Sumitomo Mitsui Banking Corporation		2,277	2,277			
Sumitomo Mitsui Trust Bank, Limited		1,783	1,783			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		927	927			
Mitsubishi UFJ Trust and Banking Corporation		869	869			
Resona Bank, Limited		339	339			

The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	2,253	1.32500%	Mar. 21, 2013	Unsecured Unguaranteed Variable interest rate
Aozora Bank, Ltd.	Nov. 30, 2010 (Note 3)	2,000	2,000	1.65513%	Mar. 21, 2013	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation		2,932	2,932			
Sumitomo Mitsui Trust Bank, Limited		1,500	1,500			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,500	1,500			
Aozora Bank, Ltd.	Dec. 21, 2009	-	2,000	1.64157%	Jun. 20, 2013	
ORIX Bank Corporation		-	1,500			
Saitama Resona Bank, Limited		-	1,000			
The Shinkumi Federation Bank		-	2,000			
The Bank of Fukuoka, Ltd.		-	500			
Mizuho Trust & Banking Co., Ltd.		-	500			
Sumitomo Mitsui Banking Corporation	Jul. 7, 2010	-	1,650	1.61216%	Jun. 20, 2013	
Mizuho Corporate Bank, Ltd.		-	1,000			
Sumitomo Mitsui Trust Bank, Limited		-	1,000			
Mitsubishi UFJ Trust and Banking Corporation	Sep. 27, 2010 (Note 3)	-	1,000	1.68843%	Sep. 20, 2013	
Aozora Bank, Ltd.		-	1,710			
Shinsei Bank, Limited		-	3,577			
Mizuho Corporate Bank, Ltd.		-	955			
Sumitomo Mitsui Banking Corporation		-	1,000			
Sumitomo Mitsui Trust Bank, Limited		-	2,676			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,390			
Mitsubishi UFJ Trust and Banking Corporation		-	1,304			
Resona Bank, Limited		-	508			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	-	2,253	1.42500%	Sep. 20, 2013	Unsecured Unguaranteed Variable interest rate
Total		46,988	59,880			

(Long-term debt)

(Long term debt)

Lenders	Drawdown Date	Balance at the beginning of the 18th FP (Millions of yen (Note 1))	Balance at the end of the 18th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
Aozora Bank, Ltd.	Dec. 21, 2009	2,000	-	1.64157%	Jun. 20, 2013	Unsecured Unguaranteed Fixed interest rate
ORIX Bank Corporation		1,500	-			
Saitama Resona Bank, Limited		1,000	-			
The Shinkumi Federation Bank		2,000	-			
The Bank of Fukuoka, Ltd.		500	-			
Mizuho Trust & Banking Co., Ltd.		500	-			
Sumitomo Mitsui Banking Corporation		1,650	-			
Mizuho Corporate Bank, Ltd.	Jul. 7, 2010	1,000	-	1.61216%	Jun. 20, 2013	
Sumitomo Mitsui Trust Bank, Limited		1,000	-			
Mitsubishi UFJ Trust and Banking Corporation		1,000	-			

Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,710	-	1.68843%	Sep. 20, 2013	Unsecured Unguaranteed Fixed interest rate
Shinsei Bank, Limited		3,577	-			
Mizuho Corporate Bank, Ltd.		955	-			
Sumitomo Mitsui Banking Corporation		1,000	-			
Sumitomo Mitsui Trust Bank, Limited		2,676	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,390	-			
Mitsubishi UFJ Trust and Banking Corporation		1,304	-			
Resona Bank, Limited		508	-			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	-	1.42500%	Sep. 20, 2013	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Trust Bank, Limited	Dec. 22, 2008	3,400	3,400	0.97500%	Dec. 20, 2013	
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,695	1,695	1.80652%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.		948	948			
Sumitomo Mitsui Banking Corporation		5,800	5,800			
Sumitomo Mitsui Trust Bank, Limited		2,655	2,655			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,379	1,379			
Mitsubishi UFJ Trust and Banking Corporation		1,294	1,294			
Resona Bank, Limited		505	505			
Mizuho Corporate Bank, Ltd.		Jun. 20, 2011	2,850			
Sumitomo Mitsui Trust Bank, Limited	3,850		3,850			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000		2,000			
Mitsubishi UFJ Trust and Banking Corporation	Oct. 31, 2011	2,800	2,800	0.53000%	Sep. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Oct. 29, 2010 (Note 3)	12,260	-	1.94316%	Sep. 22, 2014 (Note 4)	
Aozora Bank, Ltd.	Nov. 29, 2010 (Note 3)	4,269	-	2.01602%	Sep. 22, 2014 (Note 5)	
Mizuho Corporate Bank, Ltd.	Dec. 21, 2009	1,000	1,000	1.97537%	Dec. 20, 2014	
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Banking Corporation		1,650	1,650			
Sumitomo Mitsui Trust Bank, Limited		800	800			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		300	300			
Mizuho Corporate Bank, Ltd.	Apr. 12, 2012	2,000	2,000	0.58000%	Mar. 20, 2016	Unsecured Unguaranteed Variable interest rate
Mizuho Trust & Banking Co., Ltd.		1,000	1,000			
Sumitomo Mitsui Banking Corporation		1,000	1,000			
Resona Bank, Limited		1,000	1,000			
Sumitomo Mitsui Trust Bank, Limited	Jul. 20, 2011	3,400	3,400	0.78000%	Jun. 20, 2016	
Mizuho Corporate Bank, Ltd.	Sep. 27, 2011	1,900	1,900	0.68000%	Sep. 20, 2016	
Mizuho Corporate Bank, Ltd.	Oct. 25, 2011	2,500	2,500	0.63000%	Sep. 20, 2016	
Sumitomo Mitsui Trust Bank, Limited		2,600	2,600			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
The Bank of Fukuoka, Ltd.		1,200	1,200			
Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	2,000	2,000	0.63000%	Dec. 20, 2016	
The Norinchukin Bank	Dec. 26, 2011	4,000	4,000	0.63000%	Dec. 20, 2016	
Mizuho Corporate Bank, Ltd.		500	500			
Sumitomo Mitsui Banking Corporation	Mar. 30, 2012	2,400	2,400	0.63000%	Mar. 20, 2017	
Sumitomo Mitsui Trust Bank, Limited		1,500	1,500			

Kansai Urban Banking Corporation	Mar. 30, 2012	1,000	1,000	0.99250%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Sompo Japan Insurance Inc.		1,000	1,000			
The Hiroshima Bank, Ltd.		500	500			
The 77 Bank, Ltd.	Apr. 12, 2012	500	500	0.63000%	Mar. 20, 2017	Unsecured Unguaranteed Variable interest rate
Shinsei Bank, Limited		1,000	1,000			
The Bank of Fukuoka, Ltd.		1,000	1,000			
Mizuho Corporate Bank, Ltd.		1,500	1,500			
Mitsubishi UFJ Trust and Banking Corporation		1,500	1,500			
Sumitomo Mitsui Trust Bank, Limited	Apr. 12, 2012	3,500	3,500	0.53000%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Shinsei Bank, Limited	May 18, 2012	1,000	1,000	0.92167%	Mar. 20, 2017	
Development Bank of Japan Inc. (Note 6)	Jul. 7, 2010	1,850	1,800	2.14169%	Jun. 20, 2017	Unsecured Unguaranteed Variable interest rate
Resona Bank, Limited	May 18, 2012	1,300	1,300	0.58000%	Jun. 20, 2017	
The Gunma Bank, Ltd.	Jun. 20, 2012	-	900	0.58000%	Jun. 20, 2017	
The Tokyo Tomin Bank, Limited		-	500			
The Bank of Yokohama, Ltd.		-	900			
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	-	2,500	0.53000%	Jun. 20, 2017	
Mizuho Corporate Bank, Ltd.	Nov. 22, 2012	-	2,400	0.48000%	Jun. 20, 2017	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	-	4,400	0.74000%	Sep. 20, 2017	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.63000%	Mar. 20, 2018	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	-	2,200	0.53000%	Mar. 20, 2018	
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.46409%	Sep. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	-	4,500	0.68000%	Jun. 20, 2019	Unsecured Unguaranteed Variable interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	-	2,200	0.96000%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Jun. 20, 2012	-	900	1.37045%	Jun. 20, 2020	
Total		127,928	105,226			
Borrowings Total		174,916	165,106			

- Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest 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. United Urban assumed these borrowings from NCI along with the Merger as of December 1, 2010.
4. As for this borrowing, United Urban made a full repayment on August 7, 2012 prior to the principal repayment date (completion of repayment).
5. As for this borrowing, United Urban made a full repayment on July 12, 2012 prior to the principal repayment date (completion of repayment).
6. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).

### 3. Corporate Bonds

Corporate Bonds as of November 30, 2012 were as follows :

Name	Balance (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 3 of Unsecured Corporate Bonds	10,000	1.55%	Jun. 17, 2010	Jun. 17, 2013	Bullet payment
Series 4 of Unsecured Corporate Bonds	15,000	1.38%	Dec. 17, 2010	Dec. 17, 2013	Bullet payment
Series 5 of Unsecured Corporate Bonds	7,000	1.00%	Dec. 16, 2011	Dec. 16, 2014	Bullet payment
Series 6 of Unsecured Corporate Bonds	3,000	1.12%	Dec. 9, 2011	Dec. 9, 2016	Bullet payment
Series 7 of Unsecured Corporate Bonds	6,500	0.95%	Jul. 5, 2012	Jul 5, 2017	Bullet payment
Series 8 of Unsecured Corporate Bonds	10,000	0.80%	Aug. 6, 2012	Aug. 5, 2016	Bullet payment
Total	61,500				

## Trading Activities during the Period

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

(Millions of yen)

Asset Type	Name of Properties	Acquisition		Transfer			
		Date	Acquisition price (Note)	Date	Sale price	Book value	Gain or loss on sale
Trust beneficial interest in real estate	Glenpark Sapporo Premier Tower	Jun. 28, 2012	2,050	-	-	-	-
Trust beneficial interest in real estate	Yushima First Building	Aug. 29, 2012	2,100	-	-	-	-
Trust beneficial interest in real estate	Dogenzaka Square	Nov. 22, 2012	2,300	-	-	-	-
Total			6,450		-	-	-

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

### 2. Trading of Other Assets

Major assets other than the above real estates and real estate-backed securities are generally bank deposits and bank deposits in trust.

### 3. Research for Specified Assets

#### (1) Real estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Asset	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	Glenpark Sapporo Premier Tower	Jun. 28, 2012	2,050	2,180	May 31, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	Yushima First Building	Aug. 29, 2012	2,100	2,420	Aug. 15, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	Dogenzaka Square	Nov. 22, 2012	2,300	2,460	Nov. 1, 2012	Japan Real Estate Institute

#### (2) Others

There was no applicable information on other specified asset transactions.

Notes: 1. As for transactions that require appraisal values of real estate, etc, regarding specified assets, the appraisal was conducted by Japan Real Estate Institute based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.  
2. The "Acquisition Price or Sale Price" is the price stated in the sale and purchase agreement of the asset, excluding consumption taxes and expenses necessary for making the relevant acquisition or sale (e.g. agency fees, taxes and impositions), and is rounded to the nearest million yen.

### 4. Trading with Related Parties and Major Shareholders

#### (1) Status of transactions

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

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

The amounts of commissions paid to related parties and major shareholders in the 18th fiscal period are set out below.

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties and Major Shareholders		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Property Management Fees	1,015,578	Marubeni Community Co., Ltd.	134,578	13.3
		Marubeni Real Estate Co., Ltd.	23,945	2.4
		The Daiei, Inc.	1,500	0.1
Casualty Insurance Premium	17,684	Marubeni Safenet Co., Ltd.	17,416	98.5
Construction Management Fees	32,614	Marubeni Community Co., Ltd.	3,217	9.9
		Marubeni Real Estate Co., Ltd.	6,768	20.8
Other Rental Expenses	124,004	Marubeni Community Co., Ltd.	4,653	3.8
		Marubeni Real Estate Co., Ltd.	1,842	1.5

Notes: 1. Among the related parties of the asset management company, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan, that United Urban has concluded asset management agreement with ("Related Parties"), and major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, the table above indicates Marubeni Community Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Safenet Co., Ltd. and The Daiei, Inc. as parties that have conducted business up to the end of the 18th fiscal period or have received payment of commissions.  
2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.

Marubeni Community Co., Ltd.: ¥13,534 thousand  
The Daiei, Inc. : ¥ 350 thousand



## Others

### Notifications

#### United Urban Board of Directors

The conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 18th fiscal period were as follows:

<p>Administrative agency entrustment in accordance with the issuance of the series 7, 8, 9 and 10 of corporate bonds</p>	<ol style="list-style-type: none"> <li>1. Based on the comprehensive approval by the board of directors held on February 22, 2012, the administrative agency entrustments in accordance with the issuance of the 7th Bonds and the 8th Bonds were determined on June 28, 2012 and July 20, 2012, respectively, as set forth below.               <ol style="list-style-type: none"> <li>A. The 7th Bonds                   <ol style="list-style-type: none"> <li>(1) Underwriter Barclays Securities Japan Limited</li> <li>(2) Issuing, paying and administrative agent Mizuho Corporate Bank, Ltd.</li> </ol> </li> <li>B. The 8th Bonds                   <ol style="list-style-type: none"> <li>(1) Underwriter Daiwa Securities Co. Ltd.</li> <li>(2) Corporate bond trustee Mitsubishi UFJ Trust and Banking Corporation</li> <li>(3) Issuing, paying and administrative agent Mitsubishi UFJ Trust and Banking Corporation</li> </ol> </li> </ol> </li> <li>2. Based on the comprehensive approval by the board of directors held on October 24, 2012, the administrative agency entrustments in accordance with the issuance of the 9th Bonds and the 10th Bonds were determined on November 30, 2012, as set forth below.               <ol style="list-style-type: none"> <li>A. The 9th Bonds                   <ol style="list-style-type: none"> <li>(1) Underwriter Daiwa Securities Co. Ltd. SMBC Nikko Securities Inc.</li> <li>(2) Corporate bond trustee Mitsubishi UFJ Trust and Banking Corporation</li> <li>(3) Issuing, paying and administrative agent Mitsubishi UFJ Trust and Banking Corporation</li> </ol> </li> <li>B. The 10th Bonds                   <ol style="list-style-type: none"> <li>(1) Underwriter Daiwa Securities Co. Ltd.</li> <li>(2) Issuing, paying and administrative agent Sumitomo Mitsui Trust Bank, Limited</li> </ol> </li> </ol> </li> </ol>
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## ◆ FINANCIAL SECTION

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## BALANCE SHEETS

(As of November 30, 2012 and May 31, 2012)

	Thousands of yen	
	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and bank deposits	¥ 37,834,421	¥ 36,985,003
Rent receivables	270,949	238,365
Consumption taxes refundable	-	-
Other current assets	108,456	472,243
<b>Total current assets</b>	<b>38,213,826</b>	<b>37,695,611</b>
<b>PROPERTY AND EQUIPMENT, AT COST:</b>		
Land	271,711,106	268,091,924
Buildings and structures	173,401,806	168,676,685
Machinery and equipment	1,507,191	1,339,492
Tools, furniture and fixtures	247,948	193,756
Construction in progress	16,568	3,159
Subtotal	446,884,619	438,305,016
Less accumulated depreciation	(28,098,722)	(24,980,911)
<b>Net property and equipment</b>	<b>418,785,897</b>	<b>413,324,105</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Software	2,007	2,660
Leasehold	1,734,930	1,734,931
Intangible assets	245,759	252,423
Investment securities	2,212,517	2,408,886
Security deposits paid	88,120	87,939
Long-term prepaid expenses	1,220,938	1,519,859
<b>TOTAL ASSETS</b>	<b>¥ 462,503,994</b>	<b>¥ 457,026,414</b>

	Thousands of yen	
	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	¥ 2,240,076	¥ 1,923,434
Current portion of corporate bonds	10,000,000	-
Long-term debt due for repayment within one year	59,880,000	46,988,396
Accrued expenses	919,946	907,864
Income taxes payable	605	605
Rent received in advance	2,151,660	2,213,514
Other current liabilities	1,289,576	1,633,264
<b>Total current liabilities</b>	<b>76,481,863</b>	<b>53,667,077</b>
<b>LONG-TERM LIABILITIES:</b>		
Corporate bonds	51,500,000	45,000,000
Long-term debt	105,226,000	127,928,000
Leasehold and security deposits received	24,763,100	24,749,156
<b>Total long-term liabilities</b>	<b>181,489,100</b>	<b>197,677,156</b>
<b>Total liabilities</b>	<b>257,970,963</b>	<b>251,344,233</b>
<b>NET ASSETS</b>		
<b>UNITHOLDERS' EQUITY:</b>		
Units authorized: 10,000,000 units as of November 30, 2012 and May 31, 2012		
Units issued and outstanding: 2,103,383 units as of November 30, 2012 and May 31, 2012	165,924,929	165,924,929
Capital surplus	23,548,287	23,548,287
Reserve for distribution	10,424,662	11,359,015
Retained earnings	4,635,153	4,849,950
<b>Total net assets</b>	<b>204,533,031</b>	<b>205,682,181</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>¥ 462,503,994</b>	<b>¥ 457,026,414</b>

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

## STATEMENTS OF INCOME AND RETAINED EARNINGS

(For the fiscal periods ended November 30, 2012 and May 31, 2012)

	Thousands of yen	
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
<b>OPERATING REVENUES</b>		
Rental revenues	¥ 14,372,715	¥ 14,623,496
Other rental revenues	1,515,402	1,107,817
Dividend income from investment in anonymous association	84,993	27,864
	15,973,110	15,759,177
<b>OPERATING EXPENSES</b>		
Property-related expenses	7,291,078	7,074,186
Loss on sales of real estate	-	95,891
Asset management fees	1,281,800	1,264,693
Administrative service fees	85,151	87,854
Other operating expenses	311,220	276,787
	8,969,249	8,799,411
<b>OPERATING INCOME</b>	7,003,861	6,959,766
<b>NON-OPERATING REVENUES</b>		
Interest income	1,882	1,453
Reversal of cash distributions payable	3,927	7,116
Insurance income	980	10,639
Subsidy income	8,614	-
Interest on refund	14	4,478
Other non-operating revenues	3,033	484
	18,450	24,170
<b>NON-OPERATING EXPENSES</b>		
Interest expense	1,774,933	1,588,557
Interest expense on corporate bonds	378,072	445,718
Corporate bond issuance expenses	106,046	67,925
Other non-operating expenses	127,502	31,181
	2,386,553	2,133,381
<b>ORDINARY INCOME</b>	4,635,758	4,850,555
<b>INCOME BEFORE INCOME TAXES</b>	4,635,758	4,850,555
<b>INCOME TAXES</b>		
Current	605	605
	605	605
<b>NET INCOME</b>	4,635,153	4,849,950
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	-	-
<b>RETAINED EARNINGS AT THE END OF PERIOD</b>	¥ 4,635,153	¥ 4,849,950

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

## STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the fiscal periods ended November 30, 2012 and May 31, 2012)

	Thousands of yen							
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Retained Earnings	Total Unitholders' Equity	Valuation and Translation Adjustments	Net Assets
<b>BALANCE AS OF NOVEMBER 30, 2011</b>	2,103,383	¥165,924,929	¥ 23,548,287	¥12,492,873	¥4,650,445	¥206,616,534	¥ (30,869)	¥206,585,665
Reversal of reserve for distribution	-	-	-	(1,133,858)	-	(1,133,858)	-	(1,133,858)
Cash distributions disbursed	-	-	-	-	(4,650,445)	(4,650,445)	-	(4,650,445)
Net income	-	-	-	-	4,849,950	4,849,950	-	4,849,950
Net changes during the period	-	-	-	-	-	-	30,869	30,869
<b>BALANCE AS OF MAY 31, 2012</b>	2,103,383	¥165,924,929	¥ 23,548,287	¥11,359,015	¥4,849,950	¥205,682,181	-	¥205,682,181
Reversal of reserve for distribution	-	-	-	(934,353)	-	(934,353)	-	(934,353)
Cash distributions disbursed	-	-	-	-	(4,849,950)	(4,849,950)	-	(4,849,950)
Net income	-	-	-	-	4,635,153	4,635,153	-	4,635,153
<b>BALANCE AS OF NOVEMBER 30, 2012</b>	2,103,383	¥165,924,929	¥ 23,548,287	¥10,424,662	¥4,635,153	¥204,533,031	-	¥204,533,031

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

## STATEMENTS OF CASH FLOWS

(For the fiscal periods ended November 30, 2012 and May 31, 2012)

	Thousands of yen	
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes	¥ 4,635,758	¥ 4,850,555
Depreciation and amortization	3,132,823	3,057,067
Loss on sale of properties	-	95,891
Interest income and interest on securities	(1,882)	(1,453)
Interest expense and interest expense on corporate bonds	2,153,006	2,034,275
Corporate bond issuance expenses	106,046	67,925
(Increase) decrease in rent receivables	(32,584)	52,860
Decrease in consumption taxes refundable	-	574,924
Decrease (increase) in prepaid expenses	382,517	(363,950)
Decrease in long-term prepaid expenses	17,634	18,576
Increase in trade accounts payable	192,610	903,820
Increase (decrease) in accrued expenses	34,270	(23,792)
(Decrease) increase in consumption taxes payable	(324,967)	366,546
Decrease in rent received in advance	(61,854)	(55,947)
Other, net	(315,690)	(205,195)
Subtotal	9,917,687	11,372,102
Interest received	1,861	1,433
Interest paid	(1,907,144)	(2,037,595)
Income taxes paid	(11,210)	(6,922)
Net cash provided by operating activities	8,001,194	9,329,018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of property and equipment	-	236,688
Purchase of property and equipment	(8,485,186)	(8,819,080)
Purchase of intangible assets	-	(14,509)
Proceeds from refund of investment securities	198,635	59,428
Purchase of investment securities	-	(2,470,580)
Proceeds from collection of leasehold and security deposits	-	25,366
Payments for leasehold and security deposits	(180)	(30)
Proceeds from leasehold and security deposits received	642,140	484,431
Payments for leasehold and security deposits received	(312,900)	(735,704)
Net cash used in investing activities	(7,957,491)	(11,233,990)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	21,400,000	32,200,000
Repayment of long-term debt	(31,210,396)	(18,359,886)
Proceeds from issuing corporate bonds	16,397,430	9,932,075
Repayment of corporate bonds	-	(17,000,000)
Distributions to unitholders	(5,781,340)	(5,775,136)
Net cash provided by financing activities	805,694	997,053
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	849,397	(907,919)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	36,777,901	37,685,820
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	37,627,298	¥ 36,777,901

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



# NOTES TO FINANCIAL STATEMENTS

(November 30, 2012 and May 31, 2012)

## 1. ORGANIZATION AND BASIS OF PRESENTATION

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### **Organization**

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

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

On December 1, 2004, United Urban raised ¥51,037 million through a public offering of investment units. In addition, United Urban raised ¥18,471 million through the issuance of additional investment units by way of its second public offering on June 24, 2008 and a third-party allotment on July 24, 2008. Thereafter, United Urban raised ¥57,614 million through the issuance of additional investment units by way of its third public offering in June 2011 and a third-party allotment in July 2011.

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

As of November 30, 2012, the end of its 18th fiscal period, United Urban had ownership of, or beneficial interests in, 24 retail properties, 37 office buildings, 6 hotels, 24 residential properties, 1 other property, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

### **Basis of Presentation of Financial Statements**

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

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

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 18th fiscal period began on June 1, 2012 and ended on November 30, 2012.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### **Securities**

Other securities without market value are stated using the moving average cost method. Concerning anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.

### ***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 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
Buildings and structures	2 - 67 years	2 - 67 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	3 - 15 years	3 - 15 years

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

### ***Intangible Assets***

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

### ***Corporate Bond Issuance Expenses***

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

### ***Cash and Cash Equivalents***

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

### ***Revenue Recognition***

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

### ***Taxes on Property and Equipment***

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the dates of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥8,639 thousand of capitalized property taxes and city planning taxes for the fiscal period ended May 31, 2012, and ¥16,667 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended November 30, 2012.

### ***Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate***

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

## Income Taxes

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

## Consumption Taxes

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

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

## Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended November 30, 2012.

## 3. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2012 and May 31, 2012, the following assets were pledged as collateral for the following debt:

### Pledged Assets

	Thousands of yen	
	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
Cash and bank deposits	¥ 207,123	¥ 207,102
Land	4,204,726	4,204,727
Buildings and structures	4,435,442	4,527,942
Tools, furniture and fixtures	2,532	1,359
Total	¥ 8,849,823	¥ 8,941,130

### Debt Secured by Pledged Assets

	Thousands of yen	
	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
Leasehold and security deposits received	¥ 1,762,480	¥ 1,762,480
Total	¥ 1,762,480	¥ 1,762,480

## 4. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
Total amount of commitment	¥15,500,000	¥15,500,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥15,500,000	¥15,500,000

## 5. CONTINGENT LIABILITIES

With regard to Shinsaibashi OPA Honkan and Shinsaibashi OPA Kireikan (hereinafter collectively referred to as the "Two Properties"), a case against United Urban to reduce the rent of the Two Properties (the "Case") was brought to the Tokyo District Court on October 15, 2012 by OPA co., Ltd. the tenant of the Two Properties. Then, the Tokyo District Court ruled to transfer the Case to the Osaka District Court, and the Case is currently on trial in the Osaka District Court.

OPA co, Ltd has requested to reduce the rent of Shinsaibashi OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of Shinsaibashi OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent for the Two Properties and United Urban intends to allege to that effect in the judicial proceedings.

If the full amount of their request is approved, United Urban will be liable for payment of total of ¥232 million (in case that the reduction of rent for nine months, from March 1, 2012 to November 30, 2012, is approved) and the interest to OPA co., Ltd. However, United Urban is not able to predict the result of the Case at present.

## 6. UNITHOLDERS' EQUITY

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

## 7. LONG-TERM DEBT

Long-term debt at November 30, 2012 and May 31, 2012 consisted of the following:

	End of 18th Fiscal Period (As of November 30, 2012)		End of 17th Fiscal Period (As of May 31, 2012)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	-	-	4,400,000	1.446%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	-	-	4,500,000	1.480%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	-	-	900,000	1.636%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2012	-	-	3,000,000	0.936%
Unsecured loan from an insurance company at a fixed interest rate, due June 26, 2012	-	-	1,831,396	2.258%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	4,000,000	1.664%
Unsecured loans from banks, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	10,200,000	1.671%
Unsecured loans from banks and trust banks at fixed interest rates, due March 21, 2013	7,972,000	1.583%	7,972,000	1.583%
Unsecured loan from a bank at variable interest rates, due March 21, 2013	2,253,000	1.325%	2,253,000	1.386%
Unsecured loans from banks and a trust bank at fixed interest rates, due March 21, 2013	7,932,000	1.655%	7,932,000	1.655%
Unsecured loans from banks, a trust bank, and a federation at fixed interest rates, due June 20, 2013	9,150,000	1.642%	9,150,000	1.642%
Unsecured loans from a bank and trust banks at fixed interest rates, due June 20, 2013	3,000,000	1.612%	3,000,000	1.612%
Unsecured loans from banks and trust banks at fixed interest rates, due September 20, 2013	13,120,000	1.688%	13,120,000	1.688%
Unsecured loan from a bank at variable interest rates, due September 20, 2013	2,253,000	1.425%	2,253,000	1.486%

Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	0.975%	3,400,000	1.036%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2014	14,276,000	1.807%	14,276,000	1.807%
Unsecured loan from banks and a trust bank at a variable interest rate, due June 20, 2014	8,700,000	0.780%	8,700,000	0.780%
Unsecured loan from a trust bank at a variable interest rate, due September 20, 2014	2,800,000	0.530%	2,800,000	0.530%
Unsecured loan from a bank at fixed interest rates, due September 22, 2014	-	-	12,260,000	1.943%
Unsecured loan from a bank at fixed interest rates, due September 22, 2014	-	-	4,269,000	2.016%
Unsecured loans from banks and trust banks at a fixed interest rates, due December 20, 2014	4,250,000	1.975%	4,250,000	1.975%
Unsecured loan from banks and a trust bank at a variable interest rate, due March 20, 2016	5,000,000	0.580%	5,000,000	0.580%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2016	3,400,000	0.780%	3,400,000	0.780%
Unsecured loan from a bank at a variable interest rate, due September 20, 2016	1,900,000	0.680%	1,900,000	0.680%
Unsecured loan from banks and a trust bank at a variable interest rate, due September 20, 2016	8,300,000	0.630%	8,300,000	0.630%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2016	2,000,000	0.630%	2,000,000	0.630%
Unsecured loan from banks at a variable interest rate, due December 20, 2016	4,500,000	0.630%	4,500,000	0.630%
Unsecured loan from a bank and a trust bank at a variable interest rate, due March 20, 2017	3,900,000	0.630%	3,900,000	0.630%
Unsecured loans from banks and an insurance company at fixed interest rates, due March 20, 2017	2,500,000	0.993%	2,500,000	0.993%
Unsecured loan from banks and a trust bank at a variable interest rate, due March 20, 2017	5,500,000	0.630%	5,500,000	0.630%
Unsecured loan from a trust bank at a variable interest rate, due March 20, 2017	3,500,000	0.530%	3,500,000	0.530%
Unsecured loan from a bank at fixed interest rates, due March 20, 2017	1,000,000	0.922%	1,000,000	0.922%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2017	1,800,000	2.142%	1,850,000	2.142%
Unsecured loan from a bank at a variable interest rate, due June 20, 2017	1,300,000	0.580%	1,300,000	0.580%
Unsecured loan from banks at a variable interest rate, due June 20, 2017	2,300,000	0.580%	-	-
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2017	2,500,000	0.530%	-	-
Unsecured loan from a bank at a variable interest rate, due June 20, 2017	2,400,000	0.480%	-	-
Unsecured loan from a bank at a fixed interest rate, due September 20, 2017	4,400,000	0.740%	-	-
Unsecured loan from a bank at a variable interest rate, due March 20, 2018	3,000,000	0.630%	3,000,000	0.630%
Unsecured loan from a bank at a variable interest rate, due March 20, 2018	2,200,000	0.530%	-	-
Unsecured loan from a bank at a fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Unsecured loan from a bank at a variable interest rate, due June 20, 2019	4,500,000	0.680%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2019	2,200,000	0.960%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2020	900,000	1.370%	-	-
Total	¥ 165,106,000		¥ 174,916,396	

## 8. CORPORATE BONDS

Corporate bonds at November 30, 2012 and May 31, 2012 consisted of the following:

	End of 18th Fiscal Period (As of November 30, 2012)		End of 17th Fiscal Period (As of May 31, 2012)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 2 unsecured bonds, due July 10, 2015	¥ 10,000,000	1.91%	¥ 10,000,000	1.91%
Series 3 unsecured bonds, due June 17, 2013	10,000,000	1.55%	10,000,000	1.55%
Series 4 unsecured bonds, due December 17, 2013	15,000,000	1.38%	15,000,000	1.38%
Series 5 unsecured bonds, due December 16, 2014	7,000,000	1.00%	7,000,000	1.00%
Series 6 unsecured bonds, due December 9, 2016	3,000,000	1.12%	3,000,000	1.12%
Series 7 unsecured bonds, due July 5, 2017	6,500,000	0.95%	-	-
Series 8 unsecured bonds, due August 5, 2016	10,000,000	0.80%	-	-
Total	¥ 61,500,000		¥ 45,000,000	

## 9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2012 and May 31, 2012 were as follows:

	Thousands of yen	
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
<b>Operating Revenues</b>	¥ 15,888,117	¥ 15,731,313
<b>Rental Revenues</b>	14,372,715	14,623,496
Rental revenues	12,554,473	12,767,324
Common area charges	1,327,088	1,361,047
Parking revenues	399,146	400,973
Other	92,008	94,152
<b>Other Rental Revenues</b>	1,515,402	1,107,817
Incidental revenues	1,012,942	905,279
Temporary revenues (including cancellation charges)	435,038	133,994
Other miscellaneous revenues	67,422	68,544
<b>Property-Related Expenses</b>	7,291,078	7,074,186
Property and other taxes	1,326,968	1,319,099
Property management fees	1,015,578	1,055,685
Utilities	1,078,341	949,604
Casualty insurance	17,684	17,818
Repairs and maintenance	345,588	342,146
Depreciation and amortization	3,132,823	3,057,067
Other rental expenses	374,096	332,767
<b>Profit from rental activities</b>	¥ 8,597,039	¥ 8,657,127

## 10. LOSS ON SALE OF PROPERTIES

Loss on sale of properties for the fiscal periods ended November 30, 2012 and May 31, 2012 were as follows:

	Thousands of yen	
	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
Revenue from sale of properties	-	¥ 428,856
Cost of sale of properties	-	504,143
Other sales expenses	-	20,604
Loss on sale of properties	-	¥ 95,891

## 11. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at November 30, 2012 and May 31, 2012 were summarized as follows:

		(Thousands of yen)	
18th Fiscal Period (As of November 30, 2012)		17th Fiscal Period (As of May 31, 2012)	
(Deferred tax assets – non current)		(Deferred tax assets – non current)	
Valuation difference on assets acquired by merger	24,729,390	Valuation difference on assets acquired by merger	24,683,484
Other	714	Other	816
Subtotal	24,730,104	Subtotal	24,684,300
Valuation allowance	(24,730,104)	Valuation allowance	(24,684,300)
Total	-	Total	-
Total deferred tax assets	-	Total deferred tax assets	-
(Net deferred tax assets)	-	(Net deferred tax assets)	-

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the fiscal periods ended November 30, 2012 and May 31, 2012 were summarized as follows:

	18th Fiscal Period (As of November 30, 2012)	17th Fiscal Period (As of May 31, 2012)
Statutory tax rate	36.59%	39.33%
Distributions of tax-deductible dividends	(37.64)	(19.71)
Changes in valuation allowance	1.06	(19.62)
Other	0.00	0.01
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban decided to distribute ¥5,784,303 thousand, which is a total of unappropriated profit at the end of the period of ¥4,849,950 thousand and reversal of reserve for distribution ¥934,353 thousand (of the balance of reserve for distribution, ¥11,359,015 thousand) for the 17th fiscal period, and distribute ¥5,784,303 thousand, which is a total of unappropriated profit at the end of the period of ¥4,635,153 thousand and reversal of reserve for distribution ¥1,149,150 thousand (of the balance of reserve for distribution, ¥10,424,662 thousand) for the 18th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

## 12. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

### **Matters Concerning Financial Instruments**

#### 1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of assets and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect

to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks (there are currently no derivative transactions).

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

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 18th fiscal period) and by taking other measures.

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

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

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

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

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

### **Matters Concerning the Fair Value of Financial Instruments**

The carrying amounts on the balance sheet, the fair values, and their differences as of November 30, 2012 and May 31, 2012, are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(18th Fiscal Period: As of November 30, 2012)

(Thousands of yen)			
	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 12,326,468	¥ 12,326,468	-
(2) Cash and bank deposits in trust	25,507,953	25,507,953	-
Total assets	¥ 37,834,421	¥ 37,834,421	-
(3) Current portion of corporate bonds	¥ 10,000,000	¥ 10,041,000	¥ 41,000
(4) Long-term debt due for repayment within one year	59,880,000	60,167,343	287,343
(5) Corporate bonds	51,500,000	51,782,100	282,100
(6) Long-term debt	105,226,000	104,612,214	(613,786)
(7) Leasehold and security deposits received in trust	643,604	671,120	27,516
Total liabilities	¥ 227,249,604	¥ 227,273,777	¥ 24,173



(17th Fiscal Period: As of May 31, 2012)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 12,415,463	¥ 12,415,463	-
(2) Cash and bank deposits in trust	24,569,540	24,569,540	-
Total assets	¥ 36,985,003	¥ 36,985,003	-
(3) Current portion of corporate bonds	-	-	-
(4) Long-term debt due for repayment within one year	¥ 46,988,396	¥ 47,201,846	¥ 213,450
(5) Corporate bonds	45,000,000	45,251,000	251,000
(6) Long-term debt	127,928,000	125,584,758	(2,343,242)
(7) Leasehold and security deposits received in trust	643,604	661,424	17,820
Total liabilities	¥ 220,560,000	¥ 218,699,028	¥ (1,860,972)

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

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

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

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

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

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

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

(7) Leasehold and security deposits received in trust

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

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

	Thousands of yen	
	18th Fiscal Period (As of November 30, 2012)	17th Fiscal Period (As of May 31, 2012)
Investment securities *1	¥ 2,212,517	¥ 2,408,886
Leasehold and security deposits received *2	2,634,972	2,669,462
Leasehold and security deposits received in trust *2	¥ 20,917,822	¥ 20,837,307

\*1 Concerning investment securities (anonymous association equity interests), discerning the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

\*2 Concerning leasehold and security deposits received and leasehold and security deposits received in trust that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3 Amount of monetary claims to be repaid subsequent to November 30, 2012 and May 31, 2012

(18th Fiscal Period: As of November 30, 2012)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 12,326,468	-	-	-	-	-
Cash and bank deposits in trust	25,507,953	-	-	-	-	-
Total	¥ 37,834,421	-	-	-	-	-

(17th Fiscal Period: As of May 31, 2012)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 12,415,463	-	-	-	-	-
Cash and bank deposits in trust	24,569,540	-	-	-	-	-
Total	¥ 36,985,003	-	-	-	-	-

4 Amount of borrowings and corporate bonds to be repaid subsequent to November 30, 2012 and May 31, 2012

(18th Fiscal Period: As of November 30, 2012)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 10,000,000	¥ 15,000,000	¥ 17,000,000	¥ 10,000,000	¥ 9,500,000	-
Long-term debt	59,880,000	29,176,000	4,250,000	18,600,000	37,600,000	¥ 15,600,000
Total	¥ 69,880,000	¥ 44,176,000	¥ 21,250,000	¥ 28,600,000	¥ 47,100,000	¥ 15,600,000

(17th Fiscal Period: As of May 31, 2012)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	-	¥ 25,000,000	¥ 7,000,000	¥ 10,000,000	¥ 3,000,000	-
Long-term debt	¥ 46,988,396	45,199,000	32,279,000	5,000,000	36,500,000	¥ 8,950,000
Total	¥ 46,988,396	¥ 70,199,000	¥ 39,279,000	¥ 15,000,000	¥ 39,500,000	¥ 8,950,000

### 13. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during this period and the fair values as of November 30, 2012 and May 31, 2012 are as follows:

(Thousands of yen)

Type of Use		18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011- May 31, 2012)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 131,056,665	¥ 129,766,132
	Change during the period (Note 2)	(583,357)	1,290,533
	Balance at the end of the period	130,473,308	131,056,665
	Fair value at the end of the period (Note 3)	¥ 124,018,000	¥ 124,118,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 194,921,700	¥ 195,170,393
	Change during the period (Note 2)	4,351,796	(248,693)
	Balance at the end of the period	199,273,496	194,921,700
	Fair value at the end of the period (Note 3)	¥ 208,761,000	¥ 205,280,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 52,820,037	¥ 48,687,513
	Change during the period (Note 2)	(96,086)	4,132,524
	Balance at the end of the period	52,723,951	52,820,037
	Fair value at the end of the period (Note 3)	¥ 51,663,000	¥ 53,454,000

Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 34,477,378	¥ 34,769,153
	Change during the period (Note 2)	1,821,668	(291,775)
	Balance at the end of the period	36,299,046	34,477,378
	Fair value at the end of the period (Note 3)	¥ 38,037,000	¥ 35,513,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 1,783,255	¥ 1,762,052
	Change during the period (Note 2)	(32,229)	21,203
	Balance at the end of the period	1,751,026	1,783,255
	Fair value at the end of the period (Note 3)	¥ 1,880,000	¥ 1,860,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 415,059,035	¥ 410,155,243
	Change during the period (Note 2)	5,461,792	4,903,792
	Balance at the end of the period	420,520,827	415,059,035
	Fair value at the end of the period (Note 3)	¥ 424,359,000	¥ 420,225,000

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the "Change during the period" for the 18th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥6,768,457 thousand) and capital expenditures (¥1,821,061 thousand). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,132,823 thousand).  
Of the "Change during the period" for the 17th fiscal period, the amount of the increase is primarily attributable to acquisition of two new properties (total: ¥6,634,553 thousand) and capital expenditures (¥1,823,464 thousand). And the amount of the decrease is primarily attributable to the sale of one property (¥504,144 thousand), depreciation and amortization (¥3,057,067 thousand).
- 3 The "Fair value at the end of the period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

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

## 14. TRANSACTIONS WITH RELATED PARTIES

(18th Fiscal Period: June 1, 2012 – November 30, 2012)

### 1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	76,686	Rent receivables	¥ 3,419
						Leasehold and security deposits received	30,655
				Property management fees	134,578	Trade accounts payable	22,807
				Construction management fees	3,217	Trade accounts payable	2,649
				Construction costs	13,534	Trade accounts payable	1,354
				Utilities	1,695	Trade accounts payable	217
				Other rental expenses	11,016	Trade accounts payable	352
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	23,945	Trade accounts payable	2,761
				Construction management fees	6,768	Trade accounts payable	3,550
				Other rental expenses (including communication expenses)	1,955	Trade accounts payable	47

Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	114,755	Trade accounts payable	18,609
The Daiei, Inc.	Supermarket	—	None	Property leasing	611,360	Leasehold and security deposits received	765,600
						Rent received in advance	106,988
				Property management fees	1,500	—	—
				Construction costs	350	—	—
The Maruetsu, Inc.	Supermarket	—	None	Property leasing	72,275	Leasehold and security deposits received	739,000
						Rent received in advance	12,648
TIPNESS LIMITED	Fitness club operator	—	None	Property leasing	43,040	Leasehold and security deposits received	70,246
						Rent received in advance	7,532
				Other rental revenues	24,108	Rent receivables	4,284

## 2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	—	New long-term debt	2,500,000	Long-term debt	24,205,000
			Repayment of long-term debt due for repayment within one year	3,000,000	Long-term debt due for repayment within one year	9,659,000
			Interest expenses	194,152	Accrued expenses	48,837
			Loan expenses	94,275	Long-term prepaid expenses	284,228
					Prepaid expenses	6,246
					Accrued expenses	2,272
			Commissions related to corporate bonds	798	Prepaid expenses	196
			Custodian fees	20,336	—	—
			Agent commissions	23,347	Accrued expenses	1,926

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

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

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

(17th Fiscal Period: December 1, 2011 – May 31, 2012)

## 1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Asset Management Co., Ltd.	Investing	—	None	Brokerage commissions	¥ 190,500	—	—

Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	77,582	Rent receivables	¥ 3,488
						Leasehold and security deposits received	30,655
				Compensation for damage received	163	-	-
				Property management fees	132,956	Trade accounts payable	22,775
				Construction management fees	5,813	Trade accounts payable	9,189
				Construction costs	46,897	Trade accounts payable	2,919
				Utilities	1,664	Trade accounts payable	229
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Other rental expenses	14,325	Trade accounts payable	2,819
				Property management fees	26,609	Trade accounts payable	3,068
				Construction management fees	9,191	Trade accounts payable	5,319
Marubeni Corporation	Wholesale industry	0.3	None	Other rental expenses (including communication expenses)	2,896	Trade accounts payable	49
				Brokerage commissions	12,480	-	-
				Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
The Daiei, Inc.	Supermarket	—	None	Utilities	94,587	Trade accounts payable	18,924
				Property leasing	611,360	Leasehold and security deposits received	765,600
						Rent received in advance	106,988
The Maruetsu, Inc.	Supermarket	—	None	Construction costs	700	—	—
				Property management fees	1,500	—	—
				Property leasing	72,275	Leasehold and security deposits received	739,000
TIPNESS LIMITED	Fitness club operator	—	None			Rent received in advance	12,648
				Property leasing	43,040	Leasehold and security deposits received	70,246
						Rent received in advance	7,532
				Other rental revenues	23,961	Rent receivables	3,160

## 2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	—	New long-term debt	5,000,000	Long-term debt	25,381,000
			Repayment of long-term debt	-	Long-term debt due for repayment within one year	8,983,000
			Repayment of long-term debt due for repayment within one year	915,698	—	—
			Interest expenses	164,558	Accrued expenses	59,573
			Loan expenses	86,671	Long-term prepaid expenses	322,384
					Prepaid expenses	4,827
					Accrued expenses	2,562

		Commissions related to corporate bonds	4,933	Prepaid expenses	194
		Custodian fees	14,346	—	—
		Agent commissions	4,215	Accrued expenses	2,103

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

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

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

## 15. 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, 2012 and May 31, 2012 for the fiscal periods then ended are summarized as follows:

	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
	Yen	
Net assets per unit at the period end	¥ 97,240	¥ 97,786
Net income per unit	¥ 2,203	¥ 2,305
Weighted-average number of units (units)	2,103,383	2,103,383

## 16. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at November 30, 2012 and May 31, 2012 were as follows:

	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
	Thousands of yen	
Cash and bank deposits	¥ 37,834,421	¥ 36,985,003
Restricted deposits with a bank (Note)	(207,123)	(207,102)
Cash and cash equivalents	¥ 37,627,298	¥ 36,777,901

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

## 17. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2012 and May 31, 2012, future lease revenues under non-cancelable operating leases are summarized as follows:

	End of 18th Fiscal Period (As of November 30, 2012)	End of 17th Fiscal Period (As of May 31, 2012)
	Thousands of yen	
Due within one year	¥ 9,535,647	¥ 9,605,642
Due after one year	35,258,923	38,045,086
Total	¥ 44,794,570	¥ 47,650,728

## 18. SECURITIES

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(18th Fiscal Period: As of November 30, 2012)

Concerning the anonymous association equity interest (investment securities: ¥2,212,517 thousand), discerning the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

(17th Fiscal Period: As of May 31, 2012)

Concerning the anonymous association equity interest (investment securities: ¥2,408,886 thousand), discerning the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

## 19. DERIVATIVE TRANSACTIONS

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### 1. Derivative transactions not subject to hedge accounting

Fiscal period ended November 30, 2012: None

Fiscal period ended May 31, 2012: None

### 2. Derivative transactions subject to hedge accounting

Fiscal period ended November 30, 2012: None

Fiscal period ended May 31, 2012: None

## 20. SUBSEQUENT EVENTS

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### **Cash Distribution**

On January 18, 2013, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥2,750 per unit, amounting to ¥5,784,303 thousand in the aggregate, to unitholders of record as of November 30, 2012.

### **Issuance of Corporate Bonds**

United Urban ratified the issuance of Series 9 of Unsecured Corporate Bonds in the amount of ¥10.0 billion (the "9th Bond") and Series 10 of Unsecured Corporate Bonds in the amount of ¥4.0 billion (the "10th Bond") on November 30, 2012, in accordance with the approval at the board of directors' meeting of United Urban held on October 24, 2012, for repayment of existing borrowings (¥14,200 million) at their maturity on December 20, 2012. United Urban issued the 9th Bond on December 19, 2012 and the 10th Bond on December 12, 2012, and those payments have been completed. Details on the issuance of each series of corporate bonds are as follows:

#### Series 9 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 9 of Unsecured Corporate Bonds (with pari passu conditions among corporate bonds)
Total amount issued	: ¥10,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.62% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 19, 2012
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 19, 2016. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 19 and December 19 of each year
Corporate bond trustee	: Mitsubishi UFJ Trust and Banking Corporation
Use of proceeds	: The proceeds were used to repay existing borrowings.

#### Series 10 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 10 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥4,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.69% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: December 12, 2012
Redemption method and date	: The total amount of the corporate bonds will be redeemed on December 12, 2017. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: June 12 and December 12 of each year
Corporate bond trustee	: Sumitomo Mitsui Trust Bank, Limited
Use of proceeds	: The proceeds were used to repay existing borrowings.

### **Issuance of New Investment Units**

United Urban ratified the issuance of new investment units by way of public offering (190,000 units) and by way of third-party allotment (12,064 units (maximum)) at the meeting of the Board of Directors held on February 22, 2013. In addition, details such as the issue price per unit, etc. will be determined at the board of directors' meeting to be held at the beginning of March 2013.

#### 1. Issuance of new investment units by way of public offering (the "Public Offering")

- |  |                    |
|--|--------------------|
| (1) Offering method                                | : Public offering  |
| (2) Number of units to be issued                   | : 190,000 units    |
| (3) Initial date for calculating cash distribution | : December 1, 2012 |

#### 2. Issuance of new investment units by way of third-party allotment (the "Third-Party Allotment") (Note)

- |  |                              |
|--|------------------------------|
| (1) Offering method                                | : Third-party allotment      |
| (2) Number of units to be issued                   | : 12,064 units (maximum)     |
| (3) Initial date for calculating cash distribution | : December 1, 2012           |
| (4) Allottee                                       | : SMBC Nikko Securities Inc. |

(Note) In the case where the investment units to be issued through the Third-Party Allotment are not subscribed for, in whole or in part, the final number of the investment units with respect to the Third-Party Allotment may be reduced by the number of units not subscribed for, or the issuance itself may be cancelled entirely.

#### 3. Use of proceeds

The proceeds from the Public Offering and the Third-Party Allotment will be used for the acquisition of new properties as mentioned below in "Acquisition of Properties".

### **Acquisition of Properties**

United Urban resolved on February 22, 2013 to acquire the following trust beneficial interests in real estate (referred to as individually or collectively, the "Property to be Acquired" or "Properties to be Acquired") with proceeds from the issuance of new investment units, mentioned above in "Issuance of New Investment Units", cash on hand, and proceeds from new borrowings (total amount: ¥15,000 million).

Property Name	Type of Use (Note 1)	Location (residential)	Scheduled Acquisition Price (Note 2)	Scheduled Acquisition Date (Note 2)
Yodobashi Camera Multimedia Kichijoji	Department store	1-19-1 Kichijoji-honcho, Musashino, Tokyo	¥28,000 million	March 18, 2013
Yamada Denki Tecc Land New Matsudo Honten	Store	2289-3,6,8,12 Matsudo Aza Iwase-sakai, Matsudo, Chiba 612-1,7 Iwase Aza Kajizuka, Matsudo, Chiba (Note 3)	¥5,150 million	March 18, 2013
Yotsuya 213 Building (Note 4)	Hotel, Apartment, Store	2-1-3 Yotsuya, Shinjuku-ku, Tokyo (Note 3)	¥5,020 million	March 18, 2013
HOTEL ROUTE-INN Nagoya Imaike Ekimae	Hotel	3-31-7 Uchiyama, Chikusa-ku, Nagoya, Aichi	¥2,000 million	March 25, 2013
Total			¥40,170 million	



- Notes:
1. Of the types indicated on the real estate register, the primary types are shown.
  2. In order to ensure that each of the Properties to be Acquired is acquired on the respective scheduled acquisition dates, United Urban executed a sale and purchase agreement of trust beneficial interest (referred to as collectively or individually the "Sale and Purchase Agreement" or "Sale and Purchase Agreements") with each seller of the Properties to be Acquired. The scheduled acquisition prices shown are based on the purchase prices stated in the Sale and Purchase Agreements. In addition, the prices are shown in the amount excluding acquisition costs, consumption taxes and other costs.
  3. The location of "Yamada Denki Tecc Land New Matsudo Honten" and "Yotsuya 213 Building" show the location indicated on the real estate register for the building because the location of property is not assigned an indication of residential address.
  4. The name of this property was changed from "Yotsuya Tokyu Building" to "Yotsuya 213 Building" on September 3, 2012.
  5. Sale and Purchase Agreements are subject to the condition precedent that United Urban's issuance of new investment units mentioned above in "Issuance of New Investment Units" or other funding are completed. Therefore, each of the Sale and Purchase Agreements will be terminated without any payment of penalty or other charges if United Urban does not complete the issuance of new investment units or other funding. Consequently, United Urban believes that there is not likely to be material impact on United Urban's financial standing, payment of cash distributions and other conditions.

## Independent Auditor's Report

The Board of Directors  
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at November 30, 2012, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at November 30, 2012, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

### *Emphasis of Matter*

We draw attention to Note 20 to the financial statements, which describes, the issuance of the Series 9 Bonds on December 19, 2012 and the Series 10 Bonds on December 12, 2012, the ratification of the issuance of new investment units, and the resolution approving the acquisition of new properties by the Company. Our opinion is not qualified in respect of these matters.

February 22, 2013

*Ernst & Young ShinNihon LLC*

## Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of November 30, 2012:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥165,924,928,670
Number of Unitholders:	26,183
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited <sup>(Note)</sup> 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited <sup>(Note)</sup> 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon LLC Hibiya Kokusai Bldg., 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is six-months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

Note: The Chuo Mitsui Trust and Banking Company, Limited, which was a transfer agent and a special account administrator of United Urban, was dissolved by an absorption-type merger under which The Sumitomo Trust and Banking Co., Ltd. remains as the surviving company, and The Chuo Mitsui Trust and Banking Company, Limited and Chuo Mitsui Asset Trust and Banking Company Limited are dissolved as absorbed companies on April 1, 2012. Therefore, The Sumitomo Trust and Banking Co., Ltd. has succeeded the status of a transfer agent and a special account administrator of United Urban. In addition, The Sumitomo Trust and Banking Co., Ltd. changed its company name to “Sumitomo Mitsui Trust Bank, Limited” on the same day.

## About Our Website

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

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



## Disclaimer

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