

# Semiannual Report

**Nineteenth Fiscal Period**

**From December 1, 2012 to May 31, 2013**



# 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 United Urban is Marubeni Corporation (“Marubeni”), a parent company of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services. United Urban aims to realize its further growth as a diversified J-REIT 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

KDDI Fuchu Building

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# Key Figures (As of May 31, 2013)

## Cash Distribution per Unit for the 19th Fiscal Period

¥2,750

## Occupancy Ratio

95.8%

## Total Acquisition Price

¥471.2 billion

## Number of Properties

97

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

48.5%

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)

	JCR	R&I	Moody's
	Long-Term Issuer Rating:	Issuer Rating:	Issuer Rating:
Ratings	AA-	A+	A3
<small>(As of July 31, 2013)</small>	Rating Outlook: Stable	Rating Outlook: Stable	Rating Outlook: Stable

# To Our Unitholders

We are delighted to present this report on our business activities during our 19th fiscal period: the six-month period ended May 31, 2013.

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. As of May 31, 2013 (at the end of the 19th fiscal period), United Urban has become the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size.

United Urban raised equity capital amounting to about ¥24.1 billion through its fourth public offering since the IPO (March 2013) and a third-party allotment (April 2013). As a result, United Urban has strengthened its financial standing and acquired two retail properties and two hotels (total acquisition price: about ¥40.2 billion). In addition to these four properties, United Urban acquired one new property (telecommunication facility, acquisition price: ¥4,920 million) and conducted an additional acquisition of part of an existing property (office, acquisition price: ¥580 million). Also we disposed of two properties (total sale price: ¥3,520 million). United Urban achieved an expansion of asset size and improvement in portfolio quality through these activities during the 19th fiscal period.

As for the business results of the 19th fiscal period, United Urban was able to achieve operating revenues of ¥16,150 million, operating income of ¥7,224 million and net income of ¥5,252 million. We decided the distribution amount for this fiscal period to be ¥6,340 million or ¥2,750 per unit by adding ¥1,088 million from reserve for distribution to the unappropriated profit at the end of the period (¥5,252 million).

In June 2013, United Urban decided to issue new investment units through its fifth public offering and third-party allotment. Besides the new properties related to this offering, United Urban aims to realize further external growth by utilizing the increased borrowing capacity by the effect of this equity financing.

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.

# Financial Highlights

Millions of yen, except per unit information

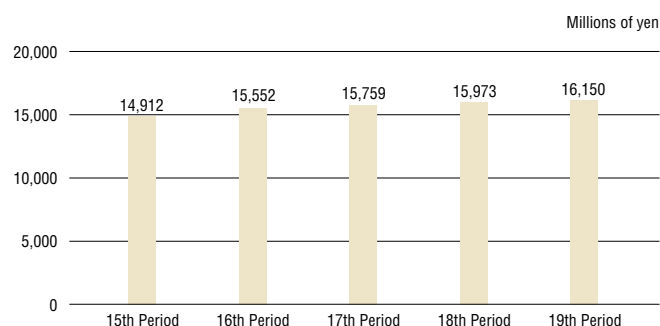
	19th Fiscal Period December 1, 2012- May 31, 2013	18th Fiscal Period June 1, 2012- November 30, 2012	17th Fiscal Period December 1, 2011- May 31, 2012	16th Fiscal Period June 1, 2011- November 30, 2011	15th Fiscal Period December 1, 2010- May 31, 2011
Operating revenues	¥ 16,150	¥ 15,973	¥ 15,759	¥ 15,552	¥ 14,912
Operating income	7,224	7,004	6,960	7,027	7,079
Ordinary income	5,252	4,636	4,851	4,650	4,316
Net income	5,252	4,635	4,850	4,649	16,617 <sup>(Note 3)</sup>
Cash distribution	6,340	5,784	5,784	5,784	4,123
Cash distribution per unit (Yen) <sup>(Note 2)</sup>	2,750	2,750	2,750	2,750	2,841
Total assets	516,739	462,504	457,026	450,963	416,471
Total unitholders' equity	228,143	204,533	205,682	206,586	148,414
Unitholders' equity per unit (Yen) <sup>(Note 2)</sup>	98,958	97,240	97,786	98,215	102,261

Notes: 1. United Urban's 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, 18th fiscal period was for 183 days from June 1, 2012 to November 30, 2012 and the 19th fiscal period was for 182 days from December 1, 2012 to May 31, 2013.

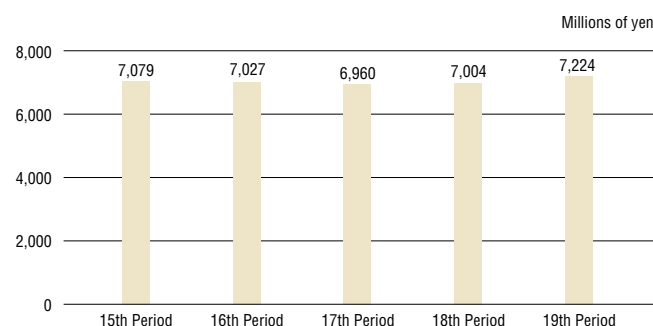
2. The investment unit of United Urban was split into six units as of December 1, 2010.

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

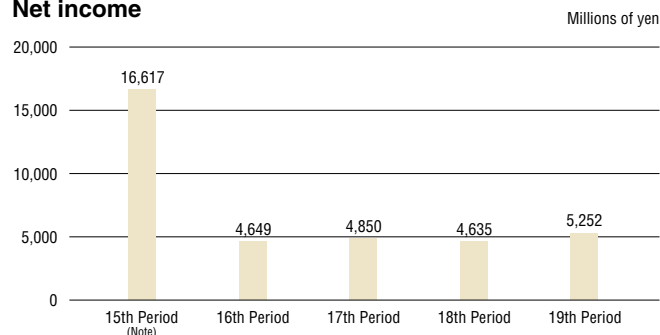
## Operating revenues



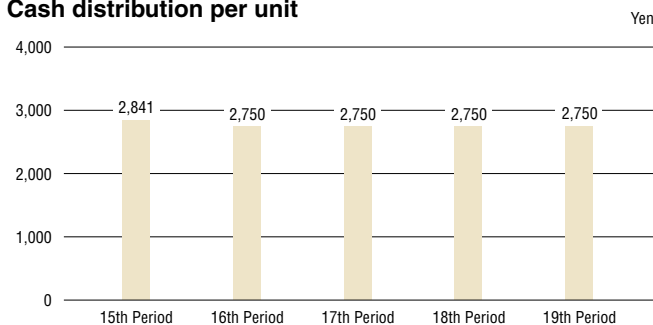
## Operating income



## Net income



## Cash distribution per unit



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

# Topics of 19th Fiscal Period

## 4th Public Offering (Issuance of New Investment Units)

United Urban completed the issuance of new investment units by way of the fourth public offering since the IPO and the third party allotment (collectively, the “Offering”) to acquire new properties, as set forth below. Through the Offering, United Urban aimed to expand its portfolio and enhance its earnings stability by considering the net income per unit and controlling its LTV level.

### [Overview]

<b>Resolution Date of the Issuance</b>	February 22, 2013	
<b>Pricing Date</b>	March 5, 2013	
<b>Total Number of Investment Units Issued</b>	202,064 units	Public offering: 190,000 units Third party allotment: 12,064 units
<b>Offer Price (per unit)</b>	¥123,382	
<b>Issue Price (per unit)</b>	¥119,479	
<b>Total Issue Price</b>	¥24,142 million	Public offering: ¥22,701 million Third party allotment: ¥1,441 million
<b>Payment Date</b>	Public offering: March 12, 2013 Third party allotment: April 10, 2013	



### After the Offering

Total Number of Investment Units Issued and Outstanding

2,103,383 units ➡ 2,305,447 units

Unitholders' Capital

¥165,925 million ➡ ¥190,067 million

### [Properties Acquired through the Offering]

Property No.	Type of Use	Property Name	Acquisition Price <sup>(Note)</sup>	Pipeline of Property Acquisition
A29	Retail Properties	Yodobashi Camera Multimedia Kichijoji	¥28,000 million	Obtained a preferential negotiation right by the anonymous association equity interest
A30	Retail Properties	Yamada Denki Tecc Land New Matsudo Honten	¥5,150 million	Information network of the asset management company
C7	Hotels	Yotsuya 213 Building	¥5,020 million	Obtained a preferential negotiation right by the anonymous association equity interest
C8	Hotels	HOTEL ROUTE-INN Nagoya Imaike Ekimae	¥2,000 million	Development project by Marubeni (a main sponsor of the asset management company)
Total			¥40,170 million	

Note: The “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, property taxes, city planning taxes, consumption taxes and other costs.

## Acquisitions during the 19th Fiscal Period

### A29 Yodobashi Camera Multimedia Kichijoji

Retail Properties



■ <b>Acquisition Date</b>	March 18, 2013
■ <b>Address</b>	1-19-1 Kichijoji-honcho, Musashino, Tokyo
■ <b>Site Area</b>	3,582.39 m <sup>2</sup>
■ <b>Total Floor Space</b>	37,932.95 m <sup>2</sup>
■ <b>Construction</b>	S/SRC
■ <b>Number of Floors</b>	B4/9F
■ <b>Completed</b>	May 1974 <sup>(Note)</sup>
■ <b>Type of Ownership</b>	Land: Proprietary Ownership Building: Proprietary Ownership

Note: Though the building of this property was built in 1974, the building underwent a large-scale renovation work from 2006 through 2008. Therefore, the specifications of this building were restored to almost a brand-new state upon completion of such large-scale renovation work.





**A30 Yamada Denki Tecc Land New Matsudo Honten***Retail Properties*

■ Acquisition Date	March 18, 2013
■ Address	2289-3,6,8,12 Matsudo Aza Iwase-sakai, 612-1,7 Iwase Aza Kajizuka, Matsudo, Chiba (lot number)
■ Site Area	7,311.98 m <sup>2</sup>
■ Total Floor Space	17,461.22 m <sup>2</sup>
■ Construction	S/SRC
■ Number of Floors	4F
■ Completed	August 2009
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**C7 Yotsuya 213 Building***Hotels*

■ Acquisition Date	March 18, 2013
■ Address	2-1-3 Yotsuya, Shinjuku-ku, Tokyo (lot number)
■ Site Area	1,264.94 m <sup>2</sup>
■ Total Floor Space	7,884.53 m <sup>2</sup>
■ Construction	SRC
■ Number of Floors	14F
■ Completed	April 2001
■ Type of Ownership	Land: Proprietary Ownership Building: Compartmentalized Ownership

**C8 HOTEL ROUTE-INN Nagoya Imaike Ekimae***Hotels*

■ Acquisition Date	March 25, 2013
■ Address	3-31-7 Uchiyama, Chikusa-ku, Nagoya, Aichi
■ Site Area	1,045.37 m <sup>2</sup>
■ Total Floor Space	5,735.24 m <sup>2</sup>
■ Construction	RC
■ Number of Floors	12F
■ Completed	June 2010
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



# Topics of 19th Fiscal Period

## E2 KDDI Fuchu Building

Others



■ Acquisition Date	May 16, 2013
■ Address	1-43 Nikkocho, Fuchu, Tokyo
■ Site Area	5,479.15 m <sup>2</sup> (Note)
■ Total Floor Space	14,165.71 m <sup>2</sup> (Note)
■ Construction	S
■ Number of Floors	6F
■ Completed	December 1999
■ Type of Ownership	Land: Right of Site (co-ownership) Building: Compartmentalized Ownership (co-ownership)

Note: The area of the entire land and building of the property has been indicated. The ownership ratio of the land and building that United Urban holds in the form of co-ownership are 50%.



## 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

Notes: 1. The property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.  
2. Site area of additional acquisition is stated corresponding to expedient ownership of building.

## Sale of Properties

After comprehensive consideration of the various factors, such as the real estate market, financial market trends and the stability of medium- to long-term cash flows from each of its portfolio assets, United Urban decided to sell the following two properties.

Property No.	Type	Property Name	Location	Sale Price	Book Value	Date of Sale
B23	Office Buildings	Pacific Marks Shinkawa	Chuo-ku, Tokyo	¥2,900 million	¥2,728 million	December 27, 2012
D3	Residential Properties	Excellia Magome	Ota-ku, Tokyo	¥620 million	¥578 million	April 24, 2013



## Issuance of Corporate Bonds

United Urban issued the following corporate bonds during the 19th fiscal period to procure funds for repayment of existing borrowings and redemption of existing corporate bonds, as well as to diversify financing methods.

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating (Note)	Use of Proceeds
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)	Repayment of Term Loan 16 and 17 (Borrowing amount: ¥14,200 million)
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)	
5 years	Series 11 of Unsecured Corporate Bonds (for retail investors)	¥8,000 million	0.69% p.a.	May 30, 2013	May 30, 2018	Unsecured Unguaranteed	AA-(JCR)	Payment for redemption of Series 3 of Unsecured Corporate Bonds (¥10,000 million/ Redemption date: June 17, 2013)
5 years	Series 12 of Unsecured Corporate Bonds (for institutional investors)	¥2,000 million	0.69% p.a.	May 30, 2013	May 30, 2018	Unsecured Unguaranteed	AA-(JCR)	

Note: JCR: Japan Credit Rating Agency Ltd.

## Debt Financing

United Urban procured debt financing during the 19th fiscal period, as set forth below.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Use of Proceeds
Term Loan 56 (long term)	Sumitomo Mitsui Trust Bank, Limited	¥4,500 million	0.56000% (variable) (Note 1)	Mar. 15, 2013	Sep. 23, 2020	Unsecured Unguaranteed	Payment for acquisition of four properties (Note 4)
Term Loan 57 (long term)	Sumitomo Mitsui Banking Corporation	¥3,500 million	0.51000% (variable) (Note 1)		Mar. 20, 2019	Unsecured Unguaranteed	
Term Loan 58 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd	¥4,000 million	0.80000% (fixed)		Mar. 23, 2020	Unsecured Unguaranteed	
Term Loan 59 (long term)	Mizuho Bank, Ltd. (Note 3)	¥3,000 million	0.46000% (variable) (Note 1)	Mar. 21, 2013	Mar. 20, 2018	Unsecured Unguaranteed	Repayment of Facility 40-B-1, 40-B-2, and 40-G
Term Loan 60 (long term)	Sumitomo Mitsui Trust Bank, Limited	¥3,283 million	0.56000% (variable) (Note 1)	Mar. 21, 2013	Sep. 23, 2020	Unsecured Unguaranteed	
Term Loan 61 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd	¥2,427 million	0.78000% (fixed)		Mar. 23, 2020	Unsecured Unguaranteed	
Term Loan 62 (long term)	Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Resona Bank, Limited	¥2,417 million	0.54000% (variable) (Note 1)		Mar. 23, 2020	Unsecured Unguaranteed	
Term Loan 63 (long term)	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Mizuho Bank, Ltd. (Note 3)	¥6,207 million	0.51000% (variable) (Note 1)		Sep. 20, 2019	Unsecured Unguaranteed	
Term Loan 64 (long term)	The Norinchukin Bank Aozora Bank, Ltd.	¥3,823 million	0.46000% (variable) (Note 1)		Mar. 20, 2018	Unsecured Unguaranteed	
Term Loan 65 (long term)	Aozora Bank, Ltd.	¥2,000 million	0.48000% (variable) (Note 1)	May 16, 2013	Jun. 20, 2019	Unsecured Unguaranteed	Payment for acquisition of KDDI Fuchu Building
Term Loan 66 (long term)	Mitsubishi UFJ Trust and Banking Corporation	¥2,000 million	0.77750% (Note 2)		Jun. 20, 2018	Unsecured Unguaranteed	
Term Loan 67 (long term)	Shinsei Bank, Limited	¥1,000 million	1.05637% (fixed)		Jun. 20, 2019	Unsecured Unguaranteed	

Notes: 1. Interest rate is the rate at the time of drawdown date.

2. It is a borrowing with variable interest rates applying the one month Euroyen LIBOR as the basic interest rate (basic interest rate (British Bankers' Association ("BBA") one month Euroyen LIBOR) + 0.30%). However, the interest rate for this borrowing is, in effect, fixed at 0.77750% due to the execution of an interest rate swap agreement.

3. Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. through an absorption-type merger under which Mizuho Corporate Bank, Ltd. remains as the surviving company and Mizuho Bank, Ltd. was dissolved as the absorbed company as of July 1, 2013. In addition, Mizuho Corporate Bank, Ltd. changed its company name to "Mizuho Bank, Ltd." on the same day.

4. Yodobashi Camera Multimedia Kichijoji, Yamada Denki Tecc Land New Matsudo Honten, Yotsuya 213 Building, and HOTEL ROUTE-INN Nagoya Imaike Ekimae

# Subsequent Events

## 5th Public Offering (Issuance of New Investment Units)

United Urban implemented another public offering (“the 5th Public Offering”) for the second consecutive period after the 4th public offering conducted during the 19th fiscal period. Through the 5th Public Offering, United Urban aimed to expand its portfolio and enhance its stability by acquiring new properties, and thus aimed to minimize the reversal of reserve for distribution (minimize the utilization of negative goodwill). Moreover, United Urban secures its debt funding capacity by repaying a portion of its existing borrowings, and tries to pursue further external growth.

### [Overview]

Resolution Date of the Issuance	June 21, 2013	
Pricing Date	July 2, 2013	
Total Number of Investment Units Issued	Public offering: 65,000 units	Third party allotment: 9,734 units
Offer Price (per unit)	¥126,616	
Issue Price (per unit)	¥122,610	
Total Issue Price	Public offering: ¥7,970 million	Third party allotment: ¥1,193 million
Payment Date	Public offering: July 9, 2013	Third party allotment: August 7, 2013

### [Related New Properties (Scheduled)]

United Urban decided to acquire two new properties, GRAND-ROUGE Nakanoshima-minami and Tsubogawa Square Building, in order to enhance the stability of our portfolio. By taking full advantage of being a diversified J-REIT, United Urban aims to promote further diversification in its investment target through the acquisition of new types of properties such as “KDDI Fuchu Building (Others: telecommunication facility)” and “Tsubogawa Square Building (Others: call center, etc.).”

Property No.	Type of Use	Property Name	(Scheduled) Acquisition Price <small>(Note 1)</small>	(Scheduled) Acquisition Date	Pipeline of Property Acquisition
D25	Residential Properties	GRAND-ROUGE Nakanoshima-minami	¥1,380 million	June 25, 2013	Support from Marubeni and the Marubeni Group
E2	Others	KDDI Fuchu Building <small>(Note 2)</small>	¥4,920 million	May 16, 2013	Information network of the asset management company
E3	Others	Tsubogawa Square Building	¥4,150 million	November 1, 2013	Information network of the asset management company
Total			¥10,450 million		

Notes: 1. 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, property taxes, city planning taxes and consumption taxes and other costs.

2. United Urban has already acquired “KDDI Fuchu Building” on May 16, 2013 during the 19th fiscal period.

## New Acquisition during the 20th Fiscal Period

### D25 GRAND-ROUGE Nakanoshima-minami

*Residential Properties*



■ Acquisition Date	June 25, 2013
■ Address	1-25-27 Edobori, Nishi-ku, Osaka, Osaka
■ Site Area	405.74 m <sup>2</sup>
■ Total Floor Space	3,741.79 m <sup>2</sup>
■ Type of Use <small>(Note)</small>	Apartment
■ Construction	RC
■ Number of Floors	15F
■ Number of Units Available for Lease	118 units
■ Completed	August 2009
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: Specific uses based on the current status of the building are shown.



## Planned Acquisition during the 20th Fiscal Period

### E3 Tsubogawa Square Building

Others



■ Agreement Date	June 21, 2013
■ Scheduled Acquisition Price	¥4,150 million
■ Scheduled Acquisition Date	November 1, 2013
■ Address	3-3-5 Tsubogawa, Naha, Okinawa
■ Site Area	5,294.63 m <sup>2</sup>
■ Total Floor Space	14,742.80 m <sup>2</sup>
■ Type of Use <sup>(Note)</sup>	Call center, data center, backup office, etc.
■ Construction	S
■ Number of Floors	11F
■ Completed	June 2009
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: Specific uses based on the current status of the building are shown.

## Debt Financing

United Urban procured debt financing on June 20, 2013, as set forth below.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Use of Proceeds
Term Loan 68 (long term)	The Shinkumi Federation Bank Saitama Resona Bank, Limited The Bank of Fukuoka, Ltd.	¥3,500 million	0.45000% (variable) <sup>(Note 1)</sup>	Jun. 20, 2013	Jun. 20, 2018	Unsecured Unguaranteed	Repayment of Term Loan 28 and Term Loan 30
Term Loan 69 (long term)	Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. <sup>(Note 3)</sup> Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd.	¥6,150 million	0.53000% (variable) <sup>(Note 1)</sup>		Jun. 20, 2020	Unsecured Unguaranteed	
Term Loan 70 (long term)	Mitsubishi UFJ Trust and Banking Corporation	¥1,000 million	0.73500% <sup>(Note 2)</sup>		Jun. 20, 2018	Unsecured Unguaranteed	
Term Loan 71 (long term)	ORIX Bank Corporation	¥1,500 million	0.83000% (fixed)		Jun. 20, 2018	Unsecured Unguaranteed	

Notes: 1. Interest rate is the rate at the time of drawdown date.

2. It is a borrowing with variable interest rates applying the one month Euroyen LIBOR as the basic interest rate (basic interest rate (BBA one month Euroyen LIBOR) + 0.30%). However, the interest rate for this borrowing is, in effect, fixed at 0.73500% due to the execution of an interest rate swap agreement.

3. Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. through an absorption-type merger under which Mizuho Corporate Bank, Ltd. remains as the surviving company and Mizuho Bank, Ltd. was dissolved as the absorbed company as of July 1, 2013. In addition, Mizuho Corporate Bank, Ltd. changed its company name to "Mizuho Bank, Ltd." on the same day.

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

## Merits of Diversified J-REIT

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

### Stabilization by diversifying type of use and area of location

United Urban tries to spread the impact of economic trends and stabilize its earnings over the medium to long term by diversifying its investment in terms of the type of use and area of location.

### Expansion of Acquisition Opportunities

United Urban can take a wide-ranging approach to real estate with “Intrinsic Value” without regard to type of use or area of location, and an expansion of acquisition opportunities can be expected.

## Merits of Diversified J-REIT

### Synergy Effect with Marubeni

Marubeni and the Marubeni Group have gained know-how and an extensive network, both domestically and internationally, through the deployment of a wide range of businesses. United Urban will utilize such know-how and network for acquisition and operation of various types of properties.



**United Urban Investment Corporation**

**External  
Growth**

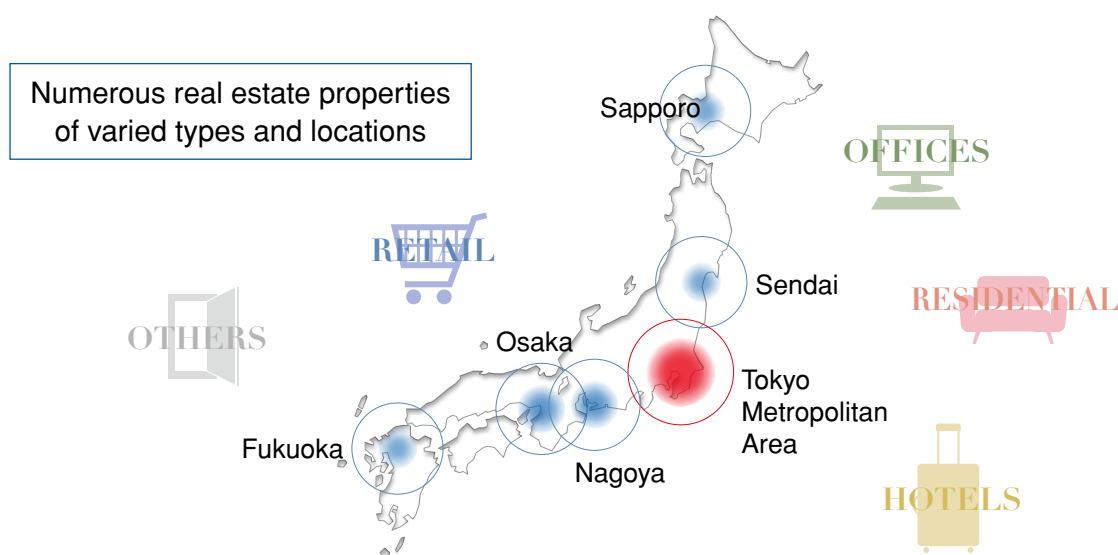
**Internal  
Growth**

**Financial  
Strategy**

## Management Strategy

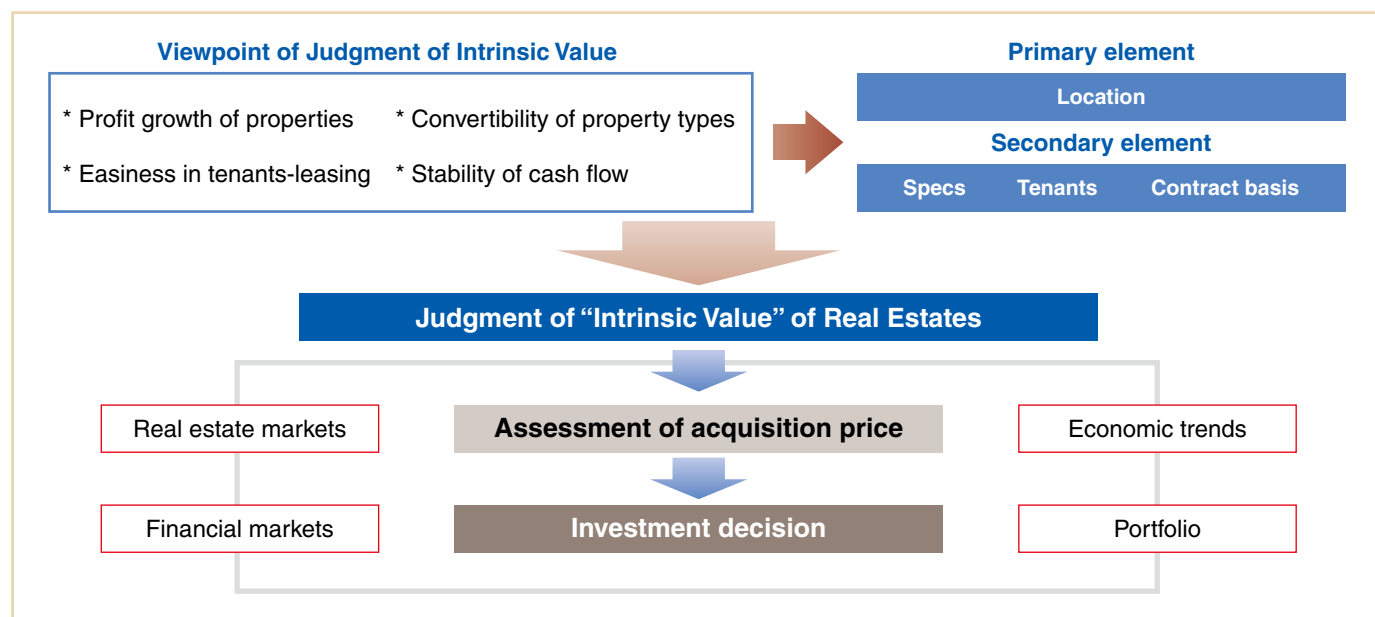
### Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

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



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

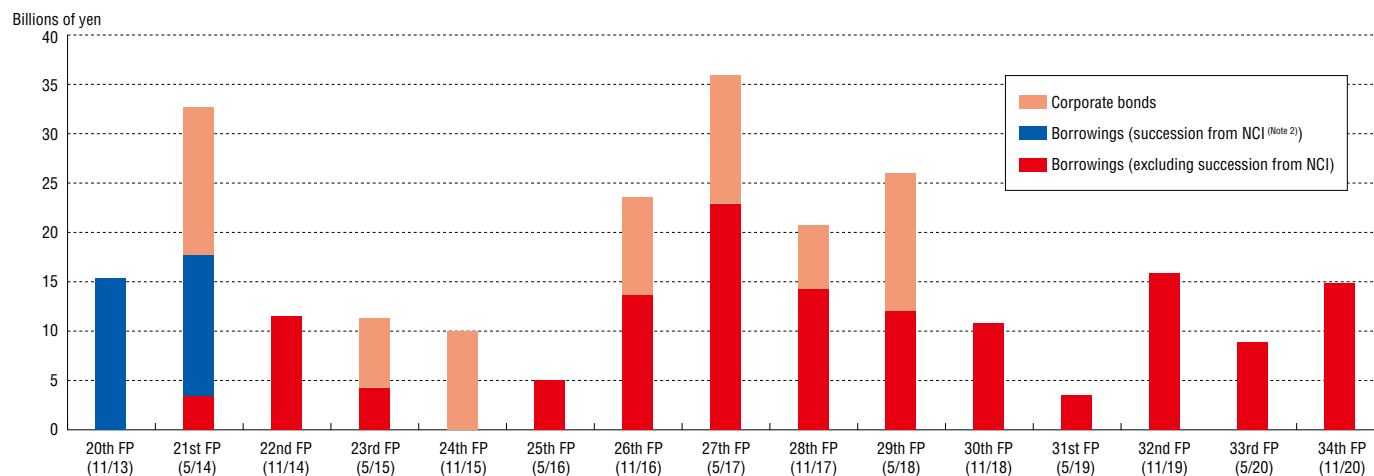
United Urban defines the real estate that can secure stable profitability over the medium to long term, as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of several factors such as the external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



# Financial Strategy and Financial Status

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

## Diversification of Repayment Date (As of July 19, 2013) <sup>(Note 1)</sup>

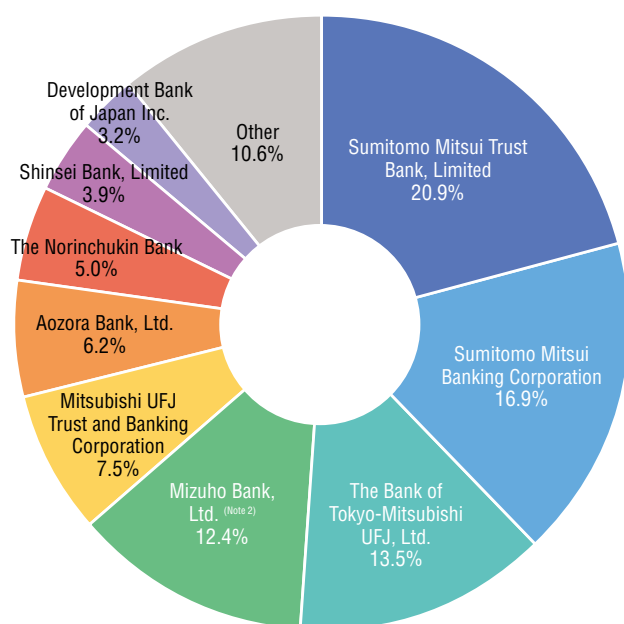


Notes: 1. Repayments less than ¥100 million are not included in the above chart.

2. NCI: Nippon Commercial Investment Corporation

## Lenders and Borrowing Amount (As of July 19, 2013)

Total Borrowing ¥170,806 million



Lenders	Balance (millions of yen)	Share (%) <sup>(Note 1)</sup>
Sumitomo Mitsui Trust Bank, Limited	35,664	20.9
Sumitomo Mitsui Banking Corporation	28,909	16.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	23,096	13.5
Mizuho Bank, Ltd. <sup>(Note 2)</sup>	21,190	12.4
Mitsubishi UFJ Trust and Banking Corporation	12,767	7.5
Aozora Bank, Ltd.	10,545	6.2
The Norinchukin Bank	8,506	5.0
Shinsei Bank, Limited	6,577	3.9
Development Bank of Japan Inc.	5,400	3.2
Resona Bank, Limited	3,652	2.1
The Bank of Fukuoka, Ltd.	2,700	1.6
Mizuho Trust & Banking Co., Ltd.	2,000	1.2
The Shinkumi Federation Bank	2,000	1.2
ORIX Bank Corporation	1,500	0.9
Kansai Urban Banking Corporation	1,000	0.6
Saitama Resona Bank, Limited	1,000	0.6
Sompo Japan Insurance Inc.	1,000	0.6
The Gunma Bank, Ltd.	900	0.5
The Bank of Yokohama, Ltd.	900	0.5
The 77 Bank, Ltd.	500	0.3
The Tokyo Tomin Bank, Limited	500	0.3
The Hiroshima Bank, Ltd.	500	0.3
Total	170,806	100.0

Notes: 1. "Share" is rounded to the nearest one decimal place. Accordingly, "Share" may not add up to the "Total."

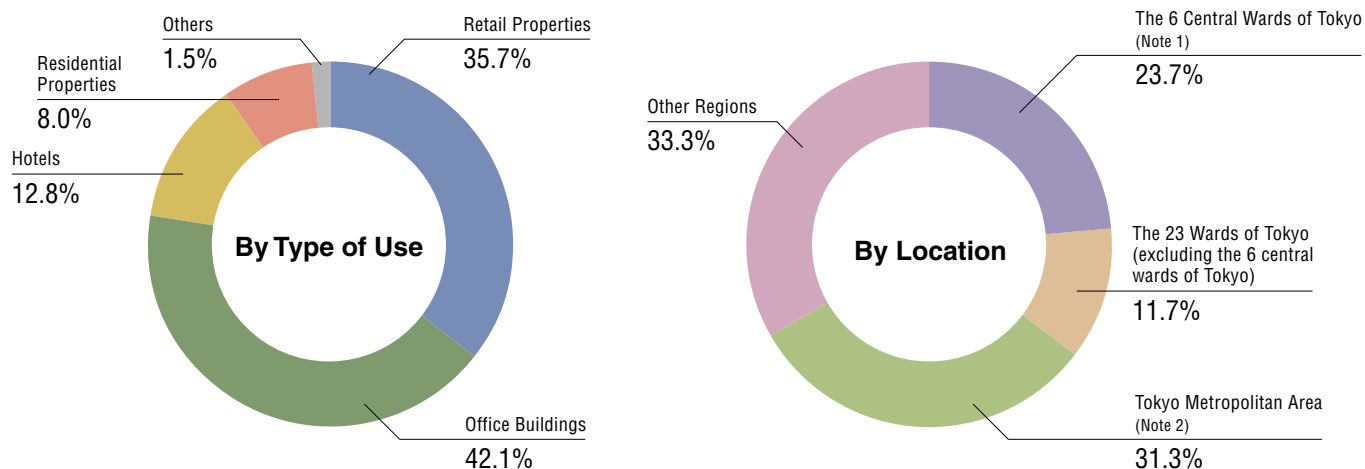
2. Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. through an absorption-type merger under which Mizuho Corporate Bank, Ltd. remains as the surviving company and Mizuho Bank, Ltd. was dissolved as the absorbed company as of July 1, 2013. In addition, Mizuho Corporate Bank, Ltd. changed its company name to "Mizuho Bank, Ltd." on the same day.



# Portfolio Properties

## Portfolio Data

### Portfolio Breakdown (Based on acquisition prices) (As of May 31, 2013)



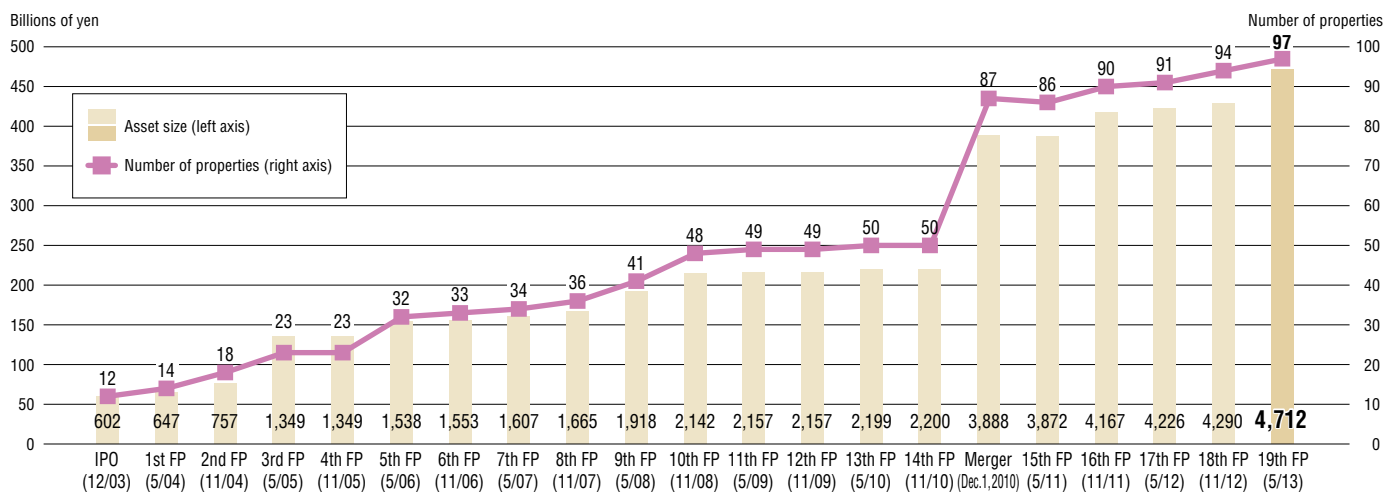
Notes: 1. The "6 Central Wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

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

	2012			2013		
	End of December	End of January	End of February	End of March	End of April	End of May
Retail Properties	96.7%	96.8%	96.8%	97.2%	97.2%	97.2%
Office Buildings	89.2%	88.8%	88.7%	89.3%	90.9%	91.3%
Hotels	99.0%	99.1%	99.1%	99.5%	99.5%	99.5%
Residential Properties	97.5%	97.5%	97.7%	97.7%	97.5%	97.6%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	94.6%	94.5%	94.5%	95.1%	95.6%	95.8%

## Growth of Assets



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

# Portfolio Properties

## Portfolio Roster (As of May 31, 2013)

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 7)	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	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
<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 Toyochi Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 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	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 01, 2010	
B26	Hamamatsucho 262 Building (Note 8) (Note 9)	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	
B28	Pacific Marks Aobadai	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1993	Dec. 01, 2010	

# Portfolio Properties

	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	3.2%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.4%	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	1.1%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.4%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.4%	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	1.1%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.4%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.8%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.9%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.9%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.5%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.5%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	4.8%	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	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.5%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.5%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	1.0%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.5%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	1.1%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.7%	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	—
	28,000	5.9%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	1.1%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	2,257	0.5%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.1%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.4%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.5%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.5%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	3.0%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	4.1%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.1%	(53,363.57)	(—)	(—)	(—)	Proprietary Ownership (Co-ownership)	—
	8,500	1.8%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.9%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	3.1%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.6%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.5%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.3%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.5%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.8%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	4,120	0.9%	1,041.44	6,550.12	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	3,290	0.7%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.5%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	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
	9,890	2.1%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	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
	1,620	0.3%	701.83	3,215.11	SRC	B1/7F	Proprietary Ownership	Compartmentalized Ownership

# Portfolio Properties

## Portfolio Roster (As of May 31, 2013)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Office Buildings</b>						
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 9)	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	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Nagoya, Aichi	Trust beneficial interest in real estate	Jun. 2010	Mar. 25, 2013	
<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 (Note 10)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	May 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 11)	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	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
<b>Total</b>						

- 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 and is round to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.
4. For properties consisting of several buildings, some information in the "Construction" and "Number of Floors" are applicable to the main building.
5. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.

# Portfolio Properties

	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
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.5%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.5%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	1.0%	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	2.0%	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	2.0%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.5%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	21,140	4.5%	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	2.1%	(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	0.8%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	1.0%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.6%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.9%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	1.1%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	2,000	0.4%	1,045.37	5,735.24	RC	12F	Proprietary Ownership	Proprietary Ownership
	2,021	0.4%	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
	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	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.7%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.2%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.6%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.3%	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	0.3%	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	0.7%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.6%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	1.0%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	471,216	100.0%	589,499.77	1,103,424.35				

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

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

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

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

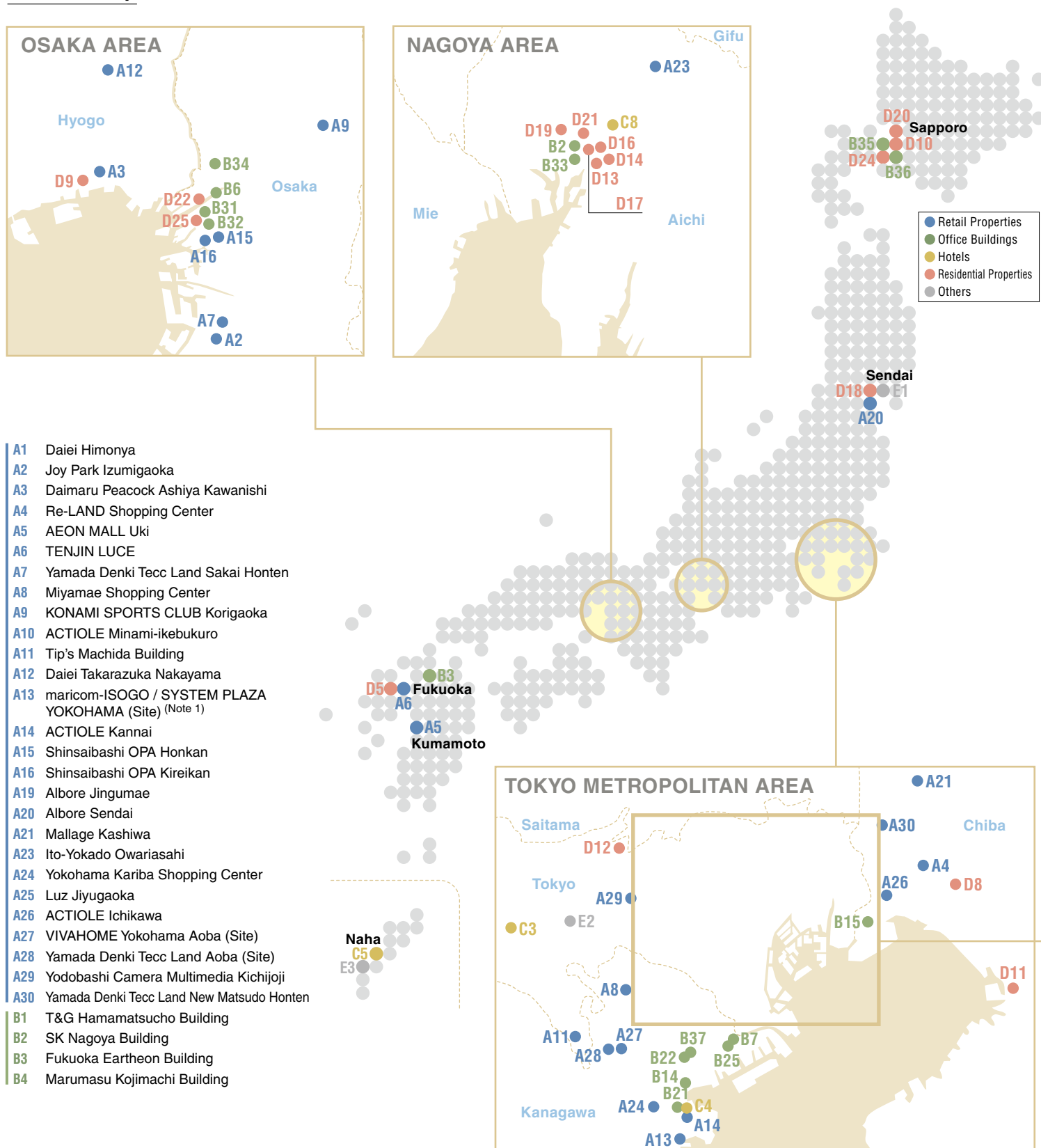
10. "T&G Yotsuya Mansion" was sold on August 23, 2013.

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



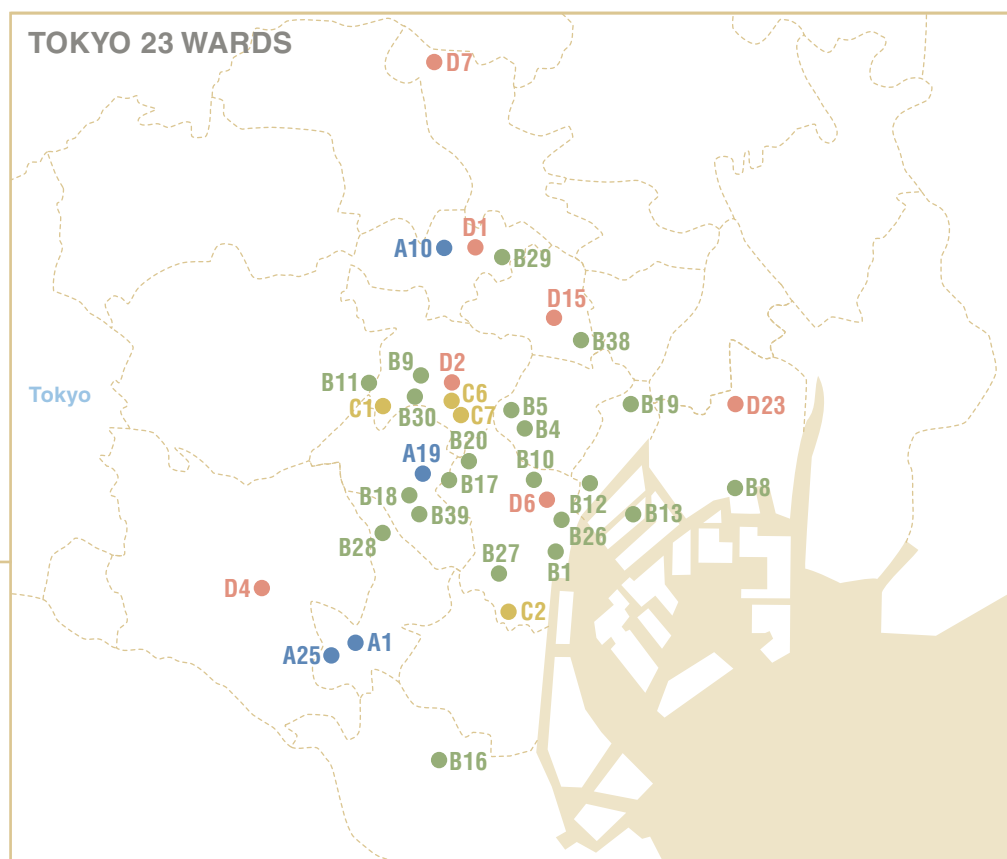
# Portfolio Properties

## Portfolio Map





B5	Rokubancho K Building	B30	Pacific Marks Shinjuku South-gate	D6	Sky Court Shiba-Daimon
B6	Shin-Osaka Central Tower (Note 2)	B31	Pacific Marks Nishi-Umeda	D7	Maison Ukima
B7	Kawasaki Toshiba Building	B32	Pacific Marks Higobashi	D8	Narashino Residence
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)	B33	Nagoya Nishiki City Building	D9	Aprile Shin-Ohgi Ichibankan
B8	UUR Toyocho Building	B34	Pacific Marks Esaka	D10	UUR Court Sapporo Kita-Sanjo
B9	FOUR SEASONS BLDG	B35	Pacific Marks Sapporo Kita-Ichijo	D11	UUR Court Chiba Soga
B10	Hitachi High-Tech Building	B36	Shin-Sapporo Center Building	D12	Higashi-kurume Dormitory Shinkan
B11	Pacific Marks Shinjuku Parkside	B37	ARENA TOWER	D13	Nanzan Court Ichigokan
B12	UUR Tsukiji Building	B38	Yushima First Building	D14	Nanzan Court Nigokan
B13	Pacific Marks Tsukishima	B39	Dogenzaka Square	D15	CLIO Bunkyo Koishikawa
B14	Pacific Marks Yokohama East	C1	Shinjuku Washington Hotel Honkan	D16	GRAND-ROUGE Sakae
B15	Pacific Marks Shin-Urayasu	(B6)	Shin-Osaka Central Tower (Note 2)	D17	GRAND-ROUGE Sakae II
B16	Omori City Building	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D18	MA Sendai Building
B17	Akasaka Hikawa Building	C3	MZ BLD.	D19	UUR Court Nagoya Meieki
B18	Pacific Marks Shibuya Koen-dori	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D20	UUR Court Sapporo Shinoro Ichibankan
B19	Pacific Marks Nihonbashi-Tomizawacho	C5	Hotel JAL City Naha	D21	Park Site IZUMI
B20	Pacific Marks Akasaka-mitsuke	C6	Hotel JAL City Yotsuya Tokyo	D22	UUR Court Osaka Juso-honmachi
B21	Yokohama Aioicho Building	C7	Yotsuya 213 Building	D23	UUR Court Kinshicho
B22	Pacific Marks Shin-Yokohama	C8	HOTEL ROUTE-INN Nagoya Imaie Ekimae	D24	Glenpark Sapporo Premier Tower
B25	Pacific Marks Kawasaki	D1	T&G Higashi-ikebukuro Mansion	D25	GLAND-ROUGE Nakanoshima-minami (Note 4)
B26	Hamamatsucho 262 Building	D2	T&G Yotsuya Mansion (Note 3)	E1	Lilycolor Tohoku Branch
B27	Lila Hijirizaka	D4	Komazawa Court	E2	KDDI Fuchu Building
B28	Pacific Marks Aobadai	D5	Ropponmatsu Court	E3	Tsubogawa Square Building (Note 5)
B29	Otsuka HT Building				



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. "T&G Yotsuya Mansion" was sold on August 23, 2013.  
4. "GRAND-ROUGE Nakanoshima-minami" was acquired on June 25, 2013 during the 20th fiscal period.  
5. "Tsubogawa Square Building" will be acquired during the 20th fiscal period.

# Portfolio Properties

## Major Properties

*Retail Properties*

**A29** Yodobashi Camera Multimedia Kichijoji



*Hotels*

**C1** Shinjuku Washington Hotel Honkan



*Others*

**E2** KDDI Fuchu Building



*Retail Properties*

**A1** Daiei Himonya





*Office Buildings*

**B7** Kawasaki Toshiba Building



*Hotels*

**C5** Hotel JAL City Naha



*Office Buildings/Hotels*

**B6** Shin-Osaka Central Tower



*Office Buildings*

**B10** Hitachi High-Tech Building



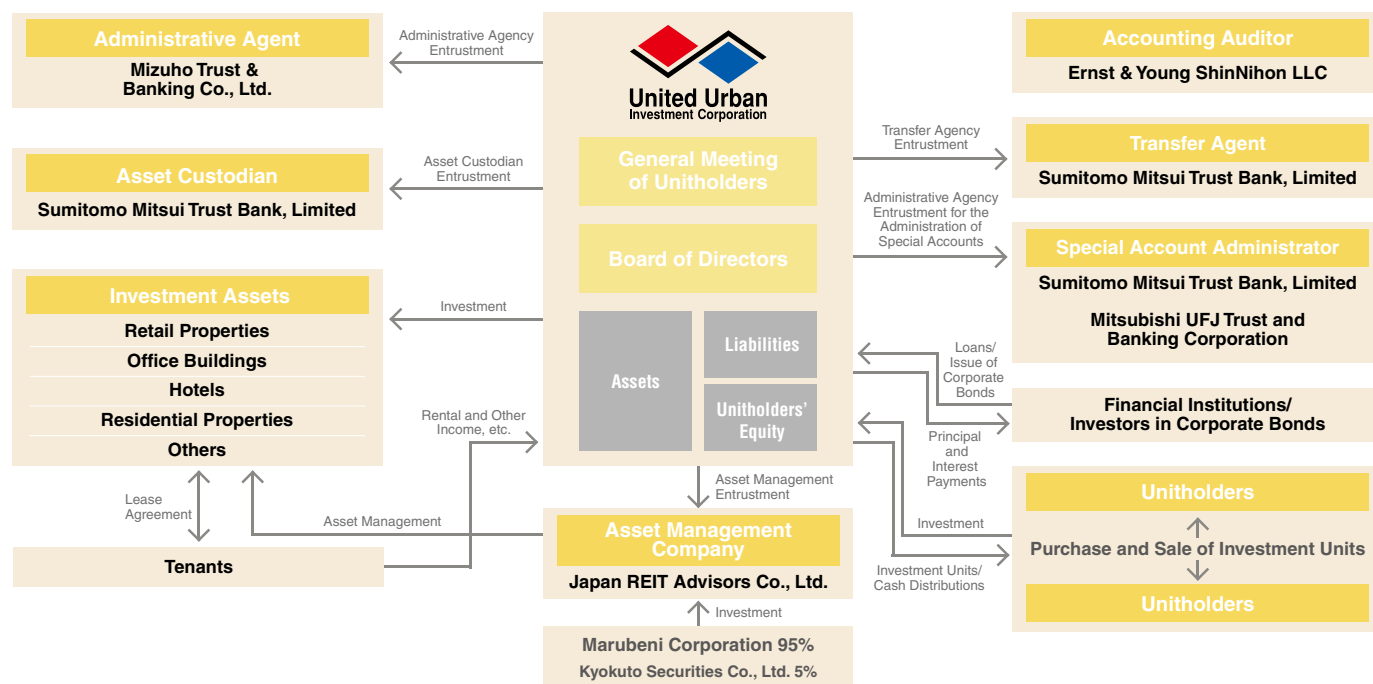
*Residential Properties*

**D18** MA Sendai Building



# Structure of United Urban / Investment Unit Information

## Corporate Structure

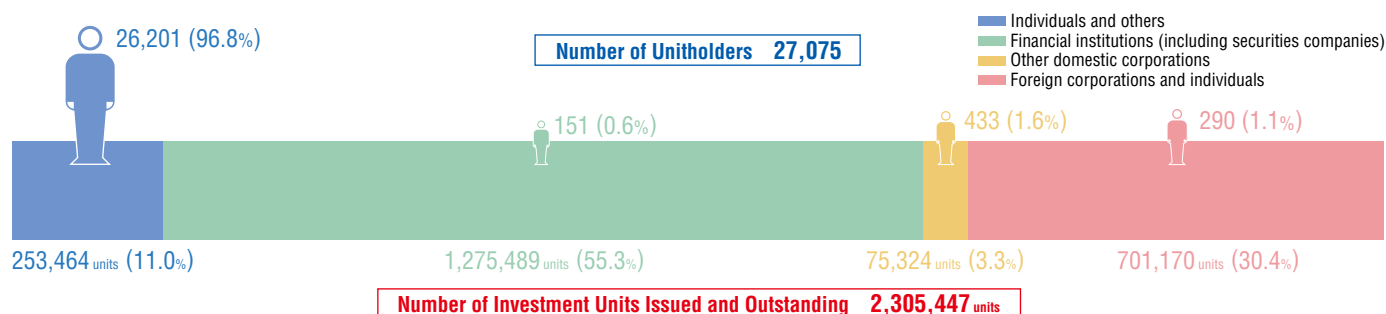


## Unit Price and Trading Volume



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

## Breakdown of Unitholders (As of May 31, 2013)

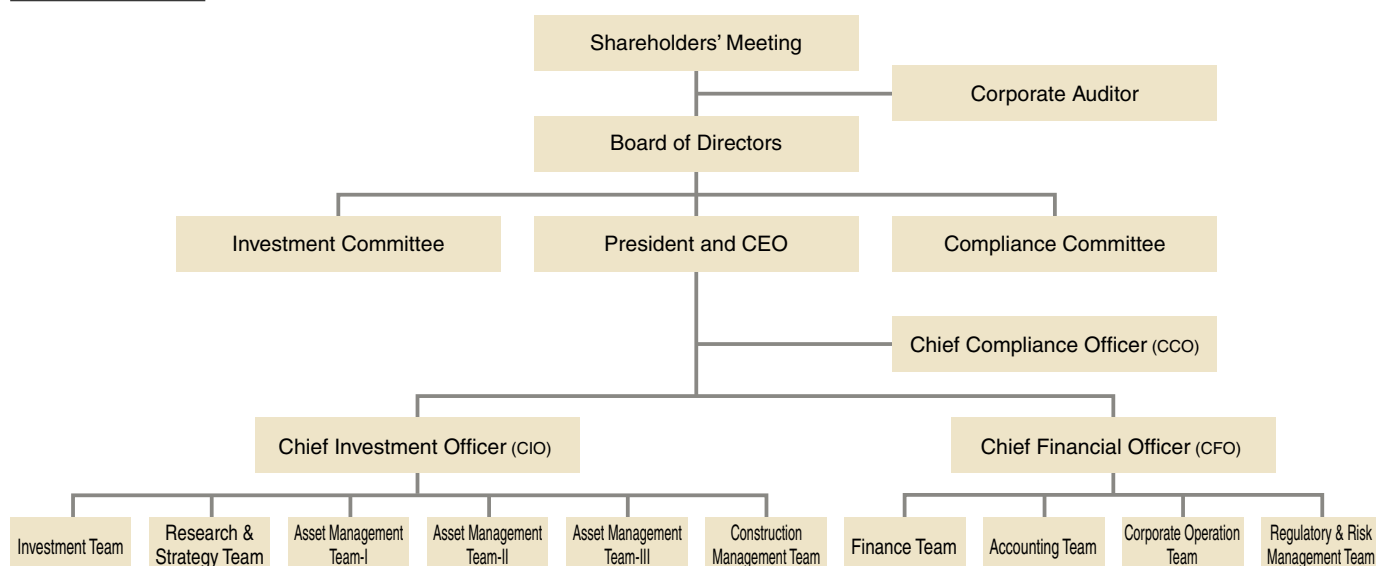


# Profile of Asset Management Company

## 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 May 31, 2013)
<b>Shareholders</b> (As of May 31, 2013)	Marubeni Corporation 95.0% Kyokuto Securities Co., Ltd. 5.0%
<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 May 31, 2013, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

### Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of May 31, 2013, 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	17th fiscal period:	2,103,383 units
	18th fiscal period:	2,103,383 units
	19th fiscal period:	2,191,390 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 of the 17th, 18th and 19th fiscal periods are 183, 183 and 182 days, respectively.

[illegible]

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
Payout ratio	Cash distribution per unit / Net income per unit (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets – Gain or loss on sales of real estate) / Total no. of investment units issued and outstanding 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
Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds

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

## 2. Performance Review for the Current Period

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

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

After the merger with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”), United Urban has been the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size (on an acquisition price basis) (as of May 31, 2013).

As a result of performance, a distribution has been made in each of 18 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 18th fiscal period (fiscal year ended November 30, 2012). For the current period (19th fiscal period: fiscal year ended May 31, 2013), 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. Investment Performance

#### a. Issuance of new investment units

The board of directors’ meetings of United Urban, held on February 22, 2013 and March 5, 2013, resolved the issuance of 190,000 new investment units by way of public offering and the issuance of 12,064 units (maximum) by way of the third-party allotment in order to procure funds for acquiring new specified assets. Payments of ¥22,701 million related to the offering were completed on March 12, 2013, and the payment of 1,441 million related to the third-party allotment for SMBC Nikko Securities Inc. was completed on April 10, 2013, respectively (collectively, the “4th Offering”).

As a result, at the end of the 19th fiscal period, the unitholders’ capital was ¥190,067 million and the total number of investment units issued and outstanding was 2,305,447 units.

#### b. Acquisition and sale of properties

During the current period, United Urban acquired four new properties related to the 4th Offering (total acquisition price: ¥40,170 million). In addition to these four properties, United Urban acquired one new property (KDDI Fuchu Building (acquisition price: ¥4,920 million)) and conducted an additional acquisition of part of an existing property (Hamamatsucho 262 Building (acquisition price: ¥580 million)).

Property No.	Newly Acquired Properties	Type of Use (Note 1)	Location (Residential)	Acquisition Price (Note 2)	Acquisition Date
A29	Yodobashi Camera Multimedia Kichijoji	Department store	1-19-1 Kichijoji-honcho, Musashino, Tokyo	¥28,000 million	March 18, 2013
A30	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
C7	Yotsuya 213 Building	Hotel, Apartment, Store	2-1-3 Yotsuya, Shinjuku-ku, Tokyo (Note 3)	¥5,020 million	March 18, 2013
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Hotel	3-31-7 Uchiyama, Chikusa-ku, Nagoya, Aichi	¥2,000 million	March 25, 2013
Properties acquired related to the 4th Offering Subtotal				¥40,170 million	-
B26	Hamamatsucho 262 Building (additional acquisition) (Note 4)	Office	2-6-2 Hamamatsucho, Minato-ku, Tokyo	¥580 million	January 23, 2013
E2	KDDI Fuchu Building	Machine room (Note 5)	1-43 Nikkocho, Fuchu, Tokyo	¥4,920 million	May 16, 2013
Properties acquired during the 19th period other than acquisition related to the 4th Offering Subtotal				¥5,500 million	-
Properties acquired during the 19th period Total				¥45,670 million	

Notes: 1. Of the type of use indicated in the real estate register, the primary types are stated.  
2. The acquisition prices are stated based on the purchase prices stated in the sale and purchase agreements concerning the acquisition of each property. In addition, the amounts do not include acquisition costs, property taxes, city planning taxes and consumption taxes, etc.  
3. The location of "Yamada Denki Tecc Land New Matsudo Honten" and "Yotsuya 213 Building" shows the location indicated on the real estate register for the building since the property is yet to be assigned an indication of residential address.  
4. The property name was changed from "Towa Hamamatsucho Buiding" to "Hamamatsucho 262 Building" on February 25, 2013.  
5. Substantially, the property is used as a telecommunications facility.

On the other hand, Untied Urban sold two properties: "Pacific Marks Shinkawa" (December 27, 2012, sale price: ¥2,900 million) and "Excellia Magome" (April 24, 2013, sale price: ¥620 million).

#### c. Portfolio overview

As a result of aforementioned acquisitions and sales of property, as of May 31, 2013, the properties which United Urban holds totaled 97 properties, comprising 26 retail properties, 36 office buildings, 1 retail and office complex, 8 hotels, 1 office and hotel complex, 23 residential properties and 2 others, with an aggregate acquisition price of ¥471,216 million. In addition, the total leasable floor space was increased to 997,774.36 sq. m. and the number of tenants increased to 1,536.

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 the existing properties during the current period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 94.5% and 95.8%, and stood at 95.8% on May 31, 2013.

#### B. Financing

During this period, along with procuring funds for acquiring specified assets through the 4th Offering, United Urban conducted various debt financings for the purpose of procuring funds for repayment of existing borrowings and acquisition of specified assets.

The status of interest-bearing liabilities at the end of the previous period and the end of the 19th fiscal period are as follows.

Moreover, United Urban issued Unsecured Corporate Bonds of ¥10,000 million on May 30, 2013 ("Newly Issued Corporate Bonds") for the redemption of Series 3 of Unsecured Corporate Bonds of ¥10,000 million which will mature on June 17, 2013. Accordingly, the balance at the end of the 19th fiscal period in the following table includes both Newly Issued Corporate Bonds (¥10,000 million) and the Corporate Bonds which will mature on June 17, 2013 (¥10,000 million).

(Millions of yen)

	Balance at the End of the 18th Fiscal Period (As of November 30, 2012)	Balance at the End of the 19th Fiscal Period (As of May 31, 2013)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	¥ 165,106	¥ 170,856	¥ 5,750
Total of borrowings	165,106	170,856	5,750
Corporate bonds	61,500	85,500	24,000
Total of interest-bearing liabilities	¥ 226,606	¥ 256,356	¥ 29,750

In addition, amount of borrowings due for repayment within one year is ¥45,199 million, and amount of current portion of corporate bonds is ¥25,000 million (including the Corporate Bonds (¥10,000 million) which will mature on June 17, 2013). Moreover, the details of issuer ratings as of July 31, 2013 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency Ltd. (JCR)	Long-Term Issuer 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 ¥16,150 million (up by 1.1% from the previous period), profit from rental activities of ¥8,573 million (down by 0.3% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥7,224 million (up by 3.1% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥5,252 million (up by 13.3% from the previous period), and a net income of ¥5,252 million (up by 13.3% 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 ¥6,340 million, which is a total of unappropriated profit at the end of the period of ¥5,252 million and reversal of reserve for distribution of ¥1,088 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, United Urban procured funds of ¥24,142 million through issuance of new investment units by way of the public offering in March 2013 (190,000 units) and the third-party allotment in April 2013 (12,064 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
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)
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,626	(Note 7)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 8)

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.  
7. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.  
8. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.

#### 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		
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
Highest	167,400	98,700	96,100
Lowest	92,700	80,300	79,600

#### 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 ¥6,340 million, which is a total of unappropriated profit at the end of the period of ¥5,252 million and reversal of reserve for distribution of ¥1,088 million. In consequence, the distribution per investment unit was fixed at ¥2,750 for the 19th fiscal period.

		19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
Unappropriated retained earnings at the end of period	Thousands of yen	5,251,622	4,635,153	4,849,950
Cash distribution	Thousands of yen	6,339,979	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

As for the real estate rental market in Japan, it is expected that rental revenues will recover in accordance with an improvement in occupancy ratio. Moreover, the increase in real estate value and the further expansion of transactions in the real estate sales market are predicted due to the favorable financing environment and expectation for recovery in revenues of real estate rental market.

Under the circumstances, United Urban will make continuous efforts to maintain or improve the high occupancy ratio and the rental revenues, and reduce the costs for the purpose of the improvement of profitability of its existing portfolio with the policy of carefully

selecting blue-chip properties in consideration of “Intrinsic Value of real estate”.

In regard to the financial strategy, United Urban makes continuous efforts to create robust and stable financial standing by reducing financial costs, lengthening and dispersing debt maturity, and ensuring enough liquidity under the conservative policy of targeting the practical upper limit of LTV (Note) at 50%.

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. Debt Financing

United Urban procured debt financing on June 20, 2013 for repayment of the existing borrowings (total amount: ¥12,150 million), set forth below.

Title	Lender	Amount of Borrowings	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 68	The Shinkumi Federation Bank Saitama Resona Bank, Limited The Bank of Fukuoka, Ltd.	¥3,500 million	Basic interest rate (JBA one month JPY TIBOR)+0.30% (Note 1)	Jun. 20, 2013	Jun. 20, 2018	Unsecured Unguaranteed
Term Loan 69	Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. (Note 2) Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd.	¥6,150 million	Basic interest rate (JBA one month JPY TIBOR)+0.38% (Note 1)	Jun. 20, 2013	Jun. 20, 2020	Unsecured Unguaranteed
Term Loan 70	Mitsubishi UFJ Trust and Banking Corporation	¥1,000 million	Basic interest rate (British Bankers' Association (BBA) one month Euroyen LIBOR)+0.30% (Note 3)	Jun. 20, 2013	Jun. 20, 2018	Unsecured Unguaranteed
Term Loan 71	ORIX Bank Corporation	¥1,500 million	0.83000% (Fixed)	Jun. 20, 2013	Jun. 20, 2018	Unsecured Unguaranteed

- Notes: 1. • From July 20, 2013 as the first interest payment date, and the 20th day of every month thereafter (or if such date is not a business day, the immediately following business day) to the principal repayment date are the interest payment dates.  
• The basic interest rates applicable to a computation period of interest which is paid on the interest payment date (JBA one month JPY TIBOR) are determined two business days prior to the previous interest payment date.  
• For the basic interest rate (JBA one month JPY TIBOR), please see the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/en/tibor/>).  
2. At the drawdown date of Term Loan 69, the corporate name of Mizuho Bank, Ltd. was “Mizuho Corporate Bank, Ltd.” However, Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. through an absorption-type merger under which Mizuho Corporate Bank, Ltd. remains as the surviving company and Mizuho Bank, Ltd. was dissolved as the absorbed company as of July 1, 2013, and Mizuho Corporate Bank, Ltd. changed its company name to “Mizuho Bank, Ltd.” on the same day. Accordingly, the transactions with the former Mizuho Corporate Bank, Ltd. were stated by the current corporate name (“Mizuho Bank, Ltd.”) in this report. The same shall apply hereinafter.  
3. Due to the execution of an interest rate swap agreement, the interest rate of Term Loan 70 is, in effect, fixed at 0.73500%.

### B. Issuance of new investment units

The board of directors' meetings of United Urban, held on June 21, 2013 and July 2, 2013, resolved the issuance of 65,000 new investment units by way of public offering, and the issuance of 9,750 new investment units by way of third-party allotment (maximum) in order to replenish cash reserves, which was reduced by the acquisition of properties and procure fund for a repayment of borrowings. Payments of ¥7,970 million related to the public offering were completed on July 9, 2013, and the payment of ¥1,193 million related to the issuance of new investment units by way of third-party allotment (9,734 units) was completed on August 7, 2013. As a result, the unitholders' capital increased to ¥199,230 million and total number of investment units issued and outstanding increased to 2,380,181 units.

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

Number of investment units issued	: 65,000 units
Offer price (per unit)	: ¥126,616
Total offer price	: ¥8,230,040,000
Issue price (per unit)	: ¥122,610
Total issue price	: ¥7,969,650,000



Payment date : July 9, 2013  
Starting date of the computation for cash distribution : June 1, 2013

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

Number of investment units issued : 9,734 units  
Issue price (per unit) : ¥122,610  
Total issue price : ¥1,193,485,740  
Payment date : August 7, 2013  
Starting date of the computation for cash distribution : June 1, 2013  
Allottee : SMBC Nikko Securities Inc.

C. Acquisition of properties

United Urban decided to acquire the following two properties (total acquisition price: ¥5,530 million) on June 21, 2013, and the acquisition of one property (GRAND-ROUGE Nakanoshima-minami) was completed on June 25, 2013.

Property No.	Property Name	Type of Use (Note 1)	Location (Residential)	(Scheduled) Acquisition Price (Note 2)	(Scheduled) Acquisition Date
E3	Tsubogawa Square Building	Office (Note 3)	3-3-5 Tsubogawa, Naha, Okinawa	¥4,150 million	November 1, 2013 (Note 4)
D25	GRAND-ROUGE Nakanoshima-minami	Apartment	1-25-27 Edobori, Nishi-ku, Osaka, Osaka	¥1,380 million	June 25, 2013
Total				¥5,530 million	-

Notes: 1. Of the types indicated on the real estate register, the primary types are stated.  
2. The (scheduled) acquisition prices are stated based on the purchase prices stated in the sale and purchase agreements concerning the acquisition of each property. In addition, the amount do not include acquisition costs, property taxes, city planning taxes, consumption taxes, etc.  
3. Specifically, the property is mainly used as a call center, while partially being used as a data center and backup office, etc.  
4. The sale and purchase agreement of trust beneficial interest in real estate as of June 21, 2013 (the "Sale and Purchase Agreement") provides that it may be terminated on the grounds of a material breach of obligations thereunder, in which case the party in breach is obliged to pay the other party 20% of the transaction price and other charges.  
However, the Sale and Purchase Agreement is subject to the condition precedent of payment of an acquisition price that United Urban's fund procurement is completed for the acquisition of the trust beneficial interest. Therefore, as for the acquisition of Tsubogawa Square Building, the Sale and Purchase Agreement will be terminated with no penalty if United Urban cannot consummate fund procurement (borrowing, etc.) as of the scheduled acquisition date. Consequently, United Urban believes that the acquisition of Tsubogawa Square Building is not likely cause material adverse effect on (i) United Urban's financial standing and (ii) payment of cash distributions and other conditions.

D. New committed line of credit agreement

United Urban concluded a new committed line of credit agreement on June 21, 2013, as set forth below. As a result, the total maximum loan amount under the committed line of credit agreements increased to ¥29,500 million.

New committed line of credit agreement

Participating financial institutions : Sumitomo Mitsui Trust Bank, Limited  
Mizuho Bank, Ltd.  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Maximum loan amount : ¥20,500 million  
Date of agreement : June 21, 2013  
Term of agreement : From June 21, 2013 to June 20, 2014  
Collateral : Unsecured, unguaranteed

E. Sale of Properties

United Urban decided to sale the following property on August 23, 2013, and completed the sale of the property on the same day.

Property No.	Type of Use	Property Name	Location	Book Value (As of June 30, 2013)	Sale Price (Note 1)	Difference between Book Value and Sale Price (Note 2)	Date of Sale
D2	Residential Properties	T&G Yotsuya Mansion	Shinjuku-ku, Tokyo	¥1,121 million	¥1,280 million	¥158 million	August 23, 2013

Notes: 1. "Sale Price" shown is based on the sale price stated in the sale and purchase agreement. In addition, the "Sale Price" does not include miscellaneous expenses related to 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 June 30, 2013. Therefore, such amount is not a value as of the date of the sale.

F. Lawsuits, etc.

- a. With regard to the petition cases for determining the purchase prices for 13,781 NCI units which have been pending at the Tokyo District Court with five NCI unitholders upon the Merger, United Urban and four unitholders (1,010 units) agreed on the purchase prices based on the determination by the Tokyo District Court, and the payments by United Urban have been completed. With regard to the remaining case with one unitholder (12,771 units), which was pending at the Tokyo High Court, the appeal was dismissed by the Tokyo High Court on March 29, 2013 and since the appellant did not have the intention to make the final appeal, the payment to the unitholder by United Urban was made, and the petition case for determining the purchase prices of investment units in accordance with the Merger was terminated.
- b. With regard to Shinsaibashi OPA Honkan (hereinafter “OPA Honkan”) and Shinsaibashi OPA Kireikan (hereinafter “OPA Kireikan”), a case to reduce the rent of these two properties was brought against United Urban at the Tokyo District Court on October 15, 2012 by OPA co., Ltd., the lessee of the OPA Honkan and OPA Kireikan (hereinafter the “Plaintiff”). Later, the case was decided to be transferred to the Osaka District Court, and is now pending at the Osaka District Court.  
The Plaintiff has requested to reduce the rent of OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent.  
In addition, United Urban obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim to the Osaka District Court against OPA co., Ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level.

## Overall Condition of Investment Corporation

### 1. Summary of Unitholders' Contribution

	19th Fiscal Period (As of May 31, 2013)	18th Fiscal Period (As of November 30, 2012)	17th Fiscal Period (As of May 31, 2012)
Total number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (Units)	2,305,447	2,103,383	2,103,383
Total unitholders' capital (Millions of yen)	190,067	165,925	165,925
Number of unitholders	27,075	26,183	26,218

### 2. Major Unitholders

(As of May 31, 2013)

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	451,770	19.60 %
The Master Trust Bank of Japan, Ltd. (trust account)	151,122	6.55 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	141,806	6.15 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	133,147	5.78 %
NOMURA BANK (LUXEMBOURG) S.A.	70,714	3.07 %
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	34,060	1.48 %
STATE STREET BANK AND TRUST COMPANY 505223	29,769	1.29 %
STATE STREET BANK AND TRUST COMPANY	28,137	1.22 %
North Pacific Bank, Ltd.	27,756	1.20 %
The Chugoku Bank, Limited	25,580	1.11 %
Total	1,093,861	47.45 %

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 May 31, 2013 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Hisamitsu Abe	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, Mitsubishi Kakoki Kaisha, Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	35,900
Total			46,100

Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.

2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of corporate bonds and the issuance of new investment units.

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

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

#### 4. Advisors and Agents

(As of May 31, 2013)

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

## Portfolio Profiles

### 1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		19th Fiscal Period (As of May 31, 2013)	
				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)	7,408,099	1.4
		Other regions		7,581,966	1.5
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,395,825	2.6
			The 23 wards of Tokyo	9,885,974	1.9
			Tokyo metropolitan area	9,619,344	1.9
		Other regions		-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,746,359	0.3
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan area	4,508,153	0.9
		Other regions		-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	3,062,057	0.6
			Tokyo metropolitan area	-	-
		Other regions		822,253	0.2
	Others	Capital region	The 6 central wards of Tokyo	-	-
The 23 wards of Tokyo			-	-	
Tokyo metropolitan area			-	-	
Other regions		-	-		
Subtotal				58,030,030	11.2
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,577,116	0.3
			The 23 wards of Tokyo	23,829,059	4.6
			Tokyo metropolitan area	68,188,917	13.2
		Other regions		55,499,218	10.7
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,378,803	11.9
			The 23 wards of Tokyo	7,797,265	1.5
			Tokyo metropolitan area	47,373,480	9.2
		Other regions		47,322,113	9.2
	Hotels	Capital region	The 6 central wards of Tokyo	30,226,057	5.8
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan area	3,556,149	0.7
		Other regions		19,786,641	3.8
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,204,637	0.4
			The 23 wards of Tokyo	9,546,606	1.8
			Tokyo metropolitan area	2,112,110	0.4
		Other regions		17,560,448	3.4
	Others	Capital region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan area	5,125,994	1.0
		Other regions		1,719,462	0.3
	Subtotal				404,804,075
Anonymous Association Equity Interests (Note 6)				2,953	0.0
Bank Deposits and Other Assets				53,902,020	10.4
Total Assets				516,739,078	100.0

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

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

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

4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital region excluding the "23 wards of Tokyo."
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 May 31, 2013)

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	14,874	14,300	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,363	3,590	13,306.45	13,260.69	99.7	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	749	1,050	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,421	5,460	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 6)
AEON MALL Uki	9,911	10,000	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,467	4,320	4,194.66	3,857.49	92.0	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	2,996	3,010	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,213	4,390	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,825	1,660	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,766	3,260	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,268	4,130	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,521 (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	2,397	1,840	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,528	23,500	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,640	2,860	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,577	1,620	931.14	931.14	100.0	Retail Properties	N/A
Albore Sendai	2,495	2,700	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,982	7,600	40,152.71	39,865.57	99.3	Retail Properties	N/A
Ito-Yokado Owariasahi	4,586	4,800	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 7)
Yokohama Kariba Shopping Center (Note 8) (Note 11)	2,393	1,720	11,345.09	0.00 (Note 11)	0.0 (Note 11)	Retail Properties	N/A
Luz Jiyugaoka	5,188	5,300	2,283.47	2,283.47	100.0	Retail Properties	N/A
ACTIOLE Ichikawa	3,356	3,440	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,741	2,920	9,193.00	9,193.00	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Aoba (Site)	2,270	2,340	7,650.63	7,650.63	100.0	Retail Properties	N/A
Yodobashi Camera Multimedia Kichijoji	29,070	30,900	37,932.95	37,932.95	100.0	Retail Properties	N/A
Yamada Denki Tecc Land New Matsudo Honten	5,287	5,920	17,561.23	17,561.23	100.0	Retail Properties	N/A
T&G Hamamatsucho Building	2,135	2,840	2,420.85	2,135.08	88.2	Office Buildings	N/A



SK Nagoya Building	5,233	4,770	8,708.52	5,818.56	66.8	Office Buildings	N/A
Fukuoka Eartheon Building	1,708	2,250	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,486	2,280	2,579.67	2,001.44	77.6	Office Buildings	N/A
Rokubancho K Building	2,257	3,280	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,850	24,700	45,939.78	43,128.59	93.9	Office / Hotels	N/A
Kawasaki Toshiba Building	19,164	30,300	36,118.31	36,118.31	100.0	Office Buildings	N/A
UUR Toyokocho Building	8,769	7,850	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,262	4,780	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,672	13,300	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,108	10,700	11,119.39	10,074.15	90.6	Office Buildings	N/A
UUR Tsukiji Building	6,653	6,110	5,971.42	3,325.12	55.7	Office Buildings	N/A
Pacific Marks Tsukishima	6,029	5,970	9,336.27	8,798.83	94.2	Office Buildings	N/A
Pacific Marks Yokohama East	7,089	6,700	10,772.92	6,756.36	62.7	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,831	3,830	8,743.05	7,545.53	86.3	Office Buildings	N/A
Omori City Building	4,004	4,370	4,929.82	4,659.13	94.5	Office Buildings	N/A
Akasaka Hikawa Building	3,268	3,430	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,520	2,700	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Nihonbashi-Tomizawacho	1,843	1,840	2,631.17	2,631.17	100.0	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,208	1,990	1,675.13	1,159.35	69.2	Office Buildings	N/A
Yokohama Aioicho Building	1,014	1,140	2,444.45	1,888.86	77.3	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,669	1,480	3,110.72	2,771.59	89.1	Office Buildings	N/A
Pacific Marks Kawasaki	9,619	10,000	7,398.91	7,108.67	96.1	Office Buildings	N/A
Hamamatsucho 262 Building (Note 9)	6,778	6,560	6,203.44	5,594.01	90.2	Office Buildings	N/A
Lila Hijirizaka	2,711	2,680	4,255.02	4,152.16	97.6	Office Buildings	N/A
Pacific Marks Aobadai	1,622	1,520	2,486.40	1,229.55	49.5	Office Buildings	N/A
Otsuka HT Building	1,117	1,180	1,794.71	1,497.04	83.4	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,448	2,670	1,742.04	1,531.44	87.9	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,588	6,850	11,040.21	9,877.71	89.5	Office Buildings	N/A
Pacific Marks Higobashi	4,426	4,280	7,623.58	6,771.83	88.8	Office Buildings	N/A
Nagoya Nishiki City Building	2,616	2,390	5,617.28	3,770.42	67.1	Office Buildings	N/A
Pacific Marks Esaka	9,221	9,800	20,052.44	19,181.28	95.7	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,797	1,800	4,761.87	4,657.11	97.8	Office Buildings	N/A
Shin-Sapporo Center Building	948	1,010	2,797.03	2,416.87	86.4	Office Buildings	N/A
ARENA TOWER	9,355	10,600	17,967.45	17,707.24	98.6	Office Buildings	N/A
Yushima First Building	2,171	2,470	4,623.66	4,241.10	91.7	Office Buildings	N/A
Dogenzaka Square	2,397	2,510	2,231.84	2,145.25	96.1	Office Buildings	N/A

Shinjuku Washington Hotel Honkan	20,713	20,100	53,363.11	53,256.78	99.8	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,746	2,140	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,556	3,290	6,670.21	6,386.96	95.8	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,508	4,260	7,139.44	6,969.35	97.6	Hotels	N/A
Hotel JAL City Naha	7,632	7,500	13,701.80	13,701.80	100.0	Hotels	N/A
Hotel JAL City Yotsuya Tokyo	4,306	4,550	7,854.86	7,854.86	100.0	Hotels	N/A
Yotsuya 213 Building	5,207	5,240	7,550.16	7,550.16	100.0	Hotels	N/A
HOTEL ROUTE-INN Nagoya Imaike Ekimae	2,089	2,340	5,880.69	5,880.69	100.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,642	2,010	2,603.22	2,583.04	99.2	Residential Properties	N/A
T&G Yotsuya Mansion (Note 12)	1,124	1,280	1,679.10	1,549.65	92.3	Residential Properties	N/A
Komazawa Court	1,561	2,080	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	659	500	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,081	1,120	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,363	3,940	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,063	1,170	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,756	3,170	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,145	1,310	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga	578	617	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	472	487	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	968	999	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	409	476	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	2,981	3,030	4,097.51	3,826.91	93.4	Residential Properties	N/A
GRAND-ROUGE Sakae	1,404	1,320	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,190	1,160	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,154	3,580	11,525.36	11,386.87	98.8	Residential Properties	N/A
UUR Court Nagoya Meieki	1,386	1,310	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	822	816	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	880	674	2,067.95	1,976.74	95.6	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,502	1,440	3,650.00	3,650.00	100.0	Residential Properties	N/A
UUR Court Kinshicho (Note 10)	3,062	3,160	5,420.18	4,297.41	79.3	Residential Properties	N/A
Glenpark Sapporo Premier Tower	2,108	2,410	7,817.12	6,931.02	88.7	Residential Properties	N/A
Lilycolor Tohoku Branch	1,720	1,920	9,271.16	9,271.16	100.0	Others	N/A
KDDI Fuchu Building	5,126	5,120	14,490.92	14,490.92	100.0	Others	N/A
Total	462,834	474,949	997,774.36	955,863.58	95.8		

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 May 31, 2013 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 May 31, 2013. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The same shall apply hereinafter.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area
  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 ¥3,521 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 "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.
  10. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.
  11. For Yokohama Kariba Shopping Center, the lease agreement with a new tenant (Don Quijote Co., Ltd.) has been entered into as of May 31, 2013. The agreement start date is July 1, 2013, and the occupancy ratio of the property is 100.0 % as of July 1, 2013.
  12. United Urban sold T&G Yotsuya Mansion on August 23, 2013.

### 3. Selected Financial Data by Property

Name of Property	19th Fiscal Period (December 1, 2012 to May 31, 2013)			
	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	243	1.5
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	15	97.9	255	1.6
AEON MALL Uki	1	100.0	453	2.9
TENJIN LUCE	8	92.0	157	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	207	1.3
Daiei Takarazuka Nakayama	1	100.0	152	1.0
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	298	1.9
ACTIOLE Kannai	9	100.0	57	0.4
Shinsaibashi OPA Honkan	1	100.0	708	4.5
Shinsaibashi OPA Kireikan	1	100.0	88	0.6

Albore Jingumae	4	100.0	44	0.3
Albore Sendai	5	100.0	105	0.7
Mallage Kashiwa	97	99.3	692	4.4
Ito-Yokado Owariasahi	1	100.0	224	1.4
Yokohama Kariba Shopping Center (Note 5) (Note 10)	0 (Note 10)	0.0 (Note 10)	-	-
Luz Jiyugaoka	21	100.0	159	1.0
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)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 4)	(Note 4)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 4)	(Note 4)
T&G Hamamatsucho Building	5	88.2	76	0.5
SK Nagoya Building	6	66.8	149	0.9
Fukuoka Eartheon Building	4	100.0	115	0.7
Marumasu Kojimachi Building	14	77.6	56	0.4
Rokubancho K Building	1	100.0	117	0.7
Shin-Osaka Central Tower	57	93.9	1,055	6.7
Kawasaki Toshiba Building	1	100.0	969	6.1
UUR Toyochi Building	1	100.0	271	1.7
FOUR SEASONS BLDG	2	100.0	161	1.0
Hitachi High-Tech Building	2	100.0	383	2.4
Pacific Marks Shinjuku Parkside	21	90.6	245	1.5
UUR Tsukiji Building	2	55.7	90	0.6
Pacific Marks Tsukishima	41	94.2	224	1.4
Pacific Marks Yokohama East	13	62.7	171	1.1
Pacific Marks Shin-Urayasu	13	86.3	185	1.2
Omori City Building	8	94.5	169	1.1
Akasaka Hikawa Building	1	100.0	117	0.7
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.5
Pacific Marks Nihonbashi-Tomizawacho	7	100.0	61	0.4
Pacific Marks Akasaka-mitsuke	6	69.2	40	0.3
Yokohama Aioicho Building	17	77.3	54	0.3
Pacific Marks Shin-Yokohama	11	89.1	54	0.3
Pacific Marks Shinkawa (Note 6)	-	-	18	0.1
Pacific Marks Kawasaki	35	96.1	309	1.9
Hamamatsucho 262 Building (Note 7)	17	90.2	197	1.2
Lila Hijirizaka	14	97.6	100	0.6
Pacific Marks Aobadai	3	49.5	45	0.3
Otsuka HT Building	5	83.4	51	0.3
Pacific Marks Shinjuku South-gate	9	87.9	90	0.6
Pacific Marks Nishi-Umeda	24	89.5	279	1.8
Pacific Marks Higobashi	20	88.8	145	0.9

Nagoya Nishiki City Building	16	67.1	104	0.7
Pacific Marks Esaka	29	95.7	461	2.9
Pacific Marks Sapporo Kita-Ichijo	13	97.8	93	0.6
Shin-Sapporo Center Building	17	86.4	58	0.4
ARENA TOWER	12	98.6	408	2.6
Yushima First Building	6	91.7	112	0.7
Dogenzaka Square	29	96.1	92	0.6
Shinjuku Washington Hotel Honkan	7	99.8	740	4.7
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.4
MZ BLD.	9	95.8	132	0.8
HOTEL ROUTE-INN Yokohama Bashamichi	3	97.6	153	1.0
Hotel JAL City Naha	2	100.0	226	1.4
Hotel JAL City Yotsuya Tokyo	3	100.0	178	1.1
Yotsuya 213 Building	4	100.0	70	0.4
HOTEL ROUTE-INN Nagoya Imaike Ekimae	1	100.0	(Note 4)	(Note 4)
T&G Higashi-ikebukuro Mansion	128	99.2	65	0.4
T&G Yotsuya Mansion (Note 11)	72	92.3	44	0.3
Excellia Magome (Note 8)	-	-	17	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	32	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	85	93.4	99	0.6
GRAND-ROUGE Sakae	1	100.0	45	0.3
GRAND-ROUGE Sakae II	1	100.0	39	0.2
MA Sendai Building	150	98.8	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	39	95.6	28	0.2
UUR Court Osaka Juso-honmachi	1	100.0	52	0.3
UUR Court Kinshicho (Note 9)	164	79.3	104	0.7
Glenpark Sapporo Premier Tower	137	88.7	108	0.7
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
KDDI Fuchu Building	1	100.0	(Note 4)	(Note 4)
Total	1,536	95.8	15,855	100.0

- Notes:
1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
  2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
  3. "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. United Urban sold Pacific Marks Shinkawa on December 27, 2012.
  7. The property name was changed from "Towa Hamamatsucho Building" to "Hamamatsucho 262 Building" on February 25, 2013.
  8. United Urban sold Excellia Magome on April 24, 2013.
  9. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.
  10. For Yokohama Kariba Shopping Center, the lease agreement with a new tenant (Don Quijote Co., Ltd.) has been entered into as of May 31, 2013. The agreement start date is July 1, 2013, and the occupancy ratio of the property is 100.0 % as of July 1, 2013.
  11. United Urban sold T&G Yotsuya Mansion on August 23, 2013.

#### 4. Amount of Contract and Fair Value of Specified Transactions

(As of May 31, 2013)

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2) (Note 3)	Remarks
			over one year		
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	2,000,000	2,000,000	(9,897)	(Note 4)
Total		2,000,000	2,000,000	(9,897)	

- Notes:
1. The "Amount of Contract" of the interest-rate swaps is based on the notional principal.
  2. The "Fair Value" is evaluated at the prices calculated by the other party of the transaction based on the prevailing market rates, etc.
  3. Among the fair value amount, the interest rate swaps for which United Urban applied the special treatment under the "Accounting Standard for Financial Instruments" (Statement No.10 issued by Accounting Standards Board of Japan on March 10, 2008), are not measured at fair value in the balance sheets.
  4. The interest rate swap transaction above is the interest rate swap agreement concluded on May 14, 2013, which is subject to the special treatment of interest rate swaps (notional principal: ¥2,000 million). The said interest rate swap agreement is intended to convert the terms of receipts and payments of interest rate for long-term borrowing executed on May 16, 2013.

#### 5. Status of Other Assets

The trust beneficial interests in real estate, etc., held by United Urban as of May 31, 2013 are stated in "2. Selected Data by Property". Other specified assets as of May 31, 2013 are as follows:

(As of May 31, 2013)

Type	Name	Aggregate Nominal Amount (Thousands of yen)	Book Value (Thousands of yen)	Accrued Interest Receivable (Thousands of yen)	Prepaid Accrued Interest (Thousands of yen)	Appraisal Value (Thousands of yen)	Appraisal profit or loss (Thousands of yen)	Remarks
Negotiable deposit	-	-	10,000,000	-	-	10,000,000	-	
Total		-	10,000,000	-	-	10,000,000	-	



## Capital Expenditures

### 1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Real Estate Assets") scheduled as of May 31, 2013. 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 19th fiscal period	Amount already paid
Daiei Himonya	Renewal of air-conditioning facilities (1st period)	From September 2013 to November 2013	303	-	-
Daiei Himonya	Repair of exterior walls	From December 2013 to May 2014	202	-	-
Daiei Himonya	Renewal of air-conditioning facilities (2nd period)	From March 2014 to May 2014	101	-	-
Joy Park Izumigaoka	Renewal of 1st Floor	From December 2013 to April 2014	400	-	-
Shinsaibashi OPA Kireikan	Renewal of air-conditioning facilities	From November 2013 to February 2014	145	-	-
SK Nagoya Building	Renewal of air-conditioning facilities (in some floors)	From January 2014 to May 2014	153	-	-
FOUR SEASONS BLDG	Renewal of air-conditioning facilities (in some floors)	From October 2013 to January 2014	101	-	-
Pacific Marks Shinjuku Parkside	Renewal of air-conditioning facilities (in some floors)	From April 2013 to October 2013	163	-	-
Pacific Marks Shinjuku Parkside	Renewal of air-conditioning facilities (in some floors)	From October 2013 to March 2014	204	-	-
Pacific Marks Yokohama East	Renewal of air-conditioning facilities (in some floors)	From June 2013 to November 2013	130	-	-

### 2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Real Estate Assets during the 19th fiscal period, which totaled ¥1,433 million. Together with ¥266 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥1,699 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of escalator	From April 2013 to May 2013	39
Daiei Himonya	Maintenance of air-conditioning facilities	From May 2013 to May 2013	12
Miyamae Shopping Center	Repair of deserter prevention equipment	From March 2013 to May 2013	15
Miyamae Shopping Center	Repair of outdoor facilities and parking facilities	From April 2013 to May 2013	10
Mallage Kashiwa	Renewal of air-conditioning facilities	From May 2013 to May 2013	10
Fukuoka Eartheon Building	Replacement of control panel and other parts of multilevel parking facility	From May 2013 to May 2013	11
Shin-Osaka Central Tower	Replacement of chain of multilevel parking facility	From May 2013 to May 2013	35
Shin-Osaka Central Tower	Renewal of air-conditioning facilities of hotel (3rd period)	From December 2012 to February 2013	219
Kawasaki Toshiba Building	Repair of elevator (6th period)	From August 2012 to February 2013	29
UUR Toyocho Building	Renewal of central monitoring facilities	From February 2013 to May 2013	16

FOUR SEASONS BLDG	Renewal of air-conditioning facilities (3rd period)	From March 2013 to May 2013	18
Pacific Marks Shinjuku Parkside	Individual air-conditioning work (3rd period)	From September 2012 to January 2013	142
Pacific Marks Shinjuku Parkside	Renewal of automatic fire alarm equipment and emergency broadcasting system	From March 2013 to March 2013	14
Pacific Marks Tsukishima	Repair of exterior walls	From November 2012 to May 2013	78
Pacific Marks Yokohama East	Renewal of air-conditioning facilities (3rd period)	From December 2012 to May 2013	114
Pacific Marks Yokohama East	Repair of exterior walls	From September 2012 to December 2012	35
Pacific Marks Yokohama East	Renewal of high voltage equipment (4th period)	From May 2013 to May 2013	12
Akasaka Hikawa Building	Replacement of packing for doors and windows, and renewal of window film	From May 2013 to May 2013	14
Hamamatsucho 262 Building	Repair of signboard of tenant at a restaurant floor	From March 2013 to April 2013	16
Pacific Marks Aobadai	Renewal of air-conditioning facilities (3rd period)	From December 2012 to December 2012	15
Nagoya Nishiki City Building	Renewal of air-conditioning facilities	From October 2012 to May 2013	156
Other capital expenditures			423
Total			1,433

### 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		
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
Reserve balance at the beginning of period	4,496	4,005	3,758
Addition to the reserve during the period (Note 1)	77	655	484
Reduction of reserve during the period	3,960	164	237
	(Note 2)		
Reserve balance to be carried over to next period	613	4,496	4,005

Notes: 1. When United Urban assumes all or part of the reserve accumulated within the trust assets by the previous owners in connection with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.

2. United Urban reduced a part of the repair and maintenance reserve in accordance with the revision of development policy for the long-term repair and maintenance plan and the internal rule regarding change in total amount of cash reserved of the asset management company to which United Urban entrusts asset management services.

## Expenses and Debt

### 1. Asset Management Expenses

	Thousands of yen		
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)	17th Fiscal Period (December 1, 2011 - May 31, 2012)
Asset management fees (Note)	1,316,728	1,281,800	1,264,693
Asset custodian fees	16,250	16,141	16,019
Administrative agent fees	69,344	69,011	71,835
Directors' fees	10,200	10,200	10,200
Other expenses	231,888	301,020	266,587
Total	1,644,410	1,678,172	1,629,334

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 (17th fiscal period: ¥70,400 thousand, 18th fiscal period: ¥51,600 thousand, 19th fiscal period: ¥365,360 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of real estate (17th fiscal period: ¥3,328 thousand, 19th fiscal period: ¥28,160 thousand).

### 2. Borrowings

Borrowings from financial institutions as of May 31, 2013 were as follows:

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

Long-term debt due for repayment within one year						
Lenders	Drawdown Date	Balance at the beginning of the 19th FP (Millions of yen) (Note 1)	Balance at the end of the 19th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	4,000	-	1.664%	Dec. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Dec. 20, 2007	2,000	-	1.671%	Dec. 20, 2012	
Saitama Resona Bank, Limited		1,000	-			
Shinsei Bank, Limited		2,500	-			
The Dai-ichi Life Insurance Company, Limited		1,000	-			
Mitsui Sumitomo Insurance Company, Limited		1,000	-			
Sumitomo Mitsui Trust Bank, Limited		2,700	-			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,140	-	1.583%	Mar. 21, 2013	
Mizuho Bank, Ltd.		637	-			
Sumitomo Mitsui Banking Corporation		2,277	-			
Sumitomo Mitsui Trust Bank, Limited		1,783	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		927	-			
Mitsubishi UFJ Trust and Banking Corporation		869	-			
Resona Bank, Limited	339	-				
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	-	1.227%	Mar. 21, 2013	Unsecured Unguaranteed Variable interest rate
Aozora Bank, Ltd.	Nov. 30, 2010 (Note 3)	2,000	-	1.655%	Mar. 21, 2013	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation		2,932	-			
Sumitomo Mitsui Trust Bank, Limited		1,500	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,500	-			

Aozora Bank, Ltd.	Dec. 21, 2009	2,000	2,000	1.642%	Jun. 20, 2013	Unsecured Unguaranteed Fixed interest rate
ORIX Bank Corporation		1,500	1,500			
Saitama Resona Bank, Limited		1,000	1,000			
The Shinkumi Federation Bank		2,000	2,000			
The Bank of Fukuoka, Ltd.		500	500			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Banking Corporation		1,650	1,650			
Mizuho Bank, Ltd.	Jul. 7, 2010	1,000	1,000	1.612%	Jun. 20, 2013	
Sumitomo Mitsui Trust Bank, Limited		1,000	1,000			
Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,710	1,710	1.688%	Sep. 20, 2013	
Shinsei Bank, Limited		3,577	3,577			
Mizuho Bank, Ltd.		955	955			
Sumitomo Mitsui Banking Corporation		1,000	1,000			
Sumitomo Mitsui Trust Bank, Limited		2,676	2,676			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,390	1,390			
Mitsubishi UFJ Trust and Banking Corporation		1,304	1,304			
Resona Bank, Limited		508	508			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	2,253	1.318%	Sep. 20, 2013	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Trust Bank, Limited	Dec. 22, 2008	-	3,400	0.868%	Dec. 20, 2013	
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	-	1,695	1.807%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.		-	948			
Sumitomo Mitsui Banking Corporation		-	5,800			
Sumitomo Mitsui Trust Bank, Limited		-	2,655			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,379			
Mitsubishi UFJ Trust and Banking Corporation		-	1,294			
Resona Bank, Limited		-	505			
Total		59,880	45,199			

(Long-term debt)

Lenders	Drawdown Date	Balance at the beginning of the 19th FP (Millions of yen) (Note 1))	Balance at the end of the 19th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
Sumitomo Mitsui Trust Bank, Limited	Dec. 22, 2008	3,400	-	0.868%	Dec. 20, 2013	Unsecured Unguaranteed Variable interest rate
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,695	-	1.807%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.		948	-			
Sumitomo Mitsui Banking Corporation		5,800	-			
Sumitomo Mitsui Trust Bank, Limited		2,655	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,379	-			
Mitsubishi UFJ Trust and Banking Corporation		1,294	-			
Resona Bank, Limited		505	-			

Mizuho Bank, Ltd.	Jun. 20, 2011	2,850	2,850	0.768%	Jun. 20, 2014	Unsecured Unguaranteed Variable interest rate
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	0.518%	Sep. 20, 2014	
Mizuho Bank, Ltd.	Dec. 21, 2009	1,000	1,000	1.975%	Dec. 20, 2014	Unsecured Unguaranteed Fixed interest rate
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 Bank, Ltd.	Apr. 12, 2012	2,000	2,000	0.568%	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	0.768%	Jun. 20, 2016	
Mizuho Bank, Ltd.	Sep. 27, 2011	1,900	1,900	0.668%	Sep. 20, 2016	
Mizuho Bank, Ltd.	Oct. 25, 2011	2,500	2,500	0.618%	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	0.618%	Dec. 20, 2016	
The Norinchukin Bank	Dec. 26, 2011	4,000	4,000	0.618%	Dec. 20, 2016	
Mizuho Bank, Ltd.		500	500			
Sumitomo Mitsui Banking Corporation	Mar. 30, 2012	2,400	2,400	0.618%	Mar. 20, 2017	
Sumitomo Mitsui Trust Bank, Limited		1,500	1,500			
Kansai Urban Banking Corporation	Mar. 30, 2012	1,000	1,000	0.993%	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	0.618%	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 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	0.518%	Mar. 20, 2017	
Shinsei Bank, Limited	May 18, 2012	1,000	1,000	0.922%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc. (Note 4)	Jul. 7, 2010	1,800	1,750	2.142%	Jun. 20, 2017	
Resona Bank, Limited	May 18, 2012	1,300	1,300	0.568%	Jun. 20, 2017	Unsecured Unguaranteed Variable interest rate
The Gunma Bank, Ltd.	Jun. 20, 2012	900	900	0.568%	Jun. 20, 2017	
The Tokyo Tomin Bank, Limited		500	500			
The Bank of Yokohama, Ltd.		900	900			
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	2,500	0.518%	Jun. 20, 2017	
Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	2,400	0.468%	Jun. 20, 2017	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	4,400	0.740%	Sep. 20, 2017	Unsecured Unguaranteed Fixed interest rate

The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.618%	Mar. 20, 2018	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	2,200	0.518%	Mar. 20, 2018	
Mizuho Bank, Ltd.	Mar. 21, 2013	-	3,000	0.454%	Mar. 20, 2018	
Aozora Bank, Ltd.	Mar. 21, 2013	-	1,570	0.454%	Mar. 20, 2018	
The Norinchukin Bank		-	2,253			
Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	-	2,000	0.420% (Note 5)	Jun. 20, 2018	Unsecured Unguaranteed (Note 5)
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.464%	Sep. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	-	3,500	0.505%	Mar. 20, 2019	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.668%	Jun. 20, 2019	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	May 16, 2013	-	2,000	0.480%	Jun. 20, 2019	Unsecured Unguaranteed Variable interest rate
Shinsei Bank, Limited	May 16, 2013	-	1,000	1.056%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Mar. 21, 2013	-	1,570	0.504%	Sep. 20, 2019	Unsecured Unguaranteed Variable interest rate
Mizuho Bank, Ltd.		-	637			
Sumitomo Mitsui Banking Corporation		-	4,000			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	-	4,000	0.800%	Mar. 23, 2020	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	-	2,427	0.780%	Mar. 23, 2020	
Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	-	1,209	0.534%	Mar. 23, 2020	Unsecured Unguaranteed Variable interest rate
Mitsubishi UFJ Trust and Banking Corporation		-	869			
Resona Bank, Limited		-	339			
Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370%	Jun. 20, 2020	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	-	4,500	0.555%	Sep. 23, 2020	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	-	3,283	0.554%	Sep. 23, 2020	
Total		105,226	125,657			
Borrowings Total		165,106	170,856			

- 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 third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. United Urban assumed these borrowings from NCI along with the Merger as of December 1, 2010.
4. 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).
5. The interest rate for this borrowing is, in effect, fixed at 0.778% due to the execution of an interest rate swap agreement.



### 3. Corporate Bonds

Corporate Bonds as of May 31, 2013 were as follows:

Name	Balance at the beginning of the 19th FP (Millions of yen)	Balance at the end of the 19th FP (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 3 of Unsecured Corporate Bonds (Note)	10,000	10,000	1.55%	Jun. 17, 2010	Jun. 17, 2013	Bullet payment
Series 4 of Unsecured Corporate Bonds	15,000	15,000	1.38%	Dec. 17, 2010	Dec. 17, 2013	Bullet payment
Series 5 of Unsecured Corporate Bonds	7,000	7,000	1.00%	Dec. 16, 2011	Dec. 16, 2014	Bullet payment
Series 6 of Unsecured Corporate Bonds	3,000	3,000	1.12%	Dec. 9, 2011	Dec. 9, 2016	Bullet payment
Series 7 of Unsecured Corporate Bonds	6,500	6,500	0.95%	Jul. 5, 2012	Jul 5, 2017	Bullet payment
Series 8 of Unsecured Corporate Bonds	10,000	10,000	0.80%	Aug. 6, 2012	Aug. 5, 2016	Bullet payment
Series 9 of Unsecured Corporate Bonds	-	10,000	0.62%	Dec. 19, 2012	Dec. 19, 2016	Bullet payment
Series 10 of Unsecured Corporate Bonds	-	4,000	0.69%	Dec. 12, 2012	Dec. 12, 2017	Bullet payment
Series 11 of Unsecured Corporate Bonds	-	8,000	0.69%	May 30, 2013	May 30, 2018	Bullet payment
Series 12 of Unsecured Corporate Bonds	-	2,000	0.69%	May 30, 2013	May 30, 2018	Bullet payment
Total	61,500	85,500				

Note: The Series 3 of Unsecured Corporate Bonds was redeemed at maturity on June 17, 2013 by the procurement funds through the issuance of the Series 11 of Unsecured Corporate Bonds and the Series 12 of Unsecured Corporate Bonds.

## 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 1)	Date	Sale price (Note 1)	Book value	Gain or loss on sale
Real estate (Note 2)	Hamamatsucho 262 Building (additional acquisition) (Note 3)	Jan. 23, 2013	580	-	-	-	-
Trust beneficial interest in real estate	Yodobashi Camera Multimedia Kichijoji	Mar. 18, 2013	28,000	-	-	-	-
Trust beneficial interest in real estate	Yamada Denki Tecc Land New Matsudo Honten	Mar. 18, 2013	5,150	-	-	-	-
Trust beneficial interest in real estate	Yotsuya 213 Building	Mar. 18, 2013	5,020	-	-	-	-
Trust beneficial interest in real estate	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Mar. 25, 2013	2,000	-	-	-	-
Trust beneficial interest in real estate	KDDI Fuchu Building	May 16, 2013	4,920	-	-	-	-
Trust beneficial interest in real estate	Pacific Marks Shinkawa	-	-	Dec. 27, 2012	2,900	2,728	57
Trust beneficial interest in real estate	Excellia Magome	-	-	Apr. 24, 2013	620	578	15
Total			45,670		3,520	3,306	72

- Notes: 1. The "Acquisition price" and "Sale price" are the price stated in the each sale and purchase agreement of the asset, excluding consumption taxes and expenses necessary for making the relevant acquisition and transfer (e.g. agency fees, taxes and impositions), and are rounded to the nearest million yen.
2. United Urban entrusted the property on the same date after the acquisition, and currently holds the property in the form of trust beneficial interest in real estate. The same shall apply hereinafter in this report.
3. United Urban currently owns the trust beneficial interest in a portion of the property, and additionally acquired i) a portion of compartmentalized ownership of the property, and ii) a portion of co-ownership of site right (ownership) of the land on which the property is located.

## 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	Real estate	Hamamatsucho 262 Building (additional acquisition)	Jan. 23, 2013	580	695	Dec. 15, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	Yodobashi Camera Multimedia Kichijoji	Mar. 18, 2013	28,000	30,200	Dec. 31, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	Yamada Denki Tecc Land New Matsudo Honten	Mar. 18, 2013	5,150	5,740	Dec. 31, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	Yotsuya 213 Building	Mar. 18, 2013	5,020	5,240	Dec. 31, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Mar. 25, 2013	2,000	2,300	Dec. 31, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	KDDI Fuchu Building	May 16, 2013	4,920	5,120	Mar. 15, 2013	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Pacific Marks Shinkawa	Dec. 27, 2012	2,900	2,850	Nov. 30, 2012	Japan Real Estate Institute
	Trust beneficial interest in real estate	Excellia Magome	Apr. 24, 2013	620	616	Apr. 1, 2013	The Tanizawa Sogo Appraisal Co., Ltd.

- 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 and The Tanizawa Sogo Appraisal Co., Ltd. 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.

### (2) Others

As for transactions conducted by United Urban other than the transactions stated above in "(1) Real estates" that require research of specified assets value, etc. pursuant to Article 201 of the Investment Trust Act, United Urban entrusts the research to Ernst & Young ShinNihon LLC.

During the 19th fiscal period (from December 1, 2012 to May 31, 2013), one interest rate swap transaction was subject to the research, and United Urban has received the results. As for the research, United Urban entrusted the research on name, brand, contract value, financial instruments or financial index, transaction period, and other matters related to the interest rate swap transaction.

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

(1) Status of transactions

Sale and purchase transactions concerning the specified assets with related parties and major shareholders in the 19th fiscal period were set out below.

Category	Amount of Purchase and Sale Price etc.	
	Purchase price etc. (Thousands of yen)	Sale price etc. (Thousands of yen)
Total Amount	45,670,000 (100.0%)	3,520,000 (100.0%)
	Purchase prices from related parties and major shareholders	Sale prices to related parties and major shareholders
	2,000,000 (4.4%)	-
Breakdown of transactions with related parties and major shareholders		
Marubeni Corporation	HOTEL ROUTE-INN Nagoya Imaike Ekimae 2,000,000 (4.4%)	-

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

The amounts of commissions paid to related parties and major shareholders in the 19th 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)	
Brokerage Commission	1,357,850	Marubeni Asset Management Co., Ltd.	242,850	17.9
Property Management Fees	1,104,748	Marubeni Community Co., Ltd.	143,415	13.0
		Marubeni Real Estate Co., Ltd.	31,567	2.9
		The Daiei, Inc.	1,500	0.1
Casualty Insurance Premium	20,367	Marubeni Safenet Co., Ltd.	20,099	98.7
Construction Management Fees	36,460	Marubeni Community Co., Ltd.	1,226	3.4
		Marubeni Real Estate Co., Ltd.	12,593	34.5

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 Asset Management Co., Ltd., Marubeni Community Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Safenet Co., Ltd. and The Daiei, Inc. as parties that have conducted business or have received payment of commissions up to the end of the 19th fiscal period.

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.: ¥16,301 thousand

## Others

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### Notifications

#### United Urban Board of Directors

The conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 19th fiscal period were as follows:

Administrative agency entrustment in accordance with the issuance of the Series 11 of Unsecured Corporate Bonds (the "11th Bonds") and Series 12 of Unsecured Corporate Bonds (the "12th Bonds")	<p>Based on the comprehensive approval by the board of directors held on April 24, 2013, the administrative agency entrustments in accordance with the issuance of the 11th Bonds and the 12th Bonds were determined on May 17, 2013, as set forth below.</p> <p>1. The 11th Bonds</p> <p>(1) Underwriter SMBC Nikko Securities Inc.</p> <p>(2) Corporate bond trustee Mitsubishi UFJ Trust and Banking Corporation</p> <p>(3) Issuing, paying and administrative agent Mitsubishi UFJ Trust and Banking Corporation</p> <p>2. The 12th Bonds</p> <p>(1) Underwriters Barclays Securities Japan Limited SMBC Nikko Securities Inc.</p> <p>(2) Issuing, paying and administrative agent Sumitomo Mitsui Trust Bank, Limited</p>
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## BALANCE SHEETS

(As of May 31, 2013 and November 30, 2012)

	Thousands of yen	
	End of 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and bank deposits	¥ 40,391,321	¥ 37,834,421
Rent receivables	315,040	270,949
Securities	10,000,000	-
Consumption taxes refundable	593,629	-
Other current assets	520,253	108,456
Total current assets	51,820,243	38,213,826
<b>PROPERTY AND EQUIPMENT, AT COST:</b>		
Land	299,695,192	271,711,106
Buildings and structures	190,431,801	173,401,806
Machinery and equipment	1,578,953	1,507,191
Tools, furniture and fixtures	251,175	247,948
Construction in progress	9,965	16,568
Subtotal	491,967,086	446,884,619
Less accumulated depreciation	(30,867,912)	(28,098,722)
Net property and equipment	461,099,174	418,785,897
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Software	1,353	2,007
Leasehold	1,734,930	1,734,930
Intangible assets	239,095	245,759
Investment securities	2,953	2,212,517
Security deposits paid	90,280	88,120
Long-term prepaid expenses	1,751,050	1,220,938
<b>TOTAL ASSETS</b>	<b>¥ 516,739,078</b>	<b>¥ 462,503,994</b>



	Thousands of yen	
	End of 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	¥ 1,936,832	¥ 2,240,076
Current portion of corporate bonds	25,000,000	10,000,000
Long-term debt due for repayment within one year	45,199,000	59,880,000
Accrued expenses	723,440	919,946
Income taxes payable	605	605
Rent received in advance	2,390,793	2,151,660
Other current liabilities	74,233	1,289,576
<b>Total current liabilities</b>	<b>75,324,903</b>	<b>76,481,863</b>
<b>LONG-TERM LIABILITIES:</b>		
Corporate bonds	60,500,000	51,500,000
Long-term debt	125,657,000	105,226,000
Leasehold and security deposits received	27,114,421	24,763,100
<b>Total long-term liabilities</b>	<b>213,271,421</b>	<b>181,489,100</b>
<b>Total liabilities</b>	<b>288,596,324</b>	<b>257,970,963</b>
<b>NET ASSETS</b>		
<b>UNITHOLDERS' EQUITY:</b>		
Units authorized: 10,000,000 units as of May 31, 2013 and November 30, 2012		
Units issued and outstanding: 2,305,447 units as of May 31, 2013 and 2,103,383 units as of November 30, 2012	190,067,333	165,924,929
Capital surplus	23,548,287	23,548,287
Reserve for distribution	9,275,512	10,424,662
Retained earnings	5,251,622	4,635,153
<b>Total net assets</b>	<b>228,142,754</b>	<b>204,533,031</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>¥ 516,739,078</b>	<b>¥ 462,503,994</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 May 31, 2013 and November 30, 2012)

	Thousands of yen	
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)
<b>OPERATING REVENUES</b>		
Rental revenues	¥ 14,805,971	¥ 14,372,715
Other rental revenues	1,049,363	1,515,402
Gain on sales of real estates	72,489	-
Dividend income from investment in anonymous association	222,598	84,993
	16,150,421	15,973,110
<b>OPERATING EXPENSES</b>		
Property-related expenses	7,282,408	7,291,078
Asset management fees	1,316,728	1,281,800
Administrative service fees	85,594	85,151
Other operating expenses	242,088	311,220
	8,926,818	8,969,249
<b>OPERATING INCOME</b>	7,223,603	7,003,861
<b>NON-OPERATING REVENUES</b>		
Interest income	1,270	1,882
Reversal of cash distributions payable	2,647	3,927
Insurance income	1,170	980
Subsidy income	1,905	8,614
Interest on refund	106	14
Other non-operating revenues	49	3,033
	7,147	18,450
<b>NON-OPERATING EXPENSES</b>		
Interest expense	1,257,595	1,774,933
Interest expense on corporate bonds	440,107	378,072
Corporate bond issuance expenses	157,953	106,046
Investment unit issuance expenses	58,075	-
Other non-operating expenses	64,793	127,502
	1,978,523	2,386,553
<b>ORDINARY INCOME</b>	5,252,227	4,635,758
<b>INCOME BEFORE INCOME TAXES</b>	5,252,227	4,635,758
<b>INCOME TAXES</b>		
Current	605	605
	605	605
<b>NET INCOME</b>	5,251,622	4,635,153
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	-	-
<b>RETAINED EARNINGS AT THE END OF PERIOD</b>	¥ 5,251,622	¥ 4,635,153

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

## STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the fiscal periods ended May 31, 2013 and November 30, 2012)

						Thousands of yen	
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Retained Earnings	Total Unitholders' Equity	Net Assets
<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
Issuance of new investment units	202,064	24,142,404	-	-	-	24,142,404	24,142,404
Reversal of reserve for distribution	-	-	-	(1,149,150)	-	(1,149,150)	(1,149,150)
Cash distributions disbursed	-	-	-	-	(4,635,153)	(4,635,153)	(4,635,153)
Net income	-	-	-	-	5,251,622	5,251,622	5,251,622
<b>BALANCE AS OF MAY 31, 2013</b>	2,305,447	¥190,067,333	¥ 23,548,287	¥9,275,512	¥5,251,622	¥228,142,754	¥228,142,754

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

## STATEMENTS OF CASH FLOWS

(For the fiscal periods ended May 31, 2013 and November 30, 2012)

	Thousands of yen	
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes	¥ 5,252,227	¥ 4,635,758
Depreciation and amortization	3,287,464	3,132,823
Gain on sale of properties	(72,489)	-
Interest income and interest on securities	(1,270)	(1,882)
Interest expense and interest expense on corporate bonds	1,697,702	2,153,006
Corporate bond issuance expenses	157,953	106,046
Investment unit issuance expenses	58,075	-
Increase in rent receivables	(44,091)	(32,584)
Increase in consumption taxes refundable	(593,228)	-
(Increase) decrease in prepaid expenses	(385,192)	382,517
(Increase) decrease in long-term prepaid expenses	(106,274)	17,634
(Decrease) increase in trade accounts payable	(95,130)	192,610
(Decrease) increase in accrued expenses	(34,987)	34,270
Decrease in consumption taxes payable	(42,031)	(324,967)
Increase (decrease) in rent received in advance	239,132	(61,854)
Other, net	(41,610)	(315,690)
Subtotal	9,276,251	9,917,687
Interest received	1,249	1,861
Interest paid	(2,127,324)	(1,907,144)
Income taxes paid	(29,219)	(11,210)
Net cash provided by operating activities	7,120,957	8,001,194
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of property and equipment	3,378,519	-
Purchase of property and equipment	(49,136,663)	(8,485,186)
Proceeds from refund of investment securities	2,183,584	198,635
Proceeds from collection of leasehold and security deposits	30	-
Payments for leasehold and security deposits	(2,190)	(180)
Proceeds from leasehold and security deposits received	3,174,519	642,140
Payments for leasehold and security deposits received	(747,451)	(312,900)
Net cash used in investing activities	(41,149,652)	(7,957,491)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	38,157,000	21,400,000
Repayment of long-term debt	(32,407,000)	(31,210,396)
Proceeds from issuing corporate bonds	23,849,639	16,397,430
Proceeds from issuance of investment units	24,084,330	-
Payment of demands for purchase of investment units	(1,314,763)	-
Distributions to unitholders	(5,783,632)	(5,781,340)
Net cash provided by financing activities	46,585,574	805,694
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	12,556,879	849,397
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	37,627,298	36,777,901
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	¥ 50,184,177	¥ 37,627,298

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

# NOTES TO FINANCIAL STATEMENTS

(May 31, 2013 and November 30, 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 May 10, 2010, United Urban entered into a merger agreement ("Merger Agreement") with Nippon Commercial Investment Corporation ("NCI"). The Merger was effective December 1, 2010, and United Urban became one of the largest J-REITs in terms of asset size.

As of May 31, 2013, the end of its 19th fiscal period, United Urban had ownership of, or beneficial interests in, 26 retail properties, 36 office buildings, 8 hotels, 23 residential properties, 1 property which consisted of retail properties and an office building, 1 property which consisted of an office building and a hotel, and 2 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

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

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

The accompanying financial statements are translations of the audited financial statements of United Urban, prepared in accordance with Japanese GAAP and presented in the Securities Report of United Urban filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts in the filed financial statements originally prepared in Japanese, which were rounded down to the nearest thousand yen, have been rounded down 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 19th fiscal period began on December 1, 2012 and ended on May 31, 2013.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### **Securities**

Debt securities held to maturity are stated using the amortized cost method (straight-line method). 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 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 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.

### ***Investment Unit Issuance Expenses***

Investment units 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 ¥16,667 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended November 30, 2012, and ¥133,206 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended May 31, 2013.

### ***Hedge Accounting***

United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation based on its financial policy. Derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instrument for the purpose of avoiding interest-rate risks relating to debts. In addition, the effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.

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

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

### ***Income Taxes***

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

### ***Consumption Taxes***

Consumption taxes withheld and paid are not included in the accompanying 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 May 31, 2013.

## **3. PLEDGED ASSETS AND SECURED DEBT**

At May 31, 2013 and November 30, 2012, the following assets were pledged as collateral for the following debt:

### ***Pledged Assets***

	Thousands of yen	
	End of 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
Cash and bank deposits	¥ 207,143	¥ 207,123
Land	4,204,726	4,204,726
Buildings and structures	4,332,457	4,435,442
Tools, furniture and fixtures	2,255	2,532
Total	¥ 8,746,581	¥ 8,849,823

#### Debt Secured by Pledged Assets

	Thousands of yen	
	End of 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
Leasehold and security deposits received	¥ 1,655,213	¥ 1,762,480
Total	¥ 1,655,213	¥ 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 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
Total amount of commitment	¥30,000,000	¥15,500,000
Outstanding borrowings at end of the period	-	-
Amount unutilized at end of the period	¥30,000,000	¥15,500,000

#### 5. CONTINGENT LIABILITIES

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

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

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

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

#### 6. UNITHOLDERS' EQUITY

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

#### 7. LONG-TERM DEBT

Long-term debt at May 31, 2013 and November 30, 2012 consisted of the following:



	End of 19th Fiscal Period (As of May 31, 2013) Amount (Thousands of yen)		End of 18th Fiscal Period (As of November 30, 2012) Amount (Thousands of yen)	
		Weighted-average interest rate (Note 1)		Weighted-average interest rate (Note 1)
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	-	-	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%
Unsecured loans from banks and trust banks at fixed interest rates, due March 21, 2013	-	-	7,972,000	1.583%
Unsecured loan from a bank at variable interest rates, due March 21, 2013	-	-	2,253,000	1.325%
Unsecured loans from banks and a trust bank at fixed interest rates, due March 21, 2013	-	-	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	1.318%	2,253,000	1.425%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	0.868%	3,400,000	0.975%
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	0.768%	8,700,000	0.780%
Unsecured loan from a trust bank at a variable interest rate, due September 20, 2014	2,800,000	0.518%	2,800,000	0.530%
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	0.568%	5,000,000	0.580%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2016	3,400,000	0.768%	3,400,000	0.780%
Unsecured loan from a bank at a variable interest rate, due September 20, 2016	1,900,000	0.668%	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	0.618%	8,300,000	0.630%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2016	2,000,000	0.618%	2,000,000	0.630%
Unsecured loan from banks at a variable interest rate, due December 20, 2016	4,500,000	0.618%	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	0.618%	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	0.618%	5,500,000	0.630%
Unsecured loan from a trust bank at a variable interest rate, due March 20, 2017	3,500,000	0.518%	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	1,750,000	2.142%	1,800,000	2.142%
Unsecured loan from a bank at a variable interest rate, due June 20, 2017	1,300,000	0.568%	1,300,000	0.580%
Unsecured loan from banks at a variable interest rate, due June 20, 2017	2,300,000	0.568%	2,300,000	0.580%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2017	2,500,000	0.518%	2,500,000	0.530%
Unsecured loan from a bank at a variable interest rate, due June 20, 2017	2,400,000	0.468%	2,400,000	0.480%

Unsecured loan from a bank at a fixed interest rate, due September 20, 2017	4,400,000	0.740%	4,400,000	0.740%
Unsecured loan from a bank at a variable interest rate, due March 20, 2018	3,000,000	0.618%	3,000,000	0.630%
Unsecured loan from a bank at a variable interest rate, due March 20, 2018	2,200,000	0.518%	2,200,000	0.530%
Unsecured loan from a bank at a variable interest rate, due March 20, 2018	3,000,000	0.454%	-	-
Unsecured loan from banks at a variable interest rate, due March 20, 2018	3,823,000	0.454%	-	-
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2018	2,000,000	0.420%	-	-
Unsecured loan from a bank at a fixed interest rate, due September 20, 2018	2,800,000	(Note 2) 1.464%	2,800,000	1.464%
Unsecured loan from a bank at a variable interest rate, due March 20, 2019	3,500,000	0.505%	-	-
Unsecured loan from a bank at a variable interest rate, due June 20, 2019	4,500,000	0.668%	4,500,000	0.680%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at a variable interest rate, due June 20, 2019	2,000,000	0.480%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2019	1,000,000	1.056%	-	-
Unsecured loan from banks at a variable interest rate, due September 20, 2019	6,207,000	0.504%	-	-
Unsecured loan from a bank at a fixed interest rate, due March 23, 2020	4,000,000	0.800%	-	-
Unsecured loan from a bank at a fixed interest rate, due March 23, 2020	2,427,000	0.780%	-	-
Unsecured loan from banks and a trust bank at a variable interest rate, due March 23, 2020	2,417,000	0.534%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from a trust bank at a variable interest rate, due September 23, 2020	4,500,000	0.555%	-	-
Unsecured loan from a trust bank at a variable interest rate, due September 23, 2020	3,283,000	0.554%	-	-
<b>Total</b>	<b>¥ 170,856,000</b>		<b>¥ 165,106,000</b>	

Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.  
2. The interest rate for this borrowing is, in effect, fixed at 0.778% due to the execution of an interest rate swap agreement.

## 8. CORPORATE BONDS

Corporate bonds at May 31, 2013 and November 30, 2012 consisted of the following:

	End of 19th Fiscal Period (As of May 31, 2013)		End of 18th Fiscal Period (As of November 30, 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%	6,500,000	0.95%
Series 8 unsecured bonds, due August 5, 2016	10,000,000	0.80%	10,000,000	0.80%
Series 9 unsecured bonds, due December 19, 2016	10,000,000	0.62%	-	-
Series 10 unsecured bonds, due December 12, 2017	4,000,000	0.69%	-	-
Series 11 unsecured bonds, due May 30, 2018	8,000,000	0.69%	-	-

Series 12 unsecured bonds, due May 30, 2018	2,000,000	0.69%	-	-
Total	¥ 85,500,000		¥ 61,500,000	

## 9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2013 and November 30, 2012 were as follows:

	Thousands of yen	
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)
<b>Operating Revenues</b>	¥ 15,855,334	¥ 15,888,117
<b>Rental Revenues</b>	14,805,971	14,372,715
Rental revenues	13,006,943	12,554,473
Common area charges	1,296,283	1,327,088
Parking revenues	410,832	399,146
Other	91,913	92,008
<b>Other Rental Revenues</b>	1,049,363	1,515,402
Incidental revenues	915,627	1,012,942
Temporary revenues (including cancellation charges)	66,002	435,038
Other miscellaneous revenues	67,734	67,422
<b>Property-Related Expenses</b>	7,282,408	7,291,078
Property and other taxes	1,315,255	1,326,968
Property management fees	1,104,448	1,015,578
Utilities	959,246	1,078,341
Casualty insurance	20,366	17,684
Repairs and maintenance	266,297	345,588
Depreciation and amortization	3,287,464	3,132,823
Other rental expenses	329,332	374,096
<b>Profit from rental activities</b>	¥ 8,572,926	¥ 8,597,039

## 10. GAIN ON SALE OF PROPERTIES

Gain on sale of properties for the fiscal period ended May 31, 2013 was as follows:

	Thousands of yen
	19th Fiscal Period (December 1, 2012 - May 31, 2013)
(Pacific Marks Shinkawa)	
Revenue from sale of properties	¥ 2,900,000
Cost of sale of properties	2,727,624
Other sales expenses	114,962
Gain on sale of properties	¥ 57,414
(Excellia Magome)	
Revenue from sale of properties	¥ 620,000
Cost of sale of properties	578,406
Other sales expenses	26,519
Gain on sale of properties	¥ 15,075

In addition, there was no applicable information on gain on sale of properties for the fiscal period ended November 30, 2012.

## 11. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at May 31, 2013 and November 30, 2012 were summarized as follows:

		(Thousands of yen)	
19th Fiscal Period (As of May 31, 2013)		18th Fiscal Period (As of November 30, 2012)	
(Deferred tax assets – current)		(Deferred tax assets – non current)	
Loss on valuation of investment securities	¥ 8,875	Valuation difference on assets acquired by merger	¥ 24,729,390
Subtotal	8,875	Other	714
Valuation allowance	(8,875)	Subtotal	24,730,104
Total	-	Valuation allowance	(24,730,104)
(Deferred tax assets – non current)		Total	-
Valuation difference on assets acquired by merger	24,576,886	Total deferred tax assets	-
Other	612	(Net deferred tax assets)	-
Subtotal	24,577,498		
Valuation allowance	(24,577,498)		
Total	-		
Total deferred tax assets	-		
(Net deferred tax assets)	-		

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended May 31, 2013 and November 30, 2012 were summarized as follows:

	19th Fiscal Period (As of May 31, 2013)	18th Fiscal Period (As of November 30, 2012)
Statutory tax rate	36.59%	36.59%
Distributions of tax-deductible dividends	(33.65)	(37.64)
Changes in valuation allowance	(2.93)	1.06
Other	0.00	0.00
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 ¥4,635,153 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, and distribute ¥6,339,979 thousand, which is a total of unappropriated profit at the end of the period of ¥5,251,622 thousand and reversal of reserve for distribution ¥1,088,357 thousand (of the balance of reserve for distribution, ¥9,275,511 thousand) for the 19th 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 in debt, etc.

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

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 19th 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 before the expiration of lease agreements. United Urban manages the concerned risks by putting aside an amount sufficient to enable deposits to be returned without interruption and by ensuring liquidity at hand, such as through line-of-credit agreements.

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

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

### **Matters Concerning the Fair Value, etc. of Financial Instruments**

The carrying amounts on the balance sheet, the fair values, and their differences as of May 31, 2013 and November 30, 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)

(19th Fiscal Period: As of May 31, 2013)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 20,711,221	¥ 20,711,221	-
(2) Cash and bank deposits in trust	19,680,100	19,680,100	-
(3) Securities	10,000,000	10,000,000	-
Total assets	¥ 50,391,321	¥ 50,391,321	-
(4) Current portion of corporate bonds	¥ 25,000,000	¥ 25,078,500	¥ 78,500
(5) Long-term debt due for repayment within one year	45,199,000	45,440,890	241,890
(6) Corporate bonds	60,500,000	60,753,300	253,300
(7) Long-term debt	125,657,000	123,715,722	(1,941,278)
(8) Leasehold and security deposits received in trust	536,337	552,944	16,607
Total liabilities	¥ 256,892,337	¥ 255,541,356	¥ (1,350,981)
(9) Derivative transactions	-	-	-

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

	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	-
(4) Current portion of corporate bonds	¥ 10,000,000	¥ 10,041,000	¥ 41,000
(5) Long-term debt due for repayment within one year	59,880,000	60,167,343	287,343

(6) Corporate bonds	51,500,000	51,782,100	282,100
(7) Long-term debt	105,226,000	104,612,214	(613,786)
(8) Leasehold and security deposits received in trust	643,604	671,120	27,516
Total liabilities	¥ 227,249,604	¥ 227,273,777	¥ 24,173

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

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

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

(3) Securities

As securities (negotiable deposit) are settled within a short period of time, the fair value approximates the book value.

(4) Current portion of corporate bonds / (6) Corporate bonds

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

(5) Long-term debt due for repayment within one year / (7) Long-term debt

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

(8) 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.

(9) Derivative transactions

Please refer to "19. Derivative Transactions".

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

	Thousands of yen	
	19th Fiscal Period (As of May 31, 2013)	18th Fiscal Period (As of November 30, 2012)
Investment securities *1 *2	¥ 2,953	¥ 2,212,517
Leasehold and security deposits received *3	2,621,180	2,634,972
Leasehold and security deposits received in trust *3	¥ 23,317,466	¥ 20,917,822

\*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 investment securities (anonymous association equity interests), an impairment loss of ¥25,980 thousand was recorded in the 19th fiscal period.

\*3 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 and debt securities held to maturity to be repaid subsequent to May 31, 2013 and November 30, 2012

(19th Fiscal Period: As of May 31, 2013)

	(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	¥ 20,711,221	-	-	-	-	-
Cash and bank deposits in trust	19,680,100	-	-	-	-	-
Securities	10,000,000	-	-	-	-	-
Total	¥ 50,391,321	-	-	-	-	-

(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	-	-	-	-	-

#### 4 Amount of borrowings and corporate bonds to be repaid subsequent to May 31, 2013 and November 30, 2012

(19th Fiscal Period: As of May 31, 2013)

(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	¥ 23,000,000	¥ 20,500,000	-
Long-term debt	45,199,000	15,750,000	5,000,000	36,500,000	26,673,000	¥ 41,734,000
Total	¥ 70,199,000	¥ 22,750,000	¥ 15,000,000	¥ 59,500,000	¥ 47,173,000	¥ 41,734,000

(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

### 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 May 31, 2013 and November 30, 2012 are as follows:

(Thousands of yen)			
Type of Use		19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 130,473,308	¥ 131,056,665
	Change during the period (Note 2)	33,611,067	(583,357)
	Balance at the end of the period	164,084,375	130,473,308
	Fair value at the end of the period (Note 3)	¥ 162,818,000	¥ 124,018,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 199,273,496	¥ 194,921,700
	Change during the period (Note 2)	(2,500,692)	4,351,796
	Balance at the end of the period	196,772,804	199,273,496
	Fair value at the end of the period (Note 3)	¥ 207,608,000	¥ 208,761,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 52,723,951	¥ 52,820,037
	Change during the period (Note 2)	7,099,407	(96,086)
	Balance at the end of the period	59,823,358	52,723,951
	Fair value at the end of the period (Note 3)	¥ 59,424,000	¥ 51,663,000

Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 36,299,046	¥ 34,477,378
	Change during the period (Note 2)	(990,934)	1,821,668
	Balance at the end of the period	35,308,112	36,299,046
	Fair value at the end of the period (Note 3)	¥ 38,059,000	¥ 38,037,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 1,751,026	¥ 1,783,255
	Change during the period (Note 2)	5,094,430	(32,229)
	Balance at the end of the period	6,845,456	1,751,026
	Fair value at the end of the period (Note 3)	¥ 7,040,000	¥ 1,880,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	¥ 420,520,827	¥ 415,059,035
	Change during the period (Note 2)	42,313,278	5,461,792
	Balance at the end of the period	462,834,105	420,520,827
	Fair value at the end of the period (Note 3)	¥ 474,949,000	¥ 424,359,000

- 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 19th fiscal period, the amount of the increase is primarily attributable to acquisition of five new properties and one compartmentalized ownership (total: ¥47,501,925 thousand) and capital expenditures (¥1,432,826 thousand). And the amount of the decrease is primarily attributable to the sale of two properties (¥3,306,030 thousand), and the depreciation and amortization (¥3,287,464 thousand).  
Of the "Change during the period" for the previous 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).
- 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, 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

(19th Fiscal Period: December 1, 2012 – May 31, 2013)

### 1. Asset Management Companies and Related Parties, etc.

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 242,850	-	-
Marubeni Community Co., Ltd.	Real estate management	-	None	Property leasing	76,368	Rent receivables	¥ 3,370
						Leasehold and security deposits received	30,655
				Property management fees	143,415	Trade accounts payable	32,526
				Construction management fees	1,226	Trade accounts payable	839
				Construction costs	16,301	Trade accounts payable	7,723
				Utilities	1,640	Trade accounts payable	250
				Other rental expenses	6,750	Trade accounts payable	229
Marubeni Real Estate Co., Ltd.	Real estate	-	None	Property management fees	31,567	Trade accounts payable	3,864
				Construction management fees	12,593	Trade accounts payable	2,746
				Other rental expenses (including communication expenses)	96	Trade accounts payable	12



Marubeni Corporation	Wholesale industry	0.3	None	Acquisition of trust beneficial interest in real estate (Note 2)	2,000,000	-	-
				Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	97,809	Trade accounts payable	21,460
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	-	-
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	24,291	Rent receivables	4,139

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at the End of the Period" is inclusive of consumption tax.  
2. Acquisition of trust beneficial interest in real estate refers to United Urban's acquisition of "HOTEL ROUTE-INN Nagoya Imaike Ekimae" from Marubeni Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).  
3. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

## 2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 7,783,000	Long-term debt	¥ 25,933,000
			Repayment of long-term debt due for repayment within one year	5,983,000	Long-term debt due for repayment within one year	9,731,000
			Interest expenses	160,271	Accrued expenses	53,209
			Loan expenses	100,293	Long-term prepaid expenses	403,093
					Prepaid expenses	12,232
					Accrued expenses	3,353
			Commissions related to corporate bonds	9,090	Prepaid expenses	195
			Custodian fees	22,731	-	-
			Agent commissions	24,078	Accrued expenses	2,046
			Brokerage commissions	147,600	-	-

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

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

1. Asset Management Companies and Related Parties, etc.

							Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
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	-	-
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

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

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

2. Asset Custodian

						Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1)	Account	Balance at the End of the Period (Note 1)
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 exclusive of consumption tax; however, "Balance at the End of the Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

## 15. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at May 31, 2013 and November 30, 2012 for the fiscal periods then ended are summarized as follows:

	Yen	
	19th Fiscal Period (December 1, 2012 - May 31, 2013)	18th Fiscal Period (June 1, 2012 - November 30, 2012)
Net assets per unit	¥ 98,958	¥ 97,240
Net income per unit	¥ 2,396	¥ 2,203
Average number of investment units during the period (units)	2,191,390	2,103,383

## 16. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at May 31, 2013 and November 30, 2012 were as follows:

	Thousands of yen	
	End of 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
Cash and bank deposits	¥ 40,391,321	¥ 37,834,421
Restricted deposits with a bank (Note)	(207,144)	(207,123)
Securities	10,000,000	-
Cash and cash equivalents	¥ 50,184,177	¥ 37,627,298

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

## 17. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2013 and November 30, 2012, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 19th Fiscal Period (As of May 31, 2013)	End of 18th Fiscal Period (As of November 30, 2012)
Due within one year	¥ 12,509,706	¥ 9,535,647
Due over one year	45,881,710	35,258,923
Total	¥ 58,391,416	¥ 44,794,570

## 18. SECURITIES

### 1. Debt securities held to maturity

(End of 19th Fiscal Period: As of May 31, 2013)

Debt securities held to maturity at May 31, 2013 are summarized as follows:

Category	Type	Balance Sheet Amount (Thousands of yen)	Fair Value (Thousands of yen)	Differences (Thousands of yen)
Securities whose fair value does not exceed balance sheet amount	Negotiable deposit	¥ 10,000,000	¥ 10,000,000	-

In addition, there were no debt securities held to maturity at November 30, 2012.

### 2. Other securities

(End of 19th Fiscal Period: As of May 31, 2013)

Concerning the anonymous association equity interest (investment securities: ¥2,953 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.

(End of 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.

## 19. DERIVATIVE TRANSACTIONS

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

Fiscal period ended May 31, 2013: None

Fiscal period ended November 30, 2012: None

### 2. Derivative transactions subject to hedge accounting

(19th Fiscal Period: As of May 31, 2013)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 2,000,000	¥ 2,000,000	(Note)	-

Note: Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.

There was no applicable information on derivative transactions subject to hedge accounting for the fiscal period ended November 30, 2012.

## 20. SUBSEQUENT EVENTS

### **Cash Distribution**

On July 19, 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 ¥6,339,979 thousand in the aggregate, to unitholders of record as of May 31, 2013.

## Issuance of New Investment Units

The board of directors' meetings of United Urban, held on June 21, 2013 and July 2, 2013, resolved the issuance of 65,000 new investment units by way of public offering and the issuance of 9,750 new investment units (maximum) by way of third-party allotment in order to replenish cash reserves, which was reduced by the acquisition of properties, and repay borrowings. Payment of ¥7,970 million related to the issuance of new investment units by way of public offering was completed on July 9, 2013, and the payment of ¥1,193 million related to the issuance of new investment units by way of third-party allotment (9,734 units) was completed on August 7, 2013. As a result, the unitholders' capital increased to ¥199,230 million and total number of investment units issued and outstanding increased to 2,380,181 units.

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

Number of investment units issued	: 65,000 units
Offer price (per unit)	: ¥126,616
Total offer price	: ¥8,230,040,000
Issue price (per unit)	: ¥122,610
Total issue price	: ¥7,969,650,000
Payment date	: July 9, 2013
Starting date of the computation for cash distribution	: June 1, 2013

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

Number of investment units issued	: 9,734 units
Issue price (per unit)	: ¥122,610
Total issue price	: ¥1,193,485,740
Payment date	: August 7, 2013
Starting date of the computation for cash distribution	: June 1, 2013
Allottee	: SMBC Nikko Securities Inc.

## Acquisition of Properties

United Urban decided to acquire the following two properties (total acquisition price: ¥5,530 million) on June 21, 2013, and the acquisition of one property (GRAND-ROUGE Nakanoshima-minami) was completed on June 25, 2013.

Property No.	Property Name	Type of Use (Note 1)	Location (Residential)	(Scheduled) Acquisition Price (Note 2)	(Scheduled) Acquisition Date
E3	Tsubogawa Square Building	Office (Note 3)	3-3-5 Tsubogawa, Naha, Okinawa	¥4,150 million	November 1, 2013 (Note 4)
D25	GRAND-ROUGE Nakanoshima-minami	Apartment	1-25-27 Edobori, Nishi-ku, Osaka, Osaka	¥1,380 million	June 25, 2013
Total				¥5,530 million	-

- Notes: 1. Of the types indicated on the real estate register, the primary types are shown.
2. The (scheduled) acquisition prices shown are based on the purchase prices stated in the sale and purchase agreements for acquisition of each property. In addition, the prices are shown in the amount excluding acquisition costs, property taxes, city planning taxes, consumption taxes and other costs.
3. Specifically, the property is mainly used as a call center, while partially being used as a data center, and backup office, etc.
4. The sale and purchase agreement of trust beneficial interest in real estate as of June 21, 2013 (the "Sale and Purchase Agreement") provides that it may be terminated on the grounds of a material breach of obligations thereunder in which case the party in breach is obliged to pay the other party 20% of the transaction price and other charges. However, the Sale and Purchase Agreement is subject to the condition precedent of payment of an acquisition price that United Urban's fund procurement is completed for the acquisition of the trust beneficial interest. Therefore, as for the acquisition of Tsubogawa Square Building, the Sale and Purchase Agreement will be terminated with no penalty if United Urban cannot consummate fund procurement (borrowing, etc.) as of the scheduled acquisition date. Consequently, United Urban believes that the acquisition of Tsubogawa Square Building is not likely cause material adverse effect on (i) United Urban's financial standing and (ii) 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 May 31, 2013, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at May 31, 2013, 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 Company issued new investment units and acquired new properties. Our opinion is not qualified in respect of these matters.

August 30, 2013

*Ernst & Young ShinNihon LLC*

## Corporate Data

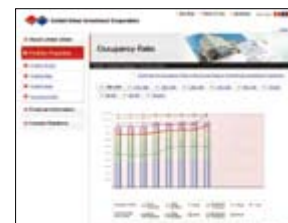
Set out below is certain corporate data of United Urban Investment Corporation ("United Urban"), as of May 31, 2013:

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:	¥ 190,067,333,326
Number of Unitholders:	27,075
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent 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

## About Our Website

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

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



## Disclaimer

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

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

United Urban, JRA, and any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors are not responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by United Urban, JRA or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors.

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

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

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



**United Urban Investment Corporation**

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

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