

Semiannual Report

Fifteenth Fiscal Period

From December 1, 2010 to May 31, 2011



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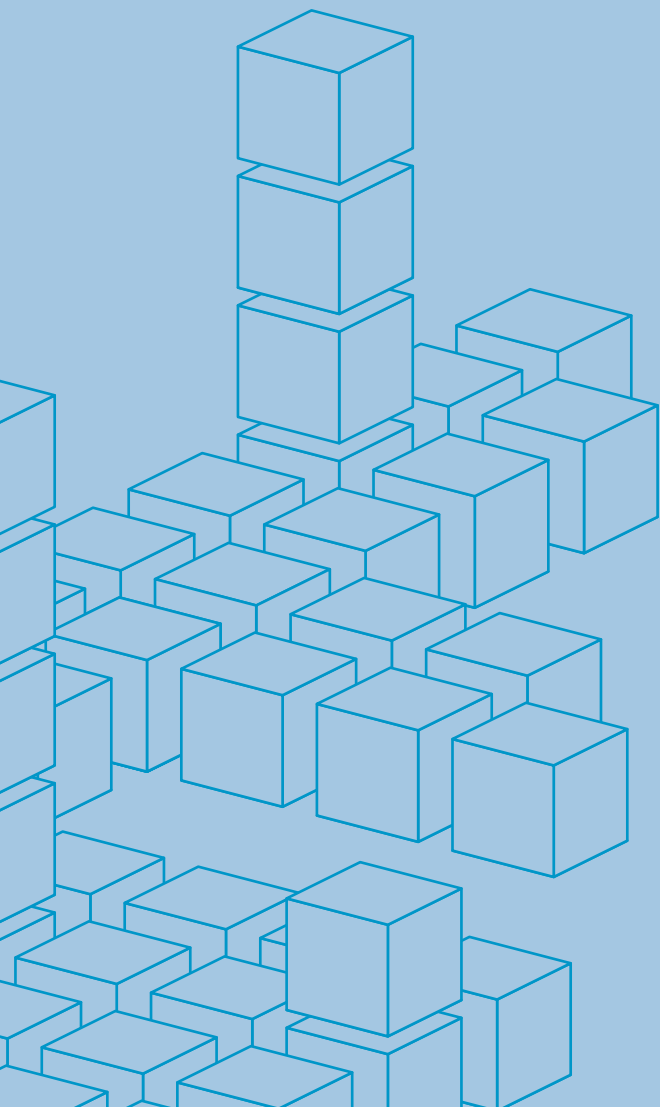
Note: Unless otherwise indicated specifically, all figures in this report are shown being rounded to the units stated in principle.

Profile

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

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

On December 1, 2010, United Urban merged with Nippon Commercial Investment Corporation (“NCI”) and became the largest diversified J-REIT and one of the largest J-REITs in terms of asset size. United Urban has maintained its current management strategies after the merger and endeavors to maximize unitholder return.



Diversification by type of use

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

Diversification by location

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

Retail Properties

Shinsaibashi OPA Honkan



Office Buildings

Kawasaki Toshiba Building

Hotels

Shinjuku Washington Hotel Honkan



Residential Properties

UUR Court Nagoya Meieki

Others

Lilycolor Tohoku Branch



To Our Unitholders

We would like to express our deepest sympathy to all those have been affected by the Great East Japan Earthquake, and we wish for the earliest recovery of the region.

United Urban hereby presents a report on its business activities during its fifteenth fiscal period: the six-month period ended May 31, 2011.

United Urban merged with NCI on December 1, 2010 (the “Merger”). Although United Urban has secured stable earnings since its listing, while there have been consistent cash distributions since its listing, this Merger was conducted based on the consideration that it would further facilitate increased asset value, increased portfolio quality attendant with the increased asset value, and reduced risk due to increased diversification of United Urban whereby the Merger would serve to further boost its value to unitholder. After the Merger, United Urban has become the largest diversified J-REIT and No. 4 among all J-REITs in terms of asset size as of the effective date of the Merger.

With respect to the impact of The 2011 off the Pacific coast of Tohoku Earthquake (the “Earthquake”), the damage to United Urban’s three properties located in Sendai City together with those in other areas was observed to be limited and United Urban found no significant damage that could cause a material adverse effect on its operations. Also United Urban completed its third public offering, which had been cancelled due to the Earthquake, in June 2011.

United Urban was able to achieve operating revenues of ¥14,912 million, operating income of ¥7,079 million and net income of ¥16,617 million including an extraordinary gain on negative goodwill of ¥12,493 million for this fiscal period. United Urban decided to carry forward all of this extraordinary gain to the coming fiscal period and distribute ¥4,123 million to unitholders. As a result, the distribution per unit for the fifteenth fiscal period was ¥2,841.

United Urban, together with its asset manager, Japan REIT Advisors Co., Ltd. (“JRA”), would like to do its best to secure stability in its earnings over the medium to long term. Your continuous support and kind attention are highly appreciated.



Yasuhiro Tanaka

Executive Officer
United Urban Investment Corporation



Hisamitsu Abe

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

Financial Highlights

Cash Distribution per Unit for the 15th Fiscal Period

From December 1, 2010 to May 31, 2011

¥ 2,841

Millions of yen, except per unit information

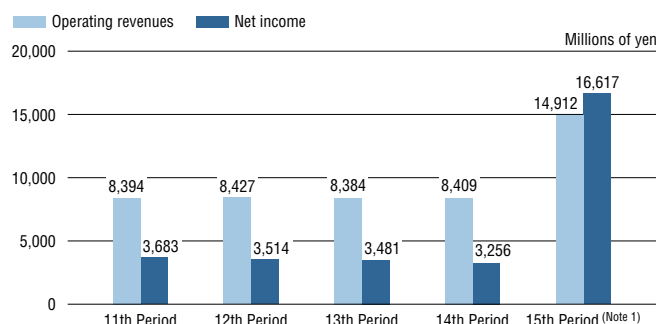
	15th Fiscal Period December 1, 2010- May 31, 2011	14th Fiscal Period June 1, 2010- November 30, 2010	13th Fiscal Period December 1, 2009- May 31, 2010	12th Fiscal Period June 1, 2009- November 30, 2009	11th Fiscal Period December 1, 2008- May 31, 2009
Operating revenues	¥ 14,912	¥ 8,409	¥ 8,384	¥ 8,427	¥ 8,394
Operating income	7,079	4,249	4,334	4,335	4,465
Ordinary income	4,316	3,257	3,482	3,515	3,684
Net income	16,617 (Note 2)	3,256	3,481	3,514	3,683
Cash distributions	4,123	3,256	3,481	3,514	3,683
Cash distribution per unit (Yen)	2,841 (Note 3)	16,173	17,294	17,459	18,297
Total assets	416,471	230,779	231,043	230,752	231,234
Total unitholders' equity	148,414	111,566	111,792	111,825	111,994
Unitholders' equity per unit (Yen)	102,261 (Note 3)	554,228	555,349	555,514	556,352

Notes: 1. United Urban's 11th fiscal period was for 182 days from December 1, 2008 to May 31, 2009, the 12th fiscal period was for 183 days from June 1, 2009 to November 30, 2009, the 13th fiscal period was for 182 days from December 1, 2009 to May 31, 2010, the 14th fiscal period was for 183 days from June 1, 2010 to November 30, 2010 and the 15th fiscal period was 182 days from December 1, 2010 to May 31, 2011.

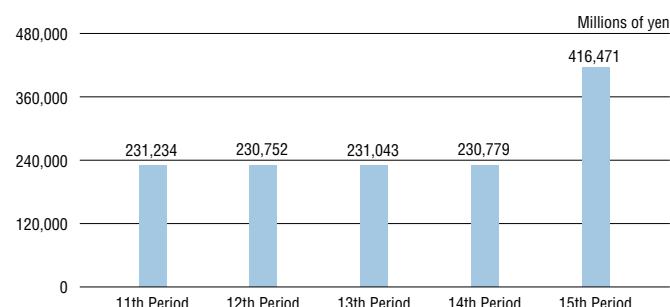
2. "Net income" of the 15th fiscal period includes a gain on negative goodwill of ¥12,493 million recognized as extraordinary income.

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

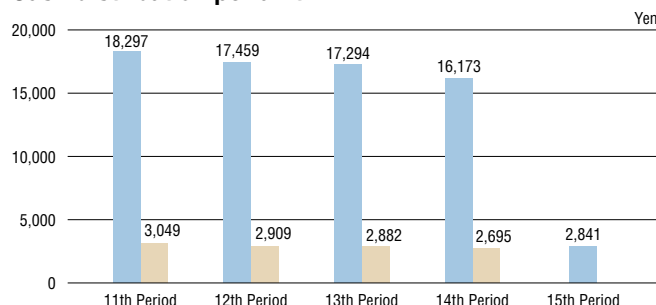
Operating revenues / Net income



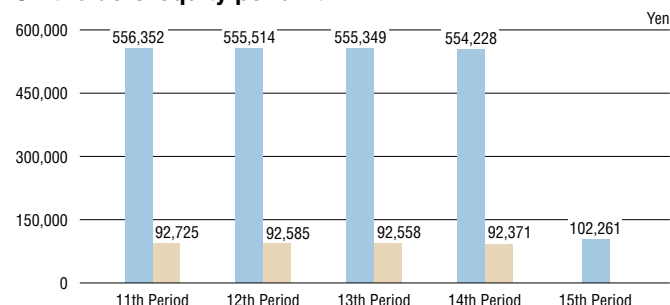
Total assets



Cash distribution per unit (Note 2)



Unitholders' equity per unit (Note 2)



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

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

Third Public Offering (Issuance of New Investment Units)

United Urban conducted its third public offering since the IPO in June 2011, and the global offering, which was a first-time experiment for United Urban, was conducted at the same time (hereinafter collectively referred to as the “Offering”). Through the Offering, United Urban has strengthened its financial standing and executed an expansion of its asset size for further growth.

Overview

[Issuance of New Investment Units by way of Offering]

Resolution Date of the Issuance	May 23, 2011
Pricing Date	June 1, 2011
Payment Date	June 8, 2011
Total Number of Investment Units Issued	640,000 units Japanese offering: 393,166 units Global offering: 246,834 units
Offer Price (per unit)	¥91,162
Total Offer Price	¥58,343,680,000
Issue Price (per unit)	¥88,357
Total Issue Price	¥56,548,480,000

[Secondary Offering through Over-Allotment]

Number of Investment Units to be Sold	12,064 units
Selling Price (per unit)	¥91,162
Total Selling Price	¥1,099,778,368

[Issuance of New Investment Units by way of Third-Party Allotment]

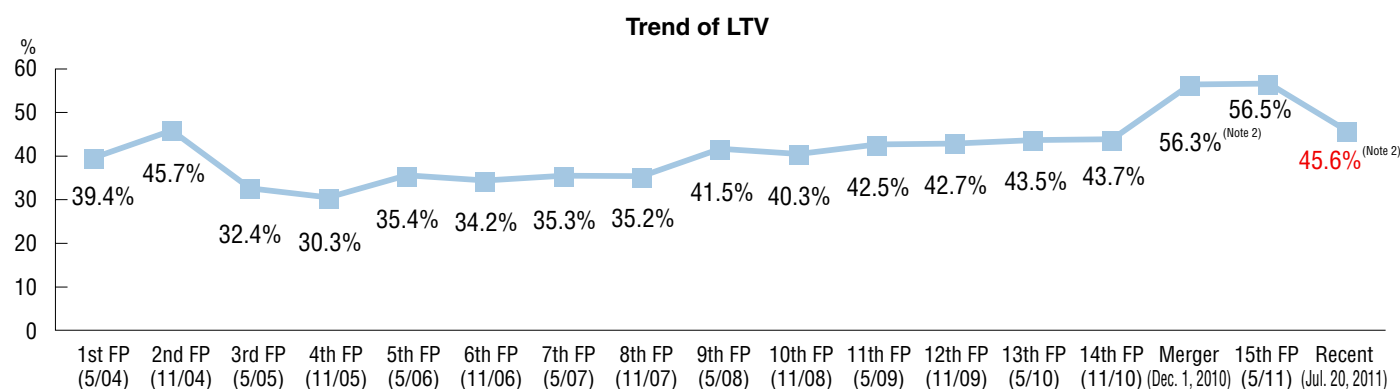
Total Number of Investment Units Issued	12,064 units
Issue Price (per unit)	¥88,357
Total Issue Price	¥1,065,938,848
Allottee	SMBC Nikko Securities Inc.



	Before the Offering	After the Offering
Number of Investment Units Issued and Outstanding	1,451,319 units	2,103,383 units
Total Unitholders' Equity	¥108,310 million	¥165,924 million

Strengthening of Financial Standing

Because of the merger with NCI and other factors, the loan-to-value (the “LTV”) (Note 1) of United Urban at the effective date of the Merger rose to 56.3% (Note 2), which was increased largely from past levels. However, the proceeds from the Offering and the Third-Party Allotment were used for the repayment of a portion of borrowings it assumed from NCI, and its LTV level was reduced to the mid-forty-percent range. United Urban will aim to control its LTV appropriately based on a conservative financial strategy.



Notes: 1. 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)

2. LTV at the effective date of the Merger and the latest LTV (as of July 20, 2011) are assumed figures based on historical data.

New Acquisitions (16th Fiscal Period) for Future Growth

United Urban will continue to aim to expand its asset size and improve portfolio quality. As part of such efforts, United Urban acquired the following properties with part of the proceeds from the Offering.

Retail Properties

A25

Luz Jiyugaoka



■ Acquisition Date	June 15, 2011	■ Construction	S/SRC
■ Acquisition Price	¥5,090 million	■ Number of Floors	B1/8F
■ Address	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	■ Completed	May 2009
■ Site Area	828.70 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	2,771.59 m ²		Building: Proprietary Ownership

Retail Properties

A26

ACTIOLE Ichikawa



■ Acquisition Date	June 15, 2011	■ Construction	S/RC
■ Acquisition Price	¥3,350 million	■ Number of Floors	B1/7F
■ Address	1-4-17 Ichikawa, Ichikawa, Chiba	■ Completed	April 2010
■ Site Area	749.42 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	4,452.39 m ²		Building: Proprietary Ownership

Office Buildings

B37

ARENA TOWER



■ Acquisition Date	June 16, 2011	■ Construction	S/SRC
■ Acquisition Price	¥9,500 million	■ Number of Floors	B1/15F
■ Address	3-1-9, 10, 12~14 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa	■ Completed	May 2008
■ Site Area	2,733.00 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	24,412.67 m ²		Building: Proprietary Ownership

Residential Properties

D23

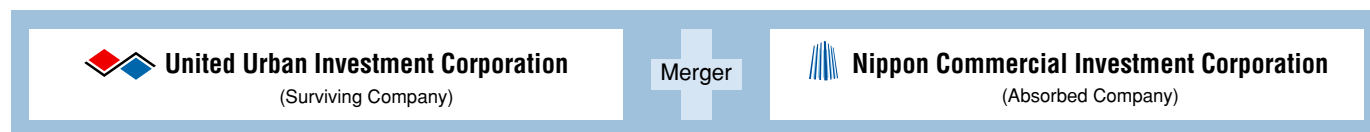
Le Monde Koto



■ Acquisition Date	June 15, 2011	■ Construction	SRC
■ Acquisition Price	¥2,900 million	■ Number of Floors	B1/14F
■ Address	1-7-5 Kameido, Koto-ku, Tokyo	■ Completed	February 1998
■ Site Area	924.27 m ²	■ Type of Ownership	Land: Proprietary Ownership
■ Total Floor Space	6,890.13 m ²		Building: Proprietary Ownership

Merger with Nippon Commercial Investment Corporation

United Urban merged with NCI on December 1, 2010.



Execution of a memorandum of understanding concerning the merger	April 22, 2010
Execution of the merger agreement	May 10, 2010
Effective date of the merger	December 1, 2011
Merger ratio (before taking into consideration of the unit split)	United Urban: NCI = 1:1/6
Unit split	6-for-1 unit split at the effective date of the merger
Acceptance price of properties succeeded to from NCI	¥168.8 billion
Number of properties succeeded to from NCI	37 properties
Portfolio at the effective date of the merger	Asset size: ¥388.8 billion
	Number of properties: 87 properties

Negative Goodwill and Anticipated Use of Surplus from the Extraordinary Gain on Negative Goodwill

Negative goodwill	¥12,493 million
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Maintain flexibility for equity financing and facilitate external growth

United Urban intends to maintain flexibility for equity financing and acquisition of properties in response to economic and market conditions, by using the anticipated surplus from the extraordinary gain on negative goodwill to mitigate any dilutive effect on distributions arising from the issuance of new investment units.

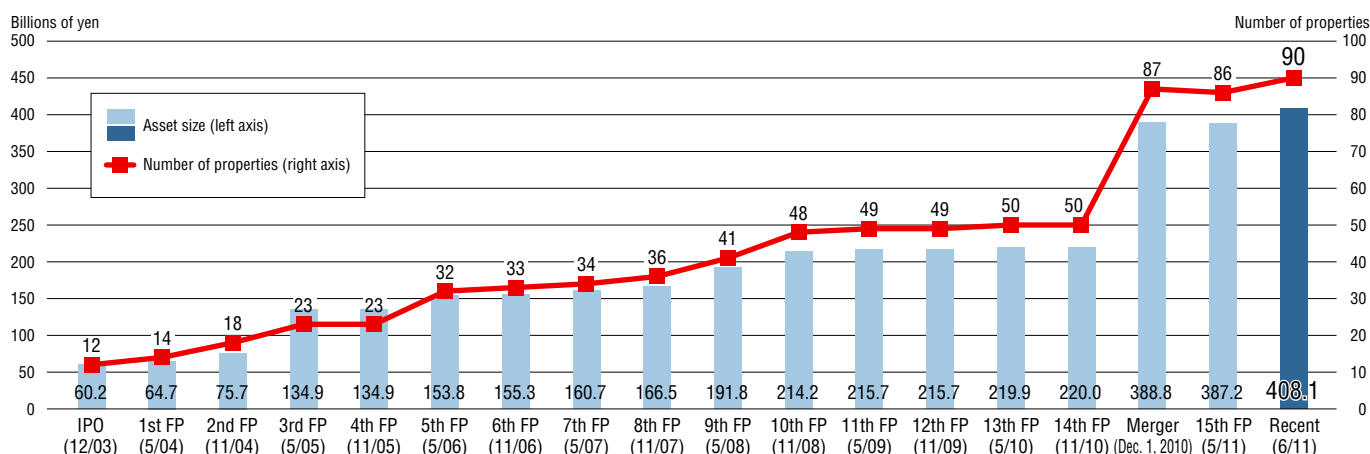
Portfolio management over the medium to long term

United Urban intends to carry out its portfolio management over the medium to long term, using the anticipated surplus from the extraordinary gain on negative goodwill to mitigate any adverse effect on distributions arising from losses on property dispositions, sudden decrease of rental revenue due to departure of tenants, etc.

Adjustment to inconsistencies in taxation and accounting treatment

United Urban intends to cope with potential taxation, if any, resulting from the inconsistent treatment of financial items between Japanese GAAP and Japanese tax laws, such as impairment losses, by using the anticipated surplus from the extraordinary gain on negative goodwill.

Growth of Assets



Note: "Asset size" means total acquisition price of properties owned by United Urban at the end of each fiscal period. The figures have been rounded to the units stated.

Effect of The 2011 off the Pacific coast of Tohoku Earthquake

After the Earthquake that struck the Tohoku region on March 11, 2011, United Urban confirmed the status of properties which are located in areas that experienced an earthquake intensity level of 4 or more on the Japanese earthquake magnitude scale. As to the result, United Urban confirmed no significant damage based on visual observation of the appearance of the buildings. Furthermore, United Urban found no significant damage or causalities that could cause a material adverse impact on its operations.

The relevant repair and maintenance expenses for damage are as follows.

Total repair and maintenance expenses for the entire portfolio (for the three properties located in Tohoku region)	¥191 million (¥83 million)
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Overview of Three Tohoku Properties and Response to Three Properties

Property No.	Property Name	Location
A20	Albore Sendai	Aoba-ku, Sendai, Miyagi
D18	MA Sendai Building	Aoba-ku, Sendai, Miyagi
E1	Lilycolor Tohoku Branch	Miyagino-ku, Sendai, Miyagi

United Urban requested construction companies to assess the damages caused by the Earthquake to three properties located in Tohoku region and received building assessment reports. According to these reports, all of these properties are in compliance with the most recent building regulations on seismic standards and continue to be usable as they were before the Earthquake. However, as for Albore Sendai, some of the steel-made internal braces were bent by the Earthquake, though safety is currently assured. Based on the recommendation of the relevant construction company, United Urban requested to replace the damaged braces.

Sale of Property

In view of the real estate market and financial market trends and the stability of cash flows of the property, United Urban sold "PACIFIQUE Tenjin," a property succeeded to from NCI.

Property Name	PACIFIQUE Tenjin	Book Value	¥1,578 million
Location	Fukuoka, Fukuoka	Sale Price	¥1,581 million
Type of Use	Retail Property	Date of Sale	January 14, 2011



Issuance of the First Corporate Bonds for Retail Investors

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

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

Newly issued corporate bonds

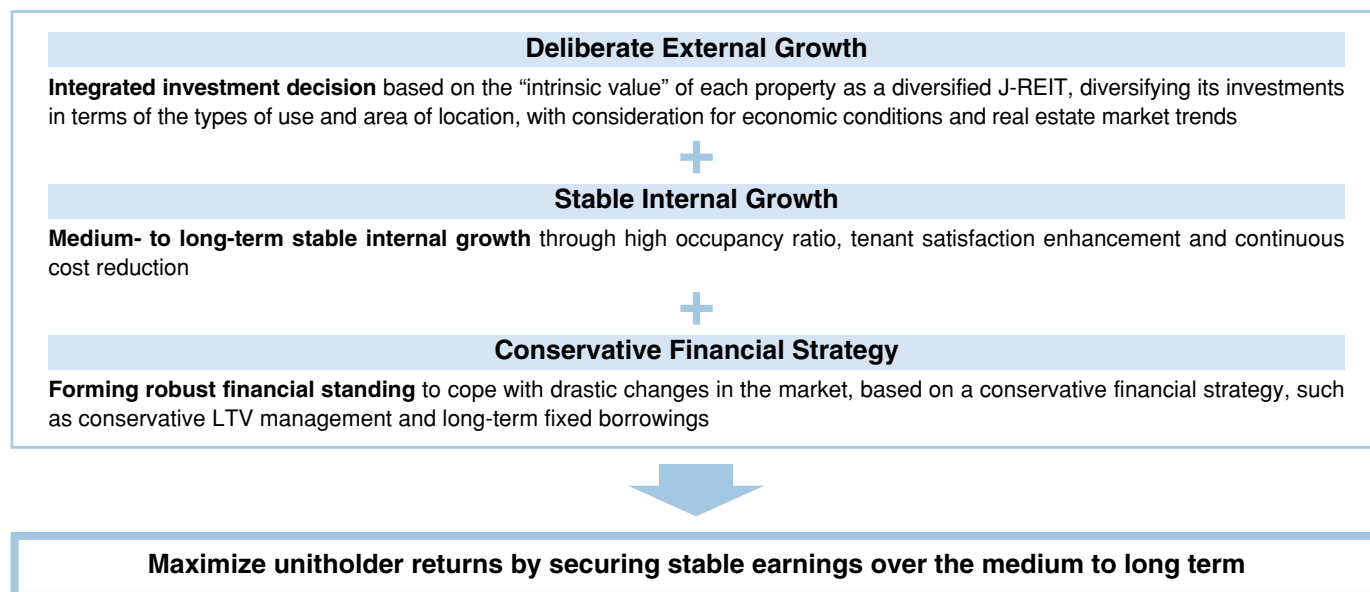
Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating
3 years	Series 4 of Unsecured Corporate Bonds (nickname: <i>Yu Yu Sai</i>)	¥15,000 million	1.38% p.a.	Dec. 17, 2010	Dec. 17, 2013	Unsecured Unguaranteed	A+ (R&I)

Repayment of the existing borrowing

Title	Lender	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee	Term
TL20 (mid term)	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥12,400 million	1.20861%	Feb. 18, 2008	Dec. 20, 2010	Unsecured Unguaranteed	Approx. 2 years and 10 months

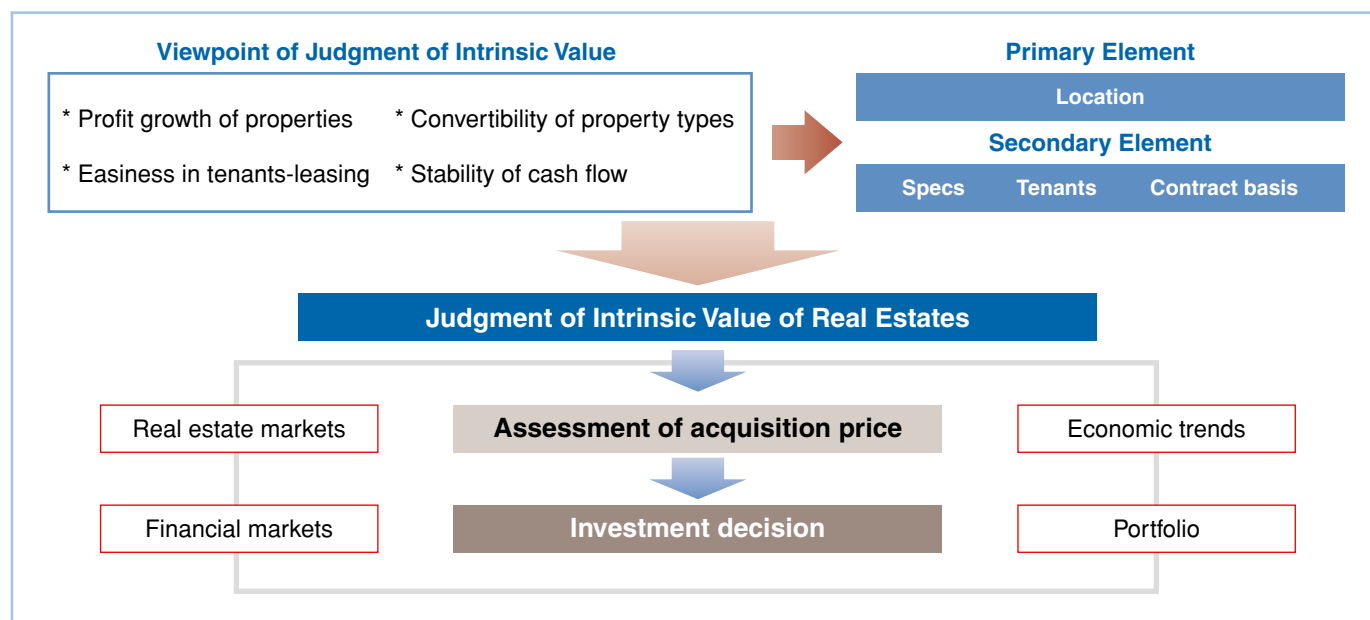
Management Strategy of United Urban

Management Strategy



External Growth Strategy

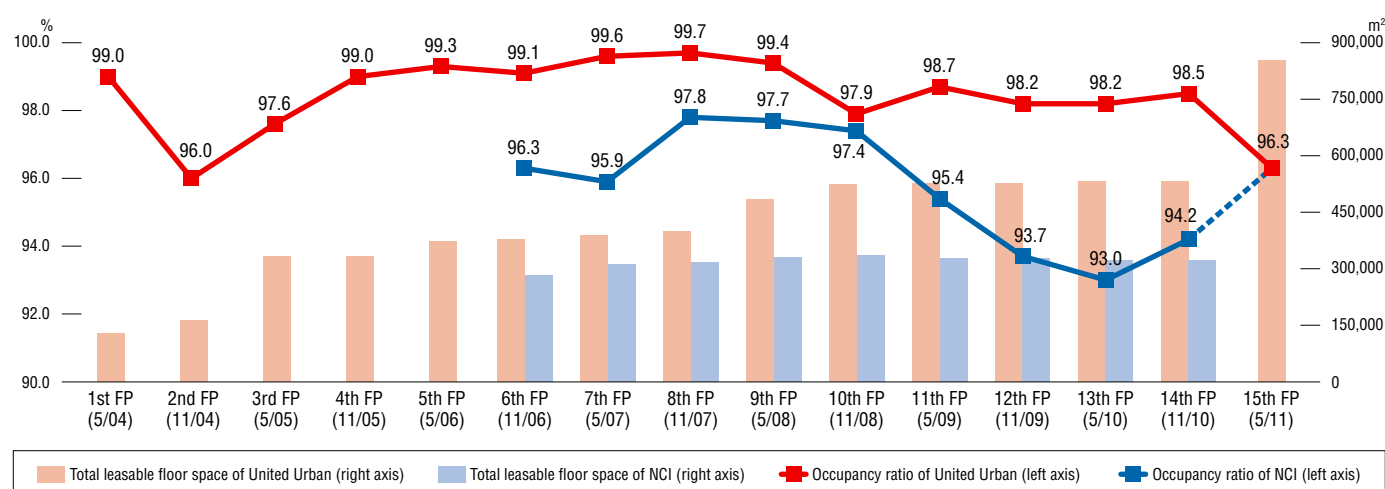
Revenues obtained from real estate investment and management concentrated on specific property types or regions may be impacted significantly if the real estate markets of those specific property types or regions stagnate. Accordingly, United Urban aims to secure stable earnings over the medium to long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



Internal Growth Strategy

United Urban has managed its properties with a relatively high occupancy ratio. After the Merger, United Urban aims to stabilize its occupancy ratio and rent level, maintain the stable profitability of its properties, and reduce the costs of its operation to obtain stable internal growth over the medium to long term. In particular, United Urban seeks to improve the occupancy ratio of former NCI properties by leveraging the improved creditworthiness of the property owner after the Merger as well as the leasing services that it obtained through the Marubeni group's (Note 1) network and expertise.

The changes in occupancy ratio (Note 2) and total leasable floor space (Note 3) of both United Urban properties and former NCI properties are as follows.



Notes: 1. Marubeni Group means Marubeni Corporation which is a parent company of JRA, their subsidiaries and related companies.
2. "Occupancy ratio" is rounded to the nearest one decimal place.
3. For both United Urban and NCI, each occupancy ratio and total leasable space for the entire portfolio at the end of each fiscal period of United Urban (end of May and November) are shown.

Financial Strategy

Basic Policy of Financial Strategy

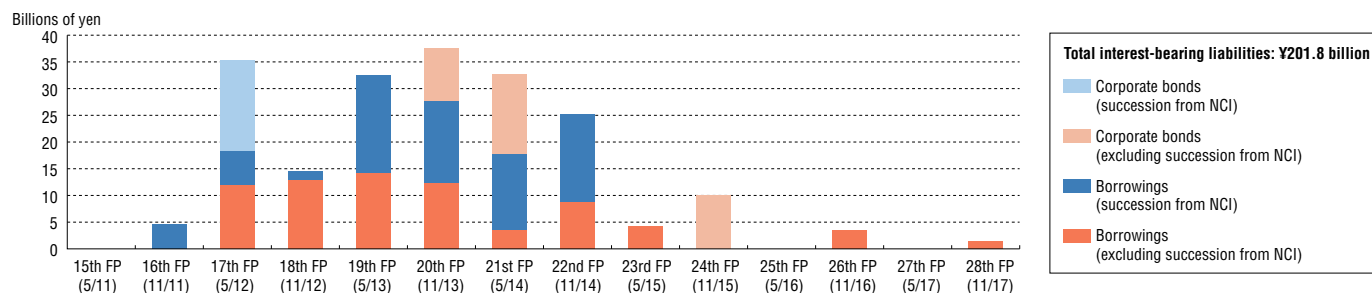
1. Maintaining the LTV level below 50%
2. Fixed and long-term financing
3. Selection of optimal financing methods and conditions
 - A. Dispersed debt maturity to minimize refinancing risk and interest rate volatility
 - B. Maintaining committed line of credit to secure financial stability and liquidity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



Strengthening the financial standing to cope with drastic market changes

Financial Status

Diversification of Repayment Date (As of July 20, 2011)



Note: Repayments less than ¥100 million are not included in above chart.

Borrowings (As of July 20, 2011)

Lenders	Balance (millions of yen) (Note)	Share (%)
Sumitomo Mitsui Banking Corporation	33,442	22.3
The Sumitomo Trust and Banking Co., Ltd.	24,196	16.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,896	10.6
Aozora Bank, Ltd.	15,314	10.2
Mizuho Corporate Bank, Ltd.	9,390	6.3
The Norinchukin Bank	8,506	5.7
Mitsubishi UFJ Trust and Banking Corporation	6,467	4.3
Shinsei Bank, Limited	6,077	4.1
Development Bank of Japan Inc.	5,547	3.7
National Mutual Insurance Federation of Agricultural Cooperatives	4,315	2.9
DAIDO LIFE INSURANCE COMPANY	3,662	2.4
The Chuo Mitsui Trust and Banking Company, Limited	3,483	2.3
Saitama Resona Bank, Limited	2,000	1.3
The Shinkumi Federation Bank	2,000	1.3
ORIX Trust and Banking Corporation	1,500	1.0
Resona Bank, Limited	1,352	0.9
Mizuho Trust & Banking Co., Ltd.	1,000	0.7
Mitsui Sumitomo Insurance Company, Limited	1,000	0.7
The Dai-ichi Life Insurance Company, Limited	1,000	0.7
Sompo Japan Insurance Inc.	915	0.6
THE MIE BANK, LTD	915	0.6
Aioi Nissay Dowa Insurance Co., Ltd.	915	0.6
The Bank of Fukuoka Ltd.	500	0.3
The Hiroshima Bank, Ltd.	457	0.3
Total	149,854	100.0

Note: "Balance" is rounded down to the unit stated.

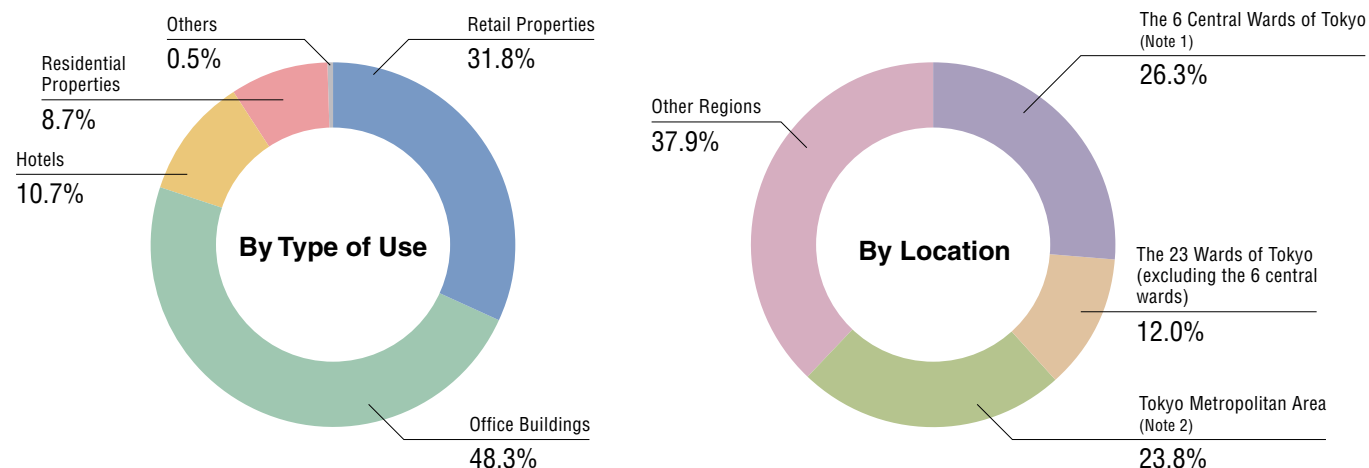
Ratings (As of July 20, 2011)

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

Portfolio Properties

Portfolio Data

Portfolio Breakdown (As of May 31, 2011)



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

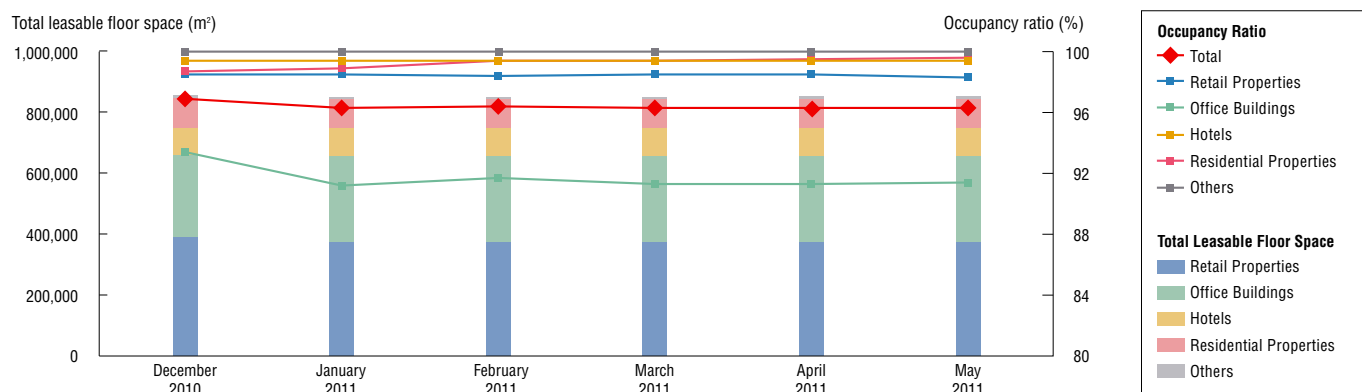
2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi) excluding the 23 Wards of Tokyo.

Occupancy Ratio (Note)

	2010			2011		
	December	January	February	March	April	May
Retail Properties	98.5%	98.5%	98.4%	98.5%	98.5%	98.3%
Office Buildings	93.4%	91.2%	91.7%	91.3%	91.3%	91.4%
Hotels	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Residential Properties	98.7%	98.9%	99.4%	99.4%	99.5%	99.6%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.9%	96.3%	96.4%	96.3%	96.3%	96.3%

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

Trends in Total Leasable Floor Space and Occupancy Ratio



Portfolio Properties

Portfolio Roster (As of May 31, 2011)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Retail Properties						
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 Value	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 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. 1, 2010	
A16	Shinsaibashi OPA Kireikan	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 1998	Dec. 1, 2010	
A18	Albore Tenjin	Fukuoka, Fukuoka	Real estate	Mar. 2006	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A22	Bellfa Uji	Uji, Kyoto	Real estate	Mar. 1995	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Nitori Yokohama Kariba I.C.	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
Office Buildings						
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. 2, 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	Haseman Building Toyochō	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. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B12	UUR Tsukiji Building (Note 7)	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1999	Dec. 1, 2010	
B13	Pacific Marks Tsukushima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 1, 2010	
B16	Omori City Building	Ota-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1980	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B19	Pacific Marks Nihonbashi-Tomizawacho	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1991	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B23	Pacific Marks Shinkawa	Chuo-ku, Tokyo	Trust beneficial interest in real estate	May 1992	Dec. 1, 2010	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Notes 1 and 4)	Number of Floors (Notes 1 and 4)	Type of Ownership	
							Land	Building
	15,300	4.0%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.7%	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	1.3%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.9%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.7%	1,138.66	5,369.70	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.8%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	1.4%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.5%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	1.0%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	1.1%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	1.1%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.8%	53,363.57	—	—	—	Proprietary Ownership (co-ownership)	—
	2,410	0.6%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	5.9%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	2,770	0.7%	946.53	4,923.95	S/SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	826	0.2%	165.75	943.45	S	10F	Proprietary Ownership	Proprietary Ownership
	1,580	0.4%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.7%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.8%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	511	0.1%	19,570.19	35,007.38	S/SRC	B2/4F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	1.2%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.6%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	2,257	0.6%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.4%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Proprietary Ownership
	2,080	0.5%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.6%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (co-ownership)	Compartmentalized Proprietary Ownership
	2,150	0.6%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	3.7%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	5.0%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.3%	(53,363.57)	(—)	(—)	(—)	(Proprietary Ownership)	—
	8,500	2.2%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	1.1%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	3.8%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (co-ownership)	Proprietary Ownership (co-ownership)
	12,100	3.1%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.8%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.6%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.8%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	1.0%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	4,120	1.1%	1,041.44	6,550.12	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	3,290	0.8%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.7%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	1,890	0.5%	550.67	3,627.03	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.6%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.3%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Proprietary Ownership
	1,710	0.4%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	2,790	0.7%	949.85	6,058.75	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership

Portfolio Properties

Portfolio Roster (As of May 31, 2011)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Office Buildings						
B24	Pacific Marks Mejiro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Towa Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B28	Pacific Marks Aobadai	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1993	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
Hotels						
C1	Shinjuku Washington Hotel Honkan (Note 8)	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. 2, 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	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D2	T&G Yotsuya Mansion	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	May 2002	Dec. 26, 2003	
D3	Excellia Magome	Ota-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2002	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D5	Ropponmatsu Court	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1994	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	Soga Dormitory	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 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	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
Total						

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

2. The "Acquisition Date" of properties owned by the former NCI is described as December 1, 2010, the effective date of the Merger.

3. The "Acquisition Price" above is an amount (the amounts stated in the sales contracts, excluding consumption taxes) that excludes the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisition, and is rounded to the nearest million yen.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Notes 1 and 4)	Number of Floors (Notes 1 and 4)	Type of Ownership	
							Land	Building
	1,160	0.3%	311.07	1,413.80	SRC	8F	Proprietary Ownership	Proprietary Ownership
	9,890	2.6%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (co-ownership)	Compartmentalized Proprietary Ownership
	5,850	1.5%	1,401.61	8,331.90	S/RC	B2/8F	Proprietary Ownership (Site right) (co-ownership)	Compartmentalized Proprietary Ownership
	2,750	0.7%	1,474.05	6,598.52	SRC	B1/7F	Proprietary Ownership (Site right) (co-ownership)	Compartmentalized Proprietary Ownership
	1,620	0.4%	701.83	3,215.11	SRC	B1/7F	Proprietary Ownership	Compartmentalized Proprietary Ownership
	1,160	0.3%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.6%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.8%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	1.2%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.7%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	2.5%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.5%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.3%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	21,140	5.5%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (in some parts, co-ownership)	Proprietary Ownership (in some parts, co-ownership)
	9,721	2.5%	(7,265.79)	(58,882.64)	(SRC)	(B1/23F)	(Proprietary Ownership)	(Proprietary Ownership)
	1,884	0.5%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	1.0%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Right	Proprietary Ownership
	4,720	1.2%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	2,021	0.5%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,355	0.3%	777.40	2,081.19	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	697	0.2%	371.29	1,110.97	RC	7F	Proprietary Ownership (Site rights)	Compartmentalized 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	0.3%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.9%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.3%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.8%	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	0.2%	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	0.3%	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	0.8%	814.54	5,871.77	SRC	B1/15F	Proprietary Ownership (Site rights)	Compartmentalized Proprietary Ownership
	1,570	0.4%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.3%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.9%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.4%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.4%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,050	0.5%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	387,230	100.0%	562,847.53	985,273.02				

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

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

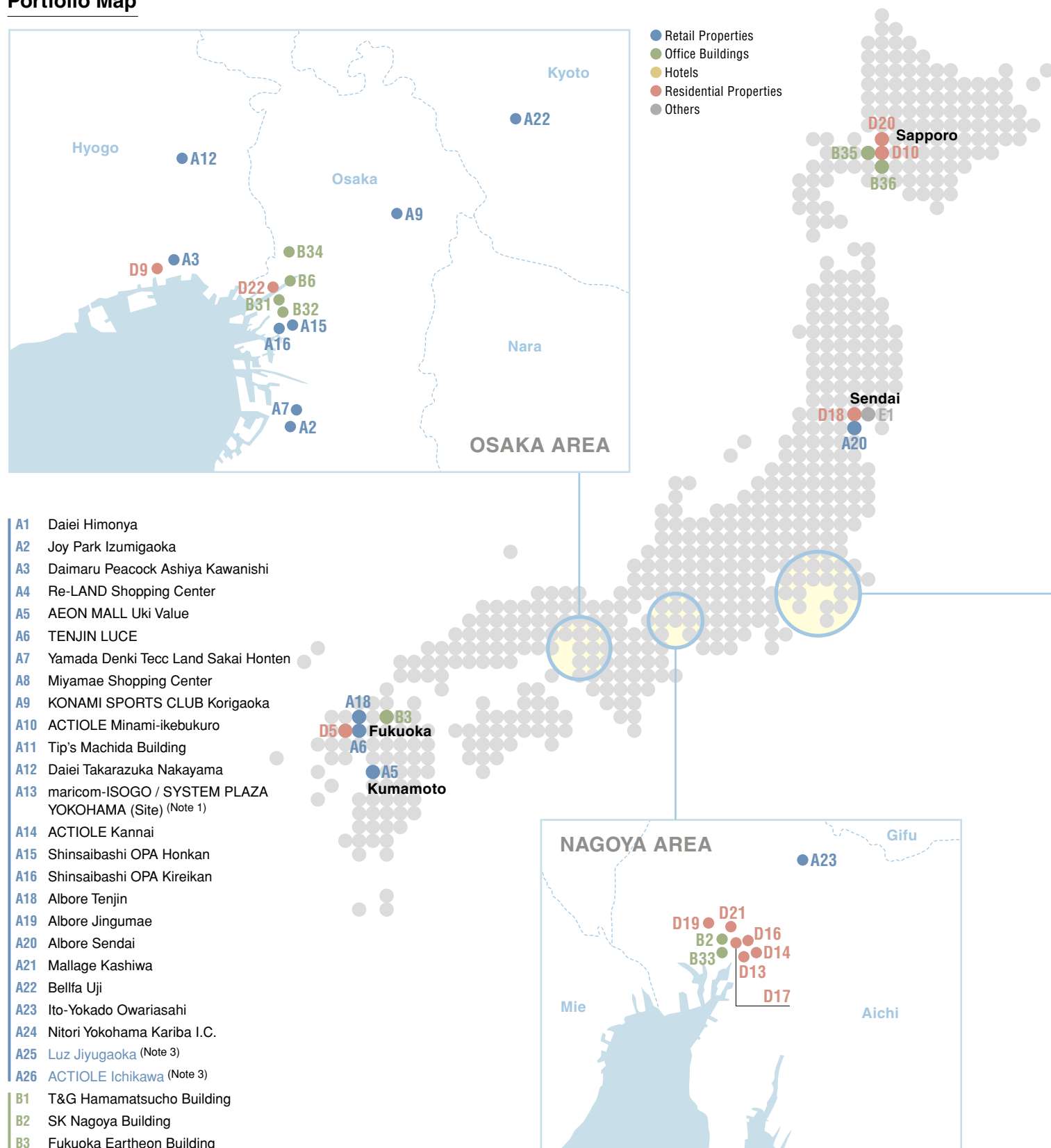
6. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

7. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.

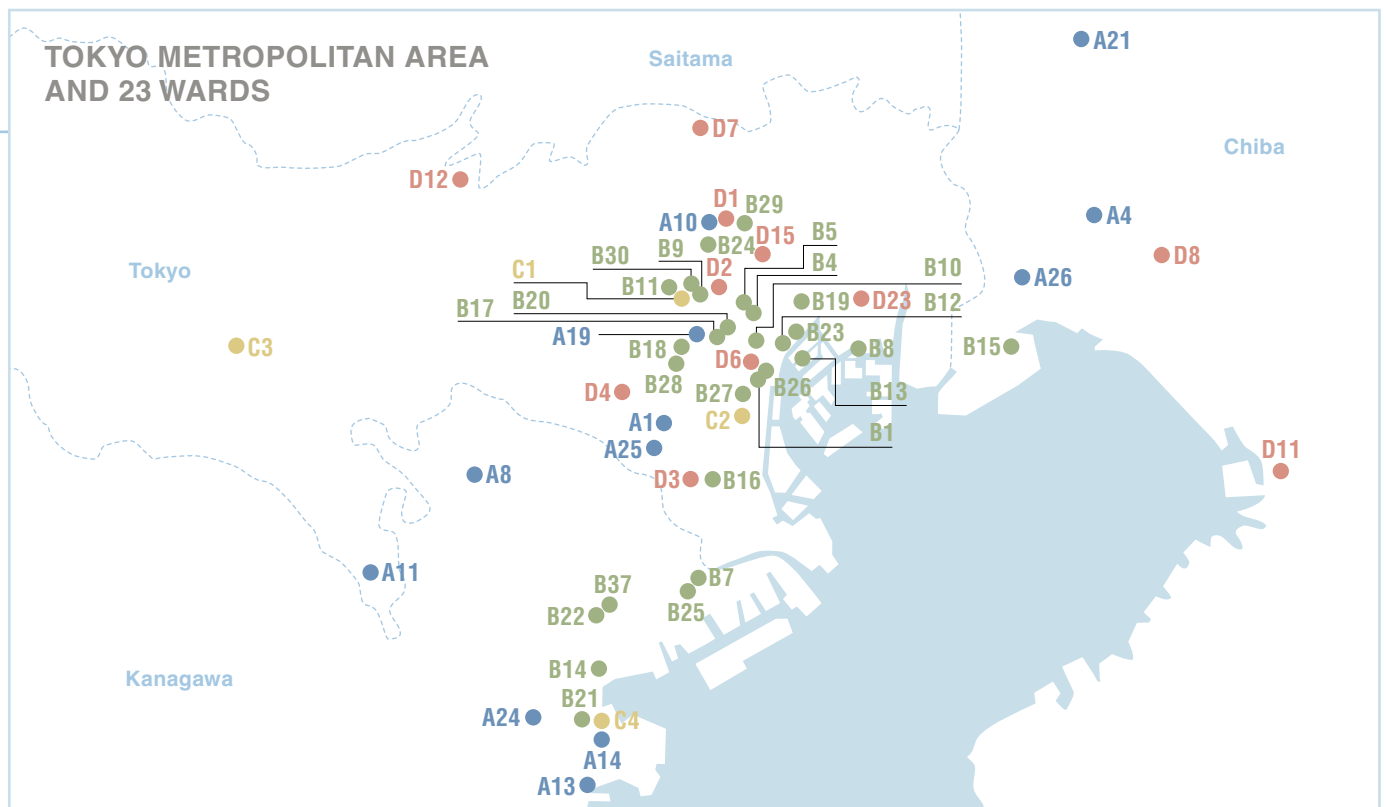
8. For the "Shinjuku Washington Hotel Honkan," the additional acquisition was executed on September 29, 2010. The acquisition price in the above table is the total amount of the existing possession and the additional acquisition.

Portfolio Properties

Portfolio Map



B4	Marumasu Kojimachi Building	B25	Pacific Marks Kawasaki	D4	Komazawa Court
B5	Rokubancho K Building	B26	Towa Hamamatsucho Building	D5	Ropponmatsu Court
B6	Shin-Osaka Central Tower (Note 2)	B27	Lila Hijirizaka	D6	Sky Court Shiba-Daimon
B7	Kawasaki Toshiba Building	B28	Pacific Marks Aobadai	D7	Maison Ukima
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)	B29	Otsuka HT Building	D8	Narashino Residence
B8	Haseman Building Toyochō	B30	Pacific Marks Shinjuku South-gate	D9	Aprile Shin-Ohgi Ichibankan
B9	FOUR SEASONS BLDG	B31	Pacific Marks Nishi-Umeda	D10	UUR Court Sapporo Kita-Sanjo
B10	Hitachi High-Tech Building	B32	Pacific Marks Higobashi	D11	Soga Dormitory
B11	Pacific Marks Shinjuku Parkside	B33	Nagoya Nishiki City Building	D12	Higashi-kurume Dormitory Shinkan
B12	UUR Tsukiji Building (Note 4)	B34	Pacific Marks Esaka	D13	Nanzan Court Ichigokan
B13	Pacific Marks Tsukushima	B35	Pacific Marks Sapporo Kita-Ichijo	D14	Nanzan Court Nigokan
B14	Pacific Marks Yokohama East	B36	Shin-Sapporo Center Building	D15	CLIO Bunkyo Koishikawa
B15	Pacific Marks Shin-Urayasu	B37	ARENA TOWER (Note 3)	D16	GRAND-ROUGE Sakae
B16	Omori City Building	C1	Shinjuku Washington Hotel Honkan	D17	GRAND-ROUGE Sakae II
B17	Akasaka Hikawa Building	(B6)	Shin-Osaka Central Tower (Note 2)	D18	MA Sendai Building
B18	Pacific Marks Shibuya Koen-dori	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D19	UUR Court Nagoya Meieki
B19	Pacific Marks Nihonbashi-Tomizawacho	C3	MZ BLD.	D20	UUR Court Sapporo Shinoro Ichibankan
B20	Pacific Marks Akasaka-mitsuke	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D21	Park Site IZUMI
B21	Yokohama Aioicho Building	D1	T&G Higashi-ikebukuro Mansion	D22	UUR Court Osaka Juso-honmachi
B22	Pacific Marks Shin-Yokohama	D2	T&G Yotsuya Mansion	D23	Le Monde Koto (Note 3)
B23	Pacific Marks Shinkawa	D3	Excellia Magome	I E1	Lilycolor Tohoku Branch
B24	Pacific Marks Mejiro				



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

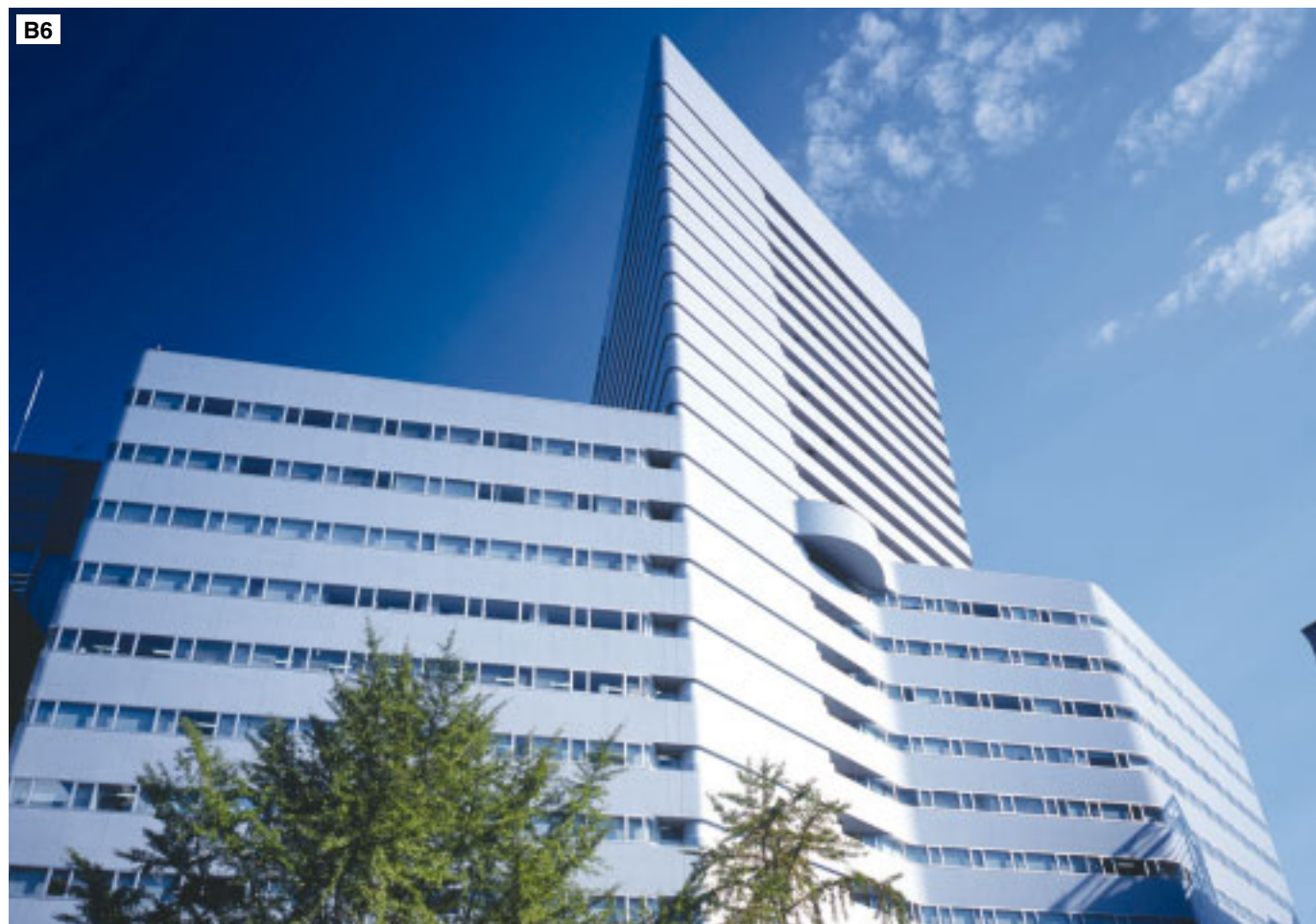
2. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

3. These properties were acquired in the 16th fiscal period.

4. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.

Portfolio Properties

Major Properties



A1

Daiei Himonya

A15

Shinsaibashi OPA Honkan

B6

Shin-Osaka Central Tower

C1



B10



D22



B7



B7

Kawasaki Toshiba Building

B10

Hitachi High-Tech Building

C1

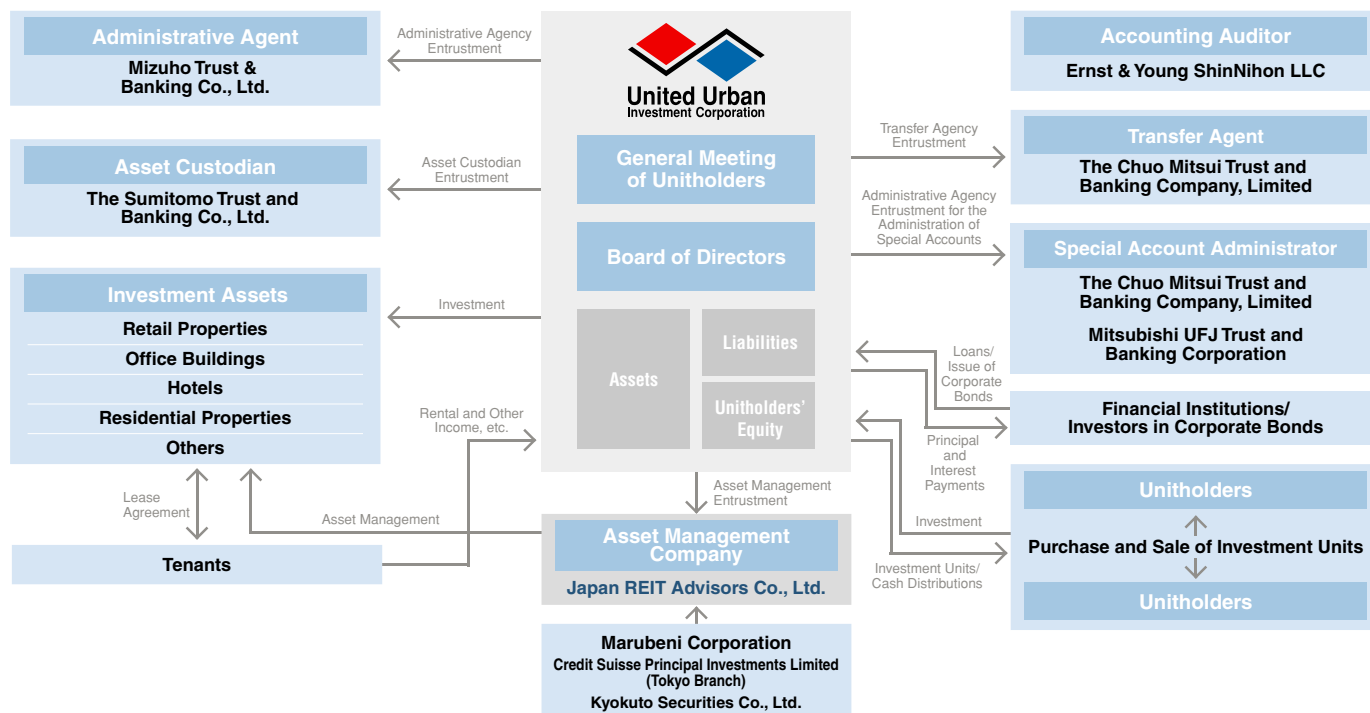
Shinjuku Washington Hotel Honkan

D22

UUR Court Osaka Juso-honmachi

Structure of United Urban / Investment Unit Information

Corporate Structure

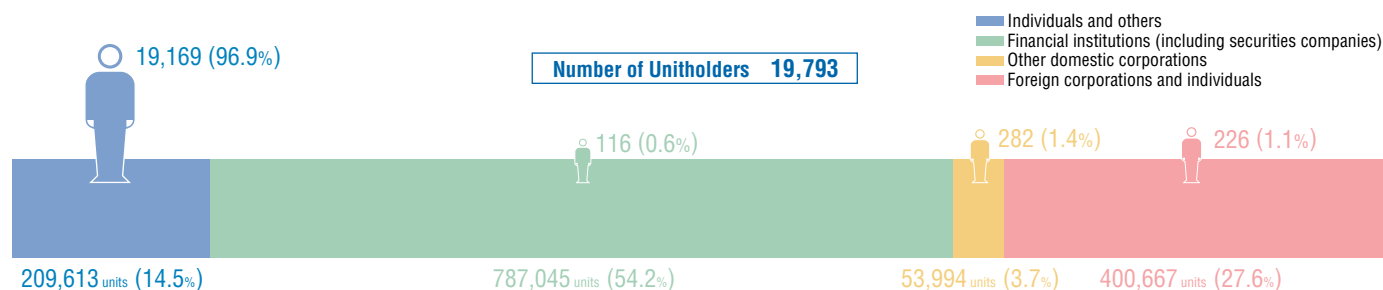


Unit Price and Trading Volume



Note: In connection with the 6-for-1 unit split as of December 1, 2010, United Urban's investment units have been traded at the unit price after the unit split from November 26, 2010. Accordingly, the unit prices before November 25, 2010, as indicated in the above chart are divided by six, and the trading volumes before November 25, 2010, as indicated in the above chart are multiplied by six.

Breakdown of Unitholders (As of May 31, 2011)



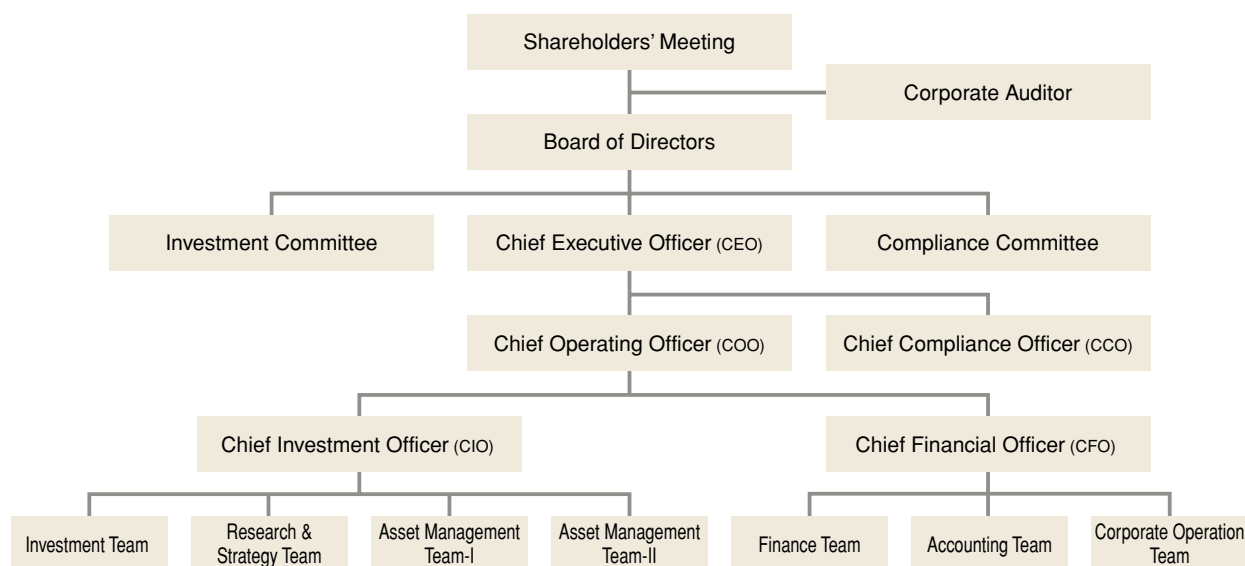
Number of Investment Units Issued and Outstanding 1,451,319 units

Profile of Asset Management Company

Overview

Corporate Name	Japan REIT Advisors Co., Ltd. ("JRA")	
Address	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo	
Date of Foundation	December 4, 2001	
Capital	¥425 million (As of May 31, 2011)	
Shareholders	Marubeni Corporation	51.0%
	Credit Suisse Principal Investments Limited, Tokyo Branch	44.0%
	Kyokuto Securities Co., Ltd.	5.0%
Representative	Hisamitsu Abe, Chairman of the Board, CEO and COO	
Description of Business	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 the end of the fifteenth fiscal period, the chairman of the committee is the CEO of JRA, and the committee members are three part-time directors.

Compliance Committee

The Compliance Committee aims to implement 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. The chairman of the committee and its members are appointed by the Board of Directors. As of the end of the fifteenth fiscal period, the chairman of the committee is the CCO of JRA, and the committee members are the CEO, the head of the Corporate Operation Team and an external intellectual (external lawyer).



Optimal investment portfolio and stable earnings

◆ PERFORMANCE REPORT

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-(Net income + Depreciation + Amortization of deferred assets) / No. of investment units at the end of the period
- FFO ratioInvestment unit price at the end of the period / Annualized FFO per unit
(Investment units are traded at ex-dividend unit price from November 26, 2010 due to the 6-for-1 unit split which became effective as of December 1, 2010. Accordingly, for the 14th fiscal period, the unit price at the end of the period is deemed the price which is calculated by multiplying the unit price at the end of the period by 6.)
- Debt service coverage ratio
.....Net income before interest, depreciation and amortization / Interest expense and Interest expense on corporate bonds
6. Fractions are rounded to the nearest one decimal place.
7. Payout ratios are computed by the method set out below, and are rounded down to one decimal place.
.....Cash distribution per unit / Net income per unit
8. Net income, which was used for calculating both the "FFO" and the "Debt service coverage ratio", does not include a gain on negative goodwill.

2. Performance Review for the Current Period

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

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with "Intrinsic Value" and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of "Intrinsic Value" as a comprehensive real estate investment trust (REIT), diversifying its investments in terms of the types of use and area of location (Note). As a result of strategy, a distribution has been made in each of fourteen fiscal periods from the first fiscal period ended on May 31, 2004 to the fourteenth fiscal period ended on November 30, 2010.

During the fifteenth fiscal period ended May 31, 2011, United Urban merged with Nippon Commercial Investment Corporation ("NCI") on December 1, 2010, with such date being the effective date of the merger (the "Effective Date of the Merger") (the "Merger"). As a result of the succession of 37 properties from NCI (acceptance price: about ¥168.8 billion) (the "former NCI properties"), the number of properties owned by United Urban became 87 properties and the total amount of United Urban's portfolio (on the basis of the acquisition price) increased to about ¥388.8 billion. Accordingly, United Urban became No. 4 among all J-REITs and the largest diversified J-REIT in terms of asset size as of the effective date of the Merger.

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

A. Performance during the period

During the period under review, United Urban focused on more effective management of the existing properties in its portfolio and relatively-stable occupancy ratios were achieved despite the severe economic environment. In addition, United Urban sold the "PACIFIQUE Tenjin", which was one of the former NCI properties, on January 14, 2011. As a result of the succession of 37 properties from NCI, along with the Merger and aforementioned sale of one property, as of May 31, 2011, United Urban's assets totaled 86 properties, comprising 22 retail properties, 35 office buildings, 1 retail and office complex, 4 hotels, 1 office and hotel complex, 22 residential properties and 1 others, with an aggregate acquisition price totaled ¥387,230 million. In addition, the total leasable floor space was increased from 532,955.43 sq. m. to 852,455.43 sq. m. and the number of tenants (Note) increased to 1,216.

In addition, United Urban has ensured stable occupancy ratios by devoting its attention to the improvement in the quality of assets with a focus on the management and operation of existing properties during this period. The occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 96.3% and 96.9%, and stood at 96.3% on May 31, 2011.

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

Note: For details of the number of tenants, please refer to "Portfolio Profiles, 3. Selected Financial Data by Property" below.

B. Effect of The 2011 off the Pacific coast of Tohoku Earthquake (the "Earthquake")

After the Earthquake that struck the Tohoku region on March 11, 2011, United Urban confirmed the status of properties which are located in areas that experienced an earthquake intensity level of 4 or more on the Japanese earthquake magnitude scale, among 86 properties that United Urban owned at the time of the Earthquake. As a result, United Urban confirmed no significant damage based on visual observation on the appearance of the buildings.

Moreover, for three properties it owns in the Tohoku region (Albore Sendai, MA Sendai Building and Lilycolor Tohoku Branch;

hereafter collectively referred to as the “Three Tohoku Properties”), United Urban requested construction companies that constructed the Three Tohoku Properties to assess the damages caused by the Earthquake, and received building assessment report from these construction companies as described in the table below. According to these reports, all of the Three Tohoku Properties are in compliance with the most recent building regulations on seismic standards and continue to be usable as they were before the Earthquake. However, as for Albore Sendai, a retail property located in Aoba-ku, Sendai, some of the steel-made internal braces on the third, fourth, fifth and seventh floors which enhance the strength of the building were bent by the Earthquake, and replacement of the braces is recommended as a long-term measure. Based on the recommendation, United Urban has decided to request replacement of the damaged braces.

Property No.	Property Name	Location	Construction Company	Date of Report
A20	Albore Sendai	Sendai, Miyagi	Hazama Corporation	April 18, 2011
D18	MA Sendai Building	Sendai, Miyagi	Asanuma Corporation	April 13, 2011
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Taisei Corporation	April 1, 2011

According to the building assessment reports for the Three Tohoku Properties and as a result of having ascertained the details of the rest of its properties, United Urban recognized the relevant repair and maintenance expenses of ¥191 million as one-off expenses for the fifteenth fiscal period.

C. Financing

In connection with the Merger, United Urban assumed ¥117,162 million of borrowings and ¥17,000 million of corporate bonds from NCI. As a result, at the time of the Merger, the balance of borrowings totaled ¥198,962 million and the balance of corporate bonds totaled ¥37,000 million.

During this period, United Urban issued the Series 4 of Unsecured Corporate Bonds (¥15,000 million), which was the first corporate bonds among J-REITs targeted primarily to retail investors on December 2011, and repaid the existing long-term borrowings of ¥12,400 million upon its maturity. Moreover, United Urban repaid a part of assumed borrowings from NCI (¥1,350 million) with the proceeds from the sale of the PACIFIQUE Tenjin.

As a result, the balance of outstanding borrowings at May 31, 2011, totaled ¥185,162 million (up by ¥103,362 million from the end of the previous period), comprising no short-term borrowings (unchanged from the end of the previous period), ¥31,588 million of long-term borrowings due for repayment within one year (up by ¥10,488 million from the end of the previous period), ¥153,574 million of long-term borrowings (up by ¥92,874 million from the end of the previous period), and the ¥52,000 million of corporate bonds (up by ¥32,000 million from the end of the previous period) with ¥17,000 million of current portion of corporate bonds (up by ¥17,000 million from the end of the previous period).

In addition, the details of issuer ratings as of July 19, 2011 are as follows.

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

D. Performance during the period and overview of distribution

Under above operations, United Urban achieved operating revenues of ¥14,912 million (up by 77.3% from the previous period), profit from rental activities of ¥8,476 million (up by 65.1% from the previous period), operating income after expenses such as loss on sales of real estates, asset management fees, asset custodian fees and other commissions of ¥7,079 million (up by 66.6% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥4,316 million (up by 32.5% from the previous period), and a net income of ¥16,617 million which reflected a gain on negative goodwill with the Merger of ¥12,493 million and the repair and maintenance cost due to the Earthquake, of ¥191 million (up by 410.4% from the previous period).

With regard to the distribution in the period under review, pursuant to Article 67-15 of the Act on Special Measures Concerning Taxation, it was decided that the entire amount of ¥4,124 million, the amount remaining after deducting a gain on negative goodwill of ¥12,493 million from unappropriated profit at the end of the period of ¥16,617 million, would be distributed, excluding cases in which the distributions per investment unit were fractions of one yen. As a result, the cash distribution per unit was ¥2,841.

United Urban will continue to endeavor to achieve strategic management and growth of its portfolio over a medium to long term

perspective, by utilizing a gain on negative goodwill from the Merger, while paying heed to the level of cash distribution. The gain on negative goodwill is expected to use for i) mitigation of any dilutive effect on distributions arising from the issuance of new investment units, ii) mitigation of any adverse effect on distributions arising from losses on property dispositions, sudden decrease of rental revenue due to departure of tenants, etc. and iii) adjustment to inconsistencies in taxation and accounting treatment.

3. Issuance of New Investment Units

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

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
November 4, 2003	Date of incorporation	250	250	125	125	(Note 1)
December 20, 2003	Additional issue of new investment units through initial public offering	79,500	79,750	36,634	36,759	(Note 2)
January 21, 2004	Additional issue of new investment units through third-party allotment	3,988	83,738	1,838	38,597	(Note 3)
December 1, 2004	Additional issue of new investment units through public offering	75,800	159,538	51,037	89,634	(Note 4)
December 22, 2004	Additional issue of new investment units through third-party allotment	305	159,843	205	89,839	(Note 5)
June 24, 2008	Additional issue of new investment units through public offering	40,000	199,843	17,823	107,662	(Note 6)
July 24, 2008	Additional issue of new investment units through third-party allotment	1,457	201,300	649	108,311	(Note 7)
December 1, 2010	Split of investment units	1,006,500	1,207,800	-	108,311	(Note 8)
December 1, 2010	Merger with NCI	243,519	1,451,319	-	108,311	(Note 9)

- Notes:
1. United Urban was incorporated with an issue of 250 investment units at ¥500,000 per unit.
 2. New investment units were issued through public offering at the issue price of ¥480,000 per unit (underwriter price ¥460,800), for the purpose of procuring funds for property acquisitions, etc.
 3. New investment units were issued through third-party allotment at the issue price of ¥460,800 per unit for the purpose of procuring funds for property acquisitions, etc.
 4. New investment units were issued through public offering at the issue price of ¥698,250 per unit (underwriter price ¥673,312), for the purpose of procuring funds for property acquisitions, etc.
 5. New investment units were issued through third-party allotment at the issue price of ¥673,312 per unit for the purpose of procuring funds for property acquisitions, etc.
 6. New investment units were issued through public offering at the issue price of ¥461,580 per unit (underwriter price ¥445,566), for the purpose of procuring funds for property acquisitions.
 7. New investment units were issued through third-party allotment at the issue price of ¥445,566 per unit for the purpose of procuring funds for property acquisitions.
 8. One investment unit was split into six units.
 9. 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).

In connection with the issuance of new investment units by way of the offering and the third-party allotment, the number of investment units issued and outstanding increased to 2,091,319 units on June 8, 2011, and increased to 2,103,383 units on July 6, 2011. Also, the unitholders' capital increased to approximately ¥164.9 billion on June 8, 2011, and increased to approximately ¥165.9 billion on July 6, 2011. For details, please refer to "6. Subsequent Events, A. Issuance of new investment units".

Changes in Closing Prices

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

	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (Note) (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Highest	117,000	618,000	618,000
Lowest	79,900	480,000	437,000

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

4. Distribution Information

With regard to the distribution in the period under review, pursuant to Article 67-15 of the Act on Special Measures Concerning Taxation, it was decided that the entire amount of ¥4,124 million, the amount remaining after deducting a gain on negative goodwill of ¥12,493 million from unappropriated profit at the end of the period of ¥16,617 million, would be distributed, excluding cases in which the distributions per investment unit were fractions of one yen. In consequence, the distribution per investment unit was fixed at ¥2,841 for the fifteenth fiscal period.

		15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Unappropriated retained earnings at the end of period	Thousands of yen	16,617,025	3,255,669	3,481,339
Cash distribution	Thousands of yen	4,123,197	3,255,625	3,481,282
Distribution per unit	Yen	2,841	16,173	17,294
Unappropriated retained earnings carried forward to the next period	Thousands of yen	12,493,828	44	57

5. Future Policies and Challenges

A. Acquisition of new properties (External growth)

Although United Urban has achieved an expansion of its asset size with the Merger, we strongly recognize the importance of external growth. To build a portfolio where stable earnings are secured over the medium term to long term, United Urban will work to realize external growth to build an optimum portfolio by utilizing its wide-ranging networks including Marubeni Corporation which is an JRA's main sponsor, under a policy of carefully selecting blue-chip properties by (i) giving due consideration to any adverse impact that the acquisition will have on its existing portfolio and (ii) accurately grasping market trends. Moreover, United Urban plans to implement strategic and expeditious changes in its portfolio from a long-term perspective.

B. Management and administration (Internal growth)

In the future, United Urban will make continuous efforts to achieve the internal growth by making the most of synergy effects with the Merger. Because some former NCI properties, which are succeeded to with the Merger, are inferior to United Urban's properties in occupancy ratio or profitability, United Urban will focus on improving their operation. In addition, United Urban will try to carry out the maintenance works and repairs which lead to the tenants' satisfaction proactively, and to improve building management and service in order to build the better relationship with the tenants. Moreover, engaged in the leasing activities based on the study and analysis of the real-estate rental market, United Urban will make continuous efforts to maintain the high occupancy ratio, increase the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

C. Financial strategy

Though United Urban sets the upper limit of LTV (Note) at 60%, in practice, United Urban has tried to maintain conservative management practices by targeting the upper limit of LTV at 50%. As a result of the Merger, the LTV ratio of United Urban relatively rises compared to the past levels due to (i) the assumption of the interest-bearing liabilities of NCI in the amount of approximately ¥134,162 million (as of November 30, 2010; including corporate bonds), which exceeds the total amount of interest-bearing liabilities of United Urban, and (ii) the succession of the former NCI properties at fair value. United Urban has

recognized the prompt improvement of financial standing as a key business challenge.

However, United Urban has achieved the enhancement of capital adequacy and the reduction of interest-bearing liabilities through the issuance of new investment units, which are mentioned after, and the situation is making progress toward improving financial standing.

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

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

6. Subsequent Events

A. Issuance of new investment units

United Urban ratified the issuance of new investment units by way of offering (640,000 units) and third-party allotment (12,064 units) at the meetings of the Board of Directors held on May 23, 2011 and June 1, 2011. Payments of about ¥56.5 billion related to the offering were completed on June 8, 2011, and the payment of over ¥1.0 billion related to the third-party allotment for SMBC Nikko Securities Inc. was completed on July 6, 2011. As a result, the unitholders' capital increased to about ¥165.9 billion and the total number of investment units issued and outstanding increased to 2,103,383 units. Details on the issuance of new investment units are as follows:

a. Issuance of new investment units by way of offering

Total number of units issued	: 640,000 units
Offer price	: ¥91,162 per unit
Total offer price	: ¥58,343,680,000
Issue price	: ¥88,357 per unit
Total issue price	: ¥56,548,480,000
Payment date	: June 8, 2011
Starting date of the computation for cash distribution	: June 1, 2011

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

Total number of units issued	: 12,064 units
Issue price	: ¥88,357 per unit
Total issue price	: ¥1,065,938,848
Payment date	: July 6, 2011
Starting date of the computation for cash distribution	: June 1, 2011
Allottee	: SMBC Nikko Securities Inc.

B. Acquisition of properties

United Urban acquired the following real estate and trust beneficial interests in real estate with proceeds from the issuance of new investment units, mentioned above in A.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
A25	Luz Jiyugaoka	Retail, Office	Meguro-ku, Tokyo	¥5,090 million	June 15, 2011
A26	ACTIOLE Ichikawa	Retail	Ichikawa, Chiba	¥3,350 million	June 15, 2011
B37	ARENA TOWER	Office, Retail, Parking Lot	Yokohama, Kanagawa	¥9,500 million	June 16, 2011
D23	Le Monde Koto	Residential, Parking Lot	Koto-ku, Tokyo	¥2,900 million	June 15, 2011
Total				¥20,840 million	

- Notes: 1. Of the types indicated on the real estate register, the primary types are shown.
2. The acquisition prices shown are based on the purchase prices 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.

C. Repayment of existing borrowing

United Urban repaid a portion of the existing borrowing prior to the principal repayment date with the balance of proceeds from the issuance of new investment units after paying the total acquisition costs for new property acquisitions mentioned above in B. on June 20, 2011.

Facility 40

Lenders	: Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Norinchukin Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust and Banking Co., Ltd., Shinsei Bank Limited, The Chuo Mitsui Trust and Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd. and Resona Bank, Limited
Balance of borrowing	: ¥38,658 million
Interest rate	: 1.48000% (from May 20, 2011 to June 20, 2011)
Drawdown date	: September 27, 2010
Repayment method	: Bullet payment at maturity
Principal repayment date	: September 20, 2012
Repayment date prior to the principal repayment date	: June 20, 2011
Amount of repayment	: ¥34,300 million
Balance after repayment	: ¥4,358 million
Remarks	: Unsecured, unguaranteed

7. Reference Information

A. Debt financing and repayment of existing borrowings

- a. United Urban procured debt financing for repayment of the existing borrowings upon their maturity on June 20, 2011, as set forth below.

Term Loan 32

Lenders	: The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowing	: ¥8,700 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.60%
Drawdown date	: June 20, 2011
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2014
Remarks	: Unsecured, unguaranteed

Note: * Interest payment date are July 20, 2011 as the first interest payment date, and the 20th day of every month thereafter (or if such date is not a business day, immediately following business day) to the principal repayment date.
* The basic interest rate applicable to a computation period of interest which is paid on the interest payment date (JBA one month JPY TIBOR) is determined two business days prior to each 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/>).

- b. United Urban procured debt financing for repayment of the existing borrowing prior to the principal repayment date on July 20, 2011, as set forth below.

Term Loan 33

Lender	: The Sumitomo Trust and Banking Co., Ltd.
Amount of borrowing	: ¥3,400 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.60%
Drawdown date	: July 20, 2011
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2016
Remarks	: Unsecured, unguaranteed

Note: * Interest payment date are August 20, 2011 as the first interest payment date, and the 20th day of every month thereafter (or if such date is not a business day, immediately following business day) to the principal repayment date.
* The basic interest rate applicable to a computation period of interest which is paid on the interest payment date (JBA one month JPY TIBOR) is determined two business days prior to each 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/>).

- c. United Urban repaid the following existing borrowing prior to the principal repayment date with the new borrowing mentioned above in b (Term Loan 33: ¥3,400 million) and a portion of proceed procured from the issuance of new investment units by way of third-party allotment on July 20, 2011, as set forth below.

Facility 40-A

Lenders	: Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Norinchukin Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust and Banking Co., Ltd., Shinsei Bank, Limited, The Chuo Mitsui Trust and Banking Company, Limited, Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd. and Resona Bank, Limited
Balance of borrowing	: ¥4,358 million
Interest rate	: 1.48000% per annum (from June 20, 2011 to July 20, 2011)
Drawdown date	: September 27, 2010
Repayment method	: Bullet payment at maturity
Repayment date	: September 20, 2012
Early repayment date	: July 20, 2011
Amount of repayment	: ¥4,358 million
Balance after repayment	: ¥0 (full payment)
Remarks	: Unsecured, unguaranteed

B. Committed line of credit

United Urban concluded two committed lines of credit on June 24, 2011, as set forth below.

[Committed line of credit 1]

Participating financial institutions	: The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: ¥13,500 million
Date of agreement	: June 24, 2011
Term of agreement	: From June 24, 2011 to June 22, 2012
Collateral	: Unsecured, unguaranteed

[Committed line of credit 2]

Participating financial institution	: Development Bank of Japan Inc.
Maximum loan amount	: ¥2,000 million (Note)
Date of agreement	: June 24, 2011
Term of agreement	: From June 24, 2011 to June 22, 2012
Collateral	: Unsecured, unguaranteed

Note: The amount to be borrowed under the "Committed line of credit 2" (the "Borrowing") is an amount, the accumulation of which does not exceed the maximum loan amount on the execution date. The accumulated amount means the aggregate amount of the Borrowing. Consequently, the accumulated amount will not be reduced in case of a repayment of the Borrowing.

C. Lawsuits, etc.

Upon the merger, six NCI unitholders invoked appraisal rights for units to United Urban based on the Investment Trusts Act and the petition case for determining the unit purchasing price for 13,881 NCI units (the "Case") was on trial at the Tokyo District Court between United Urban and the respective unitholders. During the fifteenth period, a settlement was made with one of the unitholders (100 units). Thus, as of the date of this document, the Case is ongoing with five unitholders (13,781 units).

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	15th Fiscal Period (As of May 31, 2011)	14th Fiscal Period (As of November 30, 2010)	13th Fiscal Period (As of May 31, 2010)
Number of investment units authorized (Units)	10,000,000	2,000,000	2,000,000
Number of investment units issued and outstanding (Units)	1,451,319	201,300	201,300
Unitholders' capital (Millions of yen)	108,311	108,311	108,311
Number of unitholders	19,793	9,179	8,957

2. Major Unitholders

(As of May 31, 2011)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	229,517	15.81 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	126,742	8.73 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	105,764	7.29 %
The Master Trust Bank of Japan, Ltd. (trust account)	81,334	5.60 %
NOMURA BANK (LUXEMBOURG) S.A.	47,800	3.29 %
North Pacific Bank, Ltd.	27,756	1.91 %
THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	25,135	1.73 %
DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	18,583	1.28 %
The Hiroshima Bank, Ltd.	17,154	1.18 %
The Senshu Ikeda Bank, Ltd.	14,902	1.03 %
Total	694,687	47.87 %

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, 2011 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Yasuhiro Tanaka	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
	Toshio Kenmochi (Note 1)	— (Note 2)	1,528
Temporary Supervisory Officer	Masaaki Akiyama (Note 1)	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, Mitsubishi Kakoki Kaisha, Ltd.	572
Accounting Auditor	Ernst & Young ShinNihon LLC	—	49,000
Total			59,200

Notes: 1. The Supervisory Officer, Toshio Kenmochi was resigned as of April 5, 2011. In addition, Masaaki Akiyama was appointed as the

- Temporary Supervisory Officer under the Article 108, Paragraph 2 of the Investment Trust Act by the Director-General of the Kanto Local Finance Bureau as of April 12, 2011.
2. Due to the fact Toshio Kenmochi resigned the Supervisory Officer at the date of May 31, 2011, details of other title are omitted.
 3. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
 4. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
 5. At the general meeting of unitholders of United Urban held on June 29, 2010, Hisamitsu Abe, the Chairman of the Board of JRA, was appointed as the Substitute Executive Officer of United Urban.
 6. 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, 2011)

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

Note: On December 1, 2010, United Urban succeeded the status of NCI under the fiscal agent and issuing and paying agent agreement concluded between NCI and Mizuho Corporate Bank, Ltd. for the NCI Series 2 of Unsecured Corporate Bonds dated April 6, 2007 (as amended).

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		15th Fiscal Period (As of May 31, 2011)	
				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)	2,446,081	0.6
		Other regions		9,243,191	2.2
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,446,147	3.2
			The 23 wards of Tokyo	9,846,291	2.4
			Tokyo metropolitan area	9,833,429	2.4
		Other regions		—	—
	Hotels	Capital region	The 6 central wards of Tokyo	1,804,442	0.4
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	4,692,396	1.1
		Other regions		—	—
	Residential Properties	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
		Other regions		865,878	0.2
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
		Other regions		—	—
	Subtotal			52,177,855	12.5
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,576,968	0.4
			The 23 wards of Tokyo	18,718,329	4.5
			Tokyo metropolitan area	30,723,103	7.4
		Other regions		56,972,619	13.7
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,042,397	14.7
			The 23 wards of Tokyo	6,863,683	1.6
			Tokyo metropolitan area	37,969,472	9.1
		Other regions		47,707,145	11.5
	Hotels	Capital region	The 6 central wards of Tokyo	20,874,991	5.0
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	3,723,504	0.9
		Other regions		9,881,627	2.4
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,307,842	0.6
			The 23 wards of Tokyo	10,457,422	2.5
			Tokyo metropolitan area	2,171,933	0.5
		Other regions		16,177,933	3.9
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
		Other regions		1,797,476	0.4
	Subtotal			328,966,444	79.0
Bank Deposits and Other Assets			35,327,084	8.5	
Total Assets			416,471,383	100.0	

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

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

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

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

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

2. Selected Data by Property

(As of May 31, 2011)

Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value (Millions of yen) (Note 2)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3)(Note 4)	Occupancy Ratio (%) (Note 3)	Type of Property	Granting of Security
Daiei Himonya	14,897	13,900	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,674	3,600	13,306.45	13,139.48	98.7	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	752	1,050	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,622	5,460	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 6)
AEON MALL Uki Value	10,374	9,970	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,557	3,980	4,194.57	3,199.85	76.3	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	3,104	3,000	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,274	4,210	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,929	1,640	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,821	3,180	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,157	4,260	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,659 (Note 5)	3,720	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	2,446	1,920	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,713	22,800	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,743	2,780	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Tenjin	822	828	882.64	882.64	100.0	Retail Properties	N/A
Albore Jingumae	1,577	1,570	931.04	777.83	83.5	Retail Properties	N/A
Albore Sendai	2,571	2,580	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,992	7,050	39,964.87	39,011.05	97.6	Retail Properties	N/A
Bellfa Uji	511	508	14,823.51	10,990.68	74.1	Retail Properties	N/A
Ito-Yokado Owariasahi	4,806	4,850	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 7)
Nitori Yokohama Kariba I.C.	2,478	2,070	11,345.09	11,345.09	100.0	Retail Properties	N/A
T&G Hamamatsucho Building	2,140	2,790	2,420.85	1,849.31	76.4	Office Buildings	N/A
SK Nagoya Building	5,243	4,990	8,708.52	5,859.25	67.3	Office Buildings	N/A
Fukuoka Eartheon Building	1,740	2,150	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,416	2,270	2,612.42	1,010.41	38.7	Office Buildings	N/A
Rokubancho K Building	2,257	3,220	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,397	24,300	46,024.83	45,753.43	99.4	Office / Hotels	N/A
Kawasaki Toshiba Building	19,081	30,200	36,118.31	36,118.31	100.0	Office Buildings	N/A
Haseman Building Toyochō	8,697	7,770	7,540.30	7,540.30	100.0	Office Buildings	N/A

FOUR SEASONS BLDG	4,307	4,640	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,778	14,800	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,033	11,200	11,372.59	11,372.59	100.0	Office Buildings	N/A
UUR Tsukiji Building (Note 8)	6,821	6,490	5,971.45	0.00	0.0	Office Buildings	N/A
Pacific Marks Tsukishima	6,039	6,190	9,336.27	8,799.56	94.3	Office Buildings	N/A
Pacific Marks Yokohama East	6,987	7,020	10,793.68	8,530.45	79.0	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,885	3,920	8,708.62	6,982.02	80.2	Office Buildings	N/A
Omori City Building	4,096	4,190	4,925.86	4,592.09	93.2	Office Buildings	N/A
Akasaka Hikawa Building	3,274	3,360	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,557	2,610	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Nihonbashi-Tomizawacho	1,875	1,900	2,631.17	2,227.56	84.7	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,205	2,260	1,675.13	1,675.13	100.0	Office Buildings	N/A
Yokohama Aioicho Building	1,058	1,090	2,444.45	2,444.45	100.0	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,707	1,600	3,137.42	2,459.16	78.4	Office Buildings	N/A
Pacific Marks Shinkawa	2,772	2,840	4,116.33	4,116.33	100.0	Office Buildings	N/A
Pacific Marks Mejiro	1,156	1,180	1,266.92	655.47	51.7	Office Buildings	N/A
Pacific Marks Kawasaki	9,833	9,890	7,383.13	6,848.62	92.8	Office Buildings	N/A
Towa Hamamatsucho Building	5,813	5,920	4,788.32	3,771.64	78.8	Office Buildings	N/A
Lila Hijirizaka	2,739	2,770	4,255.02	3,623.71	85.2	Office Buildings	N/A
Pacific Marks Aobadai	1,612	1,600	2,486.40	2,118.31	85.2	Office Buildings	N/A
Otsuka HT Building	1,149	1,160	1,794.71	1,794.71	100.0	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,464	2,470	1,751.69	1,609.47	91.9	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,798	6,860	11,039.17	10,323.88	93.5	Office Buildings	N/A
Pacific Marks Higobashi	4,539	4,560	7,621.89	6,362.23	83.5	Office Buildings	N/A
Nagoya Nishiki City Building	2,628	2,630	5,617.28	4,305.67	76.7	Office Buildings	N/A
Pacific Marks Esaka	9,491	9,750	20,046.11	20,044.11	99.99	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,772	1,790	4,761.87	4,657.11	97.8	Office Buildings	N/A
Shin-Sapporo Center Building	982	984	2,797.41	2,310.73	82.6	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	20,875	22,200	53,363.11	53,351.21	99.98	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,804	2,030	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,724	3,210	6,670.21	6,329.18	94.9	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,692	4,030	7,139.44	6,969.35	97.6	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,736	1,950	2,603.22	2,583.04	99.2	Residential Properties	N/A

T&G Yotsuya Mansion	1,183	1,240	1,679.10	1,636.20	97.4	Residential Properties	N/A
Excellia Magome	608	609	914.98	830.80	90.8	Residential Properties	N/A
Komazawa Court	1,562	2,000	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	680	577	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,125	1,090	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,453	3,780	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,098	1,120	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,816	3,050	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,216	1,240	4,790.50	4,790.50	100.0	Residential Properties	N/A
Soga Dormitory	591	578	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	483	470	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	1,010	965	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	428	450	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	3,098	3,020	4,097.51	4,020.65	98.1	Residential Properties	N/A
GRAND-ROUGE Sakae	1,478	1,190	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,254	1,090	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,346	3,240	11,525.36	11,525.36	100.0	Residential Properties	N/A
UUR Court Nagoya Meieki	1,459	1,250	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	866	745	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	914	682	2,067.95	1,869.59	90.4	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,577	1,420	3,650.00	3,650.00	100.0	Residential Properties	N/A
Lilycolor Tohoku Branch	1,797	1,780	9,271.16	9,271.16	100.0	Others	N/A
Total	381,144	384,396	852,455.43	820,742.72	96.3		

- Notes:
1. "Book Value" is stated after being rounded to the units stated.
 2. "Appraisal Value" is the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers.
 3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2011. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The followings are the same as above.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building and Shinjuku Washington Hotel Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, each occupancy ratio of Pacific Marks Esaka and Shinjuku Washington Hotel Honkan is rounded to two decimal places.
 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 ¥3,659 million reflecting the additional amount of trust.

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

6. The right to demand restitution of a security deposit against tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
7. The right to demand restitution of a security deposit against tenants of this property is set as a secured claim and a mortgage has been placed on the building and the land of the property.
8. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.

3. Selected Financial Data by Property

Name of Property	15th Fiscal Period (December 1, 2010 to May 31, 2011)			
	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	3.1
Joy Park Izumigaoka	17	98.7	241	1.6
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	15	97.9	261	1.8
AEON MALL Uki Value	1	100.0	455	3.0
TENJIN LUCE	5	76.3	162	1.1
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	217	1.5
Daiei Takarazuka Nakayama	1	100.0	152	1.0
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	2.0
ACTIOLE Kannai	9	100.0	53	0.4
Shinsaibashi OPA Honkan	1	100.0	709	4.8
Shinsaibashi OPA Kireikan	1	100.0	88	0.6
PACIFIQUE Tenjin (Note 5)	—	—	21	0.1
Albore Tenjin	6	100.0	36	0.2
Albore Jingumae	2	83.5	49	0.3
Albore Sendai	5	100.0	101	0.7
Mallage Kashiwa	96	97.6	659	4.4
Bellfa Uji	30	74.1	138	0.9
Ito-Yokado Owariasahi	1	100.0	243	1.6
Nitori Yokohama Kariba I.C.	1	100.0	102	0.7
T&G Hamamatsucho Building	5	76.4	89	0.6
SK Nagoya Building	5	67.3	170	1.1

Fukuoka Eartheon Building	4	100.0	115	0.8
Marumasu Kojimachi Building	8	38.7	75	0.5
Rokubancho K Building	1	100.0	116	0.8
Shin-Osaka Central Tower	59	99.4	1,103	7.4
Kawasaki Toshiba Building	1	100.0	969	6.5
Haseman Building Toyochō	1	100.0	270	1.8
FOUR SEASONS BLDG	2	100.0	195	1.3
Hitachi High-Tech Building	2	100.0	433	2.9
Pacific Marks Shinjuku Parkside	15	100.0	459	3.1
UUR Tsukiji Building (Note 6)	—	0.0	119	0.8
Pacific Marks Tsukishima	43	94.3	259	1.7
Pacific Marks Yokohama East	11	79.0	227	1.5
Pacific Marks Shin-Urayasu	12	80.2	177	1.2
Omori City Building	8	93.2	166	1.1
Akasaka Hikawa Building	1	100.0	121	0.8
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.6
Pacific Marks Nihonbashi-Tomizawacho	7	84.7	72	0.5
Pacific Marks Akasaka-mitsuke	7	100.0	78	0.5
Yokohama Aioicho Building	18	100.0	61	0.4
Pacific Marks Shin-Yokohama	9	78.4	69	0.5
Pacific Marks Shinkawa	10	100.0	114	0.8
Pacific Marks Mejiro	2	51.7	72	0.5
Pacific Marks Kawasaki	38	92.8	336	2.3
Towa Hamamatsucho Building	14	78.8	174	1.2
Lila Hijirizaka	14	85.2	61	0.4
Pacific Marks Aobadai	4	85.2	68	0.5
Otsuka HT Building	6	100.0	61	0.4
Pacific Marks Shinjuku South-gate	9	91.9	89	0.6
Pacific Marks Nishi-Umeda	24	93.5	277	1.9
Pacific Marks Higobashi	18	83.5	167	1.1
Nagoya Nishiki City Building	13	76.7	111	0.7
Pacific Marks Esaka	32	99.99	504	3.4
Pacific Marks Sapporo Kita-Ichijo	14	97.8	93	0.6
Shin-Sapporo Center Building	16	82.6	58	0.4
Shinjuku Washington Hotel Honkan (Note 5)	8	99.98	825	5.5
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.4
MZ BLD.	8	94.9	133	0.9
HOTEL ROUTE-INN Yokohama Bashamichi	3	97.6	149	1.0
T&G Higashi-ikebukuro Mansion	128	99.2	65	0.4

T&G Yotsuya Mansion	76	97.4	38	0.3
Excellia Magome	40	90.8	22	0.1
Komazawa Court	1	100.0	61	0.4
Ropponmatsu Court	1	100.0	22	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	51	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kita-Sanjo	1	100.0	53	0.4
Soga Dormitory	1	100.0	26	0.2
Higashi-kurume Dormitory Shinkan	1	100.0	17	0.1
Nanzan Court Ichigokan	1	100.0	39	0.3
Nanzan Court Nigokan	1	100.0	17	0.1
CLIO Bunkyo Koishikawa	89	98.1	101	0.7
GRAND-ROUGE Sakae	1	100.0	45	0.3
GRAND-ROUGE Sakae II	1	100.0	40	0.3
MA Sendai Building	153	100.0	159	1.1
UUR Court Nagoya Meieki	1	100.0	45	0.3
UUR Court Sapporo Shinoro Ichibankan	2	100.0	33	0.2
Park Site IZUMI	37	90.4	31	0.2
UUR Court Osaka Juso-honmachi	1	100.0	56	0.4
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	1,216	96.3	14,912	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 for the end of the fifteenth fiscal period (ended May 31, 2011) are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building and Shinjuku Washington Hotel Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, each occupancy ratio of Pacific Marks Esaka and Shinjuku Washington Hotel Honkan is rounded to two decimal places.
3. "Rental Revenue" is stated after being rounded to the units stated.
4. In regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. On January 14, 2011, United Urban sold PACIFIQUE Tenjin, which was succeeded from NCI along with the merger as of December 1, 2010.
6. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.

4. Amount of Contract and Fair Value of Specified Transactions

(As of May 31, 2011)

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2)	Remarks
			over one year		
Transaction other than market transactions	Interest-rate swaps	4,578,490	—	(61,951)	(Note 3)
Total		4,578,490	—	(61,951)	

- Notes: 1. The "Amount of Contract" is based on the notional principal.
 2. The "Fair Value" is based on the prices offered by financial institutions, etc.
 3. United Urban succeeded the interest-rate swap transactions from NCI in connection with the Merger as of December 1, 2010.

5. Status of Other Assets

(As of May 31, 2011)

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
Government Bonds	Principal-only book-entry transfer JGBs (5-year, Issue No. 69)	10,000	9,911	-	-	9,975	-	(Note)
Total		10,000	9,911	-	-	9,975	-	

Note: United Urban succeeded the government bonds above from NCI in connection with the Merger as of December 1, 2010.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair and other works for properties scheduled as of May 31, 2011. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Works	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 15th fiscal period	Amount already paid
Tip's Machida Building	Renewal work (exterior walls, signs, etc.)	From May 2011 to March 2012	132	—	—
Shin-Osaka Central Tower	Renewal of overall supervisory board for disaster prevention	From April 2011 to November 2011	142	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning, etc. of hotel (1st period)	From August 2011 to November 2011	125	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning, etc. of hotel (2nd period)	From December 2011 to May 2012	304	—	—
Kawasaki Toshiba Building	Repair of elevator (3rd period)	From April 2011 to November 2011	101	—	—
Kawasaki Toshiba Building	Repair of elevator (4th period)	From December 2011 to May 2012	132	—	—
Haseman Building Toyoko	Renewal of air-conditioning	From September 2011 to December 2011	114	—	—
Pacific Marks Shinjuku Parkside	Individual air-conditioning works of 1st floor	From December 2011 to May 2012	102	—	—
Pacific Marks Esaka	Renewal of generators, etc.	From July 2011 to May 2012	113	—	—
Aprile Shin-Ohgi Ichibankan	Repair of exterior walls, corridors and stairs Waterproofing work of rooftop penthouse	From November 2011 to February 2012	130	—	—

2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for its real estate and other assets during the fifteenth fiscal period, which totaled ¥906 million. Together with ¥247 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥1,153 million.

Name of Properties	Description of Works	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of piping for sewage water and drainage	From May 2011 to May 2011	19
Miyamae Shopping Center	Exterior repair work (1st period)	From March 2011 to May 2011	21
Ito-Yokado Owariasahi	Repair of exterior walls (2nd period)	From December 2010 to February 2011	21
Shin-Osaka Central Tower	Removal of radio interference facilities and install of CATV facilities (1st period)	From September 2010 to May 2011	38
Shin-Osaka Central Tower	Removal of radio interference facilities and install of CATV facilities (2nd period)	From September 2010 to May 2011	205
Shin-Osaka Central Tower	Renewal of batteries of north wing	From May 2011 to May 2011	10

Kawasaki Toshiba Building	Repair of elevator (2nd period)	From July 2010 to January 2011	98
Kawasaki Toshiba Building	Renewal and overhaul of aging ventilator (1st period)	From April 2011 to May 2011	14
Kawasaki Toshiba Building	Inverter control of illumination and renewal of speakers (1st period)	From January 2011 to March 2011	122
Kawasaki Toshiba Building	Renewal of rooftop and outdoor distribution board	From April 2011 to May 2011	11
Hitachi High-Tech Building	Renewal of piping for water and general service water	From March 2011 to May 2011	17
Pacific Marks Shin-Yokohama	Renewal of air-conditioning machines (2F and 4F)	From April 2011 to May 2011	15
Narashino Residence	Repair of iron doors, iron flames, etc.	From February 2011 to March 2011	13
Other capital expenditures			302
Total			906

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		
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Reserve balance at the beginning of period	2,468	2,233	2,446
Addition (Note 1)	926	237	248
	(Note 2)		
Deduction	26	2	461
Reserve balance at the end of period	3,368	2,468	2,233

- Notes: 1. When United Urban takes over all or part of the reserve which was accumulated within the trust assets by the previous owners with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.
2. The reserve which was assumed from NCI along with the Merger is included.

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)	13th Fiscal Period (December 1, 2009 - May 31, 2010)
Asset management fees	1,037,033	659,809	656,629
Asset custodian fees	9,923	9,931	9,923
Administrative agent fees	62,685	34,041	37,112
Directors' fees	10,200	10,200	10,200
Other expenses	216,344	169,840	152,821
Total	1,336,185	883,821	866,685

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 (13th fiscal period: ¥33,600 thousand, 14th fiscal period: ¥320 thousand), asset management fees related to sale of properties which was deducted from gains from sale of real estate (15th fiscal period: ¥12,649 thousand), and fees which was deducted from a gain on negative goodwill in accordance with the Merger (15th fiscal period: ¥675,380 thousand).

2. Borrowings

Borrowings from financial institutions as of May 31, 2011 were as follows:

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

Lenders	Drawdown Date	Balance at the end of the 14th FP (Millions of yen) (Note 1)	Balance at the end of the 15th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	Feb 18, 2008	4,000	-	1.20861%	Dec. 20, 2010	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.		4,400	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,000	-			
Mizuho Corporate Bank, Ltd.	Apr. 10, 2008	2,000	2,000	1.33256%	Jun. 20, 2011	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	3,000	3,000	0.89209%	Jun. 20, 2011	Unsecured Unguaranteed Variable interest rate
The Sumitomo Trust and Banking Co., Ltd.	Feb. 26, 2009	850	850	1.67585%	Jun. 20, 2011	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.		850	850			
Aioi Nissay Dowa Insurance Co., Ltd.	Sep. 27, 2007 (Note 3)	-	915	1.85268%	Sep. 27, 2011	
National Mutual Insurance Federation of Agricultural Cooperatives		-	915			
Development Bank of Japan Inc.	Sep. 27, 2007 (Note 3)	-	915	1.83975%	Sep. 27, 2011	
Development Bank of Japan Inc.	Jul. 25, 2008 (Note 3)	-	1,831	2.00450%	Sep. 27, 2011	
National Mutual Insurance Federation of Agricultural Cooperatives	Apr. 28, 2006	-	3,400	1.89500%	Dec. 20, 2011	
Aozora Bank, Ltd.	Dec. 20, 2006	-	500	1.86167%	Dec. 20, 2011	
Mizuho Corporate Bank, Ltd.		-	2,000			
The Norinchukin Bank	Dec. 20, 2006	-	4,000	0.79209%	Dec. 20, 2011	Unsecured Unguaranteed Variable interest rate
Mitsubishi UFJ Trust and Banking Corporation	Dec. 21, 2009	-	2,000	1.35914%	Dec. 20, 2011	Unsecured Unguaranteed Fixed interest rate

The Sumitomo Trust and Banking Co., Ltd.	Mar. 30, 2007 (Note 3)	-	915	0.86709% (Note 4)	Mar. 30, 2012	Unsecured Unguaranteed Fixed interest rate
Sompo Japan Insurance Inc.		-	915			
The Hiroshima Bank, Ltd.		-	457			
THE MIE BANK, LTD.		-	915			
Sumitomo Mitsui Banking Corporation		-	1,373			
DAIDO LIFE INSURANCE COMPANY	Mar. 30, 2007 (Note 3)	-	1,831	1.96808%	Mar. 30, 2012	
Total		21,100	31,588			

(Long-term debt)

Lenders	Drawdown Date	Balance at the end of the 14th FP (Millions of yen) (Note 1)	Balance at the end of the 15th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
National Mutual Insurance Federation of Agricultural Cooperatives	Apr. 28, 2006	3,400	-	1.89500%	Dec. 20, 2011	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Dec. 20, 2006	500	-	1.86167%	Dec. 20, 2011	
Mizuho Corporate Bank, Ltd.		2,000	-			
The Norinchukin Bank	Dec. 20, 2006	4,000	-	0.79209%	Dec. 20, 2011	Unsecured Unguaranteed Variable interest rate
Mitsubishi UFJ Trust and Banking Corporation	Dec. 21, 2009	2,000	-	1.35914%	Dec. 20, 2011	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 27, 2007	4,400	4,400	1.44618%	Jun. 20, 2012	
Sumitomo Mitsui Banking Corporation	Jan. 30, 2008	4,500	4,500	1.48031%	Jun. 20, 2012	
Development Bank of Japan Inc.	Nov. 11, 2008	900	900	1.63568%	Jun. 20, 2012	
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	3,000	3,000	0.94209%	Jun. 20, 2012	Unsecured Unguaranteed Variable interest rate
DAIDO LIFE INSURANCE COMPANY	Jun. 26, 2007 (Note 3)	-	1,831	2.27893%	Jun. 26, 2012	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	-	4,406	1.48000%	Sep. 20, 2012 (Note 5)	Unsecured Unguaranteed Variable interest rate
Shinsei Bank, Limited		-	3,467			
The Sumitomo Trust and Banking Co., Ltd.		-	3,520			
The Chuo Mitsui Trust and Banking Company, Limited		-	3,376			
Mizuho Corporate Bank, Ltd.		-	2,462			
Sumitomo Mitsui Banking Corporation		-	8,800			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	3,582			
Mitsubishi UFJ Trust and Banking Corporation		-	3,361			
Resona Bank, Limited		-	1,310			
The Norinchukin Bank		-	4,369			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	4,000	4,000	1.66432%	Dec. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Dec. 20, 2007	2,000	2,000	1.67119%	Dec. 20, 2012	
Saitama Resona Bank, Limited		1,000	1,000			
Shinsei Bank, Limited		2,500	2,500			
The Sumitomo Trust and Banking Co., Ltd.		2,700	2,700			
The Dai-ichi Life Insurance Company, Limited		1,000	1,000			
Mitsui Sumitomo Insurance Company, Limited		1,000	1,000			

Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	-	1,140	1.58345%	Mar. 20, 2013	Unsecured Unguaranteed Fixed interest rate
The Sumitomo Trust and Banking Co., Ltd.		-	910			
The Chuo Mitsui Trust and Banking Company, Limited		-	873			
Mizuho Corporate Bank, Ltd.		-	637			
Sumitomo Mitsui Banking Corporation		-	2,277			
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	1.39209%	Mar. 20, 2013	Unsecured Unguaranteed Variable interest rate
Aozora Bank, Ltd.	Nov. 30, 2010 (Note 3)	-	2,000	1.65513%	Mar. 20, 2013	Unsecured Unguaranteed Fixed interest rate
The Sumitomo Trust and Banking Co., Ltd.		-	1,500			
Sumitomo Mitsui Banking Corporation		-	2,932			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,500			
Aozora Bank, Ltd.	Dec. 21, 2009	2,000	2,000	1.64157%	Jun. 20, 2013	
ORIX Trust and Banking 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			
The Sumitomo Trust and Banking Co., Ltd.	Jul. 7, 2010	1,000	1,000	1.61216%	Jun. 20, 2013	
Mizuho Corporate Bank, Ltd.		1,000	1,000			
Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	-	1,710	1.68843%	Sep. 20, 2013	
Shinsei Bank, Limited		-	3,577			
The Sumitomo Trust and Banking Co., Ltd.		-	1,366			
The Chuo Mitsui Trust and Banking Company, Limited		-	1,310			
Mizuho Corporate Bank, Ltd.		-	955			
Sumitomo Mitsui Banking Corporation		-	1,000			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,390			
Mitsubishi UFJ Trust and Banking Corporation		-	1,304			
Resona Bank, Limited		-	508			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	-	2,253	1.49209%	Sep. 20, 2013	Unsecured Unguaranteed Variable interest rate
The Sumitomo Trust and Banking Co., Ltd.	Dec. 22, 2008	3,400	3,400	1.04209%	Dec. 20, 2013	
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	-	1,695	1.80652%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
The Sumitomo Trust and Banking Co., Ltd.		-	1,355			
The Chuo Mitsui Trust and Banking Company, Limited		-	1,300			
Mizuho Corporate Bank, Ltd.		-	948			
Sumitomo Mitsui Banking Corporation		-	5,800			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,379			
Mitsubishi UFJ Trust and Banking Corporation		-	1,294			
Resona Bank, Limited		-	505			

Sumitomo Mitsui Banking Corporation	Oct. 29, 2010 (Note 3)	-	12,260	1.94316%	Sep. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Nov. 29, 2010 (Note 3)	-	4,269	2.01602%	Sep. 20, 2014	
The Sumitomo Trust and Banking Co., Ltd.	Dec. 21, 2009	800	800	1.97537%	Dec. 20, 2014	
Mizuho Corporate Bank, Ltd.		1,000	1,000			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Banking Corporation		1,650	1,650			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		300	300			
Development Bank of Japan Inc.	Jul. 7, 2010	2,000	1,950	2.14169%	Jun. 20, 2017	
Total		60,700	153,574			

Borrowings Total	81,800	185,162	
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- Notes: 1. Amounts in balance at the end of each fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest five decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. United Urban assumed these borrowings from NCI along with the Merger as of December 1, 2010.
4. Though the interest rate has been actually set fixed interest rate through the contract of an interest rate swap transaction, the applicable interest rate was changed during the period under the provision of the agreement. Accordingly, the substantive average interest rate during the period was 2.21390%.
5. As for this borrowing, United Urban repaid ¥34,300 million on June 20, 2011 and ¥4,358 million on July 20, 2011 prior to the principal repayment date (completion of repayment).

3. Corporate Bonds

Corporate Bonds as of May 31, 2011 were as follows:

Name	Balance (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 3 of Unsecured Corporate Bonds	10,000	1.55%	Jun. 17, 2010	Jun. 17, 2013	Bullet payment
Series 4 of Unsecured Corporate Bonds	15,000	1.38%	Dec. 17, 2010	Dec. 17, 2013	Bullet payment
NCI Series 2 of Unsecured Corporate Bonds (Note)	17,000	1.96%	Apr. 13, 2007	Apr. 13, 2012	Bullet payment
Total	52,000				

Note: United Urban assumed the corporate bonds from NCI along with the Merger as of December 1, 2010.

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	Date	Sale price (Note)	Book value	Gain or loss on sale
Trust beneficial interest in real estate	PACIFIQUE Tenjin	—	—	January 14, 2011	1,581	1,578	(61)
Total			—	—	1,581	1,578	(61)

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

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

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

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

The amounts of commissions paid to related parties and major shareholders in the fifteenth 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	47,433	Marubeni Asset Management Co., Ltd.	47,433	100.0
Property Management Fees	987,970	Marubeni Community Co., Ltd.	84,801	8.6
		Marubeni Real Estate Co., Ltd.	40,572	4.1
		The Daiei, Inc.	1,350	0.1
Casualty Insurance Premium	15,954	Marubeni Safenet Co., Ltd.	15,687	98.3
Construction Management Fees	21,816	Marubeni Community Co., Ltd.	1,626	7.5
		Marubeni Real Estate Co., Ltd.	8,775	40.2
Other Rental Expenses	119,061	Marubeni Community Co., Ltd.	6,282	5.3
		Marubeni Real Estate Co., Ltd.	8,189	6.9

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 up to the end of the fifteenth fiscal period or have received payment of commissions.

2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.

Marubeni Community Co., Ltd.: ¥2,487 thousand

Others

Notifications

United Urban Board of Directors

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

Administrative agency entrustment in accordance with the issuance of the Series 4 of corporate bonds	<p>Based on the comprehensive approval by the board of directors held on November 25, 2010, the administrative agency entrustment in accordance with the issuance of the series 4 of corporate bonds was determined on December 3, 2010, as set forth below.</p> <p>(1) Underwriter Daiwa Securities Capital Markets Co., Ltd.</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>
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◆ FINANCIAL SECTION

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BALANCE SHEETS

(As of May 31, 2011 and November 30, 2010)

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 32,500,938	¥ 13,931,457
Rent receivables	291,576	132,043
Other current assets	441,172	247,832
Total current assets	33,233,686	14,311,332
PROPERTY AND EQUIPMENT, AT COST:		
Land	248,014,631	132,977,059
Buildings and structures	149,497,609	98,173,782
Machinery and equipment	950,780	552,215
Tools, furniture and fixtures	100,798	89,009
Construction in progress	43,208	26,666
Subtotal	398,607,026	231,818,731
Less accumulated depreciation	(19,049,257)	(16,316,353)
Net property and equipment	379,557,769	215,502,378
INVESTMENTS AND OTHER ASSETS:		
Software	3,033	3,601
Leasehold	1,586,530	437,175
Intangible assets	249,972	1,830
Investment securities	9,911	-
Security deposits paid	113,055	30,652
Long-term prepaid expenses	1,717,427	491,769
TOTAL ASSETS	¥416,471,383	¥230,778,737

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 1,035,150	¥ 641,293
Current portion of corporate bonds	17,000,000	-
Long-term debt due for repayment within one year	31,588,375	21,100,000
Accrued expenses	954,274	445,488
Income taxes payable	605	872
Rent received in advance	2,152,651	1,207,149
Allowance for loss on disaster	110,384	-
Other current liabilities	1,771,461	151,143
Total current liabilities	54,612,900	23,545,945
LONG-TERM LIABILITIES:		
Corporate bonds	35,000,000	20,000,000
Long-term debt	153,574,396	60,700,000
Leasehold and security deposits received	24,870,215	14,966,613
Total long-term liabilities	213,444,611	95,666,613
Total liabilities	268,057,511	119,212,558
NET ASSETS		
UNITHOLDERS' EQUITY:		
Units authorized: 10,000,000 units as of May 31, 2011 and 2,000,000 units as of November 30, 2010		
Units issued and outstanding: 1,451,319 units as of May 31, 2011 and 201,300 units as of November 30, 2010		
	108,310,510	108,310,510
Capital surplus	23,548,287	-
Retained earnings	16,617,025	3,255,669
VALUATION and TRANSLATION ADJUSTMENTS:		
Unrealized losses on deferred hedge transactions	(61,950)	-
Total net assets	148,413,872	111,566,179
TOTAL LIABILITIES and NET ASSETS	¥ 416,471,383	¥ 230,778,737

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

STATEMENTS OF INCOME

(For the fiscal periods ended May 31, 2011 and November 30, 2010)

	Thousands of yen	
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
OPERATING REVENUES		
Rental revenues	¥13,870,262	¥7,938,420
Other rental revenues	1,041,847	470,713
	14,912,109	8,409,113
OPERATING EXPENSES		
Property-related expenses	6,435,930	3,276,047
Loss on sales of real estate	61,276	-
Asset management fees	1,037,033	659,809
Administrative service fees	72,608	43,972
Other operating expenses	226,544	180,040
	7,833,391	4,159,868
OPERATING INCOME	7,078,718	4,249,265
NON-OPERATING REVENUES		
Interest income	1,791	575
Insurance income	661	1,204
Compensation received	-	4,853
Subsidy income	11,763	-
Other non-operating revenues	1,804	1,285
	16,019	7,917
NON-OPERATING EXPENSES		
Interest expense	1,978,990	758,416
Interest expense on corporate bonds	432,701	179,112
Corporate bond issuance expenses	104,026	52,715
Investment unit issuance expenses	259,707	-
Other non-operating expenses	3,524	10,339
	2,778,948	1,000,582
ORDINARY INCOME	4,315,789	3,256,600
EXTRAORDINARY INCOME		
Gain on negative goodwill	12,492,874	-
	12,492,874	-
EXTRAORDINARY LOSS		
Loss on disaster	191,058	-
	191,058	-
INCOME BEFORE INCOME TAXES	16,617,605	3,256,600
INCOME TAXES		
Current	605	987
Deferred	19	1
	624	988
NET INCOME	¥16,616,981	¥3,255,612

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, 2011 and November 30, 2010)

						Thousands of yen	
	Number of Units	Unitholders' Capital	Capital Surplus	Retained Earnings	Total Unitholders' Equity	Valuation and Translation Adjustments	Net Assets
BALANCE AS OF MAY 31, 2010	201,300	¥ 108,310,510	-	¥ 3,481,339	¥111,791,849	-	¥111,791,849
Cash distributions disbursed	-	-	-	(3,481,282)	(3,481,282)	-	(3,481,282)
Net income	-	-	-	3,255,612	3,255,612	-	3,255,612
BALANCE AS OF NOVEMBER 30, 2010	201,300	¥ 108,310,510	-	¥ 3,255,669	¥ 111,566,179	-	¥ 111,566,179
Increase by merger	1,250,019	-	¥23,548,287	-	23,548,287	-	23,548,287
Cash distributions disbursed	-	-	-	(3,255,625)	(3,255,625)	-	(3,255,625)
Net income	-	-	-	16,616,981	16,616,981	-	16,616,981
Net changes during the period	-	-	-	-	-	(61,950)	(61,950)
BALANCE AS OF MAY 31, 2011	1,451,319	¥ 108,310,510	¥ 23,548,287	¥16,617,025	¥ 148,475,822	¥ (61,950)	¥ 148,413,872

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

STATEMENTS OF CASH FLOWS

(For the fiscal periods ended May 31, 2011 and November 30, 2010)

	Thousands of yen	
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 16,617,605	¥ 3,256,600
Depreciation and amortization	2,737,020	1,529,128
Loss on sale of properties	61,276	-
Loss on disaster	191,058	-
Gain on negative goodwill	(12,492,873)	-
Interest income and interest on securities	(1,791)	(575)
Interest expense and interest expense on corporate bonds	2,411,691	937,528
Corporate bond issuance expenses	104,026	52,715
Investment unit issuance expenses	259,707	-
Decrease (increase) in rent receivables	25,927	(14,614)
Decrease in consumption taxes refundable	30,726	5,533
(Increase) decrease in prepaid expenses	(370,516)	199,169
Decrease (increase) in long-term prepaid expenses	17,081	(21,492)
(Decrease) increase in trade accounts payable	(351,567)	109,463
(Decrease) increase in accrued expenses	(146,050)	9,345
Increase in consumption taxes payable	153,657	101,087
Decrease in rent received in advance	(59,922)	(21,278)
Other, net	(201,291)	(201,555)
Subtotal	8,985,764	5,941,054
Payment for loss on disaster	(17,417)	-
Interest received	1,738	533
Interest paid	(1,867,456)	(951,194)
Income taxes paid	(23,152)	(1,089)
Net cash provided by operating activities	7,079,477	4,989,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	1,460,851	-
Purchase of property and equipment	(650,276)	(901,267)
Purchase of intangible assets	(5,591)	-
Proceeds from leasehold and security deposits received	367,466	111,936
Payments for leasehold and security deposits received	(1,031,024)	(104,242)
Net cash provided by (used in) investing activities	141,426	(893,573)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	5,000,000
Repayment of long-term debt	(13,800,000)	-
Proceed from issuing corporate bonds	14,895,974	9,947,285
Repayment of corporate bonds	-	(15,000,000)
Payment of investment unit issuance expenses	(225,328)	-
Distributions to unitholders	(3,299,940)	(3,481,838)
Net cash used in financing activities	(2,429,294)	(3,534,553)
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,791,609	561,178
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,724,426	13,163,248
INCREASE IN CASH AND CASH EQUIVALENTS BY MERGER	13,777,846	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥32,293,881	¥13,724,426

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

NOTES TO FINANCIAL STATEMENTS

(May 31, 2011 and November 30, 2010)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

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

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

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

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, 2011, the end of its fifteenth fiscal period, United Urban had ownership of, or beneficial interests in, 22 retail properties, 35 office buildings, 4 hotels, 22 residential properties, 1 other property, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

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

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

United Urban's semiannual accounting periods end either at the end of May or November. United Urban's fifteenth fiscal period began on December 1, 2010 and ended on May 31, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities

Debt securities held to maturity are stated using the amortized cost method (straight-line method).

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 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November, 2010)
Buildings and structures	2 - 64 years	2 - 55 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	4 - 15 years	4 - 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 unit issuance expenses are expensed at once at the time of payment.

Allowance for Loss on Disaster

Allowance for loss on disaster is provided in the estimated amount considered sufficient to cover possible repair expenses due to The 2011 off the Pacific coast of Tohoku Earthquake.

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. ¥115 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended November 30, 2010. There were no capitalized property taxes and city planning taxes for the fiscal period ended May 31, 2011.

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.

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended May 31, 2011.

3. CHANGES IN ACCOUNTING POLICY

Effective June 1, 2010, United Urban adopted the "Accounting Standard for Asset Retirement Obligations" (Statement No.18 issued by the Accounting Standards Board of Japan on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Financial Accounting Standard Implementation Guidance No.21 issued by the Accounting Standards Board of Japan on March 31, 2008). This adoption had no effect on the statement of income for the fiscal period ended November 30, 2010. In addition, effective December 1, 2010, United Urban adopted the "Accounting Standard for Business Combinations" (Statement No. 21 issued by the Accounting Standards Board of Japan on December 26, 2008) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Guidance No. 10 revised by the Accounting Standards Board of Japan on December 26, 2008).

4. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2011 and November 30, 2010, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
Cash and bank deposits	¥ 207,056	¥ 207,032
Land	4,204,726	2,114,743
Buildings and structures	4,753,817	2,567,892
Tools, furniture and fixtures	1,736	1,924
Total	¥ 9,167,335	¥ 4,891,591

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
Leasehold and security deposits received	¥ 1,869,748	¥ 1,568,843
Total	¥ 1,869,748	¥ 1,568,843

5. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
Total amount of commitment	¥15,500,000	¥15,500,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥15,500,000	¥15,500,000

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, 2011 and November 30, 2010 consisted of the following:

	End of 15th Fiscal Period (As of May 31, 2011)		End of 14th Fiscal Period (As of November 30, 2010)	
	Amount (Thousands of yen)	Weighted-average interest rate	Amount (Thousands of yen)	Weighted-average interest rate
Unsecured loans from banks and a trust bank at fixed interest rates, due December 20, 2010	-	-	¥ 12,400,000	1.209%
Unsecured loans from banks at fixed interest rates, due June 20, 2011	¥ 4,000,000	1.333%	4,000,000	1.333%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2011	3,000,000	0.892%	3,000,000	0.934%

Unsecured loans from a bank and a trust bank at fixed interest rates, due June 20, 2011	1,700,000	1.676%	1,700,000	1.676%
Unsecured loans from a insurance company and a federation at fixed interest rates, due September 27, 2011	1,831,396	1.853%	-	-
Unsecured loan from a bank at a fixed interest rate, due September 27, 2011	915,698	1.840%	-	-
Unsecured loan from a bank at a fixed interest rate, due September 27, 2011	1,831,396	2.005%	-	-
Unsecured loan from a federation at a fixed interest rate, due December 20, 2011	3,400,000	1.895%	3,400,000	1.895%
Unsecured loans from banks at fixed interest rates, due December 20, 2011	2,500,000	1.862%	2,500,000	1.862%
Unsecured loan from a bank at a variable interest rate, due December 20, 2011	4,000,000	0.792%	4,000,000	0.834%
Unsecured loan from a trust bank at a fixed interest rate, due December 20, 2011	2,000,000	1.359%	2,000,000	1.359%
Unsecured loans from banks, a trust bank and a insurance company at fixed interest rates, due March 30, 2012	4,578,489	0.867%	-	-
Unsecured loans from a insurance company at fixed interest rates, due March 30, 2012	1,831,396	1.968%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,400,000	1.446%	4,400,000	1.446%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,500,000	1.480%	4,500,000	1.480%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	900,000	1.636%	900,000	1.636%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2012	3,000,000	0.942%	3,000,000	0.984%
Unsecured loan from a insurance company at a fixed interest rate, due June 26, 2012	1,831,396	2.279%	-	-
Unsecured loans from banks and trust banks at variable interest rates, due September 20, 2012	38,658,000	1.480%	-	-
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	4,000,000	1.664%
Unsecured loans from banks, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	10,200,000	1.671%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2013	7,972,000	1.583%	-	-
Unsecured loan from a bank at variable interest rates, due March 20, 2013	2,253,000	1.392%	-	-
Unsecured loans from banks and a trust bank at fixed interest rates, due March 20, 2013	7,932,000	1.655%	-	-
Unsecured loans from banks, trust banks, and a federation at fixed interest rates, due June 20, 2013	9,150,000	1.642%	9,150,000	1.642%
Unsecured loans from a bank and trust banks at fixed interest rates, due June 20, 2013	3,000,000	1.612%	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%	-	-
Unsecured loan from a bank at variable interest rates, due September 20, 2013	2,253,000	1.492%	-	-
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	1.042%	3,400,000	1.084%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2014	14,276,000	1.807%	-	-
Unsecured loan from a bank at fixed interest rates, due September 20, 2014	12,260,000	1.943%	-	-
Unsecured loan from a bank at fixed interest rates, due September 20, 2014	4,269,000	2.016%	-	-
Unsecured loans from banks and trust banks at a fixed interest rates, due December 20, 2014	4,250,000	1.975%	4,250,000	1.975%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2017	1,950,000	2.142%	2,000,000	2.142%
Total	¥ 185,162,771		¥ 81,800,000	

8. CORPORATE BONDS

Corporate bonds at May 31, 2011 and November 30, 2010 consisted of the following:

	End of 15th Fiscal Period (As of May 31, 2011)		End of 14th Fiscal Period (As of November 30, 2010)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average 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%	-	-
NCI Series 2 unsecured bonds, due April 13, 2012	17,000,000	1.96%	-	-
Total	¥ 52,000,000		¥ 20,000,000	

9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2011 and November 30, 2010 were as follows:

	Thousands of yen	
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Operating Revenues	¥ 14,912,109	¥ 8,409,133
Rental Revenues	13,870,262	7,938,420
Rental revenues	12,085,917	7,259,749
Common area charges	1,289,024	468,571
Parking revenues	401,391	182,705
Other	93,930	27,395
Other Rental Revenues	1,041,847	470,713
Incidental revenues	807,677	414,348
Temporary revenues (including cancellation charges)	169,006	39,455
Other miscellaneous revenues	65,164	16,910
Property-Related Expenses	6,435,930	3,276,047
Property and other taxes	1,254,299	698,711
Property management fees	987,970	425,003
Utilities	801,431	404,458
Casualty insurance	15,954	8,784
Repairs and maintenance	278,680	102,645
Depreciation and amortization	2,737,020	1,529,128
Other rental expenses	360,576	107,318
Profit from rental activities	¥ 8,476,179	¥ 5,133,086

10. LOSS ON SALE OF PROPERTIES

Loss on sale of properties for the fiscal periods ended May 31, 2011 and November 30, 2010 were as follows:

	Thousands of yen	
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Revenue from sale of properties	¥ 1,581,106	-
Cost of sale of properties	1,578,084	-
Other sales expenses	64,298	-
Loss on sale of properties	¥ 61,276	-

11. LOSS ON DISASTER

Losses related to The 2011 off the Pacific coast of Tohoku Earthquake (repair expenses of assets, etc.) are recognized. In addition, the amount of loss on disaster includes allowance for loss on disaster of ¥110,384 thousand.

12. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities for the fiscal periods ended May 31, 2011 and November 30, 2010 were summarized as follows:

		(Thousands of yen)	
15th Fiscal Period (December 1, 2010 - May 31, 2011)		14th Fiscal Period (June 1, 2010 - November 30, 2010)	
(Deferred tax assets - current)		(Deferred tax assets - current)	
Allowance for loss on disaster	43,414	Business facility tax payable not qualifying for deduction	11
Deferred gains or losses on hedges	24,365	Special local corporation tax not qualifying for deduction	8
Subtotal	67,779	Total deferred tax assets	19
Valuation reserve	(67,779)	(Net deferred tax assets)	19
Total	-		
(Deferred tax assets - non current)			
Valuation difference on assets acquired by merger	30,025,567		
Other	1,175		
Subtotal	30,026,742		
Valuation allowance	(30,026,742)		
Total	-		
Total deferred tax assets	-		
(Net deferred tax assets)	-		

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the fiscal periods ended May 31, 2011 and November 30, 2010 were summarized as follows:

	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Statutory tax rate	39.33%	39.33%
Gain on negative goodwill	(32.23)	-
Distributions of tax-deductible dividends	(2.70)	(39.32)
Changes in valuation allowance	(4.13)	-
Other	(0.27)	0.02
Effective tax rate	0.00%	0.03%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of taxable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban made dividend distributions of approximately 100% of its retained earnings in aggregate amounts of ¥3,255,625 thousand for the 14th fiscal period ended November 30, 2010. As for the 15th fiscal period ended May 31, 2011, United Urban decided to distribute ¥4,123,197 thousand, the entire amount remaining after deducting ¥12,492,873 thousand of a gain of negative goodwill from ¥16,617,025 thousand of unappropriated profit at the end of the period excluding cases in which the distributions per investment unit were fractions of one yen. United Urban does not distribute cash dividends in excess of its retained earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation. Furthermore, United Urban decided to reserve the above ¥12,492,873 thousand of gain on negative goodwill as reserve for distribution.

13. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Matters Concerning Financial Instruments

1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of assets and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks.

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

Funds are procured in the form of short-term debt, long-term debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the fifteenth 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, derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instruments in order to fix interest expenses. Furthermore, the risks associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

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

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

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

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

Matters Concerning the Fair Value of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of May 31, 2011 and November 30, 2010, are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(Fifteenth Fiscal Period: December 1, 2010 – May 31, 2011)

(Thousands of yen)			
	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 9,197,549	¥ 9,197,549	-
(2) Cash and bank deposits in trust	23,303,389	23,303,389	-
(3) Investment securities	9,911	9,975	¥ 64
Total assets	¥ 32,510,849	¥ 32,510,913	¥ 64
(4) Current portion of corporate bonds	17,000,000	17,054,400	54,400
(5) Long-term debt due for repayment within one year	31,588,375	31,743,002	154,627

(6) Corporate bonds	35,000,000	35,177,000	177,000
(7) Long-term debt	153,574,396	155,276,107	1,701,711
(8) Leasehold and security deposits received in trust	750,872	737,698	(13,174)
Total liabilities	¥ 237,913,643	¥ 239,988,207	¥ 2,074,564
(9) Derivative transactions *	¥ (61,951)	¥ (61,951)	-
Total derivative transactions	¥ (61,951)	¥ (61,951)	-

*The assets/liabilities arising from derivative transactions are shown in the net amount, with liabilities on a net basis shown in parentheses.

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) Investment securities

The fair value of these is based on the values offered by financial institutions, etc.

(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.

(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 "21. DERIVATIVE TRANSACTIONS".

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

Concerning leasehold and security deposits received (carrying amount: ¥2,731,572 thousand) and leasehold and security deposits received in trust (carrying amount: ¥20,724,824 thousand) that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3 Amount of monetary claims and held-to maturity securities to be repaid after the end of the fiscal period

(Thousands of yen)		
	Within one year	Over 1 year, less than 2 years
Cash and bank deposits	¥ 9,197,549	-
Cash and bank deposits in trust	23,303,389	-
Investment securities	-	¥ 10,000
Total	¥ 32,500,938	¥ 10,000

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

(Thousands of yen)			
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years
Long-term debt	¥ 31,588,375	¥ 85,646,396	¥ 45,199,000
Corporate bonds	17,000,000	-	25,000,000
Total	¥ 48,588,375	¥ 85,646,396	¥ 70,199,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 20,779,000	-	¥ 1,950,000
Corporate bonds	-	¥ 10,000,000	-
Total	¥ 20,779,000	¥ 10,000,000	¥ 1,950,000

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

(Thousands of yen)

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

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

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

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

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

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

(4) Corporate bonds

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

(6) Leasehold and security deposits received in trust

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

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

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

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

(Thousands of yen)

	Within one year
Cash and bank deposits	¥ 2,879,966
Cash and bank deposits in trust	¥ 11,051,491

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

(Thousands of yen)

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

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

14. 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, 2011 and November 30, 2010, are as follows:

(Fifteenth Fiscal Period: December 1, 2010 – May 31, 2011)

	Carrying amount on the balance sheet (Note 1)			(Thousands of yen)
	Balance at the end of the 14th Fiscal Period (As of November 30, 2010)	Change during the 15th Fiscal Period (Note 2)	Balance at the end of the 15th Fiscal Period (As of May 31, 2011)	Fair value at the end of the 15th Fiscal Period (Note 3) (As of May 31, 2011)
Retail properties	¥ 74,946,376	¥ 44,733,916	¥ 119,680,292	¥ 111,344,000
Office buildings	65,662,392	121,046,172	186,708,564	198,204,000
Hotels	41,166,073	(189,113)	40,976,960	41,312,000
Residential properties	31,894,636	86,371	31,981,007	31,756,000
Others	1,832,901	(35,425)	1,797,476	1,780,000
Total	¥ 215,502,378	¥ 165,641,921	¥ 381,144,299	¥ 384,396,000

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 15th Fiscal Period," the amount of the increase is primarily attributable to succession of properties from NCI with the Merger (37 properties, ¥168,845,000 thousand) and capital expenditures (¥906,449 thousand). And the amount of the decrease is primarily attributable to the sale of PACIFIQUE Tenjin (¥1,578,083 thousand) and depreciation and amortization (¥2,737,020 thousand).

3 The "Fair value at the end of the 15th Fiscal Period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

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

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

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

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

2 Of the "Change during the 14th Fiscal Period," the amount of the decrease is primarily attributable to depreciation and amortization (¥1,529,128 thousand).

3 The "Fair value at the end of the 14th Fiscal Period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

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

15. TRANSACTIONS WITH RELATED PARTIES

(Fifteenth Fiscal Period: December 1, 2010 – May 31, 2011)

1. Asset Management Companies and Related Parties

							Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Asset Management Co., Ltd.	Investing	—	None	Brokerage commissions	¥ 47,433	—	—
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	78,981	Rent receivables	¥ 3,700
						Security deposits received	30,655
				Property management fees	84,801	Trade accounts payable	13,428
				Construction management fees	1,626	Trade accounts payable	1,175
				Construction costs	2,487	Trade accounts payable	1,523
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Other rental expenses	10,478	Trade accounts payable	2,514
				Property management fees	40,572	Trade accounts payable	6,310
				Construction management fees	8,775	Trade accounts payable	5,013
				Utilities	782	—	—
Marubeni Corporation	Wholesale industry	0.5	None	Other rental expenses (including communication expenses)	8,288	Trade accounts payable	2,453
				Property leasing	59,400	Security deposits received	19,800
						Rent received in advance	9,900
The Daiei, Inc.	Supermarket	—	None	Utilities	95,738	Trade accounts payable	15,590
				Property leasing	611,360	Security deposits received	765,600
						Rent received in advance	106,988
The Maruetsu, Inc.	Supermarket	—	None	Property management fees	1,350	—	—
				Property leasing	72,275	Security deposits received	739,000
TIPNESS LIMITED	Fitness club operator	—	None			Rent received in advance	12,648
				Property leasing	30,085	Security deposits received	70,246
				Other rental revenues	25,209	Rent receivables	5,265
							4,203

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd.	Trust bank	—	Repayment of long-term debt	122,927	Long-term debt	19,551,073
			Repayment of long-term debt due for repayment within one year	4,000,000	Long-term debt due for repayment within one year	4,765,698
			Interest expenses	85,521	Accrued expenses	55,847

			Loan expenses	77,568	Long-term prepaid expenses	182,684
					Prepaid expenses	3,626
					Accrued expenses	6,058
			Commissions related to corporate bonds	798	Prepaid expenses	185
			Custodian fees	13,488	—	—

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

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

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

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

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	¥ 79,409	Rent receivables	¥ 3,700
						Security deposits received	30,655
				Property management fees	68,715	Trade accounts payable	10,995
				Construction management fees	384	Trade accounts payable	36
				Utilities	1,494	Trade accounts payable	510
				Construction costs	299	—	—
				Other rental expenses	5,879	Trade accounts payable	550
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	41,063	Trade accounts payable	6,296
				Construction management fees	11,490	Trade accounts payable	13,203
				Utilities	1,033	—	—
				Other rental expenses (including communication expenses)	13,072	Trade accounts payable	121
Marubeni Corporation	Wholesale industry	0.6	None	Property leasing	59,400	Security deposits received	19,800
						Rent received in advance	9,900
The Daiei, Inc.	Supermarket	—	None	Property leasing	611,360	Security deposits received	765,600
						Rent received in advance	106,988
				Property management fees	1,200	—	—
The Maruetsu, Inc.	Supermarket	—	None	Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648
TIPNESS LIMITED	Fitness club operator	—	None	Property leasing	24,327	Security deposits received	48,653
						Rent received in advance	4,257
				Other rental revenues	24,154	Rent receivables	4,230
				Compensation income for damage	4,853	—	—

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd.	Trust bank	—	New long-term debt	1,000,000	Long-term debt	10,900,000
					Long-term debt due for repayment within one year	7,850,000
			Interest expenses	115,766	Accrued expenses	45,085
			Loan expenses	79,165	Long-term prepaid expenses	124,651
					Prepaid expenses	11,527
					Accrued expenses	5,967
			Commissions related to corporate bonds	11,066	Prepaid expenses	182
			Custodian fees	7,263	—	—

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

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

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

16. BUSINESS COMBINATION

(Fifteenth Fiscal Period: December 1, 2010 – May 31, 2011)

Overview of Business Combination

1. Name of acquired corporation

Nippon Commercial Investment Corporation ("NCI")

2. Description of business of acquired corporation

To invest and manage mainly specified assets, etc. under the Investment Trust Act

3. Reasons for business combination

United Urban and NCI have, through mutual detailed evaluation and analysis of the potential of the other's respective portfolios, growth strategies and financial strategies, among others, diligently evaluated strategies to improve the unitholder value of both investment corporations. As a result, the conclusion was reached that the implementation of the Merger would be likely to have sufficient synergy effects with respect to asset management including increased asset value, increased portfolio quality attendant with the increased asset value, and improved stability of revenue due to more diversity in properties/regions/tenants of the merged investment corporation, among others. United Urban and NCI entered into a memorandum of understanding concerning the Merger on April 22, 2010, and executed the Merger Agreement on May 10, 2010.

4. Date of business combination

December 1, 2010

5. Method of business combination

The business combination was an absorption-type merger method under which United Urban remains as a surviving company and NCI was dissolved as an absorbed company.

6. Name of investment corporation after the Merger

United Urban Investment Corporation

7. Major reasons for determining the acquiring corporation

In accordance with the Accounting Standard for Business Combinations, etc., United Urban became the acquiring corporation following comprehensive considerations of company size (total assets, net income, etc.), relative share of voting rights accounted for by unitholders as a whole, presence of a unitholder with the largest share of voting rights, presence of unitholders who have the power

to appoint and dismiss directors and auditors, composition of the board of directors, etc. as well as other factors.

Business Period of Acquired Corporation Included in the Financial Statements

From December 1, 2010 to May 31, 2011

Matters Related to Calculation of Acquisition Cost

1. Acquisition cost and breakdown

	Thousands of yen
Consideration	
Fair value of investment units issued by United Urban at the Merger	¥ 23,548,287
Cash and bank deposits	421,775
Direct cost necessary for acquisition	
Due diligence fee	1,099,353
Acquisition cost	¥ 25,069,415

2. Allocation ratio of investment units

United Urban allocated units of United Urban at an allocation ratio of one (1) United Urban unit as consideration per one (1) NCI unit. United Urban made a split of the investment units, held as at the record date of November 30, 2010, whereby it split one (1) unit into six units effective as of December 1, 2010

3. Basis for calculation of the allocation ratio

- (1) Analysis of the exchange ratio is conducted by comprehensively considering the results of the analysis based on the market unit price analysis, comparable REITs analysis, dividend capitalization analysis, discounted cash flow analysis and market net asset value analysis.
- (2) In order to assure fairness in calculating the exchange ratio to be used for the Merger, United Urban and NCI both appointed third-party evaluators respectively for the calculation of the exchange ratio. After comprehensive consideration of factors such as the calculation results, discussions and negotiations, it was determined that the above exchange ratio is appropriate.

4. Number of investment units issued

243,519 units

Matters Related to Allocation of Acquisition Cost

1. Amount and details of acquired assets and assumed liabilities on the date of business combination

	Thousands of yen
Current assets	¥ 15,561,240
Fixed assets	170,576,133
Total Assets	186,137,373
Current liabilities	8,151,033
Long-term liabilities	140,424,052
Total Liabilities	¥ 148,575,085

2. Negative goodwill

- | | |
|-----------------------------|---|
| Amount of negative goodwill | : ¥12,492,873 thousand |
| Cause | : Because the market net asset values of NCI exceeded the acquisition cost at the time of the Merger, the difference was recognized as negative goodwill. |
| Accounting treatment | : The entire amount was recognized as extraordinary income for the current period. |

Comparative Information

There are no appropriate matters because the date of business combination was the beginning of the current fiscal period.

17. PER UNIT INFORMATION

The calculation of net assets per unit is based on the number of units outstanding at the period end, and the calculation of net income per unit is based on the weighted-average number of units outstanding during the period. Net assets per unit and net income per unit at May 31, 2011 and November 30, 2010 for the fiscal periods then ended are summarized as follows:

	Yen	
	15th Fiscal Period (December 1, 2010 - May 31, 2011)	14th Fiscal Period (June 1, 2010 - November 30, 2010)
Net assets per unit at the period end	¥ 102,261	¥ 554,228
Net income per unit	¥ 11,449	¥ 16,172
Weighted-average number of units (units)	1,451,319	201,300

United Urban made a split of the investment units whereby it split one (1) unit into six units effective as of December 1, 2010. The per unit information under the assumption that the unit split had been made at the beginning of the previous fiscal period is as follows:

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

18. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and Cash Equivalents

Cash and cash equivalents at May 31, 2011 and November 30, 2010 were as follows:

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
Cash and bank deposits	¥ 32,500,938	¥ 13,931,457
Restricted deposits with a bank	(207,057)	(207,031)
Cash and cash equivalents	¥ 32,293,881	¥ 13,724,426

Significant Non-cash Transactions

Breakdown of acquired assets and assumed liabilities from NCI with the Merger were as follows. In addition, capital surplus increased by ¥23,548,287 thousand by the Merger.

	Thousands of yen
Current assets	¥ 15,561,240
Fixed assets	170,576,133
Total Assets	186,137,373
Current liabilities	8,151,033
Long-term liabilities	140,424,052
Total Liabilities	¥ 148,575,085

19. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2011 and November 30, 2010, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 15th Fiscal Period (As of May 31, 2011)	End of 14th Fiscal Period (As of November 30, 2010)
Due within one year	¥ 9,527,523	¥ 8,256,580
Due after one year	41,101,497	44,854,977
Total	¥ 50,629,020	¥ 53,111,557

20. SECURITIES

Debt securities held to maturity at May 31, 2011 are summarized as follows:

	Type	Balance Sheet Amount (Thousands of yen)	Fair Value (Thousands of yen)	Differences (Thousands of yen)
Securities whose fair value exceeds balance sheet amount	Government bonds	¥ 9,911	¥ 9,975	¥ 64
Total		¥ 9,911	¥ 9,975	¥ 64

In addition, there were no securities transactions for the fiscal period ended November 30, 2010.

21. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting for the fiscal period ended May 31, 2011: None
2. Derivative transactions subject to hedge accounting for the fiscal period ended May 31, 2011 were as follows:

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		
Principle method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 4,578,490	—	¥ (61,951)	(Note)
Total			¥ 4,578,490	—	¥ (61,951)	

Note: The "Fair Value" is based on the prices offered by financial institutions, etc.

In addition, there were no derivative transactions for the fiscal period ended November 30, 2010.

22. SUBSEQUENT EVENTS

Cash Distribution

On July 21, 2011, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥2,841 per unit, amounting to ¥4,123,197 thousand in the aggregate, to unitholders of record as of May 31, 2011.

Issuance of New Investment Units

United Urban ratified the issuance of new investment units by way of offering (640,000 units) and third-party allotment (12,064 units) at meetings of the Board of Directors held on May 23, 2011 and June 1, 2011 as follows. Payments of about ¥56.5 billion related to the offering were completed on June 8, 2011, and the payment of over ¥1.0 billion related to the third-party allotment for SMBC Nikko

Securities Inc. was completed on July 6, 2011. As a result, the unitholders' capital increased to about ¥165.9 billion and the total number of investment units issued and outstanding increased to 2,103,383 units. Details on the issuance of new investment units are as follows:

a. Issuance of new investment units by way of offering

Total number of units issued	: 640,000 units
Offer price	: ¥91,162 per unit
Total offer price	: ¥58,343,680,000
Issue price	: ¥88,357 per unit
Total issue price	: ¥56,548,480,000
Payment date	: June 8, 2011
Starting date of the computation for cash distribution	: June 1, 2011

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

Total number of units issued	: 12,064 units
Issue price	: ¥88,357 per unit
Total issue price	: ¥1,065,938,848
Payment date	: July 6, 2011
Starting date of the computation for cash distribution	: June 1, 2011
Allottee	: SMBC Nikko Securities Inc.

Acquisition of Properties

United Urban acquired the following real estate and trust beneficial interests in real estate with proceeds from the issuance of new investment units, mentioned above in "Issuance of New Investment Units".

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
A25	Luz Jiyugaoka	Retail, Office	Meguro-ku, Tokyo	¥5,090 million	June 15, 2011
A26	ACTIOLE Ichikawa	Retail	Ichikawa, Chiba	¥3,350 million	June 15, 2011
B37	ARENA TOWER	Office, Retail, Parking Lot	Yokohama, Kanagawa	¥9,500 million	June 16, 2011
D23	Le Monde Koto	Residential, Parking Lot	Koto-ku, Tokyo	¥2,900 million	June 15, 2011
Total				¥20,840 million	

Notes: 1. Of the types indicated on the real estate register, the primary types are shown.
2. The acquisition prices shown are based on the purchase prices 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.

Repayment of Existing Borrowing

United Urban repaid a portion of the existing borrowing prior to the principal repayment date with the balance of proceeds from the issuance of new investment units after paying the total acquisition costs for new property acquisitions on June 20, 2011.

Facility 40

Lenders	: Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Norinchukin Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust and Banking Co., Ltd., Shinsei Bank Limited, The Chuo Mitsui Trust and Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd. and Resona Bank, Limited
Balance of borrowing	: ¥38,658 million
Interest rate	: 1.48000% (from May 20, 2011 to June 20, 2011)
Drawdown date	: September 27, 2010
Repayment method	: Bullet payment at maturity
Principal repayment date	: September 20, 2012
Repayment date prior to the principal repayment date	: June 20, 2011
Amount of repayment	: ¥34,300 million
Balance after repayment	: ¥4,358 million
Remarks	: Unsecured, unguaranteed

Report of Independent Auditors

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of May 31, 2011 and November 30, 2010, and the related statements of income, changes in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation at May 31, 2011 and November 30, 2010, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 22, Subsequent Events, the Company issued new investment units, acquired new properties and repaid a portion of existing borrowings.

Ernst & Young ShinNihon LLC

August 31, 2011

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation ("United Urban") as of May 31, 2011:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥108,310,509,822
Number of Unitholders:	19,793
Transfer Agent:	The Chuo Mitsui Trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo 105-8574, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Company, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon LLC Hibiya Kokusai Bldg., 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is six-months ending on May 31 and November 30.
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189

About Our Website

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

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



Disclaimer

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

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

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

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

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

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



United Urban Investment Corporation

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

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