

Semiannual Report

Seventeenth Fiscal Period

From December 1, 2011 to May 31, 2012



Profile

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

In order to obtain stable earnings over the medium to long term, United Urban intends to form 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”). United Urban is maintaining its management strategies after the merger and endeavoring to maximize unitholders’ interest.



Retail Properties

Shinsaibashi OPA Honkan



Office Buildings

Kawasaki Toshiba Building



Hotels

Shinjuku Washington Hotel Honkan



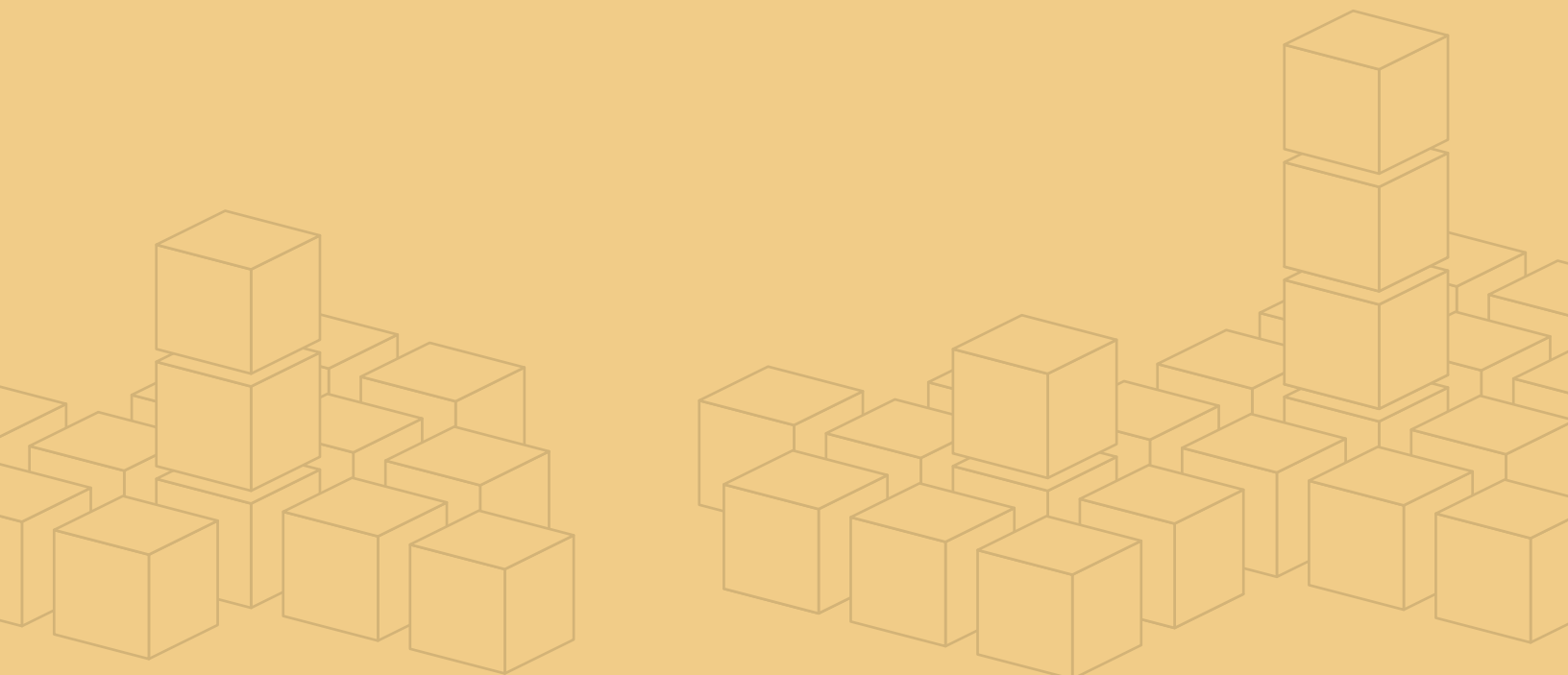
Residential Properties

UUR Court Nagoya Meieki



Others

Lilycolor Tohoku Branch



Share Transfer of the Asset Management Company

Credit Suisse Principal Investments Limited, Tokyo Branch transferred all of its common shares of Japan REIT Advisors Co., Ltd. (“JRA”) to Marubeni Corporation (“Marubeni”) on June 29, 2012. As a result of this share transfer, Marubeni’s ownership ratio of JRA rose from 51.0% to 95.0%. In the J-REIT market, which is expected to expand further with history of over 10 years since its establishment, United Urban would like to realize its further growth by taking full advantage of its network and support provided by Marubeni and its affiliate companies.

Personnel Changes in United Urban and the Asset Management Company

Hisamitsu Abe took over the position as the Executive Officer of United Urban from Yasuhiro Tanaka on June 30, 2012. With regard to the asset management company (JRA), Kenichiro Oikawa became the President and CEO on June 29, 2012. United Urban, together with JRA, will engage in maximizing unitholders’ interest by the continuous effort for further growth and stabilizing the level of its cash distribution.

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

Key Figures (As of May 31, 2012)

Cash Distribution per Unit
for the 17th Fiscal Period

¥2,750

Occupancy Ratio

96.1%

Total Acquisition Price

¥422.6 billion

Number of Properties

91

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

47.6%

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

Ratings

(As of July 13, 2012)

JCR

Long-Term
Senior Debt Rating:

AA-

Rating Outlook: Stable

R&I

Issuer Rating:

A+

Rating Outlook: Stable

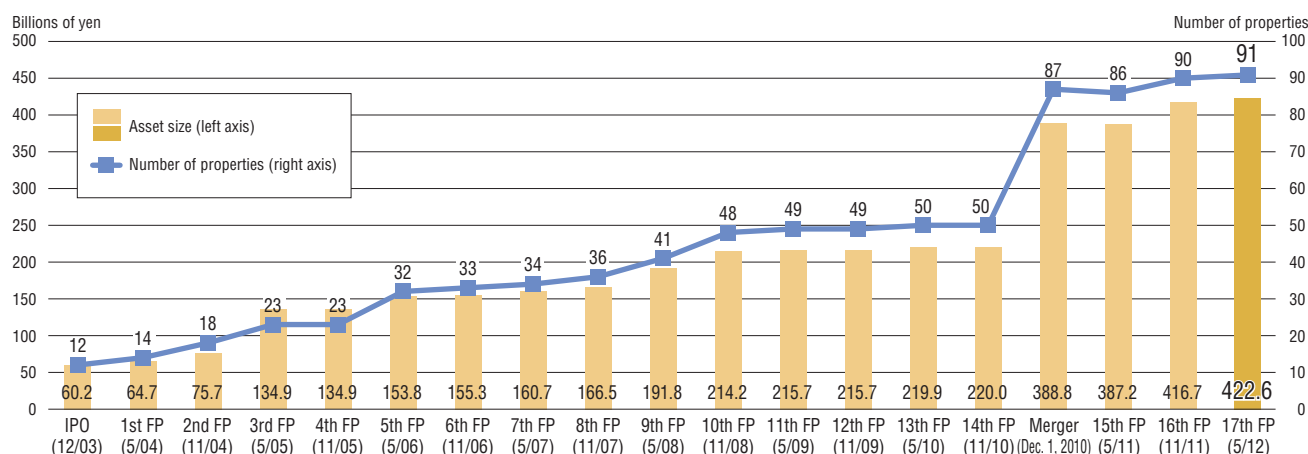
Moody's

Issuer Rating:

A3

Rating Outlook: Stable

Growth of Assets



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

Financial Highlights

Millions of yen, except per unit information

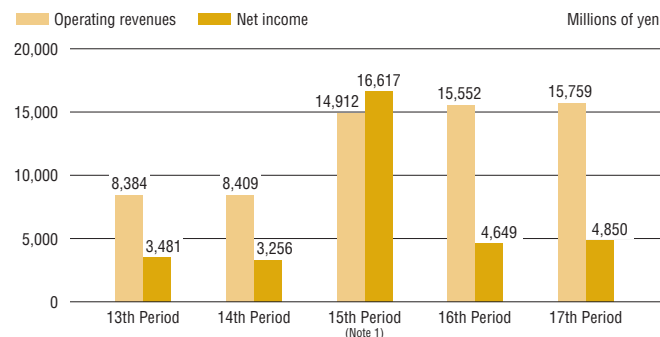
	17th Fiscal Period December 1, 2011- May 31, 2012	16th Fiscal Period June 1, 2011- November 30, 2011	15th Fiscal Period December 1, 2010- May 31, 2011	14th Fiscal Period June 1, 2010- November 30, 2010	13th Fiscal Period December 1, 2009- May 31, 2010
Operating revenues	¥ 15,759	¥ 15,552	¥ 14,912	¥ 8,409	¥ 8,384
Operating income	6,960	7,027	7,079	4,249	4,334
Ordinary income	4,851	4,650	4,316	3,257	3,482
Net income	4,850	4,649	16,617 ^(Note 3)	3,256	3,481
Cash distributions	5,784	5,784	4,123	3,256	3,481
Cash distribution per unit (Yen) ^(Note 2)	2,750	2,750	2,841	16,173	17,294
Total assets	457,026	450,963	416,471	230,779	231,043
Total unitholders' equity	205,682	206,586	148,414	111,566	111,792
Unitholders' equity per unit (Yen) ^(Note 2)	97,786	98,215	102,261	554,228	555,349

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

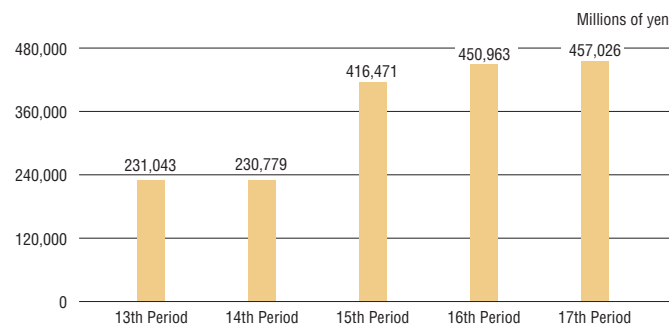
2. The investment unit of United Urban was split into six units as of December 1, 2010.

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

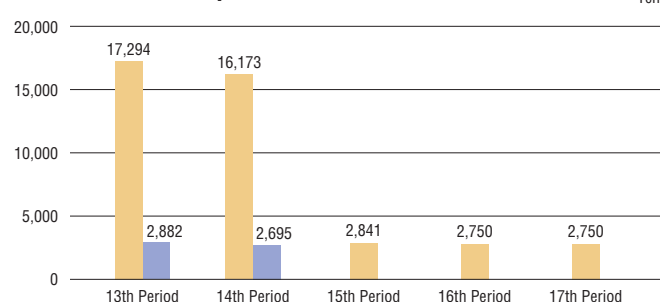
Operating revenues / Net income



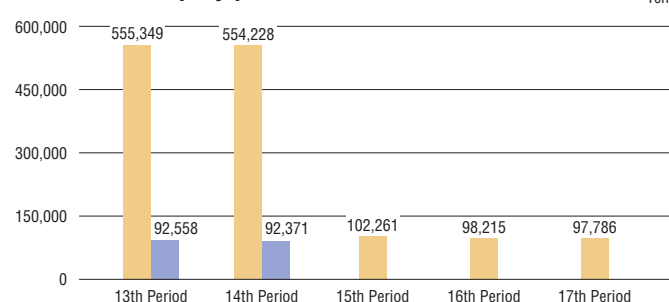
Total assets



Cash distribution per unit ^(Note 2)



Unitholders' equity per unit ^(Note 2)



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

2. United Urban split one investment unit into six units as of December 1, 2010. Accordingly, "Cash distribution per unit" and "Unitholders' equity per unit" 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 purple).

To Our Unitholders

We are delighted to present this report on our business activities during our 17th fiscal period: the six-month period ended May 31, 2012.

We would like to inform you of retirement of Yasuhiro Tanaka from the position of United Urban's Executive Officer and Hisamitsu Abe's assumption as Mr. Tanaka's successor effective on June 30, 2012.

As a diversified J-REIT, investing in properties varied both in types of use and geographical location, United Urban has increased its asset size and continued stable cash distribution since its listing. After the merger with Nippon Commercial Investment Corporation on December 1, 2010, United Urban has become the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size as of May 31, 2012.

During the 17th fiscal period, United Urban acquired two properties (total acquisition price: ¥6,350 million) and sold one property (sale price: ¥416 million), which brought an expansion in asset size and improvement in asset quality. United Urban also acquired interest for two anonymous associations (total amount: ¥2,450 million), and obtained the preferential negotiation rights to acquire the assets in which each anonymous association invests.

As a result of these activities, United Urban was able to achieve operating revenues of ¥15,759 million, operating income of ¥6,960 million and net income of ¥4,850 million. We decided the distribution amount for this fiscal period to be ¥5,784 million or ¥2,750 per unit by adding ¥934 million from reserve for distribution to the unappropriated profit at the end of the period (¥4,850 million).

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



Hisamitsu Abe

Executive Officer
United Urban Investment Corporation

Kenichiro Oikawa

President and CEO
Japan REIT Advisors Co., Ltd.

Topics of 17th Fiscal Period

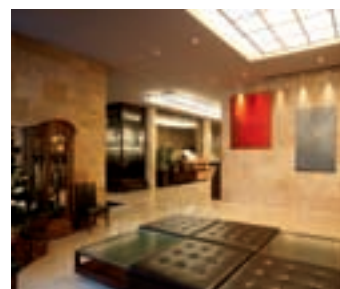
New Acquisitions during the 17th Fiscal Period

Hotels

C6 Hotel JAL City Yotsuya Tokyo



■ Acquisition Date	December 26, 2011
■ Address	3-14-1 Yotsuya, Shinjuku-ku, Tokyo
■ Site Area	1,053.16 m ²
■ Total Floor Space	7,682.82 m ²
■ Construction	SRC/RC
■ Number of Floors	B1/13F
■ Completed	January 1997
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Retail Properties

A28 Yamada Denki Tecc Land Aoba (Site) (Note)



■ Acquisition Date	May 18, 2012
■ Address (lot number)	2-3~11-14-15 Moegino, Aoba-ku, Yokohama, Kanagawa
■ Site Area	7,594.00 m ²
■ Total Floor Space	—
■ Construction	—
■ Number of Floors	—
■ Completed	—
■ Type of Ownership	Land: Proprietary Ownership Building: —

Note: The property which United Urban acquired is mainly a site. Buildings and structures situated in the site are not included in the property.

Sale of Property

In view of the current business condition and leasing situation of the following property, United Urban judged that the sale of the property would increase unitholders' interest, and sold the following property.

Property No.	Type	Property Name	Location	Book Value	Sale Price	Date of Sale
A22	Retail Properties	Bellfa Uji	Uji, Kyoto	¥504 million	¥416 million	April 25, 2012





Topics of 17th Fiscal Period

Acquisition of Interest for Anonymous Association

For realization of steady growth and in consideration of standing of its portfolio, United Urban acquired equity interests for anonymous association which invest in trust beneficial interests in real estate during the 17th fiscal period, as set forth below. Accordingly, United Urban obtained preferential negotiation rights^(Note) to acquire the trust beneficial interests, etc.

Overview

Name of the Asset	Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest	Godo Kaisha Euler Anonymous Association Equity Interest
Acquired Asset	Equity interest in anonymous association which invests in trust beneficial interest in real estate	Equity interest in anonymous association which invests in trust beneficial interest in real estate
Property Held in Trust	Yodobashi Camera Multimedia Kichijoji	Yotsuya Tokyu Building
Contribution Amount	¥2,200 million (29.5% ownership of anonymous association)	¥250 million (14.8% ownership of anonymous association)
Acquisition Date	December 26, 2011	March 29, 2012
Financing	Cash on hand	Cash on hand
Outline of Preferential Negotiation Right (condition of acquisition)	(i) Through Dec. 31, 2013: ¥28,000 million or more (ii) Through Dec. 27, 2014: at a price higher than the assumed sale price or under other terms and conditions that reasonably satisfy the seller	Through Mar. 30, 2015: ¥5,020 million or more

Godo Kaisha Kichijoji YCM Funding		Godo Kaisha Euler	
Trust Beneficial Interest in Real Estate, etc. ¥28,750 million	Non-recourse Loan ¥21,300 million	Trust Beneficial Interest in Real Estate, etc. ¥5,190 million	Non-recourse Loan ¥3,500 million
	Anonymous Association ¥7,450 million		Anonymous Association ¥1,690 million
<ul style="list-style-type: none"> • United Urban contributed ¥2,200 million (29.5% ownership). • Obtained the preferential negotiation right to purchase the trust beneficial interest in the future. 		<ul style="list-style-type: none"> • United Urban contributed ¥250 million (14.8% ownership). • Obtained the preferential negotiation right to purchase the trust beneficial interest in the future. 	
Yodobashi Camera Multimedia Kichijoji Retail Properties  Address Musashino, Tokyo Site Area 3,582.39 m ² Total Floor Space 37,932.95 m ² Construction S/SRC Number of Floors B4/9F Completed May 1974 (new construction) June 2007 (renovation) Appraisal Value ¥30,200 million (as of May 31, 2012) Estimated NOI ¥1,456 million Occupancy Ratio 100.0% (as of May 31, 2012)		Yotsuya Tokyu Building Hotels  Address Shinjuku-ku, Tokyo Site Area 1,264.94 m ² Total Floor Space 7,884.53 m ² Construction SRC Number of Floors 14F Completed April 2001 Appraisal Value ¥5,220 million (as of May 31, 2012) Estimated NOI ¥276 million Occupancy Ratio 100.0% (as of May 31, 2012)	

Note: The preferential negotiation rights are rights granted to United Urban. Therefore, United Urban is not under any obligation to acquire the trust beneficial interests in the future. United Urban will carefully consider the exercising of the preferential negotiation rights, paying attention to the effect on the composition and profitability of its entire portfolio, and taking into account the management environment surrounding United Urban, such as trends in the stock markets, the financial markets and real estate market conditions, etc.

Issuance of Corporate Bonds

United Urban issued the Series 5 of Unsecured Corporate Bonds targeted at retail investors on December 16, 2011, after the Series 4 of Unsecured Corporate Bonds which was the first J-REIT corporate bonds targeted at retail investors (issued in December 2010). Moreover, United Urban issued the Series 6 of Unsecured Corporate Bonds on December 9, 2011. United Urban diversified its financing methods through the issuance of corporate bonds, and repaid existing borrowings together with the proceeds from the new borrowing.

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating	Use of Proceeds
3 years	Series 5 of Unsecured Corporate Bonds (nickname: <i>Yu Yu Sai</i>)	¥7,000 million	1.00% p.a.	Dec. 16, 2011	Dec. 16, 2014	Unsecured Unguaranteed	AA- (JCR)	Repayment of TL 9, 13, 14 and 27
5 years	Series 6 of Unsecured Corporate Bonds	¥3,000 million	1.12% p.a.	Dec. 9, 2011	Dec. 9, 2016	Unsecured Unguaranteed	AA- (JCR)	

Debt Financing

United Urban procured debt financing during the 17th fiscal period, as set forth below.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Use of Proceeds
TL38 (long term)	Mitsubishi UFJ Trust and Banking Corporation	¥2,000 million	0.63000% (variable) ^(Note)	Dec. 20, 2011	Dec. 20, 2016	Repayment of TL9, 13, 14 and 27
TL39 (mid term)	The Norinchukin Bank Mizuho Corporate Bank, Ltd.	¥4,500 million	0.63000% (variable) ^(Note)	Dec. 26, 2011	Dec. 20, 2016	Payment for acquisition of Hotel JAL City Yotsuya Tokyo
TL40 (mid term)	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥3,900 million	0.63000% (variable) ^(Note)	Mar. 30, 2012	Mar. 20, 2017	Repayment of Facility F-a and Facility F-b
TL41 (mid term)	Kansai Urban Banking Corporation Sampo Japan Insurance Inc. The Hiroshima Bank, Ltd.	¥2,500 million	0.99250% (fixed)		Mar. 20, 2017	
TL42 (mid term)	Mizuho Corporate Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited	¥5,000 million	0.58000% (variable) ^(Note)	Apr. 12, 2012	Mar. 20, 2016	Payment for redemption of NCI Series 2 of Unsecured Corporate Bonds
TL43 (mid term)	Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Shinsei Bank, Limited The Bank of Fukuoka, Ltd. The 77 Bank, Ltd.	¥5,500 million	0.63000% (variable) ^(Note)		Mar. 20, 2017	
TL44 (mid term)	Sumitomo Mitsui Trust Bank, Limited	¥3,500 million	0.53000% (variable) ^(Note)		Mar. 20, 2017	
TL45 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥3,000 million	0.63000% (variable) ^(Note)		Mar. 20, 2018	
TL46 (long term)	Resona Bank, Limited	¥1,300 million	0.58000% (variable) ^(Note)	May 18, 2012	Jun. 20, 2017	Payment for acquisition of Yamada Denki Tecc Land Aoba (Site)
TL47 (mid term)	Shinsei Bank, Limited	¥1,000 million	0.92167% (fixed)		Mar. 20, 2017	

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

Subsequent Events

New Acquisitions After the End of the 17th Fiscal Period

Residential Properties

D24 Glenpark Sapporo Premier Tower



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

Office Buildings

B38 Yushima First Building



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

Issuance of Corporate Bonds and Early Repayment of Borrowing

United Urban issued the Series 7 of Unsecured Corporate Bonds on July 5, 2012 and the Series 8 of Unsecured Corporate Bonds on August 6, 2012 to diversify financing methods as well as to repay the existing borrowings.

[Newly issued corporate bonds]

Term	Name of Corporate Bonds	Issue Amount	Interest Rate	Issue Date	Redemption Date	Collateral Guarantee	Rating
5 years	Series 7 of Unsecured Corporate Bonds	¥6,500 million	0.95% p.a.	Jul. 5, 2012	Jul. 5, 2017	Unsecured Unguaranteed	AA- (JCR)



[Early Repayment of existing borrowing]

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date ^(Note)	Repayment Date	Early Repayment Date
Facility 40-F (mid term)	Aozora Bank, Ltd.	¥4,269 million	2.01602%	Nov. 29, 2010	Sep. 22, 2014	Jul. 12, 2012

[Newly issued corporate bonds]

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



[Early Repayment of existing borrowing]

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date ^(Note)	Repayment Date	Early Repayment Date
Facility 40-E (mid term)	Sumitomo Mitsui Banking Corporation	¥12,260 million	1.94316%	Oct. 29, 2010	Sep. 22, 2014	Aug. 7, 2012

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

Debt Financing

United Urban procured debt financing for repayment of its existing borrowings on June 20, 2012, as set forth below. Also, United Urban entered into loan transactions for acquisition of “Glenpark Sapporo Premier Tower” and “Yushima First Building” on June 28, 2012 and August 29, 2012, respectively.

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Use of Proceeds
TL48 (long term)	The Gunma Bank, Ltd. The Bank of Yokohama, Ltd. The Tokyo Tomin Bank, Limited	¥2,300 million	0.58000% (variable) (Note 1)	Jun. 20, 2012	Jun. 20, 2017	Repayment of existing borrowings*
TL49 (long term)	Sumitomo Mitsui Trust Bank, Limited	¥2,500 million	0.53000% (variable) (Note 1)		Jun. 20, 2017	
TL50 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,400 million	0.74000% (fixed)		Sep. 20, 2017	
TL51 (long term)	Development Bank of Japan Inc.	¥900 million	1.37045% (fixed)		Jun. 20, 2020	
TL52 (long term)	Sumitomo Mitsui Banking Corporation	¥4,500 million	0.68000% (variable) (Note 1)		Jun. 20, 2019	
TL53 (long term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥2,200 million	0.96000% (fixed)	Jun. 28, 2012	Jun. 20, 2019	Payment for acquisition of Glenpark Sapporo Premier Tower
TL54 (long term)	Sumitomo Mitsui Banking Corporation	¥2,200 million	0.53000% (variable) (Note 1)	Aug. 29, 2012	Mar. 20, 2018	Payment for acquisition of Yushima First Building

*Repayment of existing borrowing

Title	Lenders	Amount of Borrowing	Interest Rate	Drawdown Date	Early Repayment Date
TL18 (mid term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,400 million	1.44618% (fixed)	Dec. 27, 2007	Jun. 20, 2012
TL19 (mid term)	Sumitomo Mitsui Banking Corporation	¥4,500 million	1.48031% (fixed)	Jan. 30, 2008	
TL22 (mid term)	Development Bank of Japan Inc.	¥900 million	1.63568% (fixed)	Nov. 11, 2008	
TL24 (mid term)	Sumitomo Mitsui Trust Bank, Limited	¥3,000 million	0.93643% (variable) (Note 1)	Dec. 22, 2008	
Facility G (long term)	DAIDO LIFE INSURANCE COMPANY	¥1,831 million	2.25750% (fixed)	Jun. 26, 2007 (Note 2)	Jun. 26, 2012

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

2. This borrowing was succeeded to from NCI along with the merger between United Urban and NCI that took effect on December 1, 2010. Therefore, the “Drawdown Date” shows the drawdown date of NCI.

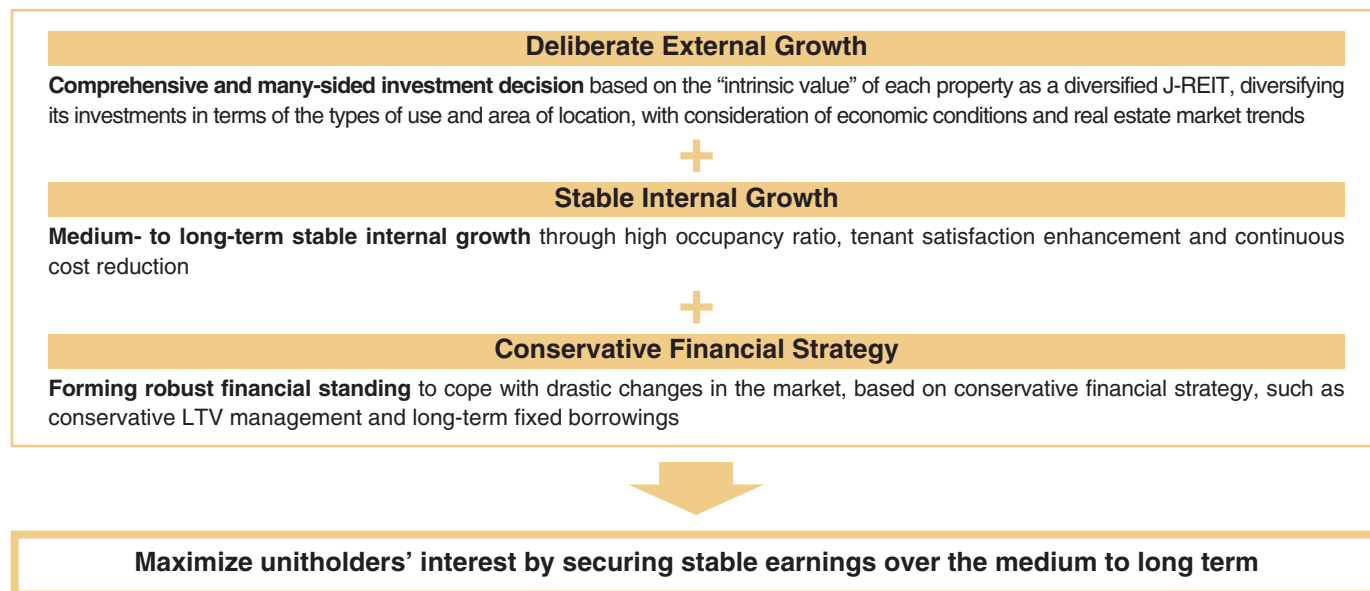
Committed Line of Credit

Though two existing committed line of credit agreements terminated upon their expiration, United Urban reconcluded two committed line of credit agreements with leading Japanese financial institutions on June 22, 2012 to secure expeditious and stable financing. United Urban believes that these agreements will continue to reduce the refinancing risk and quicken the response to immediate financing needs upon the acquisition of property, etc. United Urban will make continuous efforts to build its robust financial standing in order to cope with rapid changes in the financial market.

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

Management Strategy of United Urban

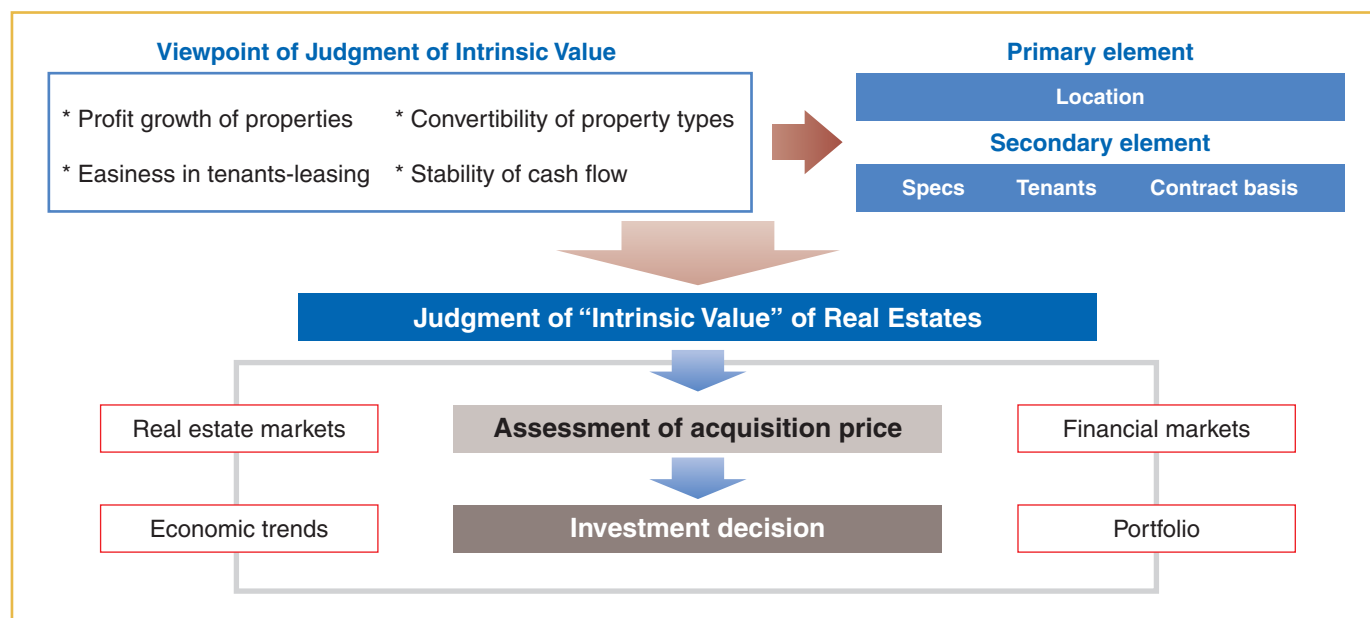
Management Strategy



External Growth Strategy

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

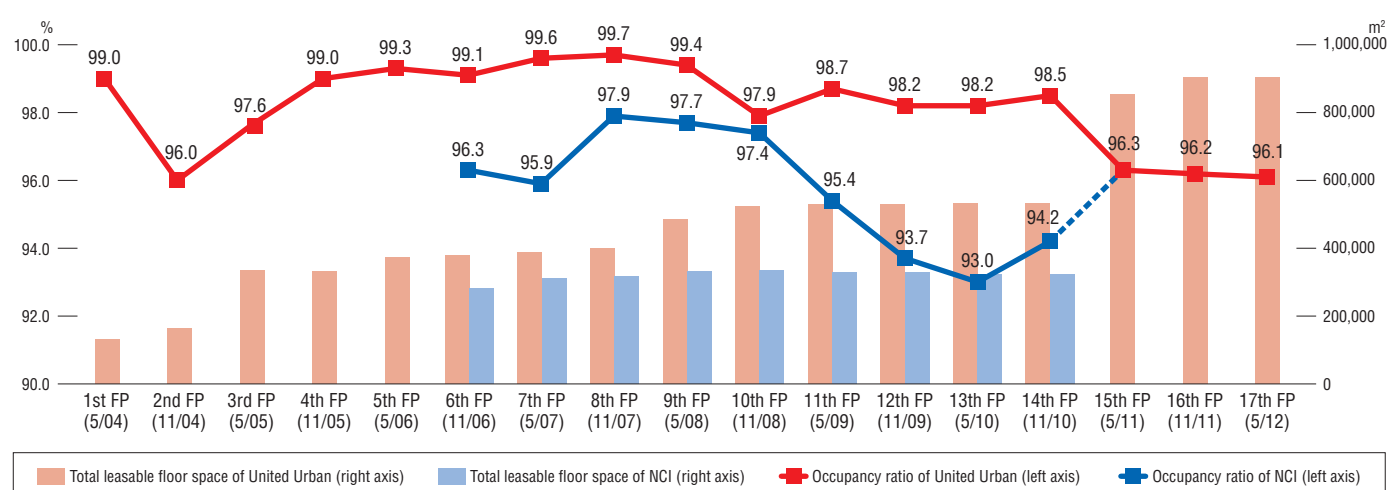
United Urban defines the real estate that can secure stable profitability over the medium to long term, as the real estate with “Intrinsic Value” and aims to implement procedures which seek to invest in real estate with “Intrinsic Value.” Through analysis of several factors such as the external environment,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



Internal Growth Strategy

United Urban has managed its properties with a relatively high occupancy ratio. However, there is an increase in vacancy rates in our properties as a reflection of the recent economic environment. Under these circumstances, United Urban tries to raise tenants' satisfaction by improving the quality of building management and services. Moreover, United Urban will try to improve the profitability of its existing portfolio through continuous efforts to maintain and improve the occupancy ratio and the rental income by leasing activities based on the study and analysis of the real-estate rental market, while reducing its costs.

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



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

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

Financial Strategy

Basic Policy of Financial Strategy

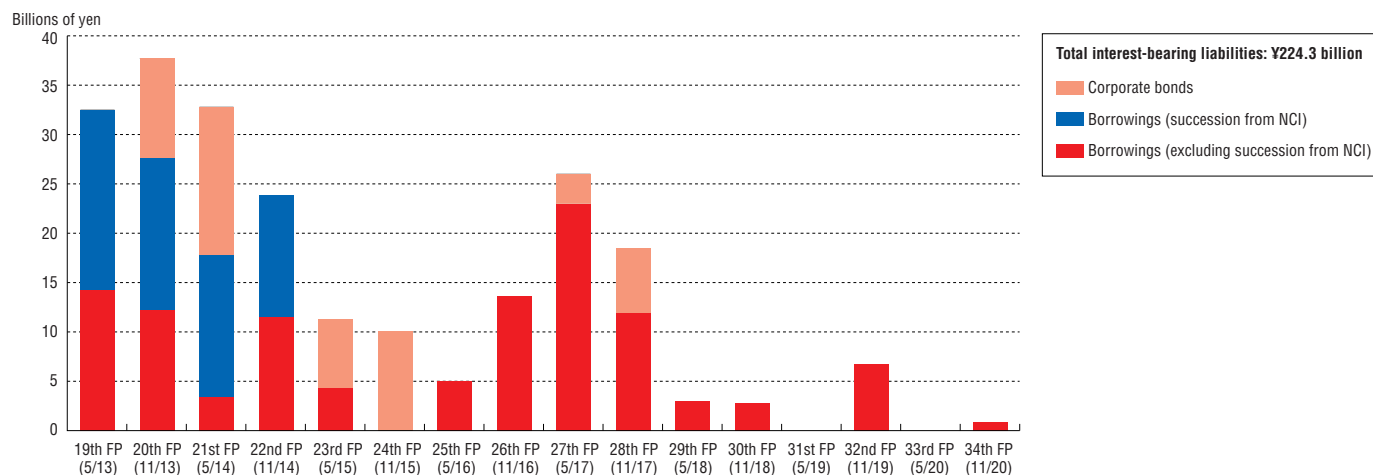
1. Maintaining the LTV level below 50%
2. In general, fixed and long-term financing
3. Selection of optimal financing methods and conditions
 - A. Dispersed debt maturity to minimize refinancing risk and interest rate volatility
 - B. Maintaining committed line of credit to secure financial stability 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 13, 2012)



Borrowings (As of July 13, 2012)

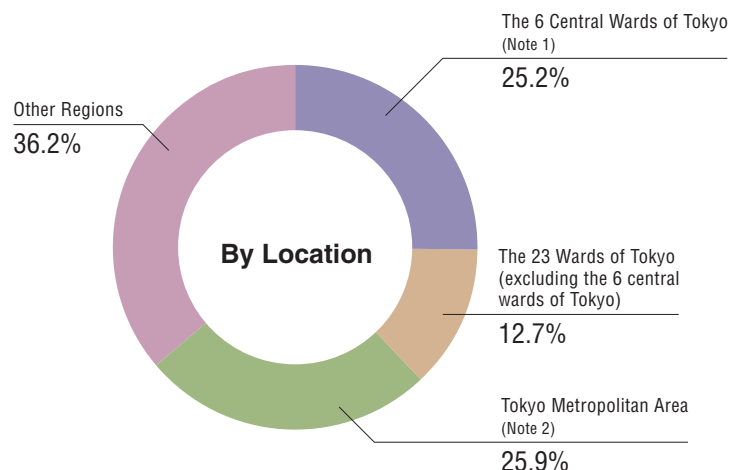
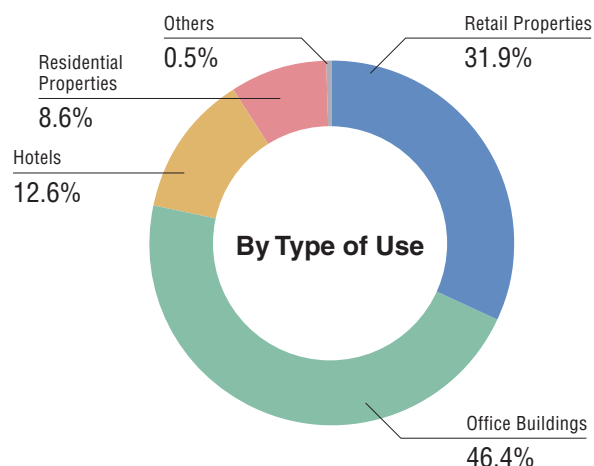
Lenders	Balance (millions of yen) (Note)	Share (%)
Sumitomo Mitsui Banking Corporation	35,469	20.5
Sumitomo Mitsui Trust Bank, Limited	33,864	19.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	23,096	13.4
Mizuho Corporate Bank, Ltd.	15,790	9.1
Mitsubishi UFJ Trust and Banking Corporation	10,767	6.2
Aozora Bank, Ltd.	10,545	6.1
The Norinchukin Bank	8,506	4.9
Shinsei Bank, Limited	8,077	4.7
Development Bank of Japan Inc.	5,500	3.2
Resona Bank, Limited	3,652	2.1
The Bank of Fukuoka, Ltd.	2,700	1.6
Saitama Resona Bank, Limited	2,000	1.2
The Shinkumi Federation Bank	2,000	1.2
Mizuho Trust & Banking Co., Ltd.	2,000	1.2
ORIX Bank Corporation	1,500	0.9
Mitsui Sumitomo Insurance Company, Limited	1,000	0.6
The Dai-ichi Life Insurance Company, Limited	1,000	0.6
Sompo Japan Insurance Inc.	1,000	0.6
Kansai Urban Banking Corporation	1,000	0.6
The Gunma Bank, Ltd.	900	0.5
The Bank of Yokohama, Ltd.	900	0.5
The Hiroshima Bank, Ltd.	500	0.3
The 77 Bank, Ltd.	500	0.3
The Tokyo Tomin Bank, Limited	500	0.3
Total	172,766	100.0

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

Portfolio Properties

Portfolio Data

Portfolio Breakdown (As of May 31, 2012)



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

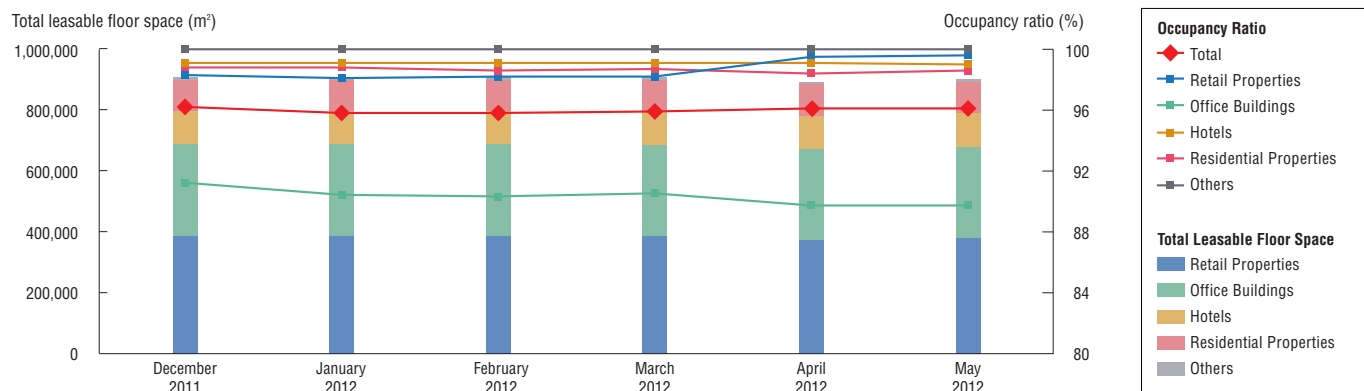
2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi) excluding the 23 Wards of Tokyo.

Occupancy Ratio (Note)

	2011			2012		
	December	January	February	March	April	May
Retail Properties	98.3%	98.1%	98.2%	98.2%	99.5%	99.6%
Office Buildings	91.2%	90.4%	90.3%	90.5%	89.7%	89.7%
Hotels	99.1%	99.1%	99.1%	99.1%	99.1%	99.0%
Residential Properties	98.8%	98.8%	98.6%	98.7%	98.4%	98.6%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.2%	95.8%	95.8%	95.9%	96.1%	96.1%

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, 2012)

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 (Note 8)	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 03, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 01, 2010	
A16	Shinsaibashi OPA Kireikan	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 1998	Dec. 01, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 01, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 01, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 01, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 01, 2010	
A24	Yokohama Kariba Shopping Center (Note 9)	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 01, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
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. 02, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyochō Building (Note 10)	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 01, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 01, 2010	
B12	UUR Tsukiji Building (Note 11)	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1999	Dec. 01, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 01, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 01, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 01, 2010	
B16	Omori City Building	Ota-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1980	Dec. 01, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 01, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 01, 2010	
B19	Pacific Marks Nihonbashi-Tomizawacho	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1991	Dec. 01, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 01, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 01, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 01, 2010	
B23	Pacific Marks Shinkawa	Chuo-ku, Tokyo	Trust beneficial interest in real estate	May 1992	Dec. 01, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 01, 2010	
B26	Towa Hamamatsucho Building (Note 7)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 01, 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 (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	3.6%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.6%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.2%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	1.2%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.6%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.5%	1,138.66	5,369.70	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	1.3%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.5%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.9%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	1.0%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	1.0%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.6%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.6%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	5.4%	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
	1,580	0.4%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.6%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.7%	83,810.27	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	1.1%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.6%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	1.2%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.8%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.6%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.5%	7,594.00	—	—	—	Proprietary Ownership	—
	2,257	0.5%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.3%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.5%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.6%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.5%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	3.4%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	4.5%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	1.2%	(53,363.57)	(—)	(—)	(—)	Proprietary Ownership (Co-ownership)	—
	8,500	2.0%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	1.0%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	3.5%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.9%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.6%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.4%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.7%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.9%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	4,120	1.0%	1,041.44	6,550.12	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	3,290	0.8%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.6%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	1,890	0.4%	550.67	3,627.03	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.5%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.3%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.4%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	2,790	0.7%	949.85	6,058.75	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	9,890	2.3%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,260	1.5%	1,401.61	8,331.90	S/RC	B2/8F	Proprietary Ownership (Co-ownership of Site Rights)	Compartmentalized Ownership

Portfolio Properties

Portfolio Roster (As of May 31, 2012)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Office Buildings						
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 01, 2010	
B28	Pacific Marks Aobadai	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1993	Dec. 01, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 01, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 01, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 01, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 01, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 01, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 01, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 01, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 01, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
Hotels						
C1	Shinjuku Washington Hotel Honkan (Note 7)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 02, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	Hotel JAL City Yotsuya Tokyo	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
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	UUR Court Chiba Soga (Note 12)	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 08, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 08, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho (Note 13)	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
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 situations. In regard to the "Site Area" of properties which have a site space for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures including co-ownership space are described.
2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as December 1, 2010, the effective date of the merger.
3. The "Acquisition Price" is an amount (the amounts stated in each sale and purchase agreements, excluding consumption taxes) that excludes the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.
4. For properties consisting of several buildings, some information in the "Construction" and "Number of Floors" are applicable to the main building.
5. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.
6. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	2,750	0.7%	1,474.05	6,598.52	SRC	B1/7F	Proprietary Ownership (Co-ownership of Site Rights)	Compartmentalized Ownership
	1,620	0.4%	701.83	3,215.11	SRC	B1/7F	Proprietary Ownership	Compartmentalized Ownership
	1,160	0.3%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.6%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.6%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	1.1%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.6%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	2.3%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.4%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	2.2%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	21,140	5.0%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (in Some Parts, Co-ownership)	Compartmentalized Ownership (in Some Parts, Co-ownership)
	9,721	2.3%	(7,265.79)	(58,882.64)	(SRC)	(B1/23F)	(Proprietary Ownership)	(Proprietary Ownership)
	1,884	0.4%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.9%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Right	Proprietary Ownership
	4,720	1.1%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.8%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	1.0%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	2,021	0.5%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,355	0.3%	777.40	2,081.19	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	697	0.2%	371.29	1,110.97	RC	7F	Proprietary Ownership (Site Rights)	Compartmentalized Ownership
	1,680	0.4%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	757	0.2%	1,738.67	3,294.36	RC	6F	Proprietary Ownership	Proprietary Ownership
	1,175	0.3%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.8%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.3%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.7%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.3%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.3%	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 Ownership
	1,570	0.4%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.3%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.8%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.4%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.7%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.5%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	422,583	100.0%	569,449.38	1,007,773.22				

Notes: 7. For the "Shinjuku Washington Hotel Honkan" and the "Towa Hamamatsucho Building," the additional acquisitions were executed on September 29, 2010 and October 31, 2011, respectively. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition.

8. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.

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

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

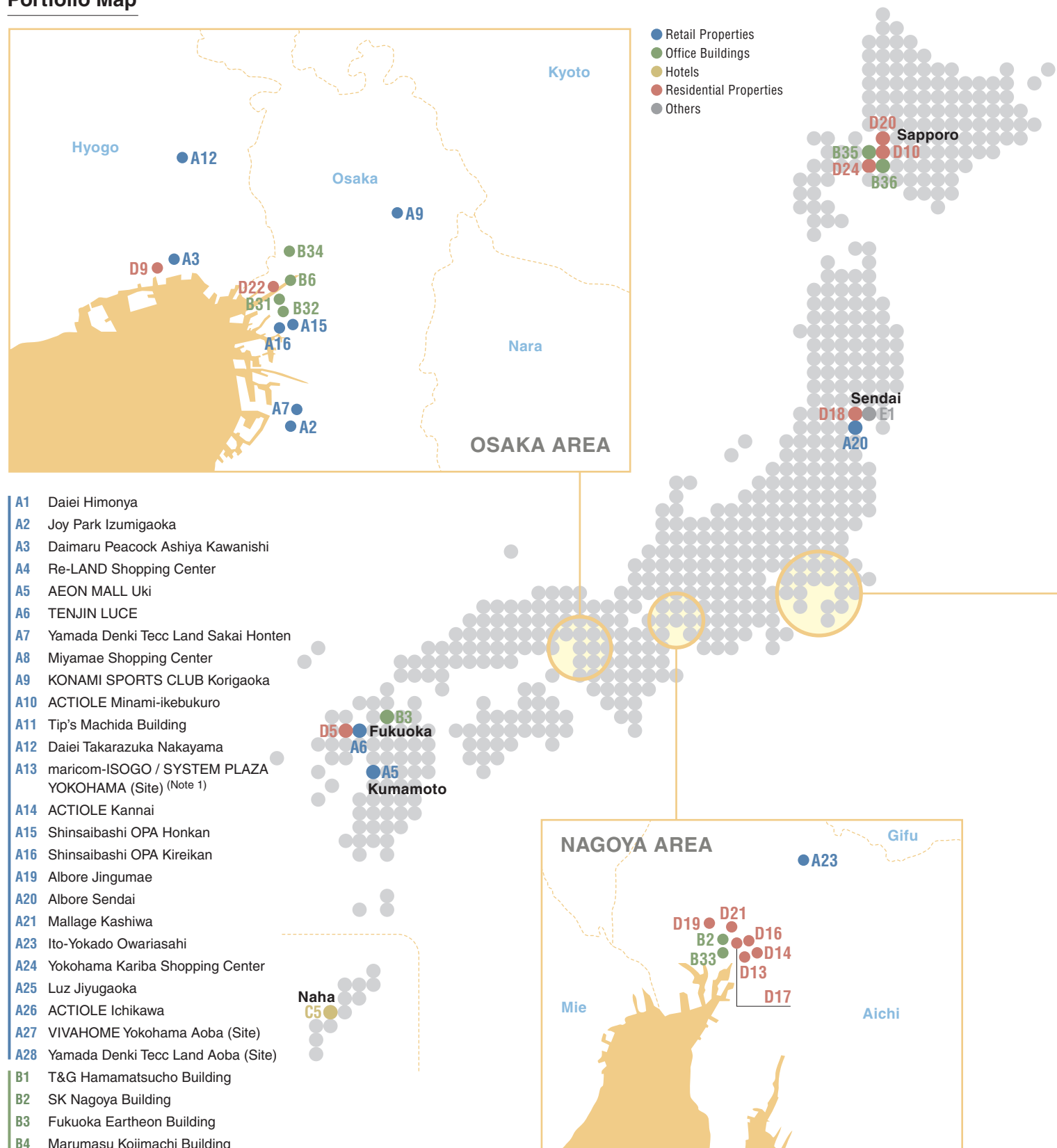
11. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.

12. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.

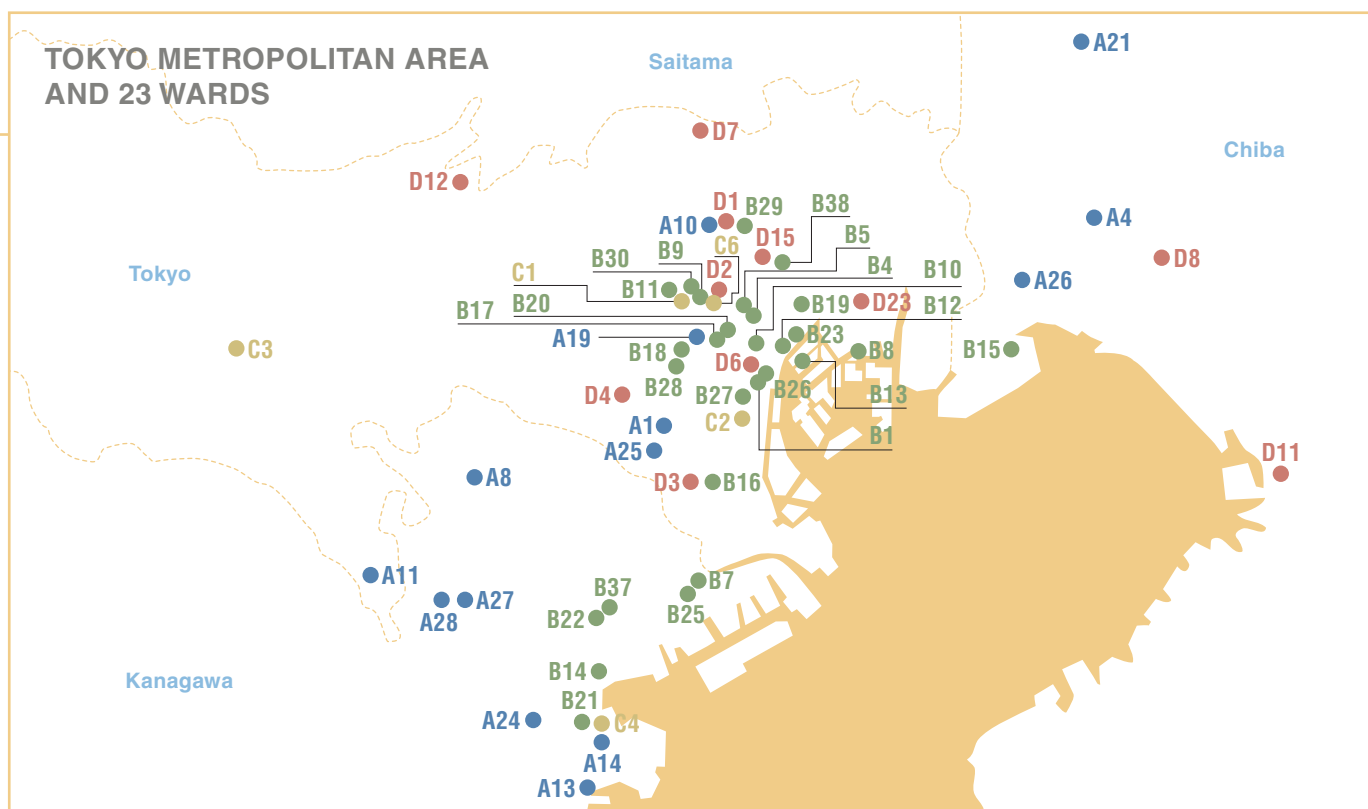
13. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

Portfolio Properties

Portfolio Map



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



Notes: 1. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.
 2. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.
 3. "Yushima First Building" and "Glenpark Sapporo Premier Tower" were acquired in the 18th fiscal period.

Portfolio Properties

Major Properties

Hotels

C1 Shinjuku Washington Hotel Honkan



Retail Properties

A15 Shinsaibashi OPA Honkan



Office Buildings/Hotels

B6 Shin-Osaka Central Tower



Residential Properties

D18 MA Sendai Building



Office Buildings

B7 Kawasaki Toshiba Building



Hotels

C5 Hotel JAL City Naha



Retail Properties

A1 Daiei Himonya



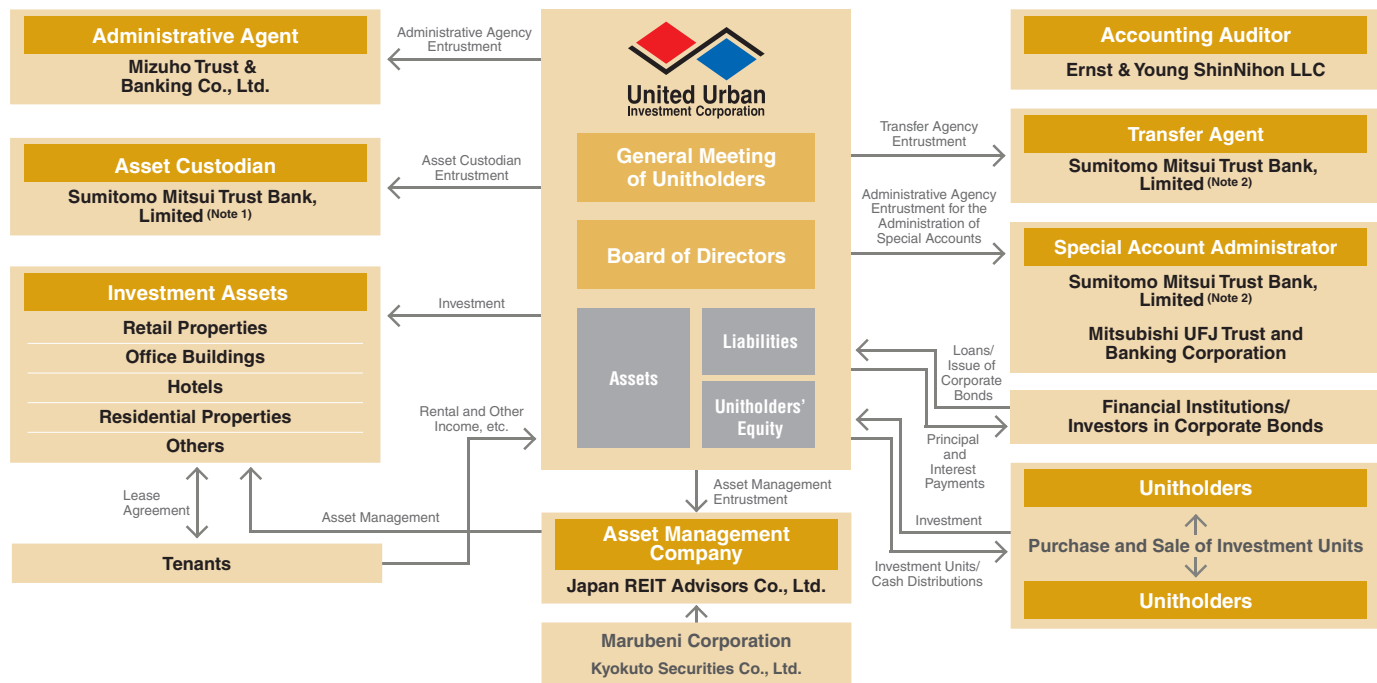
Office Buildings

B10 Hitachi High-Tech Building



Structure of United Urban / Investment Unit Information

Corporate Structure



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

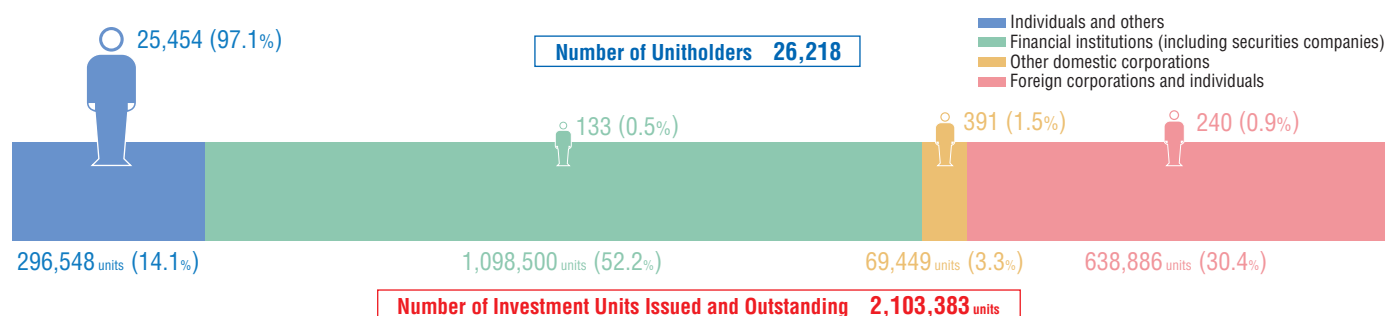
2. The Chuo Mitsui Trust and Banking Company, Limited, which was a transfer agent and a special account administrator of United Urban, was dissolved by an absorption-type merger under which The Sumitomo Trust and Banking Co., Ltd. remains as the surviving company, and The Chuo Mitsui Trust and Banking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

Unit Price and Trading Volume



Note: In connection with the six-for-one unit split as of December 1, 2010, United Urban's investment units have been traded at the unit price after the unit split from November 26, 2010. Accordingly, the unit prices 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, 2012)

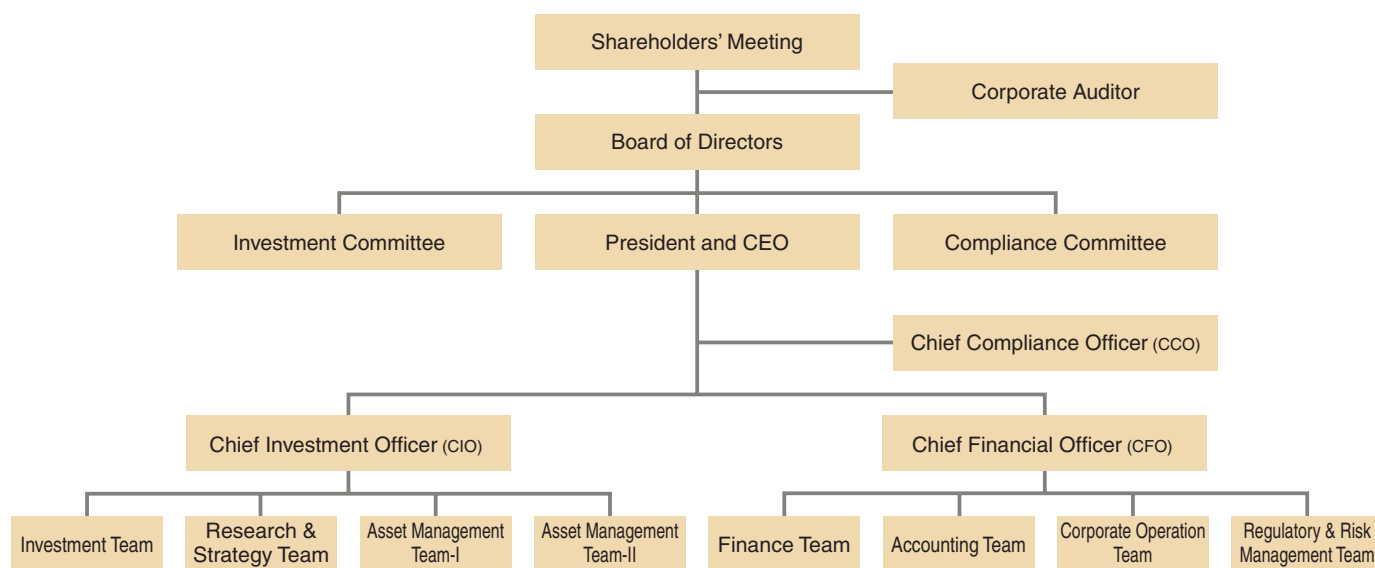


Profile of Asset Management Company

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 June 29, 2012)
Shareholders (As of June 29, 2012)	Marubeni Corporation 95.0% Kyokuto Securities Co., Ltd. 5.0% (Note) Credit Suisse Principal Investments Limited, Tokyo Branch, one of the shareholders of JRA, transferred all of its common shares of JRA (3,740 shares) to Marubeni Corporation, the parent company of JRA, on June 29, 2012.
Representative	Kenichiro Oikawa, President and CEO
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 June 30, 2012, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

Compliance Committee

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



Optimal investment portfolio and stable earnings

◆ PERFORMANCE REPORT

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3.3. *Contribution to the development of the management system*

2. Notation of the 15th financial period includes a negative result of ¥10,400 million compared with

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Average no. of investment units during the period: 15th fiscal period: 1,451,310 units

16th fiscal period: 2 076 504 units

17th fiscal period: 0.400.000 units

5. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures, and

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

Return on equity	Net income / Avg. net assets	0	0	1	1	1
1	1	1	1	1	1	1

[illegible][illegible]

11. $\frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

- FFO (Funds from operations) per unit
(Net income + Depreciation + Amortization of deferred assets – Gain or loss on sales of real estate) / No. of investment units at the end of the period
 *The gain or loss on sales of real estate is deducted from the 16th fiscal period.
- FFO 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 six-for-one unit split which became effective as of December 1, 2010)
- Debt service coverage ratio
Net income before interest, depreciation and amortization / Interest expense and Interest expense on corporate bonds
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). In addition, United Urban merged with Nippon Commercial Investment Corporation ("NCI") on December 1, 2010 (the "Merger"). After the subsequent issuance of new investment units by way of the third public offering in June 2011 and the third party allotment in July 2011, United Urban has been the fourth largest among all J-REITs and the largest diversified J-REIT in terms of asset size (as of May 31, 2012).

As a result of performance, a distribution has been made in each of 16 fiscal periods from the 1st fiscal period ended on May 31, 2004 to the 16th fiscal period ended on November 30, 2011. For the 17th fiscal period ended May 31, 2012, United Urban decided to make cash distribution of ¥2,750 per unit.

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

A. Performance during the period

During the period under review, United Urban acquired the following two properties (total acquisition price: ¥6,350 million).

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Note 2)	Acquisition Date
A28	Yamada Denki Tecc Land Aoba (Site)	-	2-3~11・14・15 Moegino, Aoba-ku, Yokohama, Kanagawa (lot number)	¥2,150 million	May 18, 2012
C6	Hotel JAL City Yotsuya Tokyo	Hotel, Office	3-14-1 Yotsuya, Shinjuku-ku, Tokyo	¥4,200 million	December 26, 2011
Total				¥6,350 million	-

Notes: 1. Of the type of use indicated in the real estate register, the primary types are shown.
 2. The acquisition prices shown are based on the purchase prices stated in the sale and purchase agreements. In addition, the prices are shown in an amount excluding acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.

On the other hand, United Urban sold "Bellfa Uji" (sale price: ¥416 million), which was a property succeeded to from NCI.

Moreover, United Urban acquired the following two anonymous association (*tokumei kumiai*) equity interests. Accordingly, United Urban obtained preferential negotiation rights to acquire the trust beneficial interest, etc. for each property.

Name of Asset	Investment Asset	Location (Residential)	Contribution Amount (Percentage of ownership)	Acquisition Date	Valid Period of Preferential Negotiation Agreement
Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest	Trust beneficial interest in real estate of "Yodobashi Camera Multimedia Kichijoji"	1-19-1 Kichijoji Honcho, Musashino, Tokyo	¥2,200 million (29.5%)	December 26, 2011	December 27, 2014
Godo Kaisha Euler Anonymous Association Equity Interest	Trust beneficial interest in real estate of "Yotsuya Tokyo Building"	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	¥250 million (14.8%)	March 29, 2012	March 30, 2017

As a result of aforementioned acquisitions and sale of properties, as of May 31, 2012, United Urban's assets totaled 91 properties, comprising 24 retail properties, 35 office buildings, 1 retail and office complex, 6 hotels, 1 office and hotel complex, 23 residential properties and 1 others, with an aggregate acquisition price of ¥422,583 million. In addition, the total leasable floor space was increased from 903,322.07 sq. m. to 903,995.65 sq. m. and the number of tenants became from 1,434 to 1,403. Furthermore, United Urban invests in two aforementioned anonymous associations (total contribution amount: ¥2,450 million).

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 95.8% and 96.2%, and stood at 96.1% on May 31, 2012.

B. Financing

During this period, United Urban conducted various debt financings for the purpose of procuring funds for repayment of existing borrowings, redemption of the corporate bonds and acquisition of specified assets. Moreover, United Urban issued the Series 5 of Unsecured Corporate Bonds of ¥7,000 million (the "5th Bonds") on December 16, 2011 and the Series 6 of Unsecured Corporate Bonds of ¥3,000 million (the "6th Bonds") on December 9, 2011, respectively. As a result, the status of interest-bearing liabilities at the end of the previous period and the end of the 17th fiscal period are as follows:

(Millions of yen)				
	Balance at the End of the 16th Fiscal Period (As of November 30, 2011)	Balance at the End of the 17th Fiscal Period (As of May 31, 2012)	Changes	
Short-term borrowings	-	-	-	
Long-term borrowings	¥ 161,076	¥ 174,916	¥ 13,840	
Total of borrowings	161,076	174,916	13,840	
Corporate bonds	52,000	45,000	(7,000)	
Total of interest-bearing liabilities	¥ 213,076	¥ 219,916	¥ 6,840	

In addition, amount of borrowings due for repayment within one year is ¥46,988 million, and there are no current portion of corporate bonds. Moreover, the details of issuer ratings as of July 13, 2012 are as follows.

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

C. Financial results and overview of distribution

Under above operations, United Urban achieved operating revenues of ¥15,759 million (up by 1.3% from the previous period), profit from rental activities of ¥8,657 million (up by 1.0% 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 ¥6,960 million (down by 1.0% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥4,851 million (up by 4.3% from the previous period), and a net income of ¥4,850 million (up by 4.3% from the previous period).

With regard to the distribution in the period under review, by the application of Article 67-15 of the Act on Special Measures Concerning Taxation and by the utilization of reserve for distribution, it was decided that an amount of ¥5,784 million, which is a total of unappropriated profit at the end of the period of ¥4,850 million and reversal of reserve for distribution of ¥934 million would be distributed. As a result, the cash distribution per unit was ¥2,750.

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

3. Issuance of New Investment Units

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

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

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

Changes in Investment Unit Prices

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

	Yen		
	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Highest	96,100	95,600	117,000
Lowest	79,600	77,100	79,900

4. Distribution Information

With regard to the distribution in the period under review, by application of the Article 67-15 of the Act on Special Measures Concerning Taxation and by utilization of reserve for distribution, it was decided to distribute ¥5,784 million, which is a total of unappropriated profit at the end of the period of ¥4,850 million and reversal of reserve for distribution of ¥934 million. In consequence, the distribution per investment unit was fixed at ¥2,750 for the 17th fiscal period.

		17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Unappropriated retained earnings at the end of period	Thousands of yen	4,849,950	4,650,445	16,617,025
Cash distribution	Thousands of yen	5,784,303	5,784,303	4,123,197
Cash distribution per unit	Yen	2,750	2,750	2,841
Unappropriated retained earnings carried forward to the next period	Thousands of yen	-	-	12,493,828

5. Future Policies and Challenges

A. Acquisition of new properties (External growth)

Although United Urban has achieved an expansion of its asset size, 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, JRA's sponsor, under a policy of carefully selecting blue-chip properties in consideration of "Intrinsic Value of real estate" by (i) giving due consideration to any adverse impact that the acquisition will have on its existing portfolio and (ii) accurately grasping market trends. Moreover, United Urban plans to implement strategic and expeditious changes in its portfolio from a long-term perspective.

B. Management and administration (Internal growth)

In the future, United Urban will make continuous efforts to achieve the internal growth by making use of synergy effects with the Merger. Because some properties succeeded to from NCI by the Merger, are inferior to United Urban's properties in occupancy ratio or profitability, United Urban will focus on improving their performance. In addition, United Urban will try to carry out the maintenance works and repairs which lead to the tenants' satisfaction proactively, and to improve building management and service in order to build 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 or improve the high occupancy ratio and the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

C. Financial strategy

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

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

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

6. Subsequent Events

Issuance of corporate bonds

- a. United Urban ratified the issuance of Series 7 of Unsecured Corporate Bonds in the amount of ¥6.5 billion (the "7th Bond") on June 28, 2012, in accordance with the approval at the board of directors' meeting of United Urban held on February 22, 2012, for early repayment of borrowings assumed from NCI (¥4,269 million), and the payment was completed on July 5, 2012. Details on the issuance of the 7th Bond are as follows:

Series 7 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 7 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥6,500 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.95% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: July 5, 2012
Redemption method and date	: The total amount of the corporate bonds will be redeemed on July 5, 2017. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: January 5 and July 5 of each year
Corporate bond trustee	: Mizuho Corporate Bank, Ltd.
Use of proceeds	: The proceeds were used to repay existing borrowings.

- b. United Urban ratified the issuance of Series 8 of Unsecured Corporate Bonds in the amount of ¥10.0 billion (the "8th Bond") on July 20, 2012, in accordance with the approval at the board of directors' meeting of United Urban held on February 22, 2012, for early repayment of borrowings assumed from NCI (¥12,260 million) and the payment was completed on August 6, 2012. Details on the issuance of the 8th Bond are as follows:

Series 8 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 8 of Unsecured Corporate Bonds (with pari passu conditions among corporate bonds)
Total amount issued	: ¥10,000 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.80% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: August 6, 2012
Redemption method and date	: The total amount of the corporate bonds will be redeemed on August 5, 2016. * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.
Interest payment dates	: February 6 and August 6 of each year (provided, however, the interest payment date for the interest incurred within the period from and including February 7, 2016 to and including August 5, 2016 (redemption date) will be August 5, 2016.)
Corporate bond trustee	: Mitsubishi UFJ Trust and Banking Corporation
Use of proceeds	: The proceeds were used to repay existing borrowings.

7. Reference Information

A. Repayment of existing borrowings

- a. United Urban repaid the following borrowing prior to the principal repayment date with a portion of the proceeds procured from issuance of the 7th Bond on July 12, 2012, as set forth below.

Facility 40 (Tranche F)

Lender	: Aozora Bank, Ltd.
Balance of borrowing	: ¥4,269 million
Interest rate	: 2.01602% per annum
Drawdown date	: November 29, 2010
Repayment method	: Bullet payment at maturity
Repayment date	: September 22, 2014
Early repayment date	: July 12, 2012
Amount of repayment	: ¥4,269 million
Balance after repayment	: ¥0 (full payment)
Remarks	: Unsecured, unguaranteed

- b. United Urban repaid the following borrowing prior to the principal repayment date with the proceeds procured from issuance of the 8th Bond in conjunction with remaining amount of the proceeds from the 7th Bonds and cash on hand on August 7, 2012, as set forth below.

Facility 40 (Tranche E)

Lender	: Sumitomo Mitsui Banking Corporation
Balance of borrowing	: ¥12,260 million
Interest rate	: 1.94316% per annum
Drawdown date	: October 29, 2010
Repayment method	: Bullet payment at maturity
Repayment date	: September 22, 2014
Early repayment date	: August 7, 2012
Amount of repayment	: ¥12,260 million
Balance after repayment	: ¥0 (full payment)
Remarks	: Unsecured, unguaranteed

B. Debt financing and repayment of existing borrowings

- a. United Urban procured debt financing on June 20, 2012 for repayment of the existing long-term borrowings upon their maturity on June 20, 2012 and June 26, 2012, as set forth below.

Term Loan 48

Lenders	: The Gunma Bank, Ltd., The Bank of Yokohama, Ltd. and The Tokyo Tomin Bank, Limited
Amount of borrowing	: ¥2,300 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.40%
Drawdown date	: June 20, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2017
Remarks	: Unsecured, unguaranteed

Term Loan 49

Lender	: Sumitomo Mitsui Trust Bank, Limited
Amount of borrowing	: ¥2,500 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.35%
Drawdown date	: June 20, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2017
Remarks	: Unsecured, unguaranteed

Term Loan 50

Lender	: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowing	: ¥4,400 million
Interest rate	: 0.74000% (fixed interest rate)
Drawdown date	: June 20, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: September 20, 2017
Remarks	: Unsecured, unguaranteed

Term Loan 51

Lender	: Development Bank of Japan Inc.
Amount of borrowing	: ¥900 million
Interest rate	: 1.37045% (fixed interest rate)
Drawdown date	: June 20, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2020
Remarks	: Unsecured, unguaranteed

Term Loan 52

Lender	: Sumitomo Mitsui Banking Corporation
Amount of borrowing	: ¥4,500 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.50%
Drawdown date	: June 20, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2019
Remarks	: Unsecured, unguaranteed

- Note: * Interest payment date are July 20, 2012 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 repaid the following existing borrowings with the new borrowing mentioned above in "a" (Term Loan 48-52: total amount ¥14,600 million), as set forth below.

	Lender	Amount of Borrowings	Drawdown Date	Repayment Date
TL18	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4,400 million	December 27, 2007	June 20, 2012
TL19	Sumitomo Mitsui Banking Corporation	¥4,500 million	January 30, 2008	
TL22	Development Bank of Japan Inc.	¥900 million	November 11, 2008	
TL24	Sumitomo Mitsui Trust Bank, Limited	¥3,000 million	December 22, 2008	
Facility G (Note)	DAIDO LIFE INSURANCE COMPANY	¥1,831 million	June 26, 2007	June 26, 2012
Total		¥14,631 million	-	-

- Note: This borrowing was succeeded to from NCI along with the merger between United Urban and NCI. Therefore, "Drawdown Date" shows the drawdown date of NCI.

C. Acquisition of Property and Debt Financing

- a. United Urban acquired the following trust beneficial interests in real estate on June 28, 2012 and August 29, 2012 with the new borrowings mentioned below "b".

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

- Notes: 1. Of the types indicated on the real estate register, the primary type is shown.
2. The acquisition price shown is based on the purchase price stated in the sale and purchase agreement. In addition, the price is shown in the amount excluding acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.
3. The location of "Glenpark Sapporo Premier Tower" shows the location indicated on the real estate register for the building because the property is yet to be assigned an indication of residential address.

- b. United Urban procured debt financing to support the payment for acquiring the properties mentioned above "a", as set forth below.

Term Loan 53

Lender	: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowing	: ¥2,200 million
Interest rate	: 0.96000% (fixed interest rate)
Drawdown date	: June 28, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: June 20, 2019
Remarks	: Unsecured, unguaranteed
Use for proceeds	: Payment for the acquisition of Glenpark Sapporo Premier Tower

Term Loan 54

Lender	: Sumitomo Mitsui Banking Corporation
Amount of borrowing	: ¥2,200 million
Interest rate (Note)	: Basic interest rate (JBA one month JPY TIBOR) + 0.35%
Drawdown date	: August 29, 2012
Repayment method	: Bullet payment at maturity
Repayment date	: March 20, 2018
Remarks	: Unsecured, unguaranteed
Use for proceeds	: Payment for the acquisition of Yushima First Building

- Note: * Interest payment dates are September 20, 2012 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/>).

D. Committed line of credit

United Urban concluded two committed lines of credit on June 22, 2012, as set forth below.

Committed line of credit 1

Participating financial institutions	: Sumitomo Mitsui Trust Bank, Limited Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: ¥13,500 million
Date of agreement	: June 22, 2012
Term of agreement	: From June 22, 2012 to June 21, 2013
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 22, 2012
Term of agreement	: From June 22, 2012 to June 21, 2013
Collateral	: Unsecured, unguaranteed

- Note: The amount to be borrowed under the "Committed line of credit 2" (the "Borrowing") is the 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.

E. Change in shareholders of the asset management company

Credit Suisse Principal Investments Limited, Tokyo Branch, one of the shareholders of JRA, which is the asset management company of United Urban, transferred all of its common shares of JRA (3,740 shares, ownership ratio: 44.0% (before transfer)) to Marubeni Corporation (4,335 shares, ownership ratio: 51.0% (before transfer)), the parent company of JRA, on June 29, 2012.

Shareholder composition of JRA as of June 29, 2012 is as follows:

Shareholder Name	Number of Shares Owned	Ownership Ratio
Marubeni Corporation	8,075 shares	95.0 %
Kyokuto Securities Co., Ltd.	425 shares	5.0 %
Total	8,500 shares	100.0 %

F. Lawsuits, etc.

With regard to the petition cases for determining the purchase prices for 13,781 NCI units which have been brought before the Tokyo District Court by United Urban and five NCI unitholders upon the Merger, the Tokyo District Court held an order to determine the purchase prices on February 20, 2012. Based on the determination, United Urban and two unitholders (118 units) agreed on the purchase prices, and the payments by United Urban have been completed. Two unitholders (892 units) out of three unitholders (13,663 units), who appealed to the Tokyo High Court, was dismissed its appeal and their petitions for permission for an appeal to the Supreme Court were also refused by the Tokyo High Court. Moreover, their special appeals were dismissed by the Supreme Court. Based on these dismissals and refusal, the payments to these two unitholders by United Urban were made based on the unit price decided by Tokyo District Court on February 20, 2012. The case with the remaining unitholder (12,771 units) is on trial in the Tokyo High Court as of August 31, 2012.

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	17th Fiscal Period (As of May 31, 2012)	16th Fiscal Period (As of November 30, 2011)	15th Fiscal Period (As of May 31, 2011)
Number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000
Number of investment units issued and outstanding (Units)	2,103,383	2,103,383	1,451,319
Unitholders' capital (Millions of yen)	165,925	165,925	108,311
Number of unitholders	26,218	28,326	19,793

2. Major Unitholders

(As of May 31, 2012)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	416,724	19.81 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	148,919	7.08 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	113,252	5.38 %
The Master Trust Bank of Japan, Ltd. (trust account)	91,877	4.37 %
NOMURA BANK (LUXEMBOURG) S.A.	62,406	2.97 %
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	29,839	1.42 %
North Pacific Bank, Ltd.	27,756	1.32 %
The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	25,714	1.22 %
THE BANK OF NEW YORK MELLON AS AGENT BNYM AS EA DUTCH PENSION OMINIBUS 140016	22,214	1.06 %
NIPPONVEST	20,000	0.95 %
Total	958,701	45.58 %

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, 2012 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Yasuhiro Tanaka (Note 1)	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, Mitsubishi Kakoki Kaisha, Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	25,350
Total			35,550

Notes: 1. Though there was no change in officers during the period, Yasuhiro Tanaka, the Executive Officer of United Urban resigned the Executive Officer on June 29, 2012, and Hisamitsu Abe, the Substitute Executive Officer assumed the office as the Executive Officer of

United Urban on June 30, 2012. In addition, Hisamitsu Abe retired from the position of the Chairman of the Board of JRA on June 29, 2012.

2. 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.
3. 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.
4. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding 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, 2012)

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

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

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		17th Fiscal Period (As of May 31, 2012)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	—	—
			The 23 wards of Tokyo (Note 4)	—	—
			Tokyo metropolitan area (Note 5)	7,424,204	1.6
		Other regions		7,744,169	1.7
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,378,868	2.9
			The 23 wards of Tokyo	9,793,394	2.1
			Tokyo metropolitan area	9,735,758	2.1
		Other regions		—	—
	Hotels	Capital region	The 6 central wards of Tokyo	1,775,401	0.4
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	4,600,274	1.0
		Other regions		—	—
	Residential Properties	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	3,075,596	0.7
			Tokyo metropolitan area	—	—
		Other regions		843,630	0.2
	Others	Capital region	The 6 central wards of Tokyo	—	—
The 23 wards of Tokyo			—	—	
Tokyo metropolitan area			—	—	
Other regions		—	—		
Subtotal			58,371,294	12.8	
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,579,235	0.3
			The 23 wards of Tokyo	23,951,858	5.2
			Tokyo metropolitan area	34,036,205	7.4
		Other regions		56,320,995	12.3
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,320,187	13.4
			The 23 wards of Tokyo	5,688,088	1.2
			Tokyo metropolitan area	47,688,956	10.4
		Other regions		47,316,449	10.4
	Hotels	Capital region	The 6 central wards of Tokyo	25,146,808	5.5
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	3,653,286	0.8
		Other regions		17,644,268	3.9
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,255,897	0.5
			The 23 wards of Tokyo	10,297,681	2.3
			Tokyo metropolitan area	2,139,186	0.5
		Other regions		15,865,387	3.5
	Others	Capital region	The 6 central wards of Tokyo	—	—
			The 23 wards of Tokyo	—	—
			Tokyo metropolitan area	—	—
Other regions		1,783,255	0.4		
Subtotal			356,687,741	78.0	
Anonymous Association Equity Interests (Note 6)			2,408,886	0.5	
Bank Deposits and Other Assets			39,558,493	8.7	
Total Assets			457,026,414	100.0	

- Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The amount of the trust beneficial interest which mainly has real estate does not include an amount of deposit in the trust asset.
2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital region excluding the "23 wards of Tokyo."
6. "Anonymous Association Equity Interests" are anonymous association equity interests with regard to an anonymous association with Godo Kaisha Kichijoji YCM Funding being the operator and an anonymous association with Godo Kaisha Euler being the operator.

2. Selected Data by Property

(As of May 31, 2012)

Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3)(Note 4)	Occupancy Ratio (%) (Note 3)	Type of Property	Granting of Security
Daiei Himonya	14,914	14,100	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,524	3,650	13,306.45	13,260.69	99.7	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	753	1,050	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,505	5,420	12,968.85	12,695.30	97.9	Retail Properties	Applicable (Note 6)
AEON MALL Uki (Note 8)	10,150	10,000	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,519	4,070	4,194.66	3,857.49	92.0	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	3,048	3,010	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,253	4,240	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,877	1,660	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,794	3,180	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,252	4,060	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,592 (Note 5)	3,770	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,451	11,100	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,420	1,810	1,938.56	1,524.21	78.6	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,682	23,000	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,691	2,800	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,579	1,590	931.14	603.92	64.9	Retail Properties	N/A
Albore Sendai	2,532	2,610	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,965	7,130	39,964.87	39,667.12	99.3	Retail Properties	N/A
Ito-Yokado Owariasahi	4,696	4,800	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 7)
Yokohama Kariba Shopping Center (Note 9)	2,436	2,000	11,345.09	11,345.09	100.0	Retail Properties	N/A
Luz Jiyugaoka	5,243	5,170	2,283.47	2,283.47	100.0	Retail Properties	N/A
ACTIOLE Ichikawa	3,425	3,390	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,741	2,880	9,193.00	9,193.00	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Aoba (Site)	2,264	2,310	7,650.63	7,650.63	100.0	Retail Properties	N/A
T&G Hamamatsucho Building	2,145	2,850	2,420.85	1,849.31	76.4	Office Buildings	N/A
SK Nagoya Building	5,236	4,780	8,708.52	6,059.63	69.6	Office Buildings	N/A
Fukuoka Eartheon Building	1,709	2,210	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Kojimachi Building	2,500	2,230	2,589.99	1,650.00	63.7	Office Buildings	N/A

Rokubancho K Building	2,259	3,290	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,410	24,600	45,984.60	45,860.63	99.7	Office / Hotels	N/A
Kawasaki Toshiba Building	19,317	30,300	36,118.31	36,118.31	100.0	Office Buildings	N/A
UUR Toyochō Building (Note 10)	8,656	7,790	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,261	4,760	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,735	13,100	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,059	11,200	11,372.59	6,493.75	57.1	Office Buildings	N/A
UUR Tsukiji Building (Note 11)	6,744	6,330	5,971.42	2,646.27	44.3	Office Buildings	N/A
Pacific Marks Tsukishima	6,009	5,980	9,336.27	8,789.24	94.1	Office Buildings	N/A
Pacific Marks Yokohama East	6,982	6,670	10,793.68	6,775.73	62.8	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,842	3,860	8,743.05	7,327.30	83.8	Office Buildings	N/A
Omori City Building	4,063	4,300	4,925.86	4,838.68	98.2	Office Buildings	N/A
Akasaka Hikawa Building	3,271	3,420	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,543	2,660	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Nihonbashi-Tomizawacho	1,864	1,840	2,631.17	2,227.56	84.7	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,206	2,140	1,675.13	918.30	54.8	Office Buildings	N/A
Yokohama Aioicho Building	1,037	1,090	2,444.45	1,926.10	78.8	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,696	1,510	3,137.42	2,459.16	78.4	Office Buildings	N/A
Pacific Marks Shinkawa	2,749	2,870	4,116.33	4,116.33	100.0	Office Buildings	N/A
Pacific Marks Kawasaki	9,736	10,200	7,383.29	6,865.27	93.0	Office Buildings	N/A
Towa Hamamatsucho Building	6,191	6,110	5,340.87	4,788.50	89.7	Office Buildings	N/A
Lila Hijirizaka	2,713	2,670	4,255.02	4,255.02	100.0	Office Buildings	N/A
Pacific Marks Aobadai	1,625	1,650	2,486.40	2,206.30	88.7	Office Buildings	N/A
Otsuka HT Building	1,137	1,180	1,794.71	1,198.50	66.8	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,452	2,590	1,742.04	1,705.18	97.9	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,687	6,820	11,039.27	10,269.97	93.0	Office Buildings	N/A
Pacific Marks Higobashi	4,486	4,440	7,623.59	5,570.39	73.1	Office Buildings	N/A
Nagoya Nishiki City Building	2,549	2,460	5,617.28	4,144.27	73.8	Office Buildings	N/A
Pacific Marks Esaka	9,356	9,590	20,046.11	18,360.84	91.6	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,802	1,790	4,761.87	4,210.35	88.4	Office Buildings	N/A
Shin-Sapporo Center Building	968	982	2,797.03	2,320.87	83.0	Office Buildings	N/A
ARENA TOWER	9,564	10,300	17,967.45	16,992.17	94.6	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	20,797	21,700	53,363.11	53,244.88	99.8	Hotels	N/A
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,775	2,090	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,653	3,290	6,670.21	6,222.14	93.3	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,600	4,080	7,139.44	6,969.35	97.6	Hotels	N/A

Hotel JAL City Naha	7,757	7,740	13,701.80	13,701.80	100.0	Hotels	N/A
Hotel JAL City Yotsuya Tokyo	4,350	4,590	7,854.86	7,461.40	95.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,689	1,970	2,603.22	2,482.14	95.3	Residential Properties	N/A
T&G Yotsuya Mansion	1,153	1,250	1,679.10	1,636.20	97.4	Residential Properties	N/A
Excellia Magome	593	618	914.98	833.52	91.1	Residential Properties	N/A
Komazawa Court	1,569	2,040	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	670	535	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,103	1,100	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,407	3,880	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,081	1,140	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,832	3,120	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,180	1,270	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga (Note 12)	581	609	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	477	479	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	993	984	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	419	468	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	3,040	2,960	4,097.51	3,853.08	94.0	Residential Properties	N/A
GRAND-ROUGE Sakae	1,440	1,230	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,222	1,120	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,250	3,420	11,525.36	11,475.61	99.6	Residential Properties	N/A
UUR Court Nagoya Meieki	1,423	1,290	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	844	805	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	897	665	2,067.95	1,743.22	84.3	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,540	1,440	3,650.00	3,650.00	100.0	Residential Properties	N/A
UUR Court Kinshicho (Note 13)	3,076	3,120	5,420.18	4,825.12	89.0	Residential Properties	N/A
Lilycolor Tohoku Branch	1,783	1,860	9,271.16	9,271.16	100.0	Others	N/A
Total	415,059	420,225	903,995.65	868,829.95	96.1		

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

2. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2012 base on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).

3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2012. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The followings are the same as above.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building and Shinjuku Washington Hotel Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.

4. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
5. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the sale and purchase agreement of trust beneficial interest. The Book Value at the end of the period of this trust beneficial interest is described as ¥3,592 million reflecting the additional amount of trust. However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
6. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
7. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the building and the land of the property.
8. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.
9. The property name was changed from "Nitori Yokohama Kariba I.C." to "Yokohama Kariba Shopping Center" on July 1, 2012.
10. The property name was changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.
11. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.
12. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.
13. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

3. Selected Financial Data by Property

Name of Property	17th Fiscal Period (December 1, 2011 to May 31, 2012)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	459	2.9
Joy Park Izumigaoka	17	99.7	243	1.5
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	15	97.9	264	1.7
AEON MALL Uki (Note 6)	1	100.0	454	2.9
TENJIN LUCE	8	92.0	151	1.0
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3	100.0	138	0.9
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE Minami-ikebukuro	9	100.0	108	0.7
Tip's Machida Building	10	100.0	210	1.3
Daiei Takarazuka Nakayama	1	100.0	152	1.0
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.9
ACTIOLE Kannai	7	78.6	86	0.5
Shinsaibashi OPA Honkan	1	100.0	709	4.5
Shinsaibashi OPA Kireikan	1	100.0	88	0.6
Albore Jingumae	2	64.9	25	0.2
Albore Sendai	5	100.0	97	0.6
Mallage Kashiwa	101	99.3	673	4.3
Bellfa Uji (Note 5)	-	-	95	0.6
Ito-Yokado Owariasahi	1	100.0	224	1.4
Yokohama Kariba Shopping Center (Note 7)	1	100.0	87	0.6
Luz Jiyugaoka	21	100.0	173	1.1
ACTIOLE Ichikawa	13	100.0	149	0.9

VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 4)	(Note 4)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 4)	(Note 4)
T&G Hamamatsucho Building	5	76.4	82	0.5
SK Nagoya Building	6	69.6	169	1.1
Fukuoka Eartheon Building	4	100.0	116	0.7
Marumasu Kojimachi Building	12	63.7	43	0.3
Rokubancho K Building	1	100.0	116	0.7
Shin-Osaka Central Tower	60	99.7	1,151	7.3
Kawasaki Toshiba Building	1	100.0	969	6.2
UUR Toyochō Building (Note 8)	1	100.0	271	1.7
FOUR SEASONS BLDG	2	100.0	196	1.2
Hitachi High-Tech Building	2	100.0	418	2.7
Pacific Marks Shinjuku Parkside	10	57.1	288	1.8
UUR Tsukiji Building (Note 9)	1	44.3	52	0.3
Pacific Marks Tsukishima	43	94.1	266	1.7
Pacific Marks Yokohama East	11	62.8	203	1.3
Pacific Marks Shin-Urayasu	12	83.8	179	1.1
Omori City Building	8	98.2	167	1.1
Akasaka Hikawa Building	1	100.0	120	0.8
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.5
Pacific Marks Nihonbashi-Tomizawacho	7	84.7	65	0.4
Pacific Marks Akasaka-mitsuke	5	54.8	63	0.4
Yokohama Aioicho Building	16	78.8	55	0.3
Pacific Marks Shin-Yokohama	10	78.4	44	0.3
Pacific Marks Shinkawa	10	100.0	126	0.8
Pacific Marks Kawasaki	38	93.0	326	2.1
Towa Hamamatsucho Building	16	89.7	180	1.1
Lila Hijirizaka	16	100.0	109	0.7
Pacific Marks Aobadai	5	88.7	69	0.4
Otsuka HT Building	4	66.8	50	0.3
Pacific Marks Shinjuku South-gate	9	97.9	88	0.6
Pacific Marks Nishi-Umeda	24	93.0	294	1.9
Pacific Marks Higobashi	17	73.1	155	1.0
Nagoya Nishiki City Building	13	73.8	104	0.7
Pacific Marks Esaka	29	91.6	505	3.2
Pacific Marks Sapporo Kita-Ichijo	12	88.4	96	0.6
Shin-Sapporo Center Building	16	83.0	58	0.4
ARENA TOWER	12	94.6	395	2.5
Shinjuku Washington Hotel Honkan	7	99.8	821	5.2
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.4
MZ BLD.	8	93.3	134	0.8
HOTEL ROUTE-INN Yokohama Bashamichi	3	97.6	150	1.0

Hotel JAL City Naha	2	100.0	243	1.5
Hotel JAL City Yotsuya Tokyo	2	95.0	154	1.0
T&G Higashi-ikebukuro Mansion	123	95.3	67	0.4
T&G Yotsuya Mansion	76	97.4	45	0.3
Excellia Magome	40	91.1	23	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	0.3
UUR Court Chiba Soga (Note 10)	1	100.0	(Note 4)	(Note 4)
Higashi-kurume Dormitory Shinkan	1	100.0	17	0.1
Nanzan Court Ichigokan	1	100.0	39	0.2
Nanzan Court Nigokan	1	100.0	17	0.1
CLIO Bunkyo Koishikawa	86	94.0	97	0.6
GRAND-ROUGE Sakae	1	100.0	45	0.3
GRAND-ROUGE Sakae II	1	100.0	38	0.2
MA Sendai Building	152	99.6	162	1.0
UUR Court Nagoya Meieki	1	100.0	45	0.3
UUR Court Sapporo Shinoro Ichibankan	3	100.0	31	0.2
Park Site IZUMI	35	84.3	24	0.2
UUR Court Osaka Juso-honmachi	1	100.0	56	0.4
UUR Court Kinshicho (Note 11)	182	89.0	118	0.8
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	1,403	96.1	15,731	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building and Shinjuku Washington Hotel Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
3. "Rental Revenue" is stated after being rounded to the units stated.
4. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. United Urban sold Bellfa Uji on April 25, 2012.
6. The property name was changed from "AEON MALL Uki Value" to "AEON MALL Uki" on October 21, 2011.
7. The property name was changed from "Nitori Yokohama Kariba I.C." to "Yokohama Kariba Shopping Center" on July 1, 2012.
8. The property name was changed from "Haseman Building Toyochō" to "UUR Toyochō Building" on April 17, 2012.
9. The property name was changed from "Pacific Marks Tsukiji" to "UUR Tsukiji Building" on June 24, 2011.
10. The property name was changed from "Soga Dormitory" to "UUR Court Chiba Soga" on November 8, 2011.
11. The property name was changed from "Le Monde Koto" to "UUR Court Kinshicho" on June 1, 2012.

4. Details of Investment Securities

(As of May 31, 2012)

Name of Asset	Type of Asset	Quantity	Book Value		Appraisal Value (Note 1)		Valuation Gain or Loss (Thousands of yen)	Remarks
			Unit price	Amount (Thousands of yen)	Unit price	Amount (Thousands of yen)		
Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest (Note 2)	Anonymous association equity interest	-	-	2,159,052	-	2,838,611	679,559	-
Godo Kaisha Euler Anonymous Association Equity Interest (Note 2)	Anonymous association equity interest	-	-	249,834	-	278,751	28,917	-
Total		-	-	2,408,886	-	3,117,362	708,476	

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

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

5. Status of Other Assets

There were no other specified assets other than properties stated in "2. Selected Data by Property" and "4. Details of Investment Securities" above as of May 31, 2012.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair and other works for properties scheduled as of May 31, 2012. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Work	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 17th fiscal period	Amount already paid
SK Nagoya Building	Renewal of air-conditioning facilities (1st period)	From March 2013 to April 2013	204	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning facilities of hotel (2nd period)	From June 2012 to November 2012	472	—	—
Shin-Osaka Central Tower	Renewal of air-conditioning facilities of hotel (3rd period)	From December 2012 to February 2013	229	—	—
UUR Toyochō Building	Renewal of air-conditioning facilities	From May 2012 to September 2012	182	—	—
Pacific Marks Shinjuku Parkside	Individual air-conditioning work (3rd period)	From June 2012 to October 2012	255	—	—
Pacific Marks Shinjuku Parkside	Individual air-conditioning work (4th period)	From December 2012 to April 2013	163	—	—
Lila Hijirizaka	Renewal of air-conditioning facilities	From February 2013 to May 2013	141	—	—
Nagoya Nishiki City Building	Renewal of air-conditioning facilities (1st period)	From July 2012 to October 2012	103	—	—
Nagoya Nishiki City Building	Renewal of air-conditioning facilities (2nd period)	From December 2012 to April 2013	203	—	—
Pacific Marks Esaka	Repair work of entrance, etc.	From December 2012 to May 2013	300	—	—

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 17th fiscal period, which totaled ¥1,823 million. Together with ¥342 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,165 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Daiei Himonya	Repair of elevator	From March 2012 to April 2012	44
Daiei Himonya	Maintenance work of escalator	From February 2012 to May 2012	45
Daiei Himonya	Repair of fire extinguishing equipment	From January 2012 to May 2012	16
AEON MALL Uki	Renewal of air-conditioning	From February 2012 to March 2012	19
Tip's Machida Building	Repair work (painting of exterior wall, etc.)	From February 2012 to May 2012	114
Shinsaibashi OPA Honkan	Repair of central supervisory board	From March 2012 to May 2012	27
Mallage Kashiwa	Replacement of illumination (1st period)	From March 2012 to March 2012	31
Mallage Kashiwa	Renewal of food court (2nd period)	From May 2012 to May 2012	15
T&G Hamamatsucho Building	Renewal of air-conditioning facilities	From April 2012 to April 2012	12
SK Nagoya Building	Renewal of central supervisory equipment item	From February 2012 to May 2012	13
Fukuoka Eartheon Building	Renewal of air-conditioning facilities	From May 2012 to May 2012	19
Shin-Osaka Central Tower	Renewal of air-conditioning facilities of hotel (1st period)	From January 2012 to May 2012	115

Shin-Osaka Central Tower	Replacement of parts of multilevel parking facility	From March 2012 to May 2012	15
Kawasaki Toshiba Building	Renewal of electricity supply facilities (1st period)	From April 2011 to February 2012	15
Kawasaki Toshiba Building	Repair of elevator (3rd period)	From October 2011 to March 2012	100
Kawasaki Toshiba Building	Renewal of pipe insulation material (1st period)	From March 2012 to April 2012	19
Kawasaki Toshiba Building	Inverter control of illumination and renewal of speaker device	From March 2012 to May 2012	83
Kawasaki Toshiba Building	Renewal and overhaul of air-exhaust ventilator, etc.	From April 2012 to May 2012	17
Kawasaki Toshiba Building	Renewal of guidance lights	From March 2012 to May 2012	28
Four Seasons Building	Renewal of air-conditioning facilities	From May 2012 to May 2012	18
Pacific Marks Shinjuku Parkside	Individual air-conditioning work (2nd period)	From February 2012 to May 2012	81
Pacific Marks Tsukishima	Replacement of heat source equipments for hot water	From April 2012 to May 2012	18
Pacific Marks Tsukishima	Central corridor coating works at residence area	From April 2012 to May 2012	13
Pacific Marks Yokohama East	Renewal of air-conditioning facilities (1st period)	From April 2012 to May 2012	108
Akasaka Hikawa Building	Repair of exterior walls	From March 2012 to May 2012	23
Pacific Marks Shibuya Koen-dori	Repair of exterior walls	From May 2012 to May 2012	14
Pacific Marks Shinkawa	Renewal of fire alarm panels	From May 2012 to May 2012	11
Towa Hamamatsucho Building	Renewal of air-conditioning facilities	From April 2012 to May 2012	20
Pacific Marks Esaka	Enhancement of air-conditioning system (13th floor)	From April 2012 to May 2012	11
Pacific Marks Esaka	Enhancement of air-conditioning system (10th floor)	From April 2012 to May 2012	20
Aprile Shin-Ohgi Ichibankan	Major renovation work	From January 2012 to March 2012	92
Lilycolor Tohoku Branch	Major renovation work (repair of exterior wall, etc.)	From March 2012 to May 2012	56
Other capital expenditures			591
Total			1,823

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		
	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Reserve balance at the beginning of period	3,758	3,368	2,468
Addition (Note 1)	484	468 (Note 2)	926 (Note 3)
Deduction	237	78	26
Reserve balance at the end of period	4,005	3,758 (Note 2)	3,368

- 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. For the 16th fiscal period, there were errors in the amount of reserves during the period and amount carried forward. The amount corrected is stated in the above chart.
3. The reserve which was assumed from NCI along with the Merger is included.

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen		
	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)	15th Fiscal Period (December 1, 2010 - May 31, 2011)
Asset management fees	1,264,693	1,209,756	1,037,033
Asset custodian fees	16,019	15,330	9,923
Administrative agent fees	71,835	61,207	62,685
Directors' fees	10,200	10,200	10,200
Other expenses	266,587	288,450	216,344
Total	1,629,334	1,548,943	1,336,185

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (16th fiscal period: ¥252,000 thousand, 17th fiscal period: ¥70,400 thousand), asset management fees related to sale of properties which was deducted from gains from sale of real estate (15th fiscal period: ¥12,649 thousand, 16th fiscal period: ¥16,760 thousand, 17th fiscal period: ¥3,328 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, 2012 were as follows:

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

Lenders	Drawdown Date	Balance at the beginning of the 17th FP (Millions of yen) (Note 1)	Balance at the end of the 17th 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	-	0.78643%	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
Sompo Japan Insurance Inc.	Mar. 30, 2007 (Note 3)	915	-	0.83860% (Note 4)	Mar. 30, 2012	Unsecured Unguaranteed (Note 4)
The Hiroshima Bank, Ltd.		457	-			
THE MIE BANK, LTD.		915	-			
Sumitomo Mitsui Banking Corporation		1,373	-			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		915	-			
DAIDO LIFE INSURANCE COMPANY	Mar. 30, 2007 (Note 3)	1,831	-	1.87000%	Mar. 30, 2012	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	
Sumitomo Mitsui Trust Bank, Limited (Note 5)	Dec. 22, 2008	3,000	3,000	0.93643%	Jun. 20, 2012	Unsecured Unguaranteed Variable interest rate

DAIDO LIFE INSURANCE COMPANY	Jun. 26, 2007 (Note 3)	1,831	1,831	2.25750%	Jun. 26, 2012	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	-	4,000	1.66432%	Dec. 20, 2012	
Aozora Bank, Ltd.	Dec. 20, 2007	-	2,000	1.67119%	Dec. 20, 2012	
Saitama Resona Bank, Limited		-	1,000			
Shinsei Bank, Limited		-	2,500			
The Dai-ichi Life Insurance Company, Limited		-	1,000			
Mitsui Sumitomo Insurance Company, Limited		-	1,000			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		-	2,700			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	-	1,140	1.58345%	Mar. 20, 2013	
Mizuho Corporate Bank, Ltd.		-	637			
Sumitomo Mitsui Banking Corporation		-	2,277			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		-	1,783			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	927			
Mitsubishi UFJ Trust and Banking Corporation		-	869			
Resona Bank, Limited		-	339			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	-	2,253	1.38643%	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
Sumitomo Mitsui Banking Corporation		-	2,932			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		-	1,500			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,500			
Total		32,941	46,988			

(Long-term debt)

Long term debt						
Lenders	Drawdown Date	Balance at the beginning of the 17th FP (Millions of yen)	Balance at the end of the 17th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Repayment Date	Remarks
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	4,000	-	1.66432%	Dec. 20, 2012	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	Dec. 20, 2007	2,000	-	1.67119%	Dec. 20, 2012	
Saitama Resona Bank, Limited		1,000	-			
Shinsei Bank, Limited		2,500	-			
The Dai-ichi Life Insurance Company, Limited		1,000	-			
Mitsui Sumitomo Insurance Company, Limited		1,000	-			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		2,700	-			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,140	-	1.58345%	Mar. 20, 2013	
Mizuho Corporate Bank, Ltd.		637	-			
Sumitomo Mitsui Banking Corporation		2,277	-			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		1,783	-			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		927	-			
Mitsubishi UFJ Trust and Banking Corporation		869	-			
Resona Bank, Limited		339	-			

The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	-	1.38643%	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
Sumitomo Mitsui Banking Corporation		2,932	-			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		1,500	-			
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 Bank Corporation		1,500	1,500			
Saitama Resona Bank, Limited		1,000	1,000			
The Shinkumi Federation Bank		2,000	2,000			
The Bank of Fukuoka, Ltd.		500	500			
Mizuho Trust & Banking Co., Ltd.		500	500			
Sumitomo Mitsui Banking Corporation		1,650	1,650			
Mizuho Corporate Bank, Ltd.	Jul. 7, 2010	1,000	1,000	1.61216%	Jun. 20, 2013	
Sumitomo Mitsui Trust Bank, Limited (Note 5)		1,000	1,000			
Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000			
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,710	1,710	1.68843%	Sep. 20, 2013	
Shinsei Bank, Limited		3,577	3,577			
Mizuho Corporate Bank, Ltd.		955	955			
Sumitomo Mitsui Banking Corporation		1,000	1,000			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		2,676	2,676			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,390	1,390			
Mitsubishi UFJ Trust and Banking Corporation		1,304	1,304			
Resona Bank, Limited		508	508			
The Norinchukin Bank	Sep. 27, 2010 (Note 3)	2,253	2,253	1.48643%	Sep. 20, 2013	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Trust Bank, Limited (Note 5)	Dec. 22, 2008	3,400	3,400	1.03643%	Dec. 20, 2013	
Aozora Bank, Ltd.	Sep. 27, 2010 (Note 3)	1,695	1,695	1.80652%	Mar. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Mizuho Corporate Bank, Ltd.		948	948			
Sumitomo Mitsui Banking Corporation		5,800	5,800			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		2,655	2,655			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,379	1,379			
Mitsubishi UFJ Trust and Banking Corporation		1,294	1,294			
Resona Bank, Limited		505	505			
Mizuho Corporate Bank, Ltd.	Jun. 20, 2011	2,850	2,850	0.78000%	Jun. 20, 2014	Unsecured Unguaranteed Variable interest rate
Sumitomo Mitsui Trust Bank, Limited (Note 5)		3,850	3,850			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
Mitsubishi UFJ Trust and Banking Corporation	Oct. 31, 2011	2,800	2,800	0.53000%	Sep. 20, 2014	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Oct. 29, 2010 (Note 3)	12,260	12,260	1.94316%	Sep. 22, 2014	
Aozora Bank, Ltd.	Nov. 29, 2010 (Note 3)	4,269	4,269	2.01602%	Sep. 22, 2014 (Note 6)	
Mizuho Corporate Bank, Ltd.	Dec. 21, 2009	1,000	1,000	1.97537%	Dec. 20, 2014	
Mizuho Trust & Banking Co., Ltd.		500	500			

Sumitomo Mitsui Banking Corporation		1,650	1,650			
Sumitomo Mitsui Trust Bank, Limited (Note 5)		800	800			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		300	300			
Mizuho Corporate Bank, Ltd.	Apr. 12, 2012	-	2,000	0.58000%	Mar. 20, 2016	Unsecured Unguaranteed Variable interest rate
Mizuho Trust & Banking Co., Ltd.		-	1,000			
Sumitomo Mitsui Banking Corporation		-	1,000			
Resona Bank, Limited		-	1,000			
Sumitomo Mitsui Trust Bank, Limited (Note 5)	Jul. 20, 2011	3,400	3,400	0.78000%	Jun. 20, 2016	
Mizuho Corporate Bank, Ltd.	Sep. 27, 2011	1,900	1,900	0.68000%	Sep. 20, 2016	
Mizuho Corporate Bank, Ltd.	Oct. 25, 2011	2,500	2,500	0.63000%	Sep. 20, 2016	
Sumitomo Mitsui Trust Bank, Limited (Note 5)		2,600	2,600			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000			
The Bank of Fukuoka, Ltd.		1,200	1,200			
Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	-	2,000	0.63000%	Dec. 20, 2016	
The Norinchukin Bank	Dec. 26, 2011	-	4,000	0.63000%	Dec. 20, 2016	
Mizuho Corporate Bank, Ltd.		-	500			
Sumitomo Mitsui Banking Corporation	Mar. 30, 2012	-	2,400	0.63000%	Mar. 20, 2017	
Sumitomo Mitsui Trust Bank, Limited (Note 5)		-	1,500			
Kansai Urban Banking Corporation	Mar. 30, 2012	-	1,000	0.99250%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Sompo Japan Insurance Inc.		-	1,000			
The Hiroshima Bank, Ltd.		-	500			
The 77 Bank, Ltd.	Apr. 12, 2012	-	500	0.63000%	Mar. 20, 2017	Unsecured Unguaranteed Variable interest rate
Shinsei Bank, Limited		-	1,000			
The Bank of Fukuoka, Ltd.		-	1,000			
Mizuho Corporate Bank, Ltd.		-	1,500			
Mitsubishi UFJ Trust and Banking Corporation		-	1,500			
Sumitomo Mitsui Trust Bank, Limited (Note 5)	Apr. 12, 2012	-	3,500	0.53000%	Mar. 20, 2017	
Shinsei Bank, Limited	May 18, 2012	-	1,000	0.92167%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc. (Note 7)	Jul. 7, 2010	1,900	1,850	2.14169%	Jun. 20, 2017	
Resona Bank, Limited	May 18, 2012	-	1,300	0.58000%	Jun. 20, 2017	Unsecured Unguaranteed Variable interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	-	3,000	0.63000%	Mar. 20, 2018	
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.46409%	Sep. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Total		128,135	127,928			
Borrowings Total		161,076	174,916			

- Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal the total due to rounding.
2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest five decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. United Urban assumed these borrowings from NCI along with the Merger as of December 1, 2010.
4. The interest rate has been actually set fixed interest rate through the contract of an interest rate swap transaction. Accordingly, the substantive average interest rate during the period was 2.19000%.
5. The Sumitomo Trust and Banking Co., Ltd. and The Chuo Mitsui Trust and Banking Company, Limited were merged by an absorption-type merger under which The Sumitomo Trust and Banking Co., Ltd. remains as the surviving company, and The Chuo Mitsui

- Trust and Banking Company, Limited and Chuo Mitsui Asset Trust and Banking Company Limited are dissolved as absorbed companies on April 1, 2012, and they also changed its company name to Sumitomo Mitsui Trust Bank, Limited. In accordance with the merger, borrowings from both banks are combined and these borrowings are stated as borrowing from Sumitomo Mitsui Trust Bank, Limited.
6. As for this borrowing, United Urban made a full repayment on July 12, 2012 prior to the principal repayment date (completion of repayment).
7. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).

3. Corporate Bonds

Corporate Bonds as of May 31, 2012 were as follows:

Name	Balance (Millions of yen)	Interest Rate	Issue Date	Redemption Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	1.91%	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 3 of Unsecured Corporate Bonds	10,000	1.55%	Jun. 17, 2010	Jun. 17, 2013	Bullet payment
Series 4 of Unsecured Corporate Bonds	15,000	1.38%	Dec. 17, 2010	Dec. 17, 2013	Bullet payment
Series 5 of Unsecured Corporate Bonds	7,000	1.00%	Dec. 16, 2011	Dec. 16, 2014	Bullet payment
Series 6 of Unsecured Corporate Bonds	3,000	1.12%	Dec. 9, 2011	Dec. 9, 2016	Bullet payment
Total	45,000				

Trading Activities during the Period

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

(Millions of yen)

Asset Type	Name of Properties	Acquisition		Transfer			
		Date	Acquisition price (Note 1)	Date	Sale price (Note 2)	Book value	Gain or loss on sale
Trust beneficial interest in real estate	Hotel JAL City Yotsuya Tokyo	Dec. 26, 2011	4,200	-	-	-	-
Anonymous association equity interest	Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest	Dec. 26, 2011	2,200	-	-	-	-
Anonymous association equity interest	Godo Kaisha Euler Anonymous Association Equity Interest	Mar. 29, 2012	250	-	-	-	-
Real estate	Yamada Denki Tecc Land Aoba (Site)	May 18, 2012	2,150	-	-	-	-
Real estate	Bellfa Uji	-	-	Apr. 25, 2012	416	504	(96)
Total			8,800	—	416	504	(96)

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

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

3. Research for Specified Assets

(1) Real estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Asset	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 3)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	Hotel JAL City Yotsuya Tokyo	Dec. 26, 2011	4,200	4,490	Dec. 1, 2011	Japan Real Estate Institute
	Real estate	Yamada Denki Tecc Land Aoba (Site)	May 18, 2012	2,150	2,300	Apr. 15, 2012	Japan Real Estate Institute
Sale	Real estate	Bellfa Uji	Apr. 25, 2012	416	497	Mar. 20, 2012	Japan Real Estate Institute

(2) Others (Note 2)

Acquisition or Sale	Type of Asset	Name of Asset	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 3)	Investigation Price (Millions of yen)
Acquisition	Anonymous association equity interest	Godo Kaisha Kichijoji YCM Funding Anonymous Association Equity Interest	Dec. 26, 2011	2,200	2,640
	Anonymous association equity interest	Godo Kaisha Euler Anonymous Association Equity Interest	Mar. 29, 2012	250	265

Notes: 1. As for transactions that require appraisal values of real estate, etc. regarding specified assets, the appraisal was conducted by Japan Real Estate Institute based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.
2. As for transactions that require investigation of the value, etc. of specified assets, the investigation was conducted by Ernst & Young

ShinNihon LLC based on the Industrial Audit Committee Report No. 23 of the Japanese Institute of Certified Public Accountants, "Investigation of the Value, etc. of Specified Assets held by Investment Trusts and Investment Corporations", and United Urban has received the results.

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

4. Trading with Related Parties and Major Shareholders

(1) Status of transactions

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

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

The amounts of commissions paid to related parties and major shareholders in the 17th 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	202,980	Marubeni Asset Management Co., Ltd.	190,500	93.9
		Marubeni Corporation	12,480	6.1
Property Management Fees	1,055,685	Marubeni Community Co., Ltd.	132,956	12.6
		Marubeni Real Estate Co., Ltd.	26,609	2.5
		The Daiei, Inc.	1,500	0.1
Casualty Insurance Premium	17,818	Marubeni Safenet Co., Ltd.	17,549	98.5
Construction Management Fees	40,422	Marubeni Community Co., Ltd.	5,813	14.4
		Marubeni Real Estate Co., Ltd.	9,191	22.7
Other Rental Expenses	95,507	Marubeni Community Co., Ltd.	7,021	7.4
		Marubeni Real Estate Co., Ltd.	2,700	2.8

Notes: 1. Among the related parties of the asset management company, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan, that United Urban has concluded asset management agreement with ("Related Parties"), and major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, the table above indicates Marubeni Asset Management Co., Ltd., Marubeni Corporation, 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 17th 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.: ¥46,897 thousand
The Daiei, Inc. : ¥ 700 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 17th fiscal period were as follows:

Administrative agency entrustment in accordance with the issuance of the series 5 and 6 of corporate bonds	<p>Based on the comprehensive approval by the board of directors held on November 24, 2011, the administrative agency entrustments in accordance with the issuance of the 5th Bonds and the 6th Bonds were determined on December 2, 2011, as set forth below.</p> <p>1. The 5th Bonds</p> <p>(1) Underwriter Daiwa Securities Capital Markets Co., Ltd. (current: Daiwa Securities 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> <p>2. The 6th Bonds</p> <p>(1) Underwriter Daiwa Securities Capital Markets Co., Ltd. (current: Daiwa Securities Co. Ltd.)</p> <p>(2) Issuing, paying and administrative agent The Sumitomo Trust and Banking Co., Ltd. (current: Mitsui Sumitomo Trust Bank, Limited)</p>
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◆ FINANCIAL SECTION

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BALANCE SHEETS

(As of May 31, 2012 and November 30, 2011)

	Thousands of yen	
	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 36,985,003	¥ 37,892,901
Rent receivables	238,365	291,225
Consumption taxes refundable	-	574,924
Other current assets	472,243	113,249
Total current assets	37,695,611	38,872,299
PROPERTY AND EQUIPMENT, AT COST:		
Land	268,091,924	262,595,916
Buildings and structures	168,676,685	166,362,210
Machinery and equipment	1,339,492	1,291,329
Tools, furniture and fixtures	193,756	128,242
Construction in progress	3,159	921
Subtotal	438,305,016	430,378,618
Less accumulated depreciation	(24,980,911)	(21,958,306)
Net property and equipment	413,324,105	408,420,312
INVESTMENTS AND OTHER ASSETS:		
Software	2,660	2,464
Leasehold	1,734,931	1,734,931
Intangible assets	252,423	259,043
Investment securities	2,408,886	-
Security deposits paid	87,939	113,275
Long-term prepaid expenses	1,519,859	1,560,901
TOTAL ASSETS	¥ 457,026,414	¥ 450,963,225

		Thousands of yen
	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 1,923,434	¥ 1,473,617
Current portion of corporate bonds	-	17,000,000
Long-term debt due for repayment within one year	46,988,396	32,941,281
Accrued expenses	907,864	949,045
Income taxes payable	605	605
Rent received in advance	2,213,514	2,269,461
Other current liabilities	1,633,264	1,337,561
Total current liabilities	53,667,077	55,971,570
LONG-TERM LIABILITIES:		
Corporate bonds	45,000,000	35,000,000
Long-term debt	127,928,000	128,135,000
Leasehold and security deposits received	24,749,156	25,270,990
Total long-term liabilities	197,677,156	188,405,990
Total liabilities	251,344,233	244,377,560
NET ASSETS		
UNITHOLDERS' EQUITY:		
Units authorized: 10,000,000 units as of May 31, 2012 and November 30, 2011		
Units issued and outstanding: 2,103,383 units as of May 31, 2012 and November 30, 2011		
	165,924,929	165,924,929
Capital surplus	23,548,287	23,548,287
Reserve for distribution	11,359,015	12,492,873
Retained earnings	4,849,950	4,650,445
VALUATION AND TRANSLATION ADJUSTMENTS:		
Unrealized losses on deferred hedge transactions	-	(30,869)
Total net assets	205,682,181	206,585,665
TOTAL LIABILITIES AND NET ASSETS	¥ 457,026,414	¥ 450,963,225

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

STATEMENTS OF INCOME AND RETAINED EARNINGS

(For the fiscal periods ended May 31, 2012 and November 30, 2011)

	Thousands of yen	
	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
OPERATING REVENUES		
Rental revenues	¥ 14,623,496	¥ 14,321,899
Other rental revenues	1,107,817	1,188,077
Gain on sales of real estates	-	42,118
Dividend income from investment in anonymous association	27,864	-
	15,759,177	15,552,094
OPERATING EXPENSES		
Property-related expenses	7,074,186	6,937,205
Loss on sales of real estate	95,891	2,923
Asset management fees	1,264,693	1,209,756
Administrative service fees	87,854	76,537
Other operating expenses	276,787	298,649
	8,799,411	8,525,070
OPERATING INCOME	6,959,766	7,027,024
NON-OPERATING REVENUES		
Interest income	1,453	1,956
Reversal of cash distributions payable	7,116	2,363
Insurance income	10,639	30,118
Gain on reversal of allowance for loss on disaster	-	13,201
Interest on refund	4,478	-
Other non-operating revenues	484	76
	24,170	47,714
NON-OPERATING EXPENSES		
Interest expense	1,588,557	1,799,259
Interest expense on corporate bonds	445,718	443,857
Corporate bond issuance expenses	67,925	1,897
Investment unit issuance expenses	-	96,639
Other non-operating expenses	31,181	82,991
	2,133,381	2,424,643
ORDINARY INCOME	4,850,555	4,650,095
INCOME BEFORE INCOME TAXES	4,850,555	4,650,095
INCOME TAXES		
Current	605	605
	605	605
NET INCOME	4,849,950	4,649,490
RETAINED EARNINGS BROUGHT FORWARD	-	955
RETAINED EARNINGS AT THE END OF PERIOD	¥ 4,849,950	¥ 4,650,445

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, 2012 and November 30, 2011)

	Thousands of yen							
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Retained Earnings	Total Unitholders' Equity	Valuation and Translation Adjustments	Net Assets
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
Issuance of new investment units	652,064	57,614,419	-	-	-	57,614,419	-	57,614,419
Provision of reserve for distribution	-	-	-	¥12,492,873	(12,492,873)	-	-	-
Cash distributions disbursed	-	-	-	-	(4,123,197)	(4,123,197)	-	(4,123,197)
Net income	-	-	-	-	4,649,490	4,649,490	-	4,649,490
Net changes during the period	-	-	-	-	-	-	31,081	31,081
BALANCE AS OF NOVEMBER 30, 2011	2,103,383	¥165,924,929	¥23,548,287	¥12,492,873	¥4,650,445	¥206,616,534	¥ (30,869)	¥206,585,665
Reduction of reserve for distribution	-	-	-	(1,133,858)	-	(1,133,858)	-	(1,133,858)
Cash distributions disbursed	-	-	-	-	(4,650,445)	(4,650,445)	-	(4,650,445)
Net income	-	-	-	-	4,849,950	4,849,950	-	4,849,950
Net changes during the period	-	-	-	-	-	-	30,869	30,869
BALANCE AS OF MAY 31, 2012	2,103,383	¥165,924,929	¥23,548,287	¥11,359,015	¥4,849,950	¥205,682,181	-	¥205,682,181

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

STATEMENTS OF CASH FLOWS

(For the fiscal periods ended May 31, 2012 and November 30, 2011)

	Thousands of yen	
	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 4,850,555	¥ 4,650,095
Depreciation and amortization	3,057,067	2,934,278
Gain on sale of properties	-	(42,118)
Loss on sale of properties	95,891	2,923
Interest income and interest on securities	(1,453)	(1,956)
Interest expense and interest expense on corporate bonds	2,034,275	2,243,116
Corporate bond issuance expenses	67,925	1,897
Investment unit issuance expenses	-	96,639
Decrease in rent receivables	52,860	351
Decrease (increase) in consumption taxes refundable	574,924	(572,847)
(Increase) decrease in prepaid expenses	(363,950)	346,607
Decrease in long-term prepaid expenses	18,576	12,936
Increase in trade accounts payable	903,820	125,599
Decrease in accrued expenses	(23,792)	(28,824)
Increase (decrease) in consumption taxes payable	366,546	(275,932)
(Decrease) increase in rent received in advance	(55,947)	116,810
Other, net	(205,195)	(175,060)
Subtotal	11,372,102	9,434,514
Payment for loss on disaster	-	(116,376)
Interest received	1,433	1,924
Interest paid	(2,037,595)	(2,125,783)
Income taxes paid	(6,922)	(995)
Net cash provided by operating activities	9,329,018	7,193,284
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	236,688	1,863,851
Purchase of property and equipment	(8,819,080)	(33,233,032)
Purchase of intangible assets	(14,509)	(393,125)
Sale of investment securities	-	9,976
Proceeds from refund of investment securities	59,428	-
Purchase of investment securities	(2,470,580)	-
Proceeds from collection of leasehold and security deposits	25,366	-
Payments for leasehold and security deposits	(30)	(220)
Proceeds from leasehold and security deposits received	484,431	1,241,346
Payments for leasehold and security deposits received	(735,704)	(599,374)
Net cash used in investing activities	(11,233,990)	(31,110,578)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	32,200,000	27,900,000
Repayment of long-term debt	(18,359,886)	(51,986,489)
Proceeds from issuing corporate bonds	9,932,075	-
Repayment of corporate bonds	(17,000,000)	-
Proceeds from issuance of investment units	-	57,517,780
Distributions to unitholders	(5,775,136)	(4,122,058)
Net cash provided by financing activities	997,053	29,309,233
NET CHANGES IN CASH AND CASH EQUIVALENTS	(907,919)	5,391,939
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	37,685,820	32,293,881
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 36,777,901	¥ 37,685,820

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

NOTES TO FINANCIAL STATEMENTS

(May 31, 2012 and November 30, 2011)

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 (as of June 29, 2012) owned 95% by Marubeni Corporation ("Marubeni") and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

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

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

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

As of May 31, 2012, the end of its 17th fiscal period, United Urban had ownership of, or beneficial interests in, 24 retail properties, 35 office buildings, 6 hotels, 23 residential properties, 1 other property, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

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

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

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 17th fiscal period began on December 1, 2011 and ended on May 31, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities

Debt securities held to maturity are stated using the amortized cost method (straight-line method). Other securities without market value are stated using the moving average cost method. Concerning anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The cost of land, buildings and structures includes the purchase prices of property, legal fees and other acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets which are summarized as follows:

	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
Buildings and structures	2 - 67 years	2 - 67 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	3 - 15 years	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.

Cash and Cash Equivalents

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

Revenue Recognition

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

Taxes on Property and Equipment

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

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the dates of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥71,892 thousand of capitalized property taxes and city planning taxes for the fiscal period ended November 30, 2011, and ¥8,639 thousand of such property taxes and city planning taxes were capitalized for the fiscal period ended May 31, 2012.

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 and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over the amounts withheld is included in current assets as "Consumption taxes refundable" and the excess of the amounts withheld over the amounts paid is included in current liabilities as "Consumption taxes payable."

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended May 31, 2012.

3. CHANGES IN METHOD OF PRESENTATION

In the statements of income and retained earnings, "Reversal of cash distribution payable," which had been included in "Other non-operating revenues" in the fiscal period ended November 30, 2011 is recorded as a separate income statement account from the fiscal period ended May 31, 2012 because it exceeds 10% of the total amount of non-operating revenues. Therefore, certain modifications have been made to the statements of income and retained earnings of the fiscal period ended November 30, 2011. Accordingly, "Other non-operating revenues of ¥2,439 thousand" stated in the statements of income and retained earnings for the previous fiscal period ended November 30, 2011 have been allocated to "Reversal of cash distribution payable of ¥2,363 thousand" and "Other non-operating revenues of ¥76 thousand".

4. ADDITIONAL INFORMATION

As for accounting changes and error corrections after the beginning of the fiscal period ended November 30, 2011, United Urban adopted the "Accounting Standard for Accounting Changes and Error Corrections" (Statement No. 24 issued by the Accounting Standards Board of Japan ("ASBJ") on December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (Guidance No. 24 issued by ASBJ on December 4, 2009).

5. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2012 and November 30, 2011, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
Cash and bank deposits	¥ 207,102	¥ 207,082
Land	4,204,727	4,204,726
Buildings and structures	4,527,942	4,639,232
Tools, furniture and fixtures	1,359	1,547
Total	¥ 8,941,130	¥ 9,052,587

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
Leasehold and security deposits received	¥ 1,762,480	¥ 1,869,748
Total	¥ 1,762,480	¥ 1,869,748

6. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
Total amount of commitment	¥15,500,000	¥15,500,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥15,500,000	¥15,500,000

7. UNITHOLDERS' EQUITY

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

8. LONG-TERM DEBT

Long-term debt at May 31, 2012 and November 30, 2011 consisted of the following:

	End of 17th Fiscal Period (As of May 31, 2012)		End of 16th Fiscal Period (As of November 30, 2011)	
	Amount (Thousands of yen)	Weighted-average interest rate	Amount (Thousands of yen)	Weighted-average interest rate
Unsecured loan from a federation at a fixed interest rate, due December 20, 2011	-	-	3,400,000	1.895%
Unsecured loans from banks at fixed interest rates, due December 20, 2011	-	-	2,500,000	1.862%
Unsecured loan from a bank at a variable interest rate, due December 20, 2011	-	-	4,000,000	0.786%

Unsecured loan from a trust bank at a fixed interest rate, due December 20, 2011	-	-	2,000,000	1.359%
Unsecured loans from banks, a trust bank and an insurance company at variable interest rates, due March 30, 2012	-	-	4,578,489	0.839% (Note)
Unsecured loans from an insurance company at fixed interest rates, due March 30, 2012	-	-	1,831,396	1.870%
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	0.936%	3,000,000	0.939%
Unsecured loan from an insurance company at a fixed interest rate, due June 26, 2012	1,831,396	2.258%	1,831,396	2.258%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	4,000,000	1.664%
Unsecured loans from banks, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	10,200,000	1.671%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2013	7,972,000	1.583%	7,972,000	1.583%
Unsecured loan from a bank at variable interest rates, due March 20, 2013	2,253,000	1.386%	2,253,000	1.389%
Unsecured loans from banks and a trust bank at fixed interest rates, due March 20, 2013	7,932,000	1.655%	7,932,000	1.655%
Unsecured loans from banks, a trust bank, and a federation at fixed interest rates, due June 20, 2013	9,150,000	1.642%	9,150,000	1.642%
Unsecured loans from a bank and trust banks at fixed interest rates, due June 20, 2013	3,000,000	1.612%	3,000,000	1.612%
Unsecured loans from banks and trust banks at fixed interest rates, due September 20, 2013	13,120,000	1.688%	13,120,000	1.688%
Unsecured loan from a bank at variable interest rates, due September 20, 2013	2,253,000	1.486%	2,253,000	1.489%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	1.036%	3,400,000	1.039%
Unsecured loans from banks and trust banks at fixed interest rates, due March 20, 2014	14,276,000	1.807%	14,276,000	1.807%
Unsecured loan from banks and a trust bank at a variable interest rate, due June 20, 2014	8,700,000	0.780%	8,700,000	0.780%
Unsecured loan from a trust bank at a variable interest rate, due September 20, 2014	2,800,000	0.530%	2,800,000	0.530%
Unsecured loan from a bank at fixed interest rates, due September 22, 2014	12,260,000	1.943%	12,260,000	1.943%
Unsecured loan from a bank at fixed interest rates, due September 22, 2014	4,269,000	2.016%	4,269,000	2.016%
Unsecured loans from banks and trust banks at a fixed interest rates, due December 20, 2014	4,250,000	1.975%	4,250,000	1.975%
Unsecured loan from banks and a trust bank at a variable interest rate, due March 20, 2016	5,000,000	0.580%	-	-
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2016	3,400,000	0.780%	3,400,000	0.780%
Unsecured loan from a bank at a variable interest rate, due September 20, 2016	1,900,000	0.680%	1,900,000	0.680%
Unsecured loan from banks and a trust bank at a variable interest rate, due September 20, 2016	8,300,000	0.630%	8,300,000	0.630%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2016	2,000,000	0.630%	-	-
Unsecured loan from banks at a variable interest rate, due December 20, 2016	4,500,000	0.630%	-	-
Unsecured loan from a bank and a trust bank at a variable interest rate, due March 20, 2017	3,900,000	0.630%	-	-
Unsecured loans from banks and an insurance company at fixed interest rates, due March 20, 2017	2,500,000	0.993%	-	-
Unsecured loan from banks and a trust bank at a variable interest rate, due March 20, 2017	5,500,000	0.630%	-	-

Unsecured loan from a trust bank at a variable interest rate, due March 20, 2017	3,500,000	0.530%	-	-
Unsecured loan from a bank at fixed interest rates, due March 20, 2017	1,000,000	0.922%	-	-
Unsecured loan from a bank at a fixed interest rate, due June 20, 2017	1,850,000	2.142%	1,900,000	2.142%
Unsecured loan from a bank at a variable interest rate, due June 20, 2017	1,300,000	0.580%	-	-
Unsecured loan from a bank at a variable interest rate, due March 20, 2018	3,000,000	0.630%	-	-
Unsecured loan from a bank at a fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Total	¥ 174,916,396		¥ 161,076,281	

Note: The interest rate has been actually set fixed interest rate through the contract of an interest rate swap transaction. Accordingly, the substantive average interest rate during the period was 2.19000% for the 17th fiscal period and 2.19000% for the 16th fiscal period.

9. CORPORATE BONDS

Corporate bonds at May 31, 2012 and November 30, 2011 consisted of the following:

	End of 17th Fiscal Period (As of May 31, 2012)		End of 16th Fiscal Period (As of November 30, 2011)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 2 unsecured bonds, due July 10, 2015	¥ 10,000,000	1.91%	¥ 10,000,000	1.91%
Series 3 unsecured bonds, due June 17, 2013	10,000,000	1.55%	10,000,000	1.55%
Series 4 unsecured bonds, due December 17, 2013	15,000,000	1.38%	15,000,000	1.38%
Series 5 unsecured bonds, due December 16, 2014	7,000,000	1.00%	-	-
Series 6 unsecured bonds, due December 9, 2016	3,000,000	1.12%	-	-
NCI Series 2 unsecured bonds, due April 13, 2012	-	-	17,000,000	1.96%
Total	¥ 45,000,000		¥ 52,000,000	

10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2012 and November 30, 2011 were as follows:

	Thousands of yen	
	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
Operating Revenues	¥ 15,731,313	¥ 15,509,976
Rental Revenues	14,623,496	14,321,899
Rental revenues	12,767,324	12,439,788
Common area charges	1,361,047	1,377,799
Parking revenues	400,973	406,741
Other	94,152	97,571
Other Rental Revenues	1,107,817	1,188,077
Incidental revenues	905,279	998,418
Temporary revenues (including cancellation charges)	133,994	123,935
Other miscellaneous revenues	68,544	65,724
Property-Related Expenses	7,074,186	6,937,205
Property and other taxes	1,319,099	1,334,069
Property management fees	1,055,685	1,059,680
Utilities	949,604	1,025,678
Casualty insurance	17,818	17,062

Repairs and maintenance	342,146	240,200
Depreciation and amortization	3,057,067	2,934,278
Other rental expenses	332,767	326,238
Profit from rental activities	¥ 8,657,127	¥ 8,572,771

11. GAIN ON SALE OF PROPERTIES

Gain on sale of properties for the fiscal periods ended May 31, 2012 and November 30, 2011 were as follows:

	17th Fiscal Period (December 1, 2011 - May 31, 2012)	Thousands of yen 16th Fiscal Period (June 1, 2011 - November 30, 2011)
Revenue from sale of properties	-	¥ 1,245,000
Cost of sale of properties	-	1,153,006
Other sales expenses	-	49,876
Gain on sale of properties	-	¥ 42,118

12. LOSS ON SALE OF PROPERTIES

Loss on sale of properties for the fiscal periods ended May 31, 2012 and November 30, 2011 were as follows:

	17th Fiscal Period (December 1, 2011 - May 31, 2012)	Thousands of yen 16th Fiscal Period (June 1, 2011 - November 30, 2011)
Revenue from sale of properties	¥ 428,856	¥ 850,000
Cost of sale of properties	504,143	819,801
Other sales expenses	20,604	33,121
Loss on sale of properties	¥ 95,891	¥ 2,922

13. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities for the fiscal periods ended May 31, 2012 and November 30, 2011 were summarized as follows:

17th Fiscal Period (December 1, 2011 - May 31, 2012)		16th Fiscal Period (June 1, 2011 - November 30, 2011)	
(Deferred tax assets – non current)		(Deferred tax assets - current)	
Valuation difference on assets acquired by merger	24,683,484	Deferred gains or losses on hedges	8,505
Other	816	Other	746
Subtotal	24,684,300	Subtotal	9,251
Valuation allowance	(24,684,300)	Valuation reserve	(9,251)
Total	-	Total	-
Total deferred tax assets	-	(Deferred tax assets – non current)	
(Net deferred tax assets)	-	Valuation difference on assets acquired by merger	29,354,744
		Other	1,058
		Subtotal	29,355,802
		Valuation allowance	(29,355,802)
		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, 2012 and November 30, 2011 were summarized as follows:

	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1, 2011 - November 30, 2011)
Statutory tax rate	39.33%	39.33%
Distributions of tax-deductible dividends	(19.71)	(25.36)
Changes in valuation allowance	(19.62)	(13.97)
Other	0.01	0.01
Effective tax rate	0.01%	0.01%

(Change of tax rate subsequent to the fiscal period ended November 30, 2011)

On December 2, 2011, "The Law to Revise the Income Tax, etc. in Order to Construct a Tax System Addressing Changes in the Socio-Economic Structure" (Act No. 114 of 2011) and "The Act on Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake" (Act No. 117 of 2011) were issued. In line with this, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities concerning temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2012 will be changed to 36.59%. Moreover, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities concerning temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2015 will be changed to 34.16%. These changes will have no impact on the settlement of United Urban.

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 decided to distribute ¥5,784,303 thousand, which is a total of unappropriated profit at the end of the period of ¥4,650,445 thousand and reversal of reserve for distribution ¥1,133,859 thousand (of the balance of reserve for distribution, ¥12,492,873 thousand) for the 16th fiscal period, and distribute ¥5,784,303 thousand, which is a total of unappropriated profit at the end of the period of ¥4,849,950 thousand and reversal of reserve for distribution ¥934,353 thousand (of the balance of reserve for distribution, ¥11,359,015 thousand) for the 17th fiscal period. 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.

14. 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 17th fiscal period) and by taking other measures.

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

associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

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

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

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

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

Matters Concerning the Fair Value of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of May 31, 2012 and November 30, 2011, are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

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

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

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

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

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

(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 investment securities (anonymous association equity interests), discerning the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required. In addition, concerning leasehold and security deposits received (carrying amount: ¥2,669,462 thousand) and leasehold and security deposits received in trust (carrying amount: ¥20,837,307 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	¥ 12,415,463
Cash and bank deposits in trust	24,569,540
Total	¥ 36,985,003

4 Amount of borrowings and corporate bonds to be repaid 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	¥ 46,988,396	¥ 45,199,000	¥ 32,279,000
Corporate bonds	-	25,000,000	7,000,000
Total	¥ 46,988,396	¥ 70,199,000	¥ 39,279,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 5,000,000	¥ 36,500,000	¥ 8,950,000
Corporate bonds	10,000,000	3,000,000	-
Total	¥ 15,000,000	¥ 39,500,000	¥ 8,950,000

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 13,358,289	¥ 13,358,289	-
(2) Cash and bank deposits in trust	24,534,612	24,534,612	-
Total assets	¥ 37,892,901	¥ 37,892,901	-
(3) Current portion of corporate bonds	¥ 17,000,000	¥ 17,051,000	¥ 51,000
(4) Long-term debt due for repayment within one year	32,941,281	33,049,423	108,142
(5) Corporate bonds	35,000,000	35,197,000	197,000
(6) Long-term debt	128,135,000	127,508,933	(626,067)
(7) Leasehold and security deposits received in trust	750,872	771,196	20,324
Total liabilities	¥ 213,827,153	¥ 213,577,552	¥ (249,601)
(8) Derivative transactions *	¥ (30,869)	¥ (30,869)	-
Total derivative transactions	¥ (30,869)	¥ (30,869)	-

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

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

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

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

(7) Leasehold and security deposits received in trust

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

(8) 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: ¥2,843,665 thousand) and leasehold and security deposits received in trust (carrying amount: ¥21,045,590 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	¥ 13,358,289
Cash and bank deposits in trust	24,534,612
Total	¥ 37,892,901

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	¥ 32,941,282	¥ 59,880,000	¥ 45,705,000
Corporate bonds	17,000,000	10,000,000	15,000,000
Total	¥ 49,941,282	¥ 69,880,000	¥ 60,705,000

	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Long-term debt	¥ 4,250,000	¥ 13,600,000	¥ 4,700,000
Corporate bonds	10,000,000	-	-
Total	¥ 14,250,000	¥ 13,600,000	¥ 4,700,000

15. 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, 2012 and November 30, 2011 are as follows:

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

	Carrying amount on the balance sheet (Note 1)			Fair value at the end of the 17th Fiscal Period (Note 3)
	Balance at the beginning of the 17th Fiscal Period	Change during the 17th Fiscal Period (Note 2)	Balance at the end of the 17th Fiscal Period (As of May 31, 2012)	(As of May 31, 2012)
Retail properties	¥ 129,766,132	¥ 1,290,533	¥ 131,056,665	¥ 124,118,000
Office buildings	195,170,393	(248,693)	194,921,700	205,280,000
Hotels	48,687,513	4,132,524	52,820,037	53,454,000
Residential properties	34,769,153	(291,775)	34,477,378	35,513,000
Others	1,762,052	21,203	1,783,255	1,860,000
Total	¥ 410,155,243	¥ 4,903,792	¥ 415,059,035	¥ 420,225,000

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

2 Of the "Change during the 17th Fiscal Period," the amount of the increase is primarily attributable to acquisition of two new properties (total: ¥6,634,553 thousand) and capital expenditures (¥1,823,464 thousand). And the amount of the decrease is primarily attributable to the sale of one property (¥504,144 thousand), depreciation and amortization (¥3,057,067 thousand) and disposal of existing properties.

- 3 The "Fair value at the end of the 17th 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.

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

(Thousands of yen)

	Carrying amount on the balance sheet (Note 1)			Fair value at the end of the 16th Fiscal Period (Note 3) (As of November 30, 2011)
	Balance at the beginning of the 16th Fiscal Period	Change during the 16th Fiscal Period (Note 2)	Balance at the end of the 16th Fiscal Period (As of November 30, 2011)	
Retail properties	¥ 119,680,292	¥ 10,085,840	¥ 129,766,132	¥ 121,649,000
Office buildings	186,708,564	8,461,829	195,170,393	206,763,000
Hotels	40,976,960	7,710,553	48,687,513	49,103,000
Residential properties	31,981,007	2,788,146	34,769,153	35,279,000
Others	1,797,476	(35,424)	1,762,052	1,810,000
Total	¥ 381,144,299	¥ 29,010,944	¥ 410,155,243	¥ 414,604,000

- 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 16th Fiscal Period," the amount of the increase is primarily attributable to acquisition of six new properties and an additional acquisition of the existing property with compartmentalized ownership (total: ¥32,711,037 thousand) and capital expenditures (¥1,261,821 thousand). And the amount of the decrease is primarily attributable to the sale of two properties (¥1,972,807 thousand), depreciation and amortization (¥2,934,278 thousand) and disposal of existing properties.
- 3 The "Fair value at the end of the 16th 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 17th fiscal period and the 16th fiscal period, please refer to the aforementioned "10. OPERATING REVENUES AND EXPENSES."

16. TRANSACTIONS WITH RELATED PARTIES

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

1. Asset Management Companies and Related Parties

Thousands of yen

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Asset Management Co., Ltd.	Investing	—	None	Brokerage commissions	¥ 190,500	—	—
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	77,582	Rent receivables	¥ 3,488
						Security deposits received	30,655
				Compensation for damage received	163	-	-
				Property management fees	132,956	Trade accounts payable	22,775
				Construction management fees	5,813	Trade accounts payable	9,189
				Construction costs	46,897	Trade accounts payable	2,919
				Utilities	1,664	Trade accounts payable	229
				Other rental expenses	14,325	Trade accounts payable	2,819

Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	26,609	Trade accounts payable	3,068
				Construction management fees	9,191	Trade accounts payable	5,319
				Other rental expenses (including communication expenses)	2,896	Trade accounts payable	49
Marubeni Corporation	Wholesale industry	0.3	None	Brokerage commissions	12,480	-	-
				Property leasing	59,400	Security deposits received	19,800
						Rent received in advance	9,900
				Utilities	94,587	Trade accounts payable	18,924
The Daiei, Inc.	Supermarket	—	None	Property leasing	611,360	Security deposits received	765,600
						Rent received in advance	106,988
				Construction costs	700	—	—
				Property management fees	1,500	—	—
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	43,040	Security deposits received	70,246
						Rent received in advance	7,532
				Other rental revenues	23,961	Rent receivables	3,160

2. Asset Custodian

Thousands of yen						
Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	—	New long-term debt	5,000,000	Long-term debt	25,381,000
			Repayment of long-term debt	-	Long-term debt due for repayment within one year	8,983,000
			Repayment of long-term debt due for repayment within one year	915,698	—	—
			Interest expenses	164,558	Accrued expenses	59,573
			Loan expenses	86,671	Long-term prepaid expenses	322,384
					Prepaid expenses	4,827
					Accrued expenses	2,562
			Commissions related to corporate bonds	4,933	Prepaid expenses	194
			Custodian fees	14,346	—	—
			Agent commissions	4,215	Accrued expenses	2,103

- Notes: 1. "Amount of Transaction" is stated exclusive of consumption taxes; however, "Balance at the End of the Period" is stated inclusive of consumption taxes.
2. Figures above have been rounded to the nearest whole number.
3. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

1. Asset Management Companies and Related Parties

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Note 1, 2)	Thousands of yen	
						Account	Balance at the End of the Period (Note 1, 2)
Marubeni Asset Management Co., Ltd.	Investing	—	None	Brokerage commissions	¥ 394,050	—	—
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	78,133	Rent receivables	¥ 3,668
						Security deposits received	30,655
				Property management fees	104,355	Trade accounts payable	32,486
				Construction management fees	1,702	Trade accounts payable	877
				Construction costs	4,935	Trade accounts payable	729
				Utilities	1,361	Trade accounts payable	193
				Other rental expenses	9,205	Trade accounts payable	365
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	40,287	Trade accounts payable	19,909
				Construction management fees	10,350	Trade accounts payable	7,555
				Other rental expenses (including communication expenses)	2,264	Trade accounts payable	435
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Security deposits received	19,800
						Rent received in advance	9,900
				Utilities	101,015	Trade accounts payable	16,176
The Daiei, Inc.	Supermarket	—	None	Property leasing	611,360	Security deposits received	765,600
						Rent received in advance	106,988
				Construction costs	886	—	—
				Property management fees	1,500	—	—
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	32,244	Security deposits received	70,246
						Rent received in advance	7,532
				Other rental revenues	23,896	Rent receivables	4,270

2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Note 1, 2)	Thousands of yen	
					Account	Balance at the End of the Period (Note 1, 2)
The Sumitomo Trust and Banking Co., Ltd.	Trust bank	—	New long-term debt	9,850,000	Long-term debt	22,881,000
			Repayment of long-term debt	3,520,073	Long-term debt due for repayment within one year	3,915,698
			Repayment of long-term debt due for repayment within one year	3,850,000	—	—
			Interest expenses	144,175	Accrued expenses	46,807

			Loan expenses	81,718	Long-term prepaid expenses	234,292
					Prepaid expenses	7,122
					Accrued expenses	2,524
			Commissions related to corporate bonds	802	Prepaid expenses	182
			Custodian fees	12,908	—	—
			Agent commissions	2,153	—	—

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.

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, 2012 and November 30, 2011 for the fiscal periods then ended are summarized as follows:

	17th Fiscal Period (December 1, 2011 - May 31, 2012)	16th Fiscal Period (June 1 2011 - November 30, 2011)
	Yen	
Net assets per unit at the period end	¥ 97,786	¥ 98,215
Net income per unit	¥ 2,305	¥ 2,238
Weighted-average number of units (units)	2,103,383	2,076,594

18. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at May 31, 2012 and November 30, 2011 were as follows:

	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
	Thousands of yen	
Cash and bank deposits	¥ 36,985,003	¥ 37,892,901
Restricted deposits with a bank	(207,102)	(207,081)
Cash and cash equivalents	¥ 36,777,901	¥ 37,685,820

19. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2012 and November 30, 2011, future lease revenues under non-cancelable operating leases are summarized as follows:

	End of 17th Fiscal Period (As of May 31, 2012)	End of 16th Fiscal Period (As of November 30, 2011)
	Thousands of yen	
Due within one year	¥ 9,605,642	¥ 10,138,115
Due after one year	38,045,086	40,542,298
Total	¥ 47,650,728	¥ 50,680,413

20. SECURITIES

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

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

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

There was no applicable information on securities transactions to be presented for the fiscal period ended November 30, 2011.

21. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended May 31, 2012: None

Fiscal period ended November 30, 2011: None

2. There was no applicable information on derivative transactions subject to hedge accounting for the fiscal period ended May 31, 2012.

In addition, derivative transactions subject to hedge accounting for the fiscal period ended November 30, 2011 were as follows:

(16th Fiscal Period: June 1, 2011 – November 30, 2011)

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	—	¥ (30,869)	(Note)
Total			¥ 4,578,490	—	¥ (30,869)	

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

22. SUBSEQUENT EVENTS

Cash Distribution

On July 13, 2012, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥2,750 per unit, amounting to ¥5,784,303 thousand in the aggregate, to unitholders of record as of May 31, 2012.

Issuance of Corporate Bonds

a. United Urban ratified the issuance of Series 7 of Unsecured Corporate Bonds in the amount of ¥6.5 billion (the "7th Bond") on June 28, 2012, in accordance with the approval at the board of directors' meeting of United Urban held on February 22, 2012, for early repayment of borrowings assumed from NCI (¥4,269 million), and the payment was completed on July 5, 2012. Details on the issuance of the 7th Bonds are as follows:

Series 7 of Unsecured Corporate Bonds

Name	: United Urban Investment Corporation Series 7 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds)
Total amount issued	: ¥ 6,500 million
Issue price	: ¥100 per ¥100 of the corporate bond
Redemption price	: ¥100 per ¥100 of the corporate bond
Interest rate	: 0.95% per annum
Collateral	: There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.
Payment date	: July 5, 2012

Redemption method and date : The total amount of the corporate bonds will be redeemed on July 5, 2017.
 * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.

Interest payment dates : January 5 and July 5 of each year

Corporate bond trustee : Mizuho Corporate Bank, Ltd.

Use of proceeds : The proceeds were used to repay existing borrowings.

- b. United Urban ratified the issuance of Series 8 of Unsecured Corporate Bonds in the amount of ¥10.0 billion (the "8th Bond") on July 20, 2012, in accordance with the approval at the board of directors' meeting of United Urban held on February 22, 2012, for early repayment of borrowings assumed from NCI (¥12,260 million), and the payment was completed on August 6, 2012. Details on the issuance of the 8th Bond are as follows:

Series 8 of Unsecured Corporate Bonds

Name : United Urban Investment Corporation Series 8 of Unsecured Corporate Bonds
 (with pari passu conditions among corporate bonds)

Total amount issued : ¥10,000 million

Issue price : ¥100 per ¥100 of the corporate bond

Redemption price : ¥100 per ¥100 of the corporate bond

Interest rate : 0.80% per annum

Collateral : There is no secured mortgage or guarantee on the corporate bonds. There are no assets reserved as security on the corporate bonds.

Payment date : August 6, 2012

Redemption method and date : The total amount of the corporate bonds will be redeemed on August 5, 2016.
 * The corporate bonds may be repurchased and cancelled at any time from the date following the payment date unless otherwise specified by the transfer agreement.

Interest payment dates : February 6 and August 6 of each year (provided, however, the interest payment date for the interest incurred within the period from and including February 7, 2016 to and including August 5, 2016 (redemption date) will be August 5, 2016.)

Corporate bond trustee : Mitsubishi UFJ Trust and Banking Corporation

Use of proceeds : The proceeds were used to repay existing borrowings.

Independent Auditor's Report

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at May 31, 2012, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at May 31, 2012, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

We draw attention to Note 22 to the financial statements, which describes, the Company issued the Series 7 Bonds on July 5, 2012 and the Series 8 Bonds on August 6, 2012. Our opinion is not qualified in respect of this matter.

Ernst & Young ShinNihon LLC

August 27, 2012

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation ("United Urban"), as of May 31, 2012:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥165,924,928,670
Number of Unitholders:	26,218
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited ^(Note) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited ^(Note) 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon LLC Hibiya Kokusai Bldg., 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is six-months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

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

About Our Website

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

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



Disclaimer

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

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