

Semiannual Report

Eleventh Fiscal Period

From December 1, 2008 to May 31, 2009



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

Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed (Securities Code: 8960) on the J-REIT section of the Tokyo Stock Exchange. In order to obtain steady earnings over the medium to long term, United Urban intends to form the 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.

Diversification by type of use

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

Diversification by location

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



- 1 A diversified portfolio both in types of use and location
- 2 An optimal investment portfolio in tune with market trends and fluctuations
- 3 The capability of an asset management company well versed in real estate and financial markets

Retail Properties



Daiei Himonya

Office Buildings



Kawasaki Toshiba Building

Hotels



Shinjuku Washington Hotel-Honkan

Residential Properties



MA Sendai Building

Others



Lilycolor Tohoku Branch



United Urban Investment Corporation



To Our Unitholders



Yasuhiro Tanaka

Executive Officer
United Urban Investment Corporation



Hisamitsu Abe

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

Toshio Kenmochi

Supervisory Officer
United Urban Investment Corporation

Masakazu Watase

Supervisory Officer
United Urban Investment Corporation

We are delighted to present this report on our activities during our eleventh fiscal period: the six-month period ended May 31, 2009.

Thanks to the continuous support of all our unitholders, United Urban was able to achieve operating revenues of ¥8,394 million, operating income of ¥4,465 million, and net income of ¥3,683 million. As a result, the distribution to unitholders was ¥18,297 per unit.

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

We ask for your continuous support and understanding.

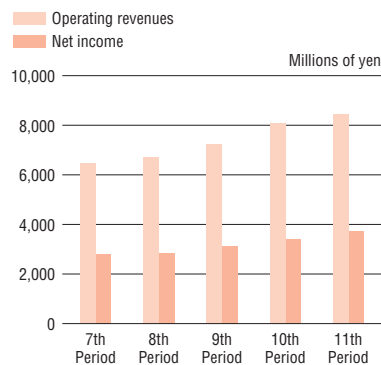
Financial Highlights

Millions of yen, except per unit information

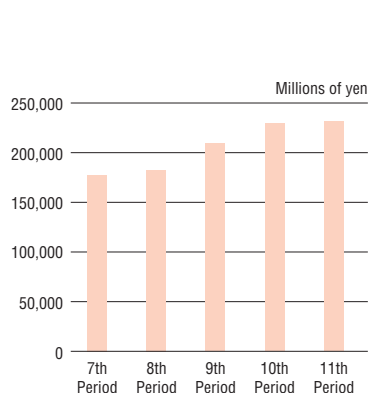
	11th Fiscal Period December 1, 2008- May 31, 2009	10th Fiscal Period June 1, 2008- November 30, 2008	9th Fiscal Period December 1, 2007- May 31, 2008	8th Fiscal Period June 1, 2007- November 30, 2007	7th Fiscal Period December 1, 2006- May 31, 2007
Operating revenues	¥ 8,394	¥ 8,029	¥ 7,184	¥ 6,673	¥ 6,408
Operating income	4,465	4,177	3,797	3,354	3,278
Income before income taxes	3,684	3,361	3,097	2,825	2,808
Net income	3,683	3,360	3,096	2,824	2,807
Cash distributions	3,683	3,360	3,096	2,824	2,807
Cash distribution per unit (Yen)	18,297	16,691	19,368	17,667	17,558
Dividend payout ratio	99.9%	100.0%	99.9%	100.0%	99.9%
Total assets	231,234	229,133	208,841	181,878	177,687
Total unitholders' equity	111,994	111,670	92,935	92,663	92,645
Unitholders' equity per unit (Yen)	556,352	554,746	581,411	579,710	579,601

Note: United Urban's 7th fiscal period was for 182 days from December 1, 2006 to May 31, 2007, the 8th fiscal period was for 183 days from June 1, 2007 to November 30, 2007, the 9th fiscal period was for 183 days from December 1, 2007 to May 31, 2008, the 10th fiscal period was 183 days from June 1, 2008 to November 30, 2008 and the 11th fiscal period was 182 days from December 1, 2008 to May 31, 2009.

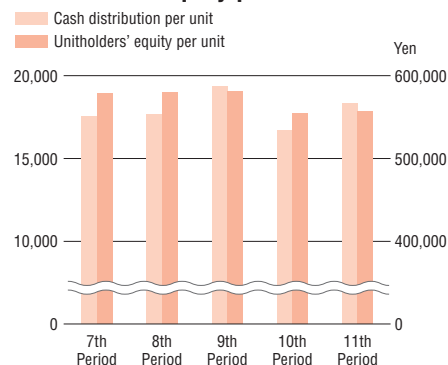
Operating revenues / Net income



Total assets



Cash distribution per unit / Unitholders' equity per unit

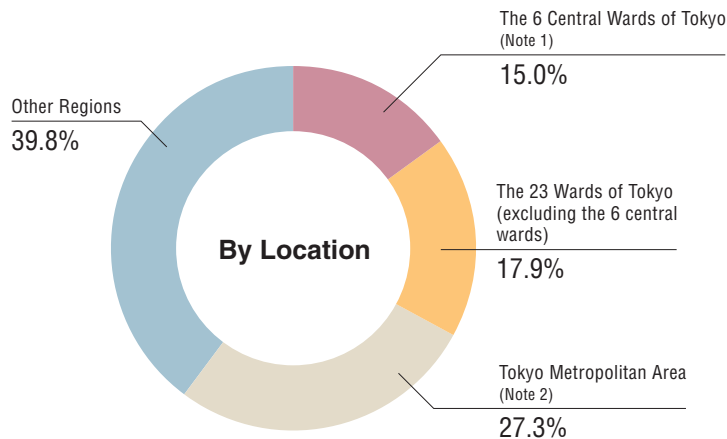
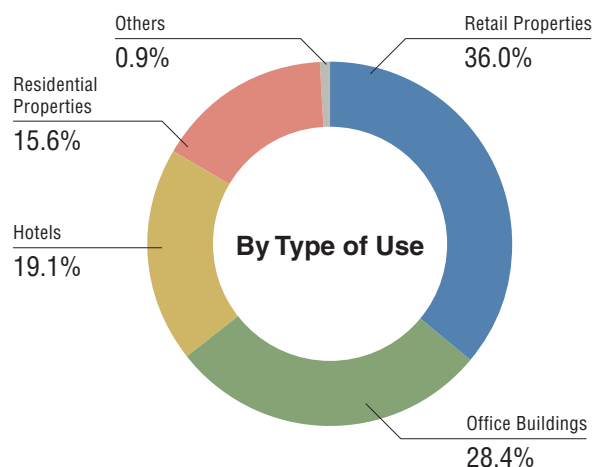


Stock Price Information



Portfolio Highlights

Portfolio Breakdown (As of May 31, 2009)



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.

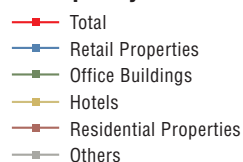
Occupancy Ratio (Note)

	2008			2009		
	December	January	February	March	April	May
Retail Properties	98.5%	98.4%	98.4%	98.4%	98.4%	99.1%
Office Buildings	97.6%	97.7%	97.6%	97.6%	97.4%	97.1%
Hotels	99.0%	99.0%	99.0%	99.0%	99.1%	99.3%
Residential Properties	99.2%	99.4%	99.3%	99.3%	99.1%	99.0%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	98.5%	98.6%	98.5%	98.5%	98.5%	98.7%

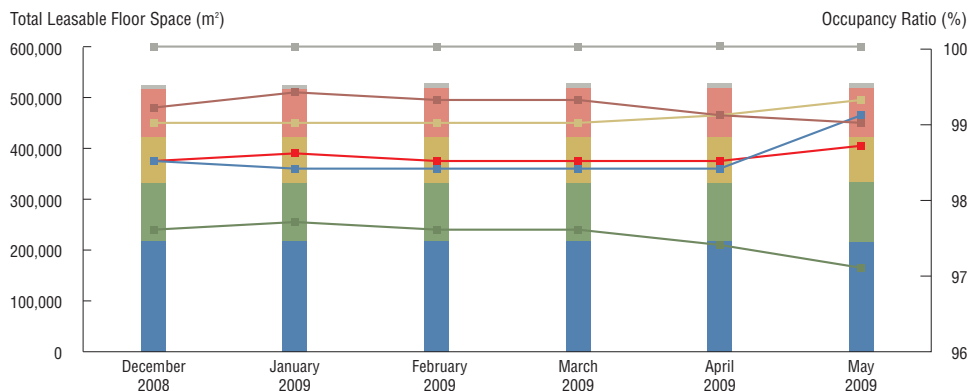
Note: "Occupancy Ratio" is rounded to the nearest one decimal place.

Trends in Total Leasable Floor Space and Occupancy Ratio

Occupancy Ratio



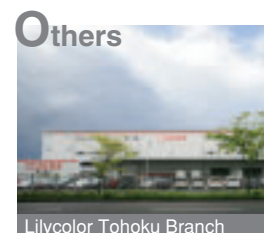
Total Leasable Floor Space



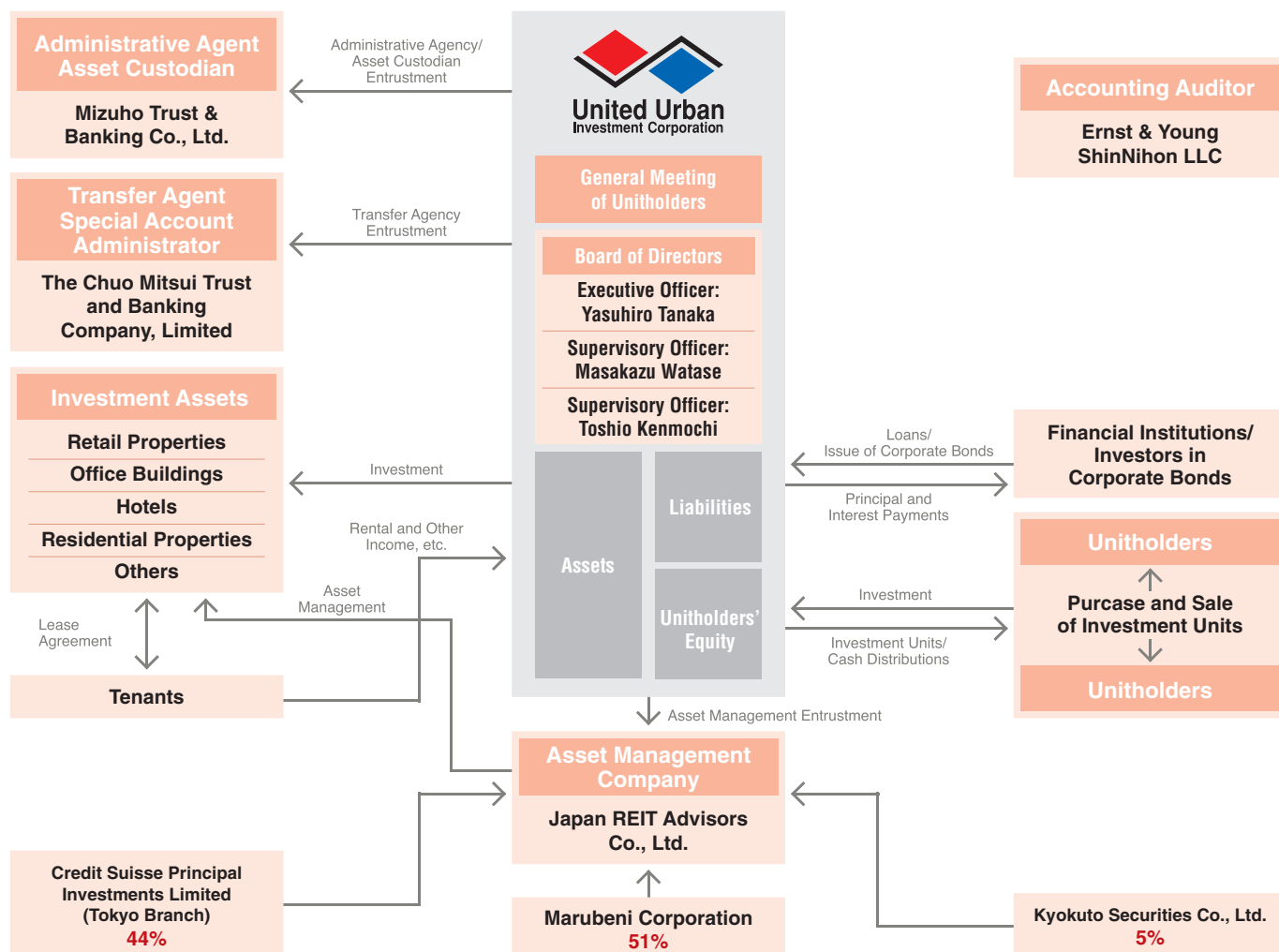
Overview of Investment Corporation

Comprehensive Portfolio Structured to Generate Steady Earnings Maximizing Unitholder Return

United Urban endeavors to secure steady earnings over the medium to long term. For this purpose, United Urban is going to establish and develop an optimal investment portfolio of real estate assets in terms of types of use (including retail properties, office buildings, hotels, residential properties, and others) and area of location (located in the Tokyo Metropolitan Area and major Japanese cities including government designated cities, and surrounding areas thereof) in tune with economic conditions and trends of the real estate market and other factors. In order to cope with changes in the general economy and real estate market trends, United Urban makes every effort to minimize risk.



Corporate Structure



Advantage as a Comprehensive Investment Policy

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

■ Stability of earnings

Spreads the impact of changes such as those in the market environment for specific property types or regions.
Reduces the risk of loss from natural disasters and other such events.

■ External growth potential

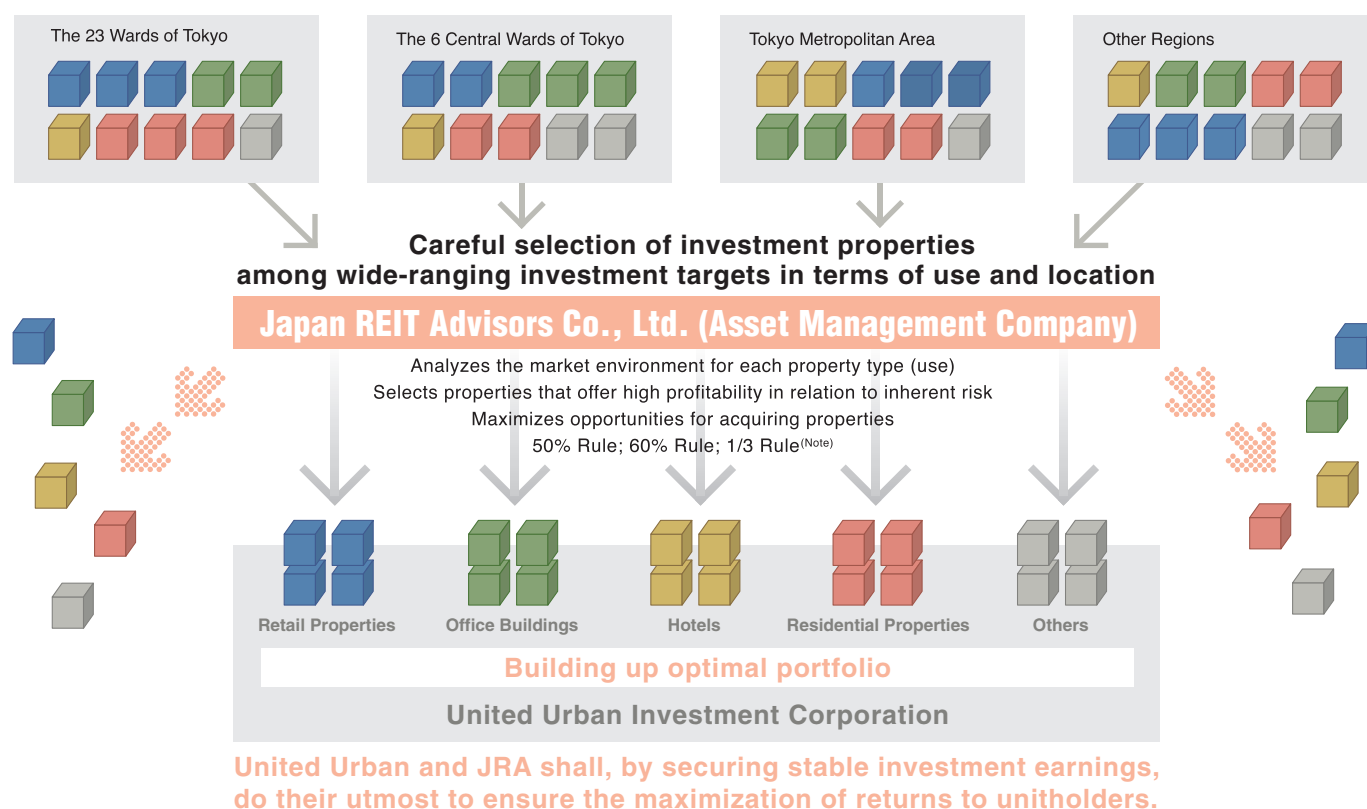
Opportunities for external growth are enhanced by the absence of limits on property types acquired for investment and by vigorous regional diversification.

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

The management and key staff of Japan REIT Advisors Co., Ltd. ("JRA"), to which United Urban has entrusted its asset management, consist of the following personnel:

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

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



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

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

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

Topics of the Eleventh Fiscal Period

New Acquisition During the Eleventh Fiscal Period

D22 UUR Court Osaka Jusohommachi



■ Address	3-4-15 Jusohommachi, Yodogawa-ku, Osaka-shi, Osaka
■ Site Area	1,266.32 m ²
■ Total Floor Space	4,166.73 m ²
■ Construction	RC
■ Number of Floors	11F
■ Completed	January 2009
■ Number of Units Available for Lease	140 units
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



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

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

Debt Financing

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

Repayment of the existing debt

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

New debt

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

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

B. United Urban procured new debt financing to support the payment for acquiring "UUR Court Osaka Jusohommachi" under the severe financial market conditions.

Title	Lender	Amount of Borrowing	Interest Rate	Drawdown Date	Repayment Date	Collateral Guarantee
TL26 (mid term)	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd.	¥1,700 million	1.67585%	February 26, 2009	June 20, 2011	Unsecured Unguaranteed

Subsequent Events

Committed Line of Credit

A committed line of credit agreement (maximum loan amount: ¥10,000 million), which was concluded on June 26, 2008 to procure expeditious and stable financing method, was terminated on June 25, 2009 with the expiry of term. United Urban concluded a new committed line of credit agreement with a maximum loan increase of ¥3,500 million (maximum loan amount: ¥13,500 million) on June 26, 2009.

Because the maximum loan amount from the leading Japanese financial institutions was increased, United Urban believes that this will further the reduction of refinancing risk and the immediate financing on acquisition of property. United Urban will make continuous efforts to strengthen United Urban's financial standing.

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Collateral Guarantee
The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥13,500 million	From June 26, 2009 to June 25, 2010	None	Unsecured Unguaranteed

Cancellation of New Property Acquisition

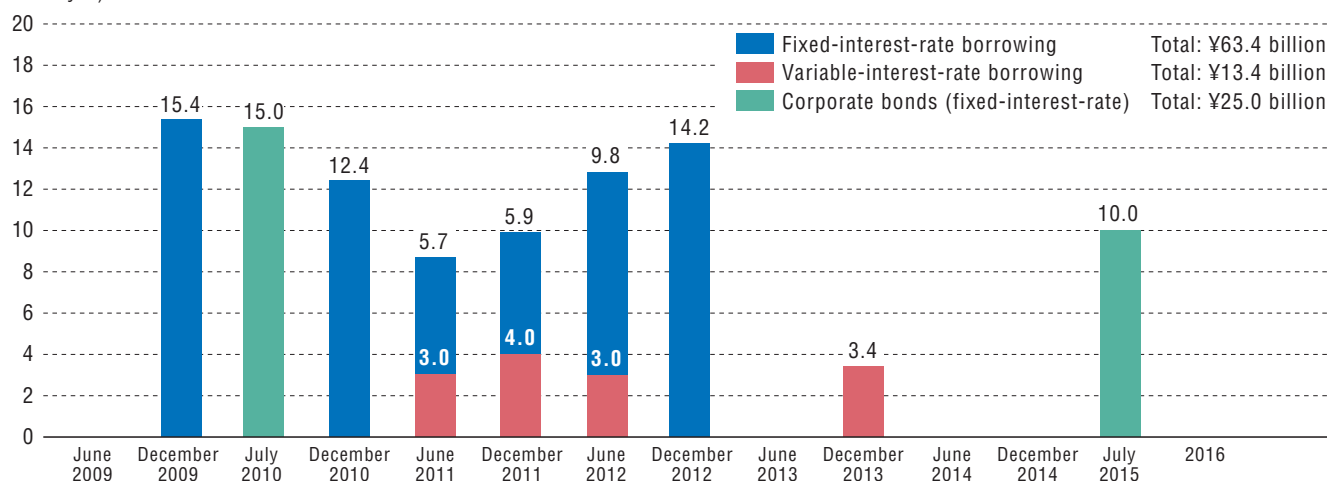
Forward commitment was cancelled with no penalty due to deliberate risk control in contingency situation.

The architect and constructor of the “UUR Court Sapporo Shinoro Nibankan,” which was to be acquired, filed for civil rehabilitation proceedings on June 11, 2009. Because of the necessity of considering the influence on the acquisition of “UUR Court Sapporo Shinoro Nibankan,” United Urban and the seller had been negotiating. However, because it was difficult to obtain reconciliation among the related parties for this redevelopment project, negotiations with the seller didn't lead to a mutual consensus. Therefore, United Urban decided to terminate the agreement under the provisions of the sale and purchase agreement in respect of trust beneficial interest in real estate, and to cancel the acquisition of “UUR Court Sapporo Shinoro Nibankan.”

There are no payments of penalty charges or other charges under the provisions of the sales and purchase agreement in respect of trust beneficial interest in real estate. Therefore, there is no material impact on financial standing, funds for cash distributions or other factors.

[Reference] Diversification of Repayment Date (as of May 31, 2009)

(Billions of yen)



Portfolio Properties

Portfolio Roster

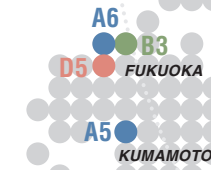
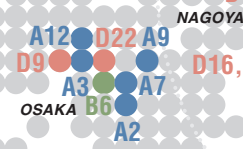
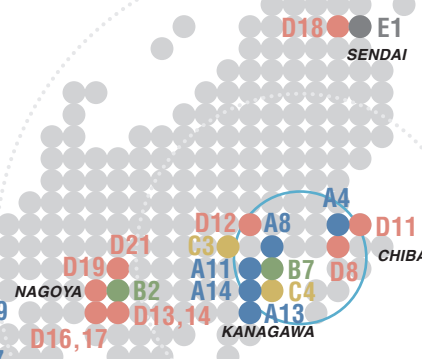
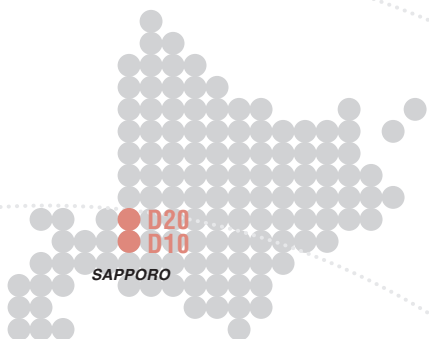
(As of May 31, 2009)

No.	Type	Name of Property	Acquisition Price (Millions of yen) (Note 1)	Share in Total Acquisition Price (%)	Share in Type (%)
A1	Retail Properties	Daiei Himonya	15,300	7.1	36.0
A2		Joy Park Izumigaoka	6,770	3.1	
A3		Daimaru Peacock Ashiya-Kawanishi Ten	769	0.4	
A4		Re-LAND Shopping Center	5,200	2.4	
A5		AEON MALL Uki Value	11,100	5.2	
A6		TENJIN LUCE	6,500	3.0	
A7		Yamada Denki Tecc Land Sakai Honten	3,210	1.5	
A8		Miyamae Shopping Center	5,312	2.5	
A9		KONAMI SPORTS CLUB Korigaoka	2,040	1.0	
A10		ACTIOLE minami ikebukuro	3,760	1.7	
A11		Tip's Machida Building	4,100	1.9	
A12		Daiei Takarazuka Nakayama	4,284	2.0	
A13		maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 2)	6,883	3.2	
A14		ACTIOLE Kannai	2,410	1.1	
B1	Office Buildings	T&G Hamamatsu-Cho Building	2,257	1.1	28.4
B2		SK Nagoya Building	5,400	2.5	
B3		Fukuoka Eartheon Building	2,080	1.0	
B4		Marumasu Koujimachi Building	2,350	1.1	
B5		Rokuban-Cho K Building	2,150	1.0	
B6		Shin-Osaka Central Tower (office portion) (Note 3)	14,279	6.6	
B7		Kawasaki Toshiba Building	19,200	8.9	
(A13)		maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 2)	5,021	2.3	
B8	Hotels	Haseman Building Toyochi	8,500	3.9	19.1
C1		Shinjuku Washington Hotel-Honkan	21,100	9.8	
(B6)		Shin-Osaka Central Tower (hotel portion) (Note 3)	9,721	4.5	
C2		Toyoko Inn Shinagawa-Eki Takanawaguchi	1,883	0.9	
C3		MZ BLD.	3,800	1.8	
C4	Residential Properties	Hotel Route Inn Yokohama Bashamichi	4,720	2.2	15.6
D1		T&G Higashi-Ikebukuro Mansion	2,021	0.9	
D2		T&G Yotsuya Mansion	1,355	0.6	
D3		Excellia Magome	697	0.3	
D4		Komazawa Court	1,680	0.8	
D5		Ropponmatsu Court	757	0.4	
D6		Sky Court Shiba-Daimon	1,175	0.5	
D7		Maison Ukima	3,530	1.6	
D8		Narashino Residence	1,140	0.5	
D9		Aprile Shin-Ohgi Ichibankan	3,031	1.4	
D10		UUR Court Sapporo Kitasanjo	1,278	0.6	
D11		Soga Dormitory	620	0.3	
D12		Higashikurume Dormitory Shinkan	480	0.2	
D13		Nanzan Court Ichigoukan	1,070	0.5	
D14		Nanzan Court Nigoukan	450	0.2	
D15		CLIO Bunkyo Koishikawa	3,170	1.5	
D16		GRAND-ROUGE Sakae	1,570	0.7	
D17		GRAND-ROUGE Sakae II	1,300	0.6	
D18		MA Sendai Building	3,440	1.6	
D19		UUR Court Nagoya Meieki	1,473	0.7	
D20		UUR Court Sapporo Shinoro Ichibankan	870	0.4	
D21		Park Site IZUMI	900	0.4	
D22		UUR Court Osaka Jusohommachi	1,570	0.7	
E1	Others	Lilycolor Tohoku Branch	2,050	0.9	0.9
Total			215,726	100.0	

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

2. The property name, "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" was changed to "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" on June 15, 2009. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.

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



Portfolio Map

Overview

A1

Daiei Himonya

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



A2

Joy Park Izumigaoka

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



A3

Daimaru Peacock Ashiya-Kawanishi Ten

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



A4

Re-LAND Shopping Center

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



A5

AEON MALL Uki Value

■ Address	1-1 Gohnoe, Ogawa-machi, Uki-shi, Kumamoto
■ Site Area	173,498.31 m ²
■ Total Floor Space	63,058.78 m ²
■ Construction	S (Note)
■ Number of Floors	2F (Note)
■ Completed	October 1997 (Note)
■ Type of Ownership	Land: Proprietary Ownership and Term Leasehold Interest Building: Proprietary Ownership



Note: Data applicable to the main building

A6**TENJIN LUCE**

■Address	2-3-24 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka
■Site Area	1,138.66 m ²
■Total Floor Space	5,369.70 m ²
■Construction	RC
■Number of Floors	B1/7F
■Completed	November 2005
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

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

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

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

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

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

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

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

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

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

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



A12

Daiei Takarazuka Nakayama

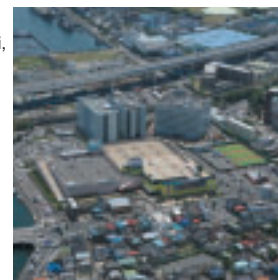
■ Address	21-22 Mefuhigashino-cho, Takarazuka-shi, Hyogo
■ Site Area	16,330.14 m ²
■ Total Floor Space	16,729.60 m ²
■ Construction	S
■ Number of Floors	B1/3F
■ Completed	November 1997
■ Type of Ownership	Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership



A13

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

■ Address	1-1-1, etc., Isogo, Isogo-ku, Yokohama-shi, Kanagawa
■ Site Area	53,363.57 m ²
■ Total Floor Space	-
■ Construction	-
■ Number of Floors	-
■ Completed	-
■ Type of Ownership	Land: Proprietary Ownership (co-ownership) Building: -



Note: The underlying asset of the trust beneficial interest which United Urban acquired is primarily the site, and buildings and structures situated in this site are not included in the underlying asset. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.

A14

ACTIOLE Kannai

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



B1

T&G Hamamatsu-Cho Building

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



B2

SK Nagoya Building

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



B3

Fukuoka Eartheon Building

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

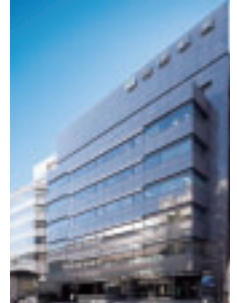


B4**Marumasu Koujimachi Building**

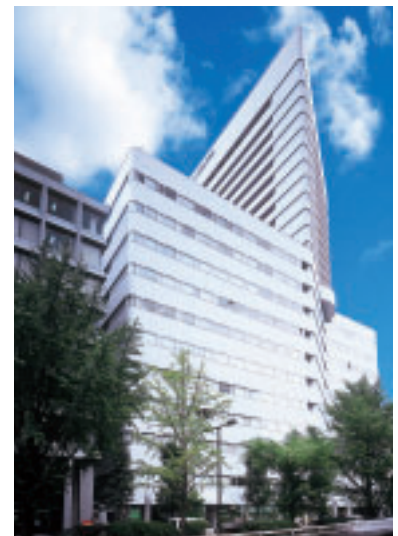
■Address	3-3-8 Koujimachi, Chiyoda-ku, Tokyo
■Site Area	703.24 m ²
■Total Floor Space	5,218.55 m ²
■Construction	SRC/RC
■Number of Floors	B1/9F
■Completed	September 1989
■Type of Ownership	Land: Proprietary Ownership (common ownership) Building: Compartmentalized Proprietary Ownership

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

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

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

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



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

B7**Kawasaki Toshiba Building**

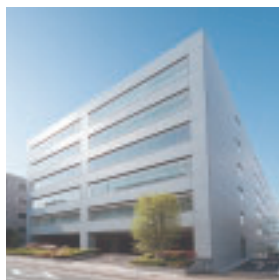
■Address	580-1 Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa
■Site Area	8,615.20 m ²
■Total Floor Space	51,254.06 m ²
■Construction	S/RC/SRC
■Number of Floors	B2/14F
■Completed	April 1987
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



B8

Haseman Building Toyochō (Note)

■ Address	2-4-18 Toyo, Koto-ku, Tokyo
■ Site Area	3,262.50 m ²
■ Total Floor Space	10,768.11 m ²
■ Construction	SRC
■ Number of Floors	B1/6F
■ Completed	November 1990
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Note: United Urban terminated the trust agreement on November 30, 2008 and acquired ownership on the following day (December 1, 2008). Accordingly, United Urban holds this property as actual real estate.

C2

Toyoko Inn Shinagawa-Eki Takanawaguchi

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



C1

Shinjuku Washington Hotel-Honkan

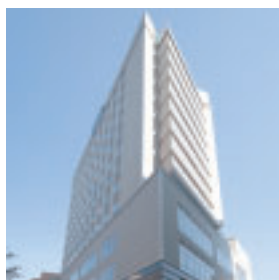
■ Address	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo
■ Site Area	6,215.31 m ²
■ Total Floor Space	59,985.37 m ²
■ Construction	S/SRC
■ Number of Floors	B4/25F
■ Number of Rooms	1,296 rooms
■ Completed	October 1983
■ Type of Ownership	Land: Proprietary Ownership (part common ownership) Building: Compartmentalized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



C3

MZ BLD.

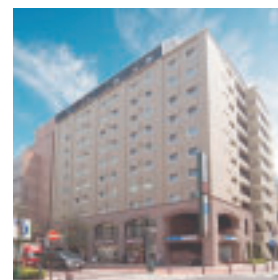
■ Address	2-26-9 Myojin-cho, Hachioji-shi, Tokyo
■ Site Area	1,304.44 m ²
■ Total Floor Space	7,708.88 m ²
■ Construction	S
■ Number of Floors	13F
■ Completed	April 2007
■ Type of Ownership	Land: Proprietary Ownership, Leasehold Right Building: Proprietary Ownership



C4

Hotel Route Inn Yokohama Bashamichi

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



D1

T&G Higashi-Ikebukuro Mansion

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



D2

T&G Yotsuya Mansion

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



D3

Excellia Magome

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



D4

Komazawa Court

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



D5

Ropponmatsu Court

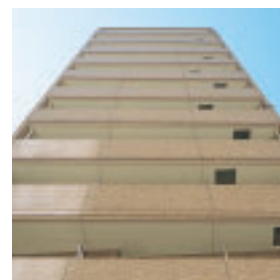
■Address	4-3-11 Ropponmatsu, Chuo-ku, Fukuoka-shi, Fukuoka
■Site Area	1,738.67 m ²
■Total Floor Space	3,294.36 m ²
■Construction	RC
■Number of Floors	6F
■Number of Units Available for Lease	100 units
■Completed	March 1994
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D6

Sky Court Shiba-Daimon

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



D7

Maison Ukima

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



D8

Narashino Residence

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



D9

Aprile Shin-Ohgi Ichibankan

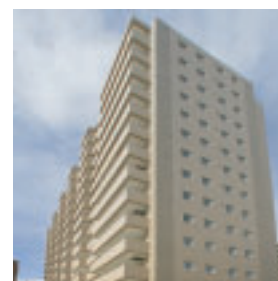
■ Address	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe-shi, Hyogo
■ Site Area	3,329.45 m ²
■ Total Floor Space	12,700.44 m ²
■ Construction	SRC
■ Number of Floors	14F
■ Number of Units Available for Lease	161 units
■ Completed	September 1997
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary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



D10

UUR Court Sapporo Kitananjo

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



D11

Soga Dormitory

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



D12

Higashikurume Dormitory Shinkan

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



D13

Nanzan Court Ichigoukan

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



D14

Nanzan Court Nigoukan

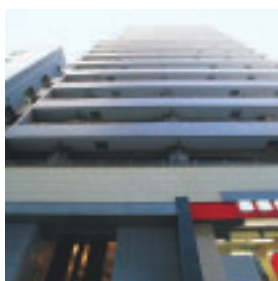
■Address	5-20 Komagatacho, Showa-ku, Nagoya-shi, Aichi
■Site Area	1,137.18 m ²
■Total Floor Space	1,762.40 m ²
■Construction	RC
■Number of Floors	5F
■Number of Units Available for Lease	38 units
■Completed	March 1999
■Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



D15

CLIO Bunkyo Koishikawa

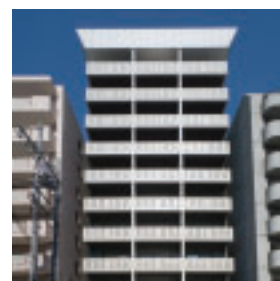
■Address	1-13-9 Koishikawa, Bunkyo-ku, Tokyo
■Site Area	814.54 m ²
■Total Floor Space	5,871.77 m ²
■Construction	SRC
■Number of Floors	B1/15F
■Number of Units Available for Lease	98 units
■Completed	February 2005
■Type of Ownership	Land: Proprietary Ownership (site rights) Building: Compartmentalized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



D16

GRAND-ROUGE Sakae

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



D17

GRAND-ROUGE Sakae II

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



D18

MA Sendai Building

■Address	1-3-7 Kimachi-dori, Aoba-ku, Sendai-shi, Miyagi
■Site Area	3,656.44 m ²
■Total Floor Space	12,642.98 m ²
■Construction	SRC/RC
■Number of Floors	B1/14F
■Number of Units Available for Lease	152 units
■Completed	February 2008
■Type of Ownership	Land: Leasehold Right Building: Proprietary Ownership



D19

UUR Court Nagoya Meieki

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



D20

UUR Court Sapporo Shinoro Ichibankan

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



D21

Park Site IZUMI

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



E1

Lilycolor Tohoku Branch

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



Profile of Asset Management Company

Overview

Corporate Name : Japan REIT Advisors Co., Ltd. ("JRA")

Capital : ¥425 million (As of May 31, 2009)

Registration / License : Registered for a financial instruments business
(Director-General of the Kanto Local Finance Bureau (Kinsho) No. 336)

Description of Business: Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act

Shareholders

(As of May 31, 2009)

Name	Number of Shares Owned	Ownership (%)
Marubeni Corporation	4,335	51.0
Credit Suisse Principal Investments Limited, Tokyo Branch	3,740	44.0
Kyokuto Securities Co., Ltd.	425	5.0
Total	8,500	100.0

Management Policy, Investment Philosophy and Basic Policy

1. Investment Philosophy

JRA aims to build a real estate portfolio that is able to provide investors with stable earnings and maximize investor value over the medium to long term.

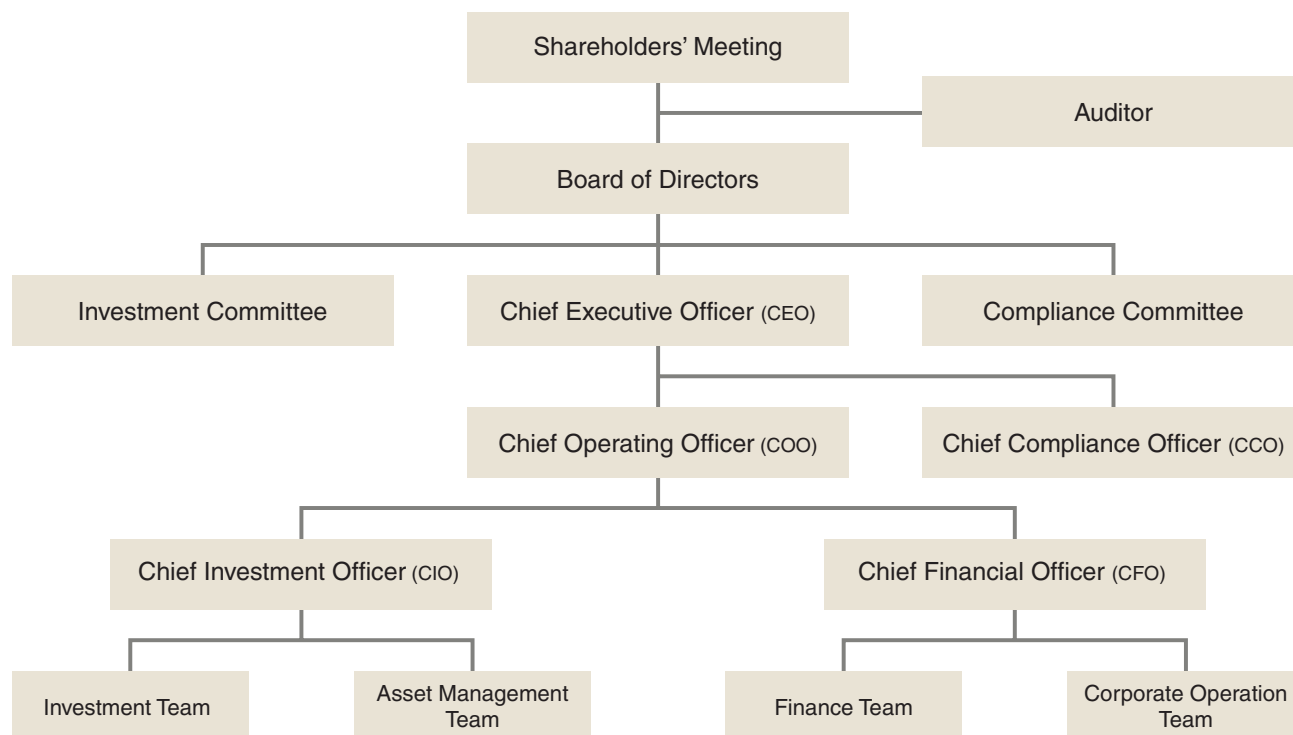
2. Management Stance

- JRA will fulfill its fiduciary duty to United Urban which entrusts asset management to JRA.
- In the acquisition of real estate, JRA will conduct full due diligence and invest in competitive real estate that are deemed high-quality assets.
- JRA will endeavor to maintain and enhance the value of the real estate held by United Urban.
- JRA will actively disclose information from the perspective of the investor and enhance the transparency of management.

3. Fund Concept

- Select superior properties located within Japan for the purpose of securing stable earnings over the medium to long term.
- Invest in diverse types of properties including retail properties, office buildings, hotels, residential properties, and others.
- Invest in real estate in the Tokyo Metropolitan Area and other major cities in Japan, including government-designated cities, and their surrounding areas.

Organization



Compliance Attitude — To assure fulfillment of fiduciary duty and duty of care —

- **United Urban Investment Corporation's executive officer has been the company's full-time executive officer throughout its history.**
- **Chief Compliance Officer leads the efforts to build the compliance structure.**
- **Establishment of Compliance Committee and its role**

The Compliance Committee does not itself pass resolutions or take decisions, but was established for the purpose of submitting certain reports to the Board of Directors, not only on compliance but also broader matters such as professional standards and internal auditing.

It deliberates on the following matters, when necessary submitting reports to or advising the Board of Directors.

- Deliberation on investment decisions from the perspective of compliance
- Response to acts that are, or may prove to be, problematic from the standpoint of the law, professional standards, etc.
- Formulation of internal audit plans and reports on internal audit results
- Institution and revision of internal rule
- Deliberation of other important compliance-related matters

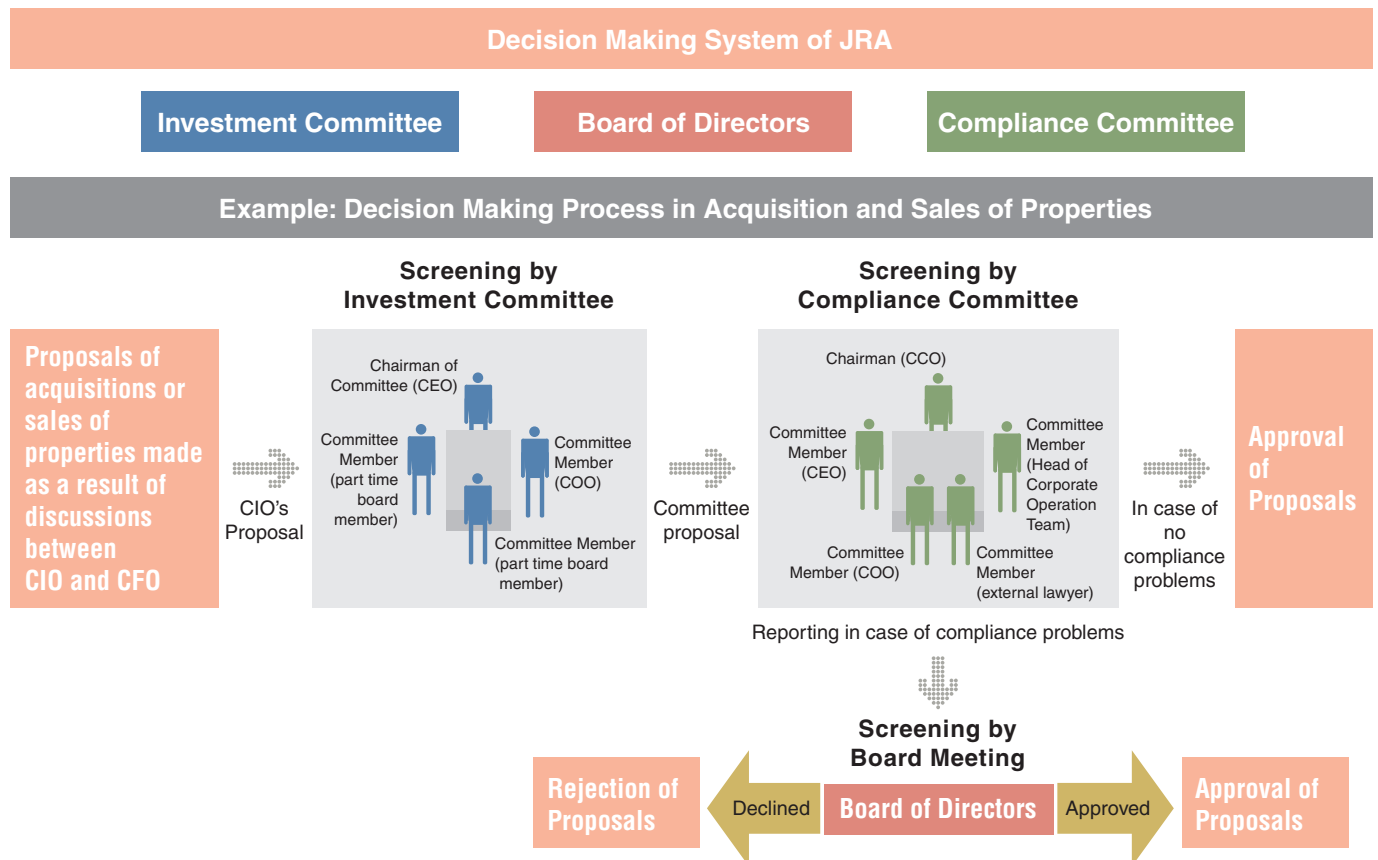
■ Faithful execution of compliance decision process

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

In regard to transactions with “Sponsor/Stakeholder” category including related parties, steps are taken to ensure that restraints are imposed. These take the form of strict processes to counter conflicts of interest, including the obligation for the chief compliance officer to attend meetings of the Investment Committee and for the approval of all committee members to be obtained.

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

Corporate Governance



Optimal investment portfolio and steady earnings



PERFORMANCE REPORT

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Investment Policies

Distribution Policies

Financial Highlights

1. Track Records on Operations

		Millions of yen, unless otherwise indicated		
		11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)	9th Fiscal Period (December 1, 2007 - May 31, 2008)
Operating revenues		8,394	8,029	7,184
(Rental revenues)		(8,394)	(8,029)	(7,184)
Operating expenses		3,929	3,852	3,387
(Property-related expenses)		(3,003)	(2,958)	(2,620)
Operating income		4,465	4,177	3,797
Income before income taxes		3,684	3,361	3,097
Net income	(a)	3,683	3,360	3,096
Total assets	(b)	231,234	229,133	208,841
Total unitholders' equity (Net assets)	(c)	111,994	111,670	92,935
Unitholders' capital		108,311	108,311	89,839
Total no. of investment units issued and outstanding	(d)	201,300	201,300	159,843
Net assets per unit	(c)/(d)	556,352	554,746	581,411
Total cash distribution	(e)	3,683	3,360	3,096
Net income per unit	(Note 3)	18,297	17,155	19,368
Distribution per unit	(e)/(d)	18,297	16,691	19,368
(Distribution of earnings per unit)		(18,297)	(16,691)	(19,368)
(Distribution in excess of earnings per unit)		(-)	(-)	(-)
Return on assets	(Notes 4, 5)	1.6	1.5	1.6
(Annualized)	(Notes 4, 5)	(3.2)	(3.1)	(3.2)
Return on equity	(Notes 4, 5)	3.3	3.3	3.3
(Annualized)	(Notes 4, 5)	(6.6)	(6.6)	(6.7)
Equity ratio (c)/(b)	(Note 5)	48.4	48.7	44.5
Payout ratio (e)/(a)		99.9	100.0	99.9
Supplementary information				
No. of investment properties at the end of the period	(Units)	49	48	41
Total leasable floor space at the end of the period	(m ²)	527,871.08	524,157.30	484,849.70
Total no. of tenants at the end of the period	(Units)	171	167	160
Occupancy ratio at the end of the period	(%)	98.7	97.9	99.4
Depreciation and amortization		1,489	1,408	1,292
Capital expenditures		582	342	375
NOI (Net Operating Income) from leasing	(Note 4)	6,880	6,480	5,855
FFO (Funds From Operations) per unit	(Note 4)	25,694	23,688	27,612
FFO ratio	(Notes 4, 5)	8.1	6.6	11.4
Debt service coverage ratio	(Notes 4, 5)	7.6	7.4	7.6
Net income before interest, depreciation and amortization		5,954	5,518	5,086
Interest expense and interest expenses on corporate bonds		781	750	673
Interest-bearing liabilities		101,800	100,100	99,200
Ratio of interest-bearing liabilities to total assets at the end of the period	(%)	44.0	43.7	47.5
No. of operating days	(Days)	182	183	183

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

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

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

Average no. of investment units 9th fiscal period: 159,843units

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

11th fiscal period: 201,300units

4. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures, and actual days of each fiscal period are 183, 183 and 182, respectively.

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

Ave. total assets= (Total assets at the beginning of the period + Total assets at the end of the period) / 2

Return on equity.....Net income / Ave. net assets

Ave. net assets= (Net assets at the beginning of the period + Net assets at the end of the period) / 2

NOI (Net operating income) from leasing

.....Income from property leasing in the period (Rental revenues - Rental expenses) + Depreciation and Amortization

FFO (Funds from operations) per unit

.....(Net income + Depreciation + Amortization of deferred assets) / No. of investment units at the end of the period

FFO ratioInvestment unit price at the end of the period / Annualized FFO per unit

Debt service coverage ratio

.....Net income before interest, depreciation and amortization / Interest expense and Interest expense on corporate bonds

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

2. Performance Review for the Current Period

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

After the additional issue of investment units through the second public offering since the IPO and the additional issue of investment units through third-party allotment during the tenth fiscal period, the total number of investment units issued and outstanding at the end of the eleventh fiscal period ended May 31, 2009 is 201,300 units.

United Urban aims to secure steady earnings over the medium to long term as a comprehensive real estate investment trust (REIT), diversifying its investments in terms of the types of use (retail properties, office buildings, hotels, residential properties, and others) and area of location (located in the Tokyo Metropolitan Area and major Japanese cities including government designated cities, and surrounding areas thereof). A distribution has been made in each of ten fiscal periods to date, beginning with the first fiscal period ended on May 31, 2004. In addition, United Urban has declared a cash distribution per unit of ¥18,297 for the eleventh fiscal period.

During the period under review, United Urban acquired one property (one residential property with a total acquisition price of ¥1,570 million) with the support of shareholders of Japan REIT Advisors Co., Ltd. (JRA) to which United Urban assigns asset management services and shareholders’ affiliate companies (referred to collectively as “Sponsor Companies”). In consequence, as of May 31, 2009, United Urban’s assets totaled 49 properties, comprising 13 retail properties, 7 office buildings, 1 retail and office complex, 4 hotels, 1 office and hotel complex, 22 residential properties and 1 others; with increased by 1 from the beginning of the period. The aggregate acquisition price totaled ¥215,726 million, an increase of ¥1,570 million from the beginning of the period. Also, the total leasable floor space increased from 524,157.30 sq. m. to 527,871.08 sq. m., and the number of tenants rose from 167 to 171.

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 98.5% and 98.7%, and stood at 98.7% on May 31, 2009.

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

During this period, United Urban procured debt financing of ¥11.1 billion to repay the existing debt upon its maturity (¥9.4 billion) and to acquire another new property (¥1.7 billion).

As a result, the balance of outstanding borrowings at May 31, 2009, totaled ¥76.8 billion (up by ¥1.7 billion from the end of the previous period), comprising no short-term borrowings (unchanged from the end of the previous period), ¥15.4 billion of long-term borrowings due for repayment within one year (up by ¥6.0 billion from the end of the previous period), ¥61.4 billion of long-term borrowings (down by ¥4.3 billion from the end of the previous period), and the ¥25.0 billion of corporate bonds (unchanged from the end of the previous period).

In addition, United Urban’s issuer rating from Rating and Investment Information, Inc. as of April 15, 2009 was maintained in “A+”. However, United Urban received a new issuer rating of “Baa1” downgraded from “A3”, from Moody’s Investors Service on April 21, 2009. As a result, the details of issuer ratings as of May 31, 2009 are as follows:

Rating Agency	Details	
Rating and Investment Information, Inc. (R&I)	Issuer Rating: A+	Rating Outlook: Stable
Moody's Investors Service	Issuer Rating: Baa1	Rating Outlook: Stable

3. Issuance of New Investment Units

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

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

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

Changes in Closing Prices

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

	Yen		
	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)	9th Fiscal Period (December 1, 2007 - May 31, 2008)
Highest	461,000	620,000	817,000
Lowest	292,000	270,000	524,000

4. Distribution Information

With regard to the distribution in the period under review, in view of the special manner in which taxation is applied pursuant to Article 67-15 of the Act on Special Measures Concerning Taxation, in order to ensure that the maximum amount of distribution of earnings would be deductible, it was decided that the entire amount of unappropriated profit at the end of the period would be distributed, excluding cases in which the distributions per investment unit were fractions of one yen. In consequence, the distribution per investment unit was fixed at ¥18,297 for the eleventh fiscal period.

		11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)	9th Fiscal Period (December 1, 2007 - May 31, 2008)
Unappropriated retained earnings at the end of period	Thousands of yen	3,683,252	3,359,941	3,095,910
Cash distribution	Thousands of yen	3,683,186	3,359,898	3,095,839
Distribution per unit	Yen	18,297	16,691	19,368
Unappropriated retained earnings carried forward to the next period	Thousands of yen	66	42	70

5. Future Policies

A. Acquisition of new properties (External growth)

United Urban strongly recognizes the importance of external growth and has been dedicating to making acquisitions since the first fiscal period in order to build a portfolio where stable earnings are secured over the medium term to long term. In the future, United Urban will work to realize external growth to build an optimum portfolio by utilizing its wide-ranging networks, including harnessing the property pipeline and property information of JRA's Sponsor Companies, under a policy of carefully selecting blue-chip properties by (i) giving due consideration to any adverse impact that the acquisition will have on its existing portfolio and (ii) accurately grasping market trends. However, given the present market situation where market trends are rapidly changing, we believe we should follow a policy of taking a particularly prudent and careful attitude when considering possible external growth.

B. Management and administration (Internal growth)

In its management and administration, United Urban will proactively carry out the maintenance works and repairs which lead to the tenants' satisfaction and improvement of its management and service in order to build the better relationship with the tenants considering the facts that the lease contracts of its portfolio are with the relatively longer term. Engaged in the leasing activities based on the study and analysis of the real-estate rental market, United Urban will make continuous efforts to maintain the high occupancy ratio, increase the rental income and reduce the costs for the purpose of the improvement of profitability of its existing portfolio.

C. Financial strategy

United Urban tries to keep conservative management practices by setting the target as the upper limit of LTV (Note) at 50%. Moreover, United Urban aims to create robust and stable financial standing by raising funds, in principle with long-term and fixed-interest-rate loans, and by ensuring enough liquidity through decentralization of debt maturity and the establishment of committed line of credit.

In addition, United Urban, as a continuing corporation, will make continuous efforts to build a proper relationship with each financial institution and will aim to conduct fundraising with more favorable terms, mitigating the refinancing risk in an attempt to try to improve unitholders' interests.

Note : LTV = (Interest bearing liabilities (including corporate bonds) / (Total assets + Appraisal value at the end of the period - Book value at the end of the period)) * 100

6. Reference Information

A committed line of credit agreement was concluded on June 26, 2009, as set forth below.

- (1) Maximum loan amount : ¥13,500 million
- (2) Date of agreement : June 26, 2009
- (3) Term of agreement : From June 26, 2009 to June 25, 2010
- (4) Collateral : Unsecured, Unguaranteed
- (5) Participating financial institutions : The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

	11th Fiscal Period (As of May 31, 2009)	10th Fiscal Period (As of November 30, 2008)	9th Fiscal Period (As of May 31, 2008)
Number of investment units authorized (Unit)	2,000,000	2,000,000	2,000,000
Number of investment units issued and outstanding (Unit)	201,300	201,300	159,843
Unitholders' capital (Millions of yen)	108,311	108,311	89,839
Number of unitholders	9,561	9,662	7,319

2. Major Unitholders

Unitholder Name	Investment Units Held (Units)	(As of May 31, 2009) Percentage of Investment Units Held (%)
NikkoCiti Trust and Banking Corporation (investment trust account)	17,359	8.62 %
Japan Trustee Services Bank, Ltd. (trust account)	15,442	7.67 %
Trust & Custody Services Bank, Ltd. (investment trust account)	15,077	7.49 %
The Master Trust Bank of Japan, Ltd. (trust account)	10,738	5.33 %
THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	7,082	3.52 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	5,689	2.83 %
The Bank of Ikeda, Ltd.	5,567	2.77 %
North Pacific Bank, Ltd.	4,626	2.30 %
SIX SIS LTD.	3,341	1.66 %
The Hiroshima Bank, Ltd.	2,859	1.42 %
Total	87,780	43.61 %

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

3. Categories of Unitholders

(As of May 31, 2009)				
	Number of Unitholders by Category		Number of Units by Holder Category	
Individuals and others	9,099	95.2 %	26,919 units	13.4 %
Financial institutions (including securities companies)	116	1.2 %	115,403 units	57.3 %
Other domestic corporations	162	1.7 %	8,972 units	4.5 %
Foreign corporations and individuals	184	1.9 %	50,006 units	24.8 %
Total	9,561	100.0 %	201,300 units	100.0 %

4. Directors and Auditor

A. Board of Directors, etc. of United Urban as of May 31, 2009 were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (thousands of yen)
Executive Officer	Yasuhiro Tanaka	—	6,000
Supervisory Officer	Masakazu Watase	Lawyer, Watase Law Office	2,100
Supervisory Officer	Toshio Kenmochi	Representative Partner, Kasumigaseki Audit Corporation Representative Director and President, RECS Management Institute Representative Director and President, RECS Technologies Inc. Managing Partner, Baker Tilly Japan	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	—	12,000
Total			22,200

Notes: 1. The executive officer and the supervisory officers do not have investment units of United Urban either under their own name or other people's names.
2. The supervisory officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.

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.

5. Advisors and Agents

(As of May 31, 2009)	
Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Mizuho Trust & Banking Co., Ltd.
Transfer Agent (Note)	The Chuo Mitsui Trust and Banking Company, Limited
Administrative Agent	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to Corporate Bonds)	The Sumitomo Trust and Banking Co., Ltd., Mizuho Securities Co., Ltd., Nikko Citigroup Limited and Kyokuto Securities Co., Ltd.

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

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		11th Fiscal Period (As of May 31, 2009)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital Region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-
			The 23 wards of Tokyo (Note 4)	-	-
			Tokyo metropolitan areas (Note 5)	2,500,594	1.1
		Other regions		3,213,980	1.4
	Office Buildings	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	8,833,049	3.8
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Hotels	Capital Region	The 6 central wards of Tokyo	1,862,525	0.8
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	4,876,640	2.1
		Other regions		-	-
	Residential Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		910,028	0.4
	Others	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		-	-
	Subtotal				22,196,816
Real Estate in Trust	Retail Properties	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	18,767,799	8.1
			Tokyo metropolitan areas	21,624,090	9.4
		Other regions		29,985,845	13.0
	Office Buildings	Capital Region	The 6 central wards of Tokyo	6,785,007	2.9
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	24,277,055	10.5
		Other regions		21,331,788	9.2
	Hotels	Capital Region	The 6 central wards of Tokyo	20,993,753	9.1
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	3,898,748	1.7
		Other regions		9,674,683	4.2
	Residential Properties	Capital Region	The 6 central wards of Tokyo	2,404,278	1.0
			The 23 wards of Tokyo	10,751,864	4.6
			Tokyo metropolitan areas	2,230,995	1.0
		Other regions		16,571,504	7.2
	Others	Capital Region	The 6 central wards of Tokyo	-	-
			The 23 wards of Tokyo	-	-
			Tokyo metropolitan areas	-	-
		Other regions		1,938,364	0.8
	Subtotal				191,235,773
Bank Deposits and Other Assets				17,801,627	7.7
Total Assets				231,234,216	100.0

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

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

3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital Region excluding the "23 wards of Tokyo."

2. Selected Data by Property

(As of May 31, 2009)

Property Name	Book Value (Millions of yen) (Note 1)	Appraisal Value (Millions of yen) (Note 2)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3)	Occupancy Ratio (%) (Note 3)	Type of Property	Granting of Security
Daiei Himonya	14,892	15,800	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,986	3,620	13,306.45	12,472.46	93.7	Retail Properties	N/A
Daimaru Peacock Ashiya-Kawanishi Ten	760	1,060	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,842	5,490	12,968.85	12,860.56	99.2	Retail Properties	Applicable (Note 6)
AEON MALL Uki Value	10,798	10,100	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,620	5,130	4,194.57	3,702.06 (Note 4)	88.3	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	3,214	3,030	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,352	4,210	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	2,031	1,640	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE minami ikebukuro	3,876	3,400	2,081.50	1,838.46 (Note 4)	88.3	Retail Properties	N/A
Tip's Machida Building	4,231	4,380	6,715.75	6,715.75 (Note 4)	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,790 (Note 5)	3,690	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 7)	12,451	11,000	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,501	2,110	1,938.56	1,747.22 (Note 4)	90.1	Retail Properties	N/A
T&G Hamamatsu-Cho Building	2,155	3,000	2,422.93	2,422.93 (Note 4)	100.0	Office Buildings	N/A
SK Nagoya Building	5,290	5,920	8,708.52	7,320.01	84.1	Office Buildings	N/A
Fukuoka Eartheon Building	1,830	2,530	4,934.39	4,934.39	100.0	Office Buildings	N/A
Marumasu Koujimachi Building	2,414	3,100	2,612.42	2,478.70	94.9	Office Buildings	N/A
Rokuban-Cho K Building	2,216	3,270	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	23,886	26,000	45,984.60	44,105.59	95.9	Office / Hotels	N/A
Kawasaki Toshiba Building	19,025	30,300	36,118.31	36,118.31	100.0	Office Buildings	N/A
Haseman Building Toyochō	8,833	8,020	7,540.30	7,540.30 (Note 4)	100.0	Office Buildings	N/A
Shinjyuku Washington Hotel - Honkan	20,994	22,000	53,317.45	53,317.45	100.0	Hotels	N/A
Toyoko Inn Shinagawa-Eki Takanawaguchi	1,863	2,050	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,899	3,430	6,670.21	6,239.96 (Note 4)	93.5	Hotels	N/A
Hotel Route Inn Yokohama Bashamichi	4,877	4,140	7,139.44	6,969.35	97.6	Hotels	N/A

T&G Higashi-Ikebukuro Mansion	1,837	2,050	2,603.22	2,461.96 (Note 4)	94.6	Residential Properties	N/A
T&G Yotsuya Mansion	1,245	1,320	1,679.10	1,593.30 (Note 4)	94.9	Residential Properties	N/A
Excellia Magome	641	628	914.98	873.58 (Note 4)	95.5	Residential Properties	N/A
Komazawa Court	1,607	1,700	3,741.17	3,741.17	100.0	Residential Properties	N/A
Ropponmatsu Court	713	734	3,294.36	3,294.36	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,160	1,070	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,452	3,580	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,121	1,090	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,970	2,940	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kitasanjo	1,287	1,240	4,790.50	4,790.50	100.0	Residential Properties	N/A
Soga Dormitory	616	556	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashikurume Dormitory Shinkan	494	449	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigoukan	1,048	941	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigoukan	447	433	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	3,215	3,010	4,097.51	3,904.05 (Note 4)	95.3	Residential Properties	N/A
GRAND-ROUGE Sakae	1,553	1,150	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,320	1,080	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	3,100	3,150	11,525.36	11,488.59 (Note 4)	99.7	Residential Properties	N/A
UUR Court Nagoya Meieki	1,533	1,310	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	910	761	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	947	782	2,067.95	1,550.39 (Note 4)	75.0	Residential Properties	N/A
UUR Court Osaka Jusohommachi	1,653	1,480	3,650.00	3,650.00	100.0	Residential Properties	N/A
Lilycolor Tohoku Branch	1,938	1,840	9,271.16	9,271.16	100.0	Others	N/A
Total	213,433	221,714	527,871.08	520,984.08	98.7		

- Notes: 1. "Book Value" is stated after being rounded to the units stated.
2. "Appraisal Value" is the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers.
3. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2009. "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) and Shinjuku Washington Hotel - Honkan held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.

4. With regard to these real estate assets, master lease agreements with no rental guarantees have been concluded for the entire or partial leasable floor space. Accordingly, United Urban is able to receive rental revenues from the master-leased floor spaces only if they are actually subleased. In view of this, the master-leased floor spaces of these real estate assets are stated not as the area rented to the lessees, but as figures calculated as the "Leased Floor Space" by treating the area subleased by the lessees as of May 31, 2009.
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 ¥3,790 million reflecting the additional amount of trust. However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
6. The right to demand restitution of a security deposit against tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
7. The property name, "maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)" was changed to "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" on June 15, 2009.

3. Selected Financial Data by Property

Name of Property	11th Fiscal Period (December 1, 2008 to May 31, 2009)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen) (Note 3)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	528	6.3
Joy Park Izumigaoka	16	93.7	247	2.9
Daimaru Peacock Ashiya-Kawanishi Ten	1	100.0	30	0.4
Re-LAND Shopping Center	15	99.2	278	3.3
AEON MALL Uki Value	1(93)	100.0	457	5.4
TENJIN LUCE	2(6)	88.3	183	2.2
Yamada Denki Tecc Land Sakai Honten	1(1)	100.0	(Note 4)	(Note 4)
Miyamae Shopping Center	3(8)	100.0	141	1.7
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 4)	(Note 4)
ACTIOLE minami ikebukuro	1(9)	88.3	91	1.1
Tip's Machida Building	2(9)	100.0	226	2.7
Daiei Takarazuka Nakayama	1(15)	100.0	152	1.8
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 5)	4	100.0	285	3.4
ACTIOLE Kannai	1(9)	90.1	80	1.0
T&G Hamamatsu-Cho Building	1(6)	100.0	111	1.3
SK Nagoya Building	7	84.1	233	2.8
Fukuoka Eartheon Building	3(2)	100.0	134	1.6
Marumasu Koujimachi Building	11(1)	94.9	123	1.5
Rokuban-Cho K Building	1(4)	100.0	105	1.2
Shin-Osaka Central Tower	57(2)	95.9	1,177	14.0
Kawasaki Toshiba Building	1(3)	100.0	969	11.5
Haseman Building Toyochō	1(1)	100.0	283	3.4

Shinjyuku Washington Hotel - Honkan	8(1)	100.0	822	9.8
Toyoko Inn Shinagawa-Eki Takanawaguchi	1	100.0	57	0.7
MZ BLD.	2(7)	93.5	126	1.5
Hotel Route Inn Yokohama Bashamichi	3	97.6	151	1.8
T&G Higashi-Ikebukuro Mansion	1(122 units)	94.6	71	0.8
T&G Yotsuya Mansion	1(74 units)	94.9	47	0.6
Excellia Magome	1(42 units)	95.5	23	0.3
Komazawa Court	1(95 units)	100.0	55	0.7
Ropponmatsu Court	1(75 units)	100.0	35	0.4
Sky Court Shiba-Daimon	1(1)	100.0	34	0.4
Maison Ukima	1	100.0	124	1.5
Narashino Residence	1(1 units)	100.0	51	0.6
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 4)	(Note 4)
UUR Court Sapporo Kitasanjo	1(124 units)	100.0	52	0.6
Soga Dormitory	1(1 units)	100.0	26	0.3
Higashikurume Dormitory Shinkan	1	100.0	17	0.2
Nanzan Court Ichigoukan	1(85 units)	100.0	40	0.5
Nanzan Court Nigoukan	1(34 units)	100.0	17	0.2
CLIO Bunkyo Koishikawa	1(86 units)	95.3	105	1.2
GRAND-ROUGE Sakae	1(90 units)	100.0	45	0.5
GRAND-ROUGE Sakae II	1(83 units)	100.0	40	0.5
MA Sendai Building	2(151 units)	99.7	159	1.9
UUR Court Nagoya Meieki	1(116 units)	100.0	30	0.4
UUR Court Sapporo Shinoro Ichibankan	2(2)	100.0	33	0.4
Park Site IZUMI	1(30 units)	75.0	30	0.4
UUR Court Osaka Jusohommachi	1(139 units)	100.0	20	0.2
Lilycolor Tohoku Branch	1	100.0	(Note 4)	(Note 4)
Total	171(1,528)	98.7	8,394	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. In the event that one tenant is renting more than one room, the aggregate number of tenants is stated by treating each such tenant as a single tenant within the same property, and as more than one tenant if the rentals include more than one property. With regard to a property subleased by a lessee, the number of tenants is treated as being one; as of May 31, 2009, the total number of tenants subleasing from lessees and the number of rental units were stated in parentheses.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" and "Shinjuku Washington Hotel - Honkan" held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
3. "Rental Revenue" is stated after being rounded to the units stated.
4. In regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. The property name, "maricom-ISOGO / SYSTEM PLAZA ISOGO (Site)" was changed to "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" on June 15, 2009.

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, 2009. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Works	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 11th fiscal period	Amount already paid
Daiei Himonya	Renewal of elevating machine facilities (elevator)	From June 2009 to June 2009	32	-	-
Daiei Himonya	Floor improvement of basement parking area	From September 2009 to October 2009	28	-	-
Daiei Himonya	Maintenance of step-down transformer	From December 2009 to March 2010	12	-	-
Daiei Himonya	Improvement of electrical power receiving facilities	From December 2009 to May 2010	60	-	-
Daiei Himonya	Renewal of elevating machine facilities (elevator) (for riding- and load-type: No.6)	From February 2010 to March 2010	42	-	-
Daiei Himonya	Renewal of elevating machine facilities (escalator) (1-2F, 1unit)	From February 2010 to March 2010	50	-	-
Re-LAND Shopping Center	Repair of exterior wall tiles	From June 2009 to July 2009	10	-	-
AEON MALL Uki Value	Renewal of luminaries (JUSCO wing 2F)	From September 2009 to October 2009	21	-	-
AEON MALL Uki Value	Renewal of air-conditioner (HW section of JUSCO wing)	From October 2009 to November 2009	24	-	-
AEON MALL Uki Value	Renewal of air handling unit for outside air (east side of JUSCO wing)	From February 2010 to April 2010	10	-	-
AEON MALL Uki Value	Renewal of air-conditioner (HW section of JUSCO wing)	From March 2010 to April 2010	40	-	-
TENJIN LUCE	Repair of 1st floor entrance interior	From March 2010 to May 2010	55	-	-
Tip's Machida Building	Renewal work (exterior walls, signs)	From September 2009 to May 2010	100	-	-
ACTIOLE Kannai	New advertising display construction	From November 2009 to November 2009	10	-	-
T&G Hamamatsu-Cho Building	Countermeasure against leakage for lobby ceiling of 1st floor store	From August 2009 to August 2009	12	-	-
Marumasu Koujimachi Building	Renewal of air-conditioner	From September 2009 to March 2010	100	-	-
Shin-Osaka Central Tower	Equipment work of digital broadcast (1st period)	From September 2009 to November 2009	166	-	-
Shin-Osaka Central Tower	Renewal of dimmer controls	From September 2009 to November 2009	20	-	-
Shin-Osaka Central Tower	Repair of cap piece	From July 2009 to July 2009	10	-	-

Shin-Osaka Central Tower	Maintenance of control board of parking lot facilities (No.6) (overall)	From August 2009 to August 2009	14	-	-
Shin-Osaka Central Tower	Renewal of central supervisory board	From July 2009 to November 2009	60	-	-
Shin-Osaka Central Tower	Renewal of overall supervisory board for disaster prevention	From August 2009 to December 2009	160	-	-
Shin-Osaka Central Tower	Installation work for safe guards of rolling fire door (overall)	From November 2009 to December 2009	32	-	-
Shin-Osaka Central Tower	Repair of air-conditioning facilities (3F-11F: 1st period)	From June 2009 to November 2009	365	-	-
Shin-Osaka Central Tower	Repair of air-conditioning facilities (3F-11F: 2nd period)	From December 2009 to May 2010	394	-	-
Shin-Osaka Central Tower	Equipment work of digital broadcast (2nd period)	From December 2009 to May 2010	166	-	-
Kawasaki Toshiba Building	Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (3rd period)	From May 2009 to July 2009	12	-	-
Kawasaki Toshiba Building	Renewal of automatic fire alarm system	From November 2009 to January 2010	120	-	-
Kawasaki Toshiba Building	Repair of elevator (1st period)	From March 2010 to May 2010	135	-	-
MZ BLD.	Joinery work of office specification for vacant space	From November 2009 to November 2009	31	-	-
Maison Ukima	Removal and replacement of ceilings	From July 2009 to September 2009	18	-	-
Maison Ukima	Repair of exterior wall tiles	From July 2009 to September 2009	15	-	-
Maison Ukima	Floor waterproofing and ceiling coating of balcony and corridor	From July 2009 to September 2009	14	-	-
Maison Ukima	Repair of ground	From July 2009 to September 2009	10	-	-
Nanzan Court Ichigoukan	Heat shield work of rooftop Main construction work	From June 2009 to June 2009	10	-	-

2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for its real estate and other assets during the eleventh fiscal period, which totaled ¥582 million. Together with ¥54 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥636 million.

Name of Properties	Description of Works	Period Implemented	Expenditure Amount (Millions of yen)
AEON MALL Uki Value	Repair of toilets of JUSCO wing (2nd period)	From February 2009 to May 2009	76
AEON MALL Uki Value	Renewal of luminaries (Area C)	From May 2009 to May 2009	19

Shin-Osaka Central Tower	Air-conditioning work of some part of 2nd floor (DAIKOKU DENKI CO., LTD., etc.)	From December 2008 to March 2009	27
Shin-Osaka Central Tower	Renewal of air-conditioning facilities (23F)	From February 2009 to May 2009	87
Kawasaki Toshiba Building	Overhaul of plate heat exchangers (5 units)	From December 2008 to January 2009	26
Kawasaki Toshiba Building	Overhaul of emergency power generator	From December 2008 to February 2009	21
Kawasaki Toshiba Building	Renewal of dilapidated conditioning machines of test rooms (4F, 7F) (2nd period)	From January 2009 to March 2009	18
Shinjuku Washington Hotel – Honkan	Replacement of absorption refrigerating machine	From January 2009 to April 2009	90
MZ BLD.	Finishing work on office space (#302 and #403)	From February 2009 to March 2009	27
Other capital expenditures			191
Total			582

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		
	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)	9th Fiscal Period (December 1, 2007 - May 31, 2008)
Reserve balance at the beginning of period	1,961	1,726	1,518
Addition	243	235	228
Deduction	-	-	20
Reserve balance at the end of period	2,204	1,961	1,726

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

Expenses and Debt

1. Asset Management Expenses

	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)	Thousands of yen 9th Fiscal Period (December 1, 2007 - May 31, 2008)
Asset management fees	643,989	614,382	534,843
Asset custodian fees	30,330	28,462	25,304
Administrative agent fees	78,875	81,941	67,305
Directors' fees	10,200	10,200	10,200
Other expenses	162,897	159,533	129,357
Total	926,291	894,518	767,009

Note: In addition to the amounts stated above, there were asset management fees of ¥203,104 thousand for the ninth fiscal period, ¥178,504 thousand for the tenth fiscal period and ¥12,560 thousand for the eleventh fiscal period related to acquisition of properties, which was capitalized and included in acquisition cost of each property.

2. Borrowings

Borrowings from financial institutions as of May 31, 2009 were as follows:

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

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	2,000	1.39716%	Dec. 20, 2004	Dec. 20, 2009	Unsecured Unguaranteed Fixed rate of interest
Mizuho Trust & Banking Co., Ltd.	330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Saitama Resona Bank, Limited	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Shinsei Bank, Limited	1,330	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
	1,900	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
Daido Life Insurance Company	670	1.39716%	Dec. 20, 2004	Dec. 20, 2009	
Mizuho Corporate Bank, Ltd.	2,500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
Aozora Bank, Ltd.	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	900	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
The Bank of Fukuoka, Ltd.	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	800	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
Sumitomo Mitsui Banking Corporation	500	1.55035%	Dec. 20, 2006	Dec. 20, 2009	
	2,800	1.47730%	Feb. 19, 2007	Dec. 20, 2009	
Total	15,400				

(Long-term debt)

Lender	Balance (Millions of yen)	Average Interest Rate (Note)	Drawdown Date	Repayment Date	Remarks
The Sumitomo Trust and Banking Co., Ltd.	4,000	1.20861%	Feb. 18, 2008	Dec. 20, 2010	Unsecured Unguaranteed Fixed rate of interest
	2,700	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
	850	1.67585%	Feb. 26, 2009	Jun. 20, 2011	
	3,000	1.36677%	Dec. 22, 2008	Jun. 20, 2011	Unsecured Unguaranteed Floating rate of interest
	3,000	1.41677%	Dec. 22, 2008	Jun. 20, 2012	
	3,400	1.51677%	Dec. 22, 2008	Dec. 20, 2013	
Saitama Resona Bank, Limited	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	Unsecured Unguaranteed Fixed rate of interest
Shinsei Bank, Limited	2,500	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Mizuho Corporate Bank, Ltd.	2,000	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
	4,400	1.20861%	Feb. 18, 2008	Dec. 20, 2010	
	2,000	1.33256%	Apr. 10, 2008	Jun. 20, 2011	
	850	1.67585%	Feb. 26, 2009	Jun. 20, 2011	
Aozora Bank, Ltd.	500	1.86167%	Dec. 20, 2006	Dec. 20, 2011	
	2,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000	1.66432%	Sep. 27, 2007	Dec. 20, 2012	
	4,000	1.20861%	Feb. 18, 2008	Dec. 20, 2010	
	2,000	1.33256%	Apr. 10, 2008	Jun. 20, 2011	
	4,400	1.44618%	Dec. 27, 2007	Jun. 20, 2012	
Sumitomo Mitsui Banking Corporation	4,500	1.48031%	Jan. 30, 2008	Jun. 20, 2012	
The National Mutual Insurance Federation of Agricultural Cooperatives	3,400	1.89500%	Apr. 28, 2006	Dec. 20, 2011	
The Dai-ichi Mutual Life Insurance Company	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Mitsui Sumitomo Insurance Company, Limited	1,000	1.67119%	Dec. 20, 2007	Dec. 20, 2012	
Development Bank of Japan Inc.	900	1.63568%	Nov. 11, 2008	Jun. 20, 2012	
The Norinchukin Bank	4,000	1.27157%	Dec. 20, 2006	Dec. 20, 2011	Unsecured Unguaranteed Floating rate of interest
Total	61,400				
Borrowings Total	76,800				

Note: The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest five decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.

3. Corporate Bonds

Corporate Bonds as of May 31, 2009 were as follows :

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

Trading Activities during the Period

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

(Millions of yen)

Asset Type	Name of Properties	Acquisition		Transfer			
		Date	Price (Note 1)	Date	Price	Book value	Gain on sale
Beneficiary rights of trusted real estate assets	UUR Court Osaka Jusohommachi	February 26, 2009	1,570	-	-	-	-
Real estate (Note 2)	Haseman Building Toyochō	December 1, 2008	- (Note 2)	-	-	-	-
	Total		1,570	-	-	-	-

- Notes: 1. The acquisition price is purchase price stated in the sales and purchase agreement of the asset, excluding consumption taxes and expenses necessary for making the relevant acquisition (e.g. agency fees, taxes and impositions), and is rounded to the nearest one million yen.
2. United Urban acquired the trust beneficial interest in real estate on June 30, 2008. However, United Urban terminated the trust agreement for this property, and United Urban acquired this property as actual real estate as of December 1, 2008.

2. Trading with Related Parties and Major Shareholders

(1) Status of transactions

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

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

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

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties and Major Shareholders		(B)/(A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Brokerage Commission	47,100	Marubeni Asset Management Co., Ltd.	47,100	100.0
Property Management Fees	403,747	Marubeni Community Co., Ltd.	69,944	17.3
		Marubeni Real Estate Co., Ltd.	34,423	8.5
		Marubeni Properties Co., Ltd. (Note 3)	62,352	15.4
		The Daiei, Inc.	1,200	0.3
Casualty Insurance Premium	14,818	Marubeni Safenet Co., Ltd.	14,521	98.0
Construction Management Fees	8,963	Marubeni Community Co., Ltd.	1,172	13.1
		Marubeni Real Estate Co., Ltd.	4,337	48.4
		Marubeni Properties Co., Ltd. (Note 3)	874	9.8
Other Rental Expenses	31,917	Marubeni Community Co., Ltd.	3,047	9.5
		Marubeni Real Estate Co., Ltd.	312	1.0
		Marubeni Properties Co., Ltd. (Note 3)	765	2.4

- Notes: 1. Among the related parties of the asset management company, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act, that United Urban has concluded asset management agreement with ("Related Parties"), and major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, the table above indicates Marubeni Asset Management Co., Ltd., Marubeni Community Co., Ltd., Marubeni Real Estate Co., Ltd., Marubeni Properties Co., Ltd. (see below Note 3.), Marubeni Safenet Co., Ltd. and The Daiei, Inc. as parties that have conducted business up to the end of

- the eleventh fiscal period and 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 forth below.
Marubeni Community Co., Ltd. ¥5,279 thousand
 3. Marubeni Properties Co., Ltd. merged with Marubeni Real Estate Co., Ltd. as of April 1, 2009, and Marubeni Real Estate Co., Ltd. exists as the surviving company. The "Amount paid" related to Marubeni Properties Co., Ltd. in the above table shows the amount which was paid to Marubeni Properties Co., Ltd. in compensation for their services from December 1, 2008 to March 31, 2009.

Others

1. Notifications

United Urban Board of Directors

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

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

Appendix

Investment Policies

Investment Policies

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

Basic Investment Policy

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

(a) Type of Use of Real Estate Assets

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

(b) Area of Location

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

Investment Stance

(a) In accordance with its asset management policy, the Investment Corporation shall invest in specified assets of which more than 75% are comprised of investments in Specified Real Estate Assets. Specified Real Estate Assets as used herein shall mean real estate, real estate leases, superficies and beneficiary rights of trust in which real estate, land leases or superficies are entrusted. In addition, the Investment Corporation shall maintain the percentage of value of real estate, etc., as stipulated in Article 22-19 of the Ordinance for Enforcement for the Act on Special Measures Concerning Taxation, more than 70% in total amount of assets held by the Investment Corporation.

(b) The Investment Corporation shall invest primarily in real estates (including Real Estate etc. other than real estate and Real Estate-Backed Securities (each as defined below)) such as retail properties (including facilities which are applied to retail, wholesale and restaurant business and services, etc.), office buildings, hotels, residential properties, and others. The Asset Management Guidelines of the Asset Management Company stipulate that "others" includes logistics facilities, parking lots, medical and nursing facilities and training facilities.

(c) The area of location of investment shall be in the Tokyo Metropolitan Area and other major cities in Japan including government designated cities, and surrounding areas thereof.

- (d) The Investment Corporation shall conduct necessary due diligence prior to investment in real estate etc. An investment decision shall be made when the investment value is considered in line with the existing investment environment and other relevant considerations.
- (e) For its asset management, the Investment Corporation shall invest primarily in real estate and trust beneficial interests in real estate, but shall also invest in other Real Estate etc. (excluding real estate and trust beneficial interests in real estate among real estate assets) and Real Estate-Backed Securities, depending on the investment environment and asset size.
- (f) The Investment Corporation may reinvest proceeds from sales of investment assets, redemption amount of marketable securities, interest etc., dividends from ownership interests in an undisclosed ownership, income from real estate lease and other proceeds.

Management Policy

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

(a) Portfolio Management Criteria

1. Investment Term

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

2. Acquisition Criteria

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

(i) Type of Use of Real Estate Assets

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

(ii) Area of Location

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

portfolio.

(b)Leasing Policy

The Asset Management Company shall undertake real estate leasing activities in connection with the Investment Corporation's investment portfolio with the aim of securing stable medium- and long-term revenues under the following leasing policies in accordance with the Asset Management Guidelines:

1. Selection of High-Quality Tenants

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

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

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

Investment Criteria

Types of Investment Assets

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

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

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

(b)Real Estate-Backed Securities refers to the following securities having a purpose of investment in Real Estate etc. in an amount exceeding one-half of the assets. In addition, if securities which represent rights have not been issued, rights to be represented by securities shall be included:

1. Preferred contribution securities as defined in the Asset Liquidation Act
2. Beneficiary securities as defined in the Investment Trust Act
3. Investment securities as defined in the Investment Trust Act
4. Beneficiary securities of special purpose trusts as defined in the Asset Liquidation Act (excluding investments in assets mentioned above (a)-4. and -5.)

(c)The Investment Corporation may invest in the following Specified Assets in an effort to efficiently utilize surplus funds:

1. Deposits
2. Call loans
3. Marketable Securities (excluding securities as defined in above (a) and (b))
4. Monetary claims (with the meaning defined in the Enforcement Order of the Investment Trust Act)
5. Rights relating to financial derivative transactions (with the meaning defined in the Investment Trust Act)

(d) Other than the assets set forth in (a) through (c) above, the Investment Corporation may invest in the following assets, when it is deemed necessary or useful under the basic policy of asset management or its organizational operation (including cases investing in trademarks concerning the trade name of the Investment Corporation.)

1. Trademarks and trademark equivalents under Trademark Act (Trademark rights etc. refers to trademarks, and exclusive or standard trademark use rights.)
2. Right to use the source of hot springs as defined in the Hot Springs Act and facilities attached to the said hot

springs

3. Copyrights as defined in the Copyright Act
4. Movable as defined in the Civil Code
5. Easements as defined in the Civil Code
6. Specified capital contribution as defined in the Asset Liquidation Act
7. Trust beneficial interest in the assets set forth in 1. through 6. above.
8. Other than the assets set forth in 1. through 7. above, other rights whose acquisition shall be necessary or useful when investing in Real Estate etc. or Real Estate-Backed Securities.

Investment Restrictions

Restrictions under the Articles of Incorporation of the Investment Corporation

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

Distribution Policies

The Investment Corporation shall make cash distributions to unitholders and registered investment unit pledgees whose names are listed or recorded as such on the registry of unitholders as of the last day of each fiscal period in accordance with the following distribution policies:

Distribution of the Investment Corporation's Profit

- (a) Among the total amount of the cash distributions payable to unitholders, the amount of profits, as defined in the Act on Investment Trusts and Investment Corporations, shall be calculated in accordance with generally accepted accounting principles in Japan.
- (b) The Investment Corporation shall, in principle, distribute the amount that exceeds 90% of the Investment Corporation's distributable profit as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation.

Distributions in Excess of Profits

In the case where the Investment Corporation deems appropriate in consideration of the circumstances and trends in the real estate market and other factors, the Investment Corporation may distribute an amount in excess of its distributable profits, provided that such amount does not exceed the amount of depreciation for the relevant business term. If the amount of cash distribution does not satisfy the requirements of special tax treatments for Investment Corporations, the Investment Corporation may distribute the amount that the Investment Corporation decides to distribute in order to satisfy such requirements.

While the Investment Corporation shall make every effort to ensure stable cash distributions, it shall not make any distribution exceeding the profits as long as the applicable tax law requires unitholders to individually calculate capital gains and losses each time they receive cash distributions exceeding the profits. However, when the Board of Directors of the Investment Corporation decides that distributions exceeding the profits are required in order to satisfy the requirements for special tax treatment or other requisite conditions, cash distributions in excess of the profits are allowed according to the aforementioned cash distribution policies.

Method of Cash Distribution

Distributions shall be paid in cash and, in principle, within three months from the last day of each fiscal period to unitholders and registered investment unit pledgees whose names are listed or recorded as such on the registry of unitholders as of the last day of each fiscal period in proportion to the number of investment units held or the number of investment units for registered investment unit pledge.

Extinctive Prescription for Cash Distributions

The Investment Corporation shall be discharged from the obligation to pay the distributions to unitholders or registered investment unit pledgees after the elapse of not less than three years from the date of commencement of payment of any such distribution. The unpaid cash distributions shall not bear interest.

Rules of the Investment Trusts Association of Japan

In addition to the distribution policies set out above, the Investment Corporation shall comply with the relevant rules of the Investment Trusts Association of Japan.

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BALANCE SHEETS

(As of May 31, 2009 and November 30, 2008)

	Thousands of yen	
	End of 11th Fiscal Period (As of May 31, 2009)	End of 10th Fiscal Period (As of November 30, 2008)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 16,670,444	¥ 15,265,609
Rent receivables	136,525	176,271
Consumption taxes refundable	-	236,235
Other current assets	223,496	44,163
Total current assets	17,030,465	15,722,278
PROPERTY AND EQUIPMENT, AT COST:		
Land	130,052,730	129,556,846
Buildings and structures	94,562,758	92,835,607
Machinery and equipment	490,230	471,089
Tools, furniture and fixtures	73,111	70,441
Construction in progress	25,367	40,134
Subtotal	225,204,196	222,974,117
Less accumulated depreciation	(11,771,607)	(10,282,588)
Net property and equipment	213,432,589	212,691,529
INVESTMENTS AND OTHER ASSETS:		
Software	5,307	-
Leasehold in trust	437,175	437,175
Intangible assets	1,961	2,005
Security deposits paid	30,513	30,513
Long-term prepaid expenses	296,206	249,081
TOTAL ASSETS	¥231,234,216	¥229,132,581

		Thousands of yen	
		End of 11th Fiscal Period	End of 10th Fiscal Period
		(As of May 31, 2009)	(As of November 30, 2008)
LIABILITIES and UNITHOLDERS' EQUITY			
LIABILITIES			
CURRENT LIABILITIES:			
Trade accounts payable	¥ 446,116	¥ 384,463	
Long-term debt due for repayment within one year	15,400,000	9,400,000	
Accrued expenses	398,270	393,768	
Income taxes payable	904	752	
Rent received in advance	1,214,136	1,214,030	
Other current liabilities	248,303	57,241	
Total current liabilities	17,707,729	11,450,254	
LONG-TERM LIABILITIES:			
Corporate bonds	25,000,000	25,000,000	
Long-term debt	61,400,000	65,700,000	
Leasehold and security deposits received	15,132,725	15,311,876	
Total long-term liabilities	101,532,725	106,011,876	
Total liabilities	119,240,454	117,462,130	
UNITHOLDERS' EQUITY			
Unitholders' capital:			
Units authorized: 2,000,000 units as of May 31, 2009			
and November 30, 2008			
Units issued and outstanding: 201,300 units as of			
May 31, 2009 and November 30, 2008			
	108,310,510	108,310,510	
Retained earnings	3,683,252	3,359,941	
Total unitholders' equity	111,993,762	111,670,451	
TOTAL LIABILITIES and UNITHOLDERS' EQUITY	¥231,234,216	¥229,132,581	

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

STATEMENTS OF INCOME

(For the six months ended May 31, 2009 and November 30, 2008)

	Thousands of yen	
	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)
OPERATING REVENUES		
Rental revenues	¥7,960,113	¥7,537,680
Other rental revenues	433,789	490,958
	8,393,902	8,028,638
OPERATING EXPENSES		
Property-related expenses	3,002,766	2,957,582
Asset management fees	643,989	614,382
Administrative service fees	109,205	110,402
Other operating expenses	173,097	169,733
	3,929,057	3,852,099
OPERATING INCOME	4,464,845	4,176,539
NON-OPERATING REVENUES		
Interest income	548	1,141
Other non-operating revenues	2,424	4,472
	2,972	5,613
NON-OPERATING EXPENSES		
Interest expense	627,408	594,661
Interest expense on corporate bonds	154,000	154,846
Investment unit issuance expenses	-	69,529
Other non-operating expenses	2,187	2,266
	783,595	821,302
INCOME BEFORE INCOME TAXES	3,684,222	3,360,850
INCOME TAXES		
Current	1,013	978
Deferred	(1)	2
	1,012	980
NET INCOME	¥3,683,210	¥3,359,870

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

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(For the six months ended May 31, 2009 and November 30, 2008)

	Number of Units	Unitholders' Capital	Retained Earnings	Thousands of yen Total Unitholders' Equity
BALANCE AS OF MAY 31, 2008	159,843	¥ 89,838,680	¥ 3,095,910	¥92,934,590
Issuance of new investment units	41,457	18,471,830	—	18,471,830
Cash distributions disbursed	—	—	(3,095,839)	(3,095,839)
Net income	—	—	3,359,870	3,359,870
BALANCE AS OF NOVEMBER 30, 2008	201,300	108,310,510	3,359,941	111,670,451
Cash distributions disbursed	—	—	(3,359,899)	(3,359,899)
Net income	—	—	3,683,210	3,683,210
BALANCE AS OF MAY 31, 2009	201,300	¥ 108,310,510	¥ 3,683,252	¥ 111,993,762

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

STATEMENTS OF CASH FLOWS

(For the six months ended May 31, 2009 and November 30, 2008)

	Thousands of yen	
	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 3,684,222	¥ 3,360,850
Depreciation and amortization	1,489,063	1,408,468
Interest income	(549)	(1,141)
Interest expense and interest expense on corporate bonds	781,408	749,507
Decrease (increase) in rent receivables	39,746	(23,466)
Decrease (increase) in consumption taxes refundable	236,236	(113,358)
(Increase) decrease in prepaid expenses	(188,964)	144,313
Decrease in long-term prepaid expenses	15,134	10,629
Decrease in trade accounts payable	(42,121)	(11,542)
(Decrease) increase in accrued expenses	(2,557)	13,711
Increase in consumption taxes payable	199,114	-
Increase in rent received in advance	105	127,179
Other, net	(59,210)	(41,002)
Subtotal	6,151,627	5,624,148
Interest received	303	891
Interest paid	(828,550)	(729,635)
Income taxes paid	(861)	(1,115)
Net cash provided by operating activities	5,322,519	4,894,289
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,126,304)	(23,276,601)
Purchases of intangible assets	(5,686)	(437,175)
Payments for leasehold and security deposits paid	-	(500)
Proceeds from leasehold and security deposits received	75,560	765,573
Payments for leasehold and security deposits received	(205,481)	(180,688)
Net cash used in investing activities	(2,261,911)	(23,129,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	11,100,000	900,000
Repayment of long-term debt	(9,400,000)	-
Proceeds from investment unit issuance	-	18,471,830
Distributions to unitholders	(3,356,019)	(3,096,152)
Net cash (used in) provided by financing activities	(1,656,019)	16,275,678
NET CHANGES IN CASH AND CASH EQUIVALENTS	1,404,589	(1,959,424)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,059,072	17,018,496
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥16,463,661	¥15,059,072

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

NOTES TO FINANCIAL STATEMENTS

(May 31, 2009 and November 30, 2008)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

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

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

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

As of May 31, 2009, the end of its eleventh fiscal period, United Urban had ownership of, or beneficial interests in, 13 retail properties, 7 office buildings, 4 hotels, 22 residential properties, 1 other property, 1 property which consisted of retail properties and an office building, and 1 property which consisted of an office building and a hotel.

Basis of Presentation of Financial Statements

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

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

United Urban's semiannual accounting periods end either at the end of May or November. United Urban's eleventh fiscal period began on December 1, 2008 and ended on May 31, 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

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

	End of 11th Fiscal Period (As of May 31, 2009)	End of 10th Fiscal Period (As of November 30, 2008)
Buildings and structures	2 - 55 years	2 - 55 years
Machinery and equipment	3 - 17 years	3 - 17 years
Tools, furniture and fixtures	5 - 15 years	5 - 15 years

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

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.

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. ¥1,977 thousand and ¥27,531 thousand of such property taxes and city planning taxes were capitalized for the six-month periods ended May 31, 2009 and November 30, 2008, respectively.

Investment Unit Issuance Expenses

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

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

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

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

Income Taxes

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

Consumption Taxes

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

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

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the six-month period ended May 31, 2009.

Leases

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

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2009 and November 30, 2008 were as follows:

	Thousands of yen	
	End of 11th Fiscal Period (As of May 31, 2009)	End of 10th Fiscal Period (As of November 30, 2008)
Cash and bank deposits	¥ 16,670,444	¥ 15,265,609
Restricted deposits with a bank	(206,783)	(206,537)
Cash and cash equivalents	¥ 16,463,661	¥ 15,059,072

4. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2009 and November 30, 2008, the following assets were pledged as collateral for the following debt:

	Thousands of yen	
Pledged Assets	End of 11th Fiscal Period (As of May 31, 2009)	End of 10th Fiscal Period (As of November 30, 2008)
Cash and bank deposits	¥ 206,783	¥ 206,537
Land	2,114,743	2,114,743
Buildings and structures	2,724,502	2,782,820
Tools, furniture and fixtures	2,489	—
Total	¥ 5,048,517	¥ 5,104,100

	Thousands of yen	
Debt Secured by Pledged Assets	End of 11th Fiscal Period (As of May 31, 2009)	End of 10th Fiscal Period (As of November 30, 2008)
Leasehold and security deposits received	¥1,676,111	¥1,783,378
Total	¥1,676,111	¥1,783,378

5. COMMITTED LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 11th Fiscal Period (As of May 31, 2009)	End of 10th Fiscal Period (As of November 30, 2008)
Total amount of commitment	¥10,000,000	¥10,000,000
Outstanding borrowings at end of the period	—	—
Amount unutilized at end of the period	¥10,000,000	¥10,000,000

6. UNITHOLDERS' EQUITY

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

7. LONG-TERM DEBT

Long-term debt at May 31, 2009 and November 30, 2008 consisted of the following:

	End of 11th Fiscal Period (As of May 31, 2009)		End of 10th Fiscal Period (As of November 30, 2008)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Unsecured loans from banks, trust banks, and an insurance company at fixed interest rates, due December 20, 2009	¥ 5,000,000	1.397%	¥ 5,000,000	1.397%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008	-	-	6,850,000	1.251%
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2008	-	-	2,550,000	1.251%
Unsecured loan from a federation at a fixed interest rate, due December 20, 2011	3,400,000	1.895%	3,400,000	1.895%
Unsecured loans from banks at fixed interest rates, due December 20, 2009	4,800,000	1.550%	4,800,000	1.550%
Unsecured loans from banks at fixed interest rates, due December 20, 2009	5,600,000	1.477%	5,600,000	1.477%
Unsecured loans from banks at fixed interest rates, due December 20, 2011	2,500,000	1.862%	2,500,000	1.862%
Unsecured loan from a bank at a variable interest rate, due December 20, 2011	4,000,000	1.272%	4,000,000	1.301%
Unsecured loan from a bank at a fixed interest rate, due December 20, 2012	4,000,000	1.664%	4,000,000	1.664%
Unsecured loans from banks and a trust bank at fixed interest rates, due December 20, 2010	12,400,000	1.209%	12,400,000	1.209%
Unsecured loans from banks at fixed interest rates, due June 20, 2011	4,000,000	1.333%	4,000,000	1.333%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,400,000	1.446%	4,400,000	1.446%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	4,500,000	1.480%	4,500,000	1.480%
Unsecured loans from banks, a trust bank, and insurance companies at fixed interest rates, due December 20, 2012	10,200,000	1.671%	10,200,000	1.671%
Unsecured loan from a bank at a fixed interest rate, due June 20, 2012	900,000	1.636%	900,000	1.636%
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2011	3,000,000	1.367%	-	-
Unsecured loans from a bank and a trust bank at fixed interest rates, due June 20, 2011	1,700,000	1.676%	-	-
Unsecured loan from a trust bank at a variable interest rate, due June 20, 2012	3,000,000	1.417%	-	-
Unsecured loan from a trust bank at a variable interest rate, due December 20, 2013	3,400,000	1.517%	-	-
Total	¥ 76,800,000		¥ 75,100,000	

8. CORPORATE BONDS

Corporate bonds at May 31, 2009 and November 30, 2008 consisted of the following:

	End of 11th Fiscal Period (As of May 31, 2009)		End of 10th Fiscal Period (As of November 30, 2008)	
	Amount (Thousands of yen)	Weighted- average interest rate	Amount (Thousands of yen)	Weighted- average interest rate
Series 1 unsecured bonds, due July 12, 2010	¥ 15,000,000	0.78%	¥ 15,000,000	0.78%
Series 2 unsecured bonds, due July 10, 2015	10,000,000	1.91%	10,000,000	1.91%
Total	¥ 25,000,000		¥ 25,000,000	

9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the six-month periods ended May 31, 2009 and November 30, 2008 were as follows:

	Thousands of yen	
	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)
Operating Revenues	¥ 8,393,902	¥ 8,028,638
Rental Revenues	7,960,113	7,537,680
Rental revenues	7,295,974	6,900,942
Common area charges	458,178	451,930
Parking revenues	176,674	156,158
Other	29,287	28,650
Other Rental Revenues	433,789	490,958
Incidental revenues	373,218	419,796
Temporary revenues (including cancellation charges)	46,787	57,975
Other miscellaneous revenues	13,784	13,187
Property-Related Expenses	3,002,766	2,957,582
Property and other taxes	552,552	552,148
Property management fees	403,747	396,661
Utilities	378,073	428,183
Casualty insurance	14,818	14,232
Repairs and maintenance	79,022	84,886
Depreciation and amortization	1,489,063	1,408,468
Other rental expenses	85,491	73,004
Profit from rental activities	¥ 5,391,136	¥ 5,071,056

10. INCOME TAXES

A reconciliation of the differences between the adjusted statutory tax rate and the effective tax rate for the six-month periods ended May 31, 2009 and November 30, 2008 is summarized as follows:

	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)
Statutory tax rate	39.33%	39.39%
Distributions of tax-deductible dividends	(39.32)	(39.38)
Other	0.02	0.02
Effective tax rate	0.03%	0.03%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of taxable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes. Based on this policy, United Urban made dividend distributions of approximately 100% of its retained earnings in aggregate amounts of ¥3,683,186 thousand and ¥3,359,898 thousand at May 31, 2009 and November 30, 2008, respectively, and treated these distributions as tax deductions. United Urban does not distribute cash dividends in excess of its retained earnings in accordance with its Articles of Incorporation.

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

11. PER UNIT INFORMATION

The calculation of net assets per unit is based on the number of units outstanding at the period end, and the calculation of net income per unit is based on the weighted-average number of units outstanding during the period. Net assets per unit and net income per unit at May 31, 2009 and November 30, 2008 for the six-month periods then ended are summarized as follows:

	Yen	
	11th Fiscal Period (December 1, 2008 - May 31, 2009)	10th Fiscal Period (June 1, 2008 - November 30, 2008)
Net assets per unit at the period end	¥ 556,352	¥ 554,746
Net income per unit	¥ 18,297	¥ 17,155
Weighted-average number of units (unit)	201,300	195,850

12. TRANSACTIONS WITH RELATED PARTIES

(Eleventh Fiscal Period: December 1, 2008 – May 31, 2009)

1. Asset Management Companies and Related Parties

							Thousands of yen
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	¥ 146,632	Rent receivables	¥ 15,319
						Security deposits received	47,587
				Property management fees	69,944	Trade accounts payable	11,184
				Construction management fees	1,172	Trade accounts payable	366
				Utilities	1,380	Trade accounts payable	426
				Construction costs	5,279	Trade accounts payable	4,463
				Other rental expenses	6,067	Trade accounts payable	334
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	34,423	Trade accounts payable	6,364
				Construction management fees	4,337	Trade accounts payable	2,416
				Other rental expenses (including communication expenses)	453	Trade accounts payable	363
Marubeni Safenet Co., Ltd.	Insurance agency	—	None	Casualty insurance	14,521	Long-term prepaid expenses	16,198
						Prepaid expenses	149
Marubeni Properties Co., Ltd. (Note 3)	Real estate management	—	None	Property management fees	62,352	—	—
				Construction management fees	874	—	—
				Other rental expenses	765	—	—
The Daiei, Inc.	Supermarket	—	None	Property leasing	680,000	Security deposits received	880,000
						Rent received in advance	119,000
				Property management fees	1,200	—	—
The Maruetsu, Inc.	Supermarket	—	None	Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648
TIPNESS LIMITED	Fitness club operator	—	None	Property leasing	24,327	Security deposits received	48,653
						Rent received in advance	4,257
				Other rental revenues	23,923	Rent receivables	4,123
Marubeni Asset Management Co., Ltd.	Investing	—	None	Brokerage commissions	47,100	—	—
Telemarketing Japan, Inc.	Marketing	—	None	Property leasing	17,014	Security deposits received	30,795
						Rent received in advance	2,977
				Other rental revenues	2,122	Rent receivables	325
TSUNAGU NETWORK COMMUNICATIONS INC.	Communication service	—	None	Other rental expenses	821	Trade accounts payable	144

2. Asset Custodian

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Mizuho Trust & Banking Co., Ltd.	Trust bank	—	None	Administrative service fee	¥ 63,139	Accrued expenses	¥ 36,166
				Custodian fee	53,138	—	—

- Notes: 1. "Amount of Transactions" is stated exclusive of consumption taxes; however, "Balance at the End of the Period" is stated inclusive of consumption taxes.
2. Figures above have been rounded to the units stated.
3. Marubeni Properties Co., Ltd. merged with Marubeni Real Estate Co., Ltd. on April 1, 2009, and Marubeni Real Estate Co., Ltd. exists as the surviving company. The details in above table show transactions with Marubeni Properties from December 1, 2008 to March 31, 2009.
4. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

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

1. Asset Management Companies and Related Parties

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1, 2)	Account	Balance at the End of the Period (Note 1, 2)
Marubeni Corporation	Wholesale industry	0.6	None	Brokerage commissions	¥ 495,294	-	¥ -
Marubeni Community Co., Ltd.	Real estate management	—	None	Property leasing	145,175	Rent receivables	14,787
						Security deposits received	47,587
				Property management fees	59,594	Trade accounts payable	12,417
				Construction management fees	548	Trade accounts payable	213
				Utilities	1,346	Trade accounts payable	424
				Construction costs	846	Trade accounts payable	98
				Other rental expenses	1,923	Trade accounts payable	844
Marubeni Real Estate Co., Ltd.	Real estate	—	None	Property management fees	29,390	Trade accounts payable	3,664
				Construction management fees	2,165	Trade accounts payable	128
				Other rental expenses	3,307	Trade accounts payable	210
				Other rental expenses (communications)	124	Trade accounts payable	21
Marubeni Safenet Co., Ltd.	Insurance agency	—	None	Casualty insurance	13,934	Long-term prepaid expenses	30,650
Marubeni Properties Co., Ltd.	Real estate management	—	None	Property management fees	94,321	Trade accounts payable	16,528
				Construction management fees	2,567	Trade accounts payable	1,383
				Other rental expenses	2,468	—	—
The Daiei, Inc.	Supermarket	—	None	Property leasing	680,000	Security deposits received	880,000
						Rent received in advance	119,000
The Maruetsu, Inc.	Supermarket	—	None	Property management fees	1,200	—	—
				Property leasing	72,275	Security deposits received	739,000
						Rent received in advance	12,648

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

2. Asset Custodian

Thousands of yen							
Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transactions	Amount of Transactions (Note 1, 2)	Account	Balance at the End of the Period (Note 1,2)
Mizuho Trust & Banking Co., Ltd.	Trust bank	—	None	Administrative service fee	¥ 64,444	Accrued expenses	¥ 33,648
				Custodian fee	53,739	—	—

- Notes: 1. "Amount of Transactions" is stated exclusive of consumption taxes; however, "Balance at the End of the Period" is stated inclusive of consumption taxes.
2. Figures above have been rounded to the units stated.
3. The above-mentioned acquisition of trust beneficial interest in real estate concerns "MA Sendai Building", and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisition (such as brokerage commissions, taxes and public dues).
4. The above-mentioned acquisitions of real estate concern "ACTIOLE Kannai" and "Hotel Route Inn Yokohama Bashamichi", and the stated "Amount of Transactions" (the transfer price of real estate stated in the sale and purchase agreement of trust beneficial interest or the sales contract of real estate) excludes the related expenses necessary for making such acquisitions (such as brokerage commissions, taxes and public dues).
5. Decisions relating to the terms and conditions of these related party transactions are based on actual market conditions.

13. SUBSEQUENT EVENTS

Cash Distribution

On July 15, 2009, the Board of Directors of United Urban approved a resolution for the payment of a cash distribution of ¥18,297 per unit, amounting to ¥3,683,186 thousand in the aggregate, to unitholders of record as of May 31, 2009.

Report of Independent Auditors

The Board of Directors and Unitholders of
United Urban Investment Corporation

We have audited the accompanying balance sheets of United Urban Investment Corporation as of May 31, 2009 and November 30, 2008, and the related statements of income, changes in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation at May 31, 2009 and November 30, 2008, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

July 15, 2009

Ernst & Young ShinNihon LLC

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation ("United Urban") as of May 31, 2009:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥108,310,509,822
Number of Unitholders:	9,561
Transfer Agent:	The Chuo Mitsui Trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo 105-8754, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of The Chuo Mitsui Trust and Banking Company, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditors:	Ernst & Young ShinNihon LLC Hibiya Kokusai Bldg., 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal period is six-months ending on May 31 and November 30.
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3189

About Our Website

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

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



Disclaimer

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

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

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

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

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

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



United Urban Investment Corporation

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

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