

July 13, 2012

**SUMMARY OF FINANCIAL REPORT FOR THE SEVENTEENTH FISCAL PERIOD  
ENDED MAY 31, 2012 (December 1, 2011 - May 31, 2012)**

United Urban Investment Corporation (United Urban) is listed on the Tokyo Stock Exchange with the securities code number 8960. (URL: <http://www.united-reit.co.jp>)

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Scheduled date of filing of Securities Report: August 29, 2012  
Scheduled date for commencing dividend payments: August 15, 2012

*The figures have been rounded down to the nearest one million yen, unless otherwise indicated.*

**1. PERFORMANCE FOR THE SEVENTEENTH FISCAL PERIOD (December 1, 2011- May 31, 2012)**

(1) Business Results

(Millions of yen, unless otherwise indicated)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	(Percentage change)		(Percentage change)		(Percentage change)		(Percentage change)	
Seventeenth Fiscal Period	15,759	1.3%	6,959	(1.0)%	4,850	4.3%	4,849	4.3%
Sixteenth Fiscal Period	15,552	4.3%	7,027	(0.7)%	4,650	7.7%	4,649	(72.0)%

  

	Net Income per Unit (Yen)	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
Seventeenth Fiscal Period	2,305	2.4%	1.1%	30.8%
Sixteenth Fiscal Period	2,238	2.6%	1.1%	29.9%

(Note)

“Percentage change” is the percentage of increase or decrease from the previous period.

(2) Distribution

(Millions of yen, unless otherwise indicated)

	Distribution per Unit (Yen) (Note 2)	Total Cash Distribution	Distribution in Excess of Earnings per Unit (Yen)	Total Distribution in Excess of Earnings (Yen)	Payout Ratio (Note 3)	Distribution Ratio to Unitholders' Equity
Seventeenth Fiscal Period	2,750	5,784	0	0	119.2%	2.8%
Sixteenth Fiscal Period	2,750	5,784	0	0	122.8%	2.7%

(Notes)

- The resource for distribution of the Sixteenth Fiscal Period and the Seventeenth Fiscal Period is a total of net income and reversal of reserve for distribution. Therefore, those amounts differ from net income, respectively.
- “Distribution per Unit” does not include distribution in excess of earnings per unit.
- “Payout Ratio” is rounded down to the nearest one decimal place.

(3) Financial Position

(Millions of yen, unless otherwise indicated)

	Total Assets	Total Unitholders' Equity (Net Asset)	Equity Ratio	Net Asset per Unit (Yen)
Seventeenth Fiscal Period	457,026	205,682	45.0%	97,786
Sixteenth Fiscal Period	450,963	206,585	45.8%	98,215

## (4) Conditions of Cash Flows

(Millions of yen)				
	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
Seventeenth Fiscal Period	9,329	(11,233)	997	36,777
Sixteenth Fiscal Period	7,193	(31,110)	29,309	37,685

**2. FORECASTS OF RESULTS FOR THE EIGHTEENTH FISCAL PERIOD (June 1, 2012 – November 30, 2012) AND THE NINETEENTH FISCAL PERIOD (December 1, 2012 – May 31, 2013)**

(Millions of yen, unless otherwise indicated)								
	Operating Revenues		Operating Income		Ordinary Income	Net Income	Distribution per Unit (Yen) (Note 2) (Note 3)	Distribution in excess of earnings per unit (Yen)
	(Percentage change)	(Percentage change)	(Percentage change)	(Percentage change)	(Percentage change)	(Percentage change)		
Eighteenth Fiscal Period	15,936 1.1%	6,746 (3.1) %	4,670 (3.7)%	4,670 (3.7)%	4,670 (3.7)%	2,750	0	
Nineteenth Fiscal Period	15,525 (2.6)%	6,478 (4.0)%	4,670 -	4,670 -	4,670 -	2,750	0	

[Reference] Estimated net income per unit (full business year): Eighteenth Fiscal Period ¥2,220, Nineteenth Fiscal Period ¥2,220

(Notes)

1. "Percentage change" is the percentage of increase or decrease from the previous period.
2. "Distribution per Unit" does not include distribution in excess of earnings per unit.
3. Regarding the Eighteenth Fiscal Period and the Nineteenth Fiscal Period, United Urban will make a distribution from reserve for distribution.

**3. OTHERS**

## (1) Change of Accounting Policies, Change in Accounting Estimate, and Restatement

- A. Changes of accounting policies in accordance with revision of accounting rules: Not Applicable
- B. Changes of accounting policies other than A above: Not Applicable
- C. Changes in accounting estimate: Not Applicable
- D. Restatement: Not Applicable

## (2) Number of Investment Units Issued and Outstanding

- A. Number of investment units issued and outstanding at the end of the fiscal period (including treasury investment units)
  - The seventeenth fiscal period (ended May 31, 2012): 2,103,383 units
  - The sixteenth fiscal period (ended November 30, 2011): 2,103,383 units
- B. Treasury investment units at the end of the fiscal period
  - The seventeenth fiscal period (ended May 31, 2012): Nil
  - The sixteenth fiscal period (ended November 30, 2011): Nil

## (3) Rounding of Fractions of Amount and Ratio

Unless otherwise specially indicated, amounts in this report have been rounded down to the units stated and the ratios have been rounded to the nearest one decimal place.

Description of implementation status of audit procedure

- As of July 13, 2012, audit procedure of financial statements under the Financial Instruments and Exchange Act has not been completed.

Explanation for appropriate use of result forecasts and other special instructions

- Forward-looking statements contained in this material are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations around United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of assumptions, please refer to the “Assumptions for the Forecast of Financial Results for the Eighteenth Fiscal Period Ending November 30, 2012 and the Nineteenth Fiscal Period Ending May 31, 2013” below.

Assumptions for the Forecast of Financial Results for the Eighteenth Fiscal Period  
Ending November 30, 2012 and the Nineteenth Fiscal Period Ending May 31, 2013

Item	Assumptions
Terms	<ul style="list-style-type: none"> <li>· Eighteenth fiscal period: from June 1, 2012 to November 30, 2012 (183 days)</li> <li>· Nineteenth fiscal period: from December 1, 2012 to May 31, 2013 (182 days)</li> </ul>
Investment Assets	<ul style="list-style-type: none"> <li>· The forecast of financial results is based on 92 properties consisting of (i) 91 properties owned by United Urban as of May 31, 2012 and (ii) 1 property acquired on June 28, 2012 (“Glenpark Sapporo Premier Tower”). In addition, the forecast is based on the assumption that there will be no change in the investment portfolio (United Urban shall not acquire or sell investment assets, etc.) through the end of the nineteenth fiscal period (May 31, 2013), other than the aforementioned changes.</li> <li>· However, the actual results may fluctuate due to changes in the investment portfolio.</li> </ul>
Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>· The number of investment units issued and outstanding is based on 2,103,383 units as of July 13, 2012.</li> <li>· The forecast is also based on the assumption that there will be no additional issuance of investment units until the end of the nineteenth fiscal period (May 31, 2013).</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>· Operating revenues are calculated based on lease agreements in effect as of July 13, 2012 for existing properties.</li> <li>· Rent levels are calculated in view of the existence of neighboring competitive properties and market trends and other conditions.</li> <li>· United Urban anticipates rental revenues (including common area charges) of ¥13,938 million for the eighteenth fiscal period and ¥13,959 million for the nineteenth fiscal period, respectively.</li> <li>· United Urban anticipates parking revenues of ¥396 million for the eighteenth fiscal period and ¥403 million for the nineteenth fiscal period, respectively.</li> <li>· United Urban anticipates utility revenues (electricity, water, gas, etc.) from tenants of ¥1,015 million for the eighteenth fiscal period and ¥928 million for the nineteenth fiscal period, respectively.</li> <li>· Operating revenues are based on the assumption that there are no back rents or nonpayment by tenants.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>· Of the property-related expenses, which are the principal component of the operating expenses, the expenses other than depreciation and amortization are calculated based on historical data in the case of existing properties, and reflect factors that may cause fluctuations in expenses.</li> <li>· United Urban assumes it will incur ¥1,346 million as taxes and public charges (property taxes and city planning taxes, etc.) concerning its investment assets for the eighteenth fiscal period and ¥1,330 million for the nineteenth fiscal period, respectively. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period starting from the time United Urban acquires the assets. However, United Urban does not allocate such reimbursement as its expenses, because an amount equivalent to such reimbursement is included in the cost of acquisition.</li> <li>· United Urban assumes it will incur ¥1,032 million as property management fees for the eighteenth fiscal period and ¥1,029 million for the nineteenth fiscal period, respectively.</li> <li>· United Urban assumes it will incur ¥1,074 million as utilities for the eighteenth fiscal period and ¥980 million for the nineteenth fiscal period, respectively.</li> <li>· United Urban assumes it will incur ¥471 million as repairs and maintenance of buildings for the eighteenth fiscal period and ¥411 million for the nineteenth fiscal period, respectively. However, please note that the actual expenses incurred for repairs and maintenance for each fiscal period may possibly differ significantly from the forecasted amount for various reasons, including the possibility of emergency repairs and maintenance due to damages to buildings owing to unexpected factors, the increasing variance with every passing fiscal period and the amounts not accruing on a regular basis.</li> <li>· Depreciation and amortization is calculated on a straight-line basis, inclusive of ancillary expenses and future additional capital expenditures. United Urban assumes it will incur ¥3,146 million as depreciation and amortization for the eighteenth fiscal period and ¥3,248 million for the nineteenth fiscal period, respectively.</li> </ul>

<p>Non-Operating Expenses</p>	<ul style="list-style-type: none"> <li>United Urban assumes it will incur, as a one-off expense for the eighteenth fiscal period, ¥42 million as expenses associated with the issuance of Series 7 of Unsecured Corporate Bonds issued on July 5, 2012</li> <li>United Urban assumes it will incur ¥1,972 million as interest expenses for interest-bearing liabilities (including financing-related expenses and interest expenses on corporate bonds, etc.) for the eighteenth fiscal period and ¥1,747 million for the nineteenth fiscal period, respectively.</li> </ul>
<p>Interest-bearing Liabilities</p>	<ul style="list-style-type: none"> <li>During the eighteenth fiscal period there were repayments of the existing borrowings and a new borrowing for a property acquisition in June 2012, and a repayment of the existing borrowing associated with an issuance of corporate bonds in July 2012.</li> <li>As of July 13, 2012, the balance of interest-bearing liabilities is ¥224,266 million (the balance of borrowings: ¥ 172,766 million and the balance of corporate bonds: ¥ 51,500 million).</li> <li>There are no existing borrowings that will be due during the eighteenth fiscal period after July 13, 2012. Accordingly, United Urban assumes that there will be almost no changes in the balance of interest-bearing liabilities.</li> <li>During the nineteenth fiscal period, there are existing borrowings that will be due in December 2012 and Mach 2013. However, United Urban assumes that there will be almost no changes in the balance of interest-bearing liabilities after those refinances.</li> </ul>
<p>Cash Distribution per Unit</p>	<ul style="list-style-type: none"> <li>Cash distributions (cash distribution per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</li> <li>United Urban assumes that it will distribute a total amount of ¥5,784 million, which is a total of unappropriated retained earnings of ¥4,670 million and reversal of reserve for distribution of ¥1,114 million, for the eighteenth fiscal period.</li> <li>United Urban assumes that it will distribute a total amount of ¥5,784 million, which is a total of unappropriated retained earnings of ¥4,670 million and reversal of reserve for distribution of ¥1,114 million, for the nineteenth fiscal period.</li> <li>Actual cash distributions per unit may fluctuate due to various factors including changes in investment assets, fluctuations of rental revenues caused by tenant replacements or unexpected repairs.</li> </ul>
<p>Distribution in Excess of Earnings per Unit</p>	<ul style="list-style-type: none"> <li>United Urban does not currently plan distribution in excess of earnings (distribution in excess of earnings per unit).</li> </ul>
<p>Others</p>	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that there will be no amendments to laws, taxation system, accounting standards, listing rules or regulations of the Investment Trust Association, Japan and other regulations which affect aforementioned forecasted figures.</li> <li>Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and the real estate market trends and other conditions.</li> </ul>

#### 4. BALANCE SHEET

(Figures are rounded down to the nearest one thousand yen)

	Sixteenth Fiscal Period (as of November 30, 2011)	Seventeenth Fiscal Period (as of May 31, 2012)
<b>ASSETS</b>		
Current Assets		
Cash and bank deposit	13,358,289	12,415,462
Cash and bank deposit in trust	24,534,611	24,569,540
Rent receivables	291,224	238,365
Consumption taxes refundable	574,923	-
Prepaid expenses	109,464	460,186
Other	3,785	12,056
<b>Total Current Assets</b>	<b>38,872,299</b>	<b>37,695,611</b>
Fixed Assets		
Property and equipment, at cost		
Buildings	19,829,458	19,680,954
Less accumulated depreciation	1,593,313	1,936,560
<b>Buildings, net</b>	<b>18,236,144</b>	<b>17,744,393</b>
Structures	142,060	141,023
Less accumulated depreciation	64,166	73,153
<b>Structures, net</b>	<b>77,893</b>	<b>67,869</b>
Machinery and equipment	218,184	226,171
Less accumulated depreciation	35,769	47,864
<b>Machinery and equipment, net</b>	<b>182,415</b>	<b>178,307</b>
Tools, furniture and fixtures	1,987	7,769
Less accumulated depreciation	349	552
<b>Tools, furniture and fixtures, net</b>	<b>1,637</b>	<b>7,217</b>
Land	37,221,013	39,221,351
Construction in progress	-	2,799
Buildings in trust	145,190,389	147,614,250
Less accumulated depreciation	19,441,437	21,984,473
<b>Buildings in trust, net</b>	<b>125,748,951</b>	<b>125,629,777</b>
Structures in trust	1,200,302	1,240,457
Less accumulated depreciation	505,552	544,053
<b>Structures in trust, net</b>	<b>694,749</b>	<b>696,403</b>
Machinery and equipment in trust	1,073,144	1,113,320
Less accumulated depreciation	259,656	326,228
<b>Machinery and equipment in trust, net</b>	<b>813,488</b>	<b>787,092</b>
Tools, furniture and fixtures in trust	126,254	185,986
Less accumulated depreciation	58,060	68,024
<b>Tools, furniture and fixtures in trust, net</b>	<b>68,194</b>	<b>117,961</b>
Land in trust	225,374,901	228,870,572
Construction in progress in trust	921	359
<b>Total property and equipment</b>	<b>408,420,311</b>	<b>413,324,104</b>
Intangible assets		
Software	2,463	2,660
Leasehold right	1,149,355	1,149,355
Leasehold right in trust	585,575	585,575
Other intangible assets in trust	259,043	252,423
<b>Total intangible assets</b>	<b>1,996,438</b>	<b>1,990,014</b>
Investments and other assets		
Investment securities	-	2,408,885
Security deposits paid	35,365	10,000
Security deposits paid in trust	77,909	77,939
Long-term prepaid expenses	1,560,900	1,519,858
<b>Total investments and other assets</b>	<b>1,674,176</b>	<b>4,016,684</b>
<b>Total Fixed Assets</b>	<b>412,090,926</b>	<b>419,330,803</b>
<b>TOTAL ASSETS</b>	<b>450,963,225</b>	<b>457,026,414</b>

(Note) The sum may not equal the total due to rounding.

(Figures are rounded down to the nearest one thousand yen)

	Sixteenth Fiscal Period (as of November 30, 2011)	Seventeenth Fiscal Period (as of May 31, 2012)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	1,473,616	1,923,434
Current portion of corporate bonds	17,000,000	-
Long-term debt due for repayment within one year	32,941,281	46,988,395
Accrued expenses	949,044	907,863
Dividends payable	28,604	30,655
Income taxes payable	605	605
Consumption taxes payable	-	366,981
Revenue received in advance	21,623	-
Rent received in advance	305,553	295,313
Rent received in advance in trust	1,963,907	1,918,201
Deposit received	2,452	2,501
Deposit received in trust	37,158	32,697
Derivatives liabilities	30,869	-
Other	1,216,852	1,200,428
<b>Total Current Liabilities</b>	<b>55,971,570</b>	<b>53,667,077</b>
Long-term Liabilities		
Corporate bonds	35,000,000	45,000,000
Long-term debt	128,135,000	127,928,000
Leasehold and security deposits received	3,296,190	3,099,906
Leasehold and security deposits received in trust	21,974,800	21,649,249
<b>Total Long-term Liabilities</b>	<b>188,405,990</b>	<b>197,677,156</b>
<b>Total Liabilities</b>	<b>244,377,560</b>	<b>251,344,233</b>
<b>UNITHOLDERS' EQUITY</b>		
Unitholders' Equity		
Unitholders' capital	165,924,928	165,924,928
Retained earnings		
Investment surplus	23,548,287	23,548,287
Reserve for distribution	12,492,873	11,359,014
Unappropriated retained earnings (unappropriated deficit)	4,650,444	4,849,949
<b>Total retained earnings</b>	<b>40,691,605</b>	<b>39,757,252</b>
<b>Total Unitholders' Equity</b>	<b>206,616,534</b>	<b>205,682,180</b>
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(30,869)	-
<b>Total Valuation and Translation Adjustment</b>	<b>(30,869)</b>	<b>-</b>
<b>Total Unitholders' Equity</b>	<b>206,585,664</b>	<b>205,682,180</b>
<b>TOTAL LIABILITIES and UNITHOLDERS' EQUITY</b>	<b>450,963,225</b>	<b>457,026,414</b>

(Note) The sum may not equal the total due to rounding.

## 5. STATEMENTS OF INCOME

	(Figures are rounded down to the nearest one thousand yen)	
	Sixteenth Fiscal Period (June 1, 2011- November, 2011)	Seventeenth Fiscal Period (December 1, 2011- May 31, 2012)
Operating Revenues		
Rental revenues	14,321,898	14,623,495
Other rental revenues	1,188,076	1,107,816
Gain on sales of real estate	42,117	-
Dividend income from investment in anonymous association	-	27,864
Total Operating Revenues	15,552,093	15,759,176
Operating Expenses		
Property-related expenses	6,937,205	7,074,185
Loss on sales of real estate	2,922	95,891
Asset management fees	1,209,756	1,264,692
Asset custodian fees	15,329	16,019
Administrative service fees	61,207	71,835
Directors' compensation	10,200	10,200
Other operating expenses	288,449	266,586
Total Operating Expenses	8,525,070	8,799,410
Operating Income	7,027,023	6,959,765
Non-operating Revenues		
Interest income	1,956	1,453
Reversal of dividends payable	2,362	7,115
Insurance income	30,118	10,638
Reversal of provision for loss on disaster	13,201	-
Interest on refund	-	4,478
Other	76	483
Total Non-operating Revenues	47,714	24,170
Non-operating Expenses		
Interest expenses	1,799,258	1,588,557
Interest expenses on corporate bonds	443,857	445,718
Corporate bond issuance expenses	1,897	67,925
Investment unit issuance expenses	96,638	-
Other	82,990	31,180
Total Non-operating Expenses	2,424,642	2,133,381
Ordinary Income	4,650,095	4,850,554
Income before Income Taxes	4,650,095	4,850,554
Current Income Taxes	605	605
Total Income Taxes	605	605
Net Income	4,649,490	4,849,949
Retained Earnings Brought Forward	954	-
Unappropriated Retained Earnings (unappropriated deficit)	4,650,444	4,849,949

(Note) The sum may not equal the total due to rounding.



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#### DISCLAIMER

This document includes translations of selected information described in the Brief Report on Closing of Accounts Report (*Kessan-Tanshin*) in Japanese language prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and Performance Information Report in Japanese language prepared pursuant to the Act on Investment Trusts and Investment Corporations of Japan for the period from December 1, 2011 to May 31, 2012 of United Urban. United Urban makes no assurance or warranty with respect to the completeness or accuracy of this English translation and the Japanese language versions of the *Kessan-Tanshin* and the Financial Statements and Performance Information Report for the aforementioned period should always be referred to as originals of this document.

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The summary financial statements in this document are basically translations of those described in and extracted from the Japanese language *Kessan-Tanshin*.

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