

**SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED MAY 31, 2014  
(December 1, 2013 – May 31, 2014)**

Name of issuer: United Urban Investment Corporation (United Urban)  
Listing: Tokyo Stock Exchange  
Securities code: 8960  
URL: <http://www.united-reit.co.jp/eng/>  
Representative: Hitoshi Murakami, Executive Officer  
Asset Management Company: Japan REIT Advisors Co., Ltd.  
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Scheduled date of filing of Securities Report: August 27, 2014  
Scheduled date for commencing dividend payments: August 15, 2014  
Supplementary Materials on Financial Results: Scheduled  
Financial Results Conference: Scheduled (for analysts and institutional investors (Japanese language only))

(Amounts are rounded down to the nearest millions of yen, unless otherwise indicated)

**1. Performance for the Fiscal Period Ended May 31, 2014 (December 1, 2013 – May 31, 2014)**

(1) Business Results

(Percentage figures show the increase/decrease rate compared to the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2014	17,548	0.8	8,017	3.8	6,694	9.5	6,674	9.2
Fiscal period ended November 30, 2013	17,416	7.8	7,720	6.9	6,113	16.4	6,113	16.4

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended May 31, 2014	2,804	2.8	1.3	38.1
Fiscal period ended November 30, 2013	2,586	2.6	1.2	35.1

(2) Distributions

	Distributions per Unit (excluding excess of earnings)	Total Cash Distributions (excluding excess of earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended May 31, 2014	2,804	6,674	0	0	100.0	2.8
Fiscal period ended November 30, 2013	2,750	6,545	0	0	106.3	2.8

- Notes: 1. The resource for cash distributions for the fiscal period ended November 30, 2013 is a total of net income and a reversal of reserves for distributions (¥432 million). Therefore, the amount differs from net income.  
2. "Payout Ratio" is rounded down to the nearest one decimal place.

(3) Financial Position

	Total Assets	Total Unitholders' Equity (Net Asset)	Equity Ratio	Net Asset per Unit (Yen)
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended May 31, 2014	527,807	237,208	44.9	99,659
Fiscal period ended November 30, 2013	527,025	237,079	45.0	99,605

**(4) Conditions of Cash Flows**

	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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2014	8,898	(20,463)	(6,171)	41,501
Fiscal period ended November 30, 2013	10,811	(5,428)	3,670	59,237

**2. Forecasts of Results for the Fiscal Period Ending November 30, 2014 (June 1, 2014 – November 30, 2014) and the Fiscal Period Ending May 31, 2015 (December 1, 2014 – May 31, 2015)**

(Percentage figures show the increase/decrease rate compared to the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2014	18,349	4.6	8,407	4.9	7,060	5.5	7,060	5.8	2,810	0
Fiscal period ending May 31, 2015	18,184	(0.9)	8,493	1.0	7,236	2.5	7,236	2.5	2,880	0

[Reference] Estimated net income per unit (full business year):

Fiscal period ending November 30, 2014 ¥2,810 Fiscal period ending May 31, 2014 ¥2,880

**\*Other**
**(1) Change in Accounting Policies, Change in Accounting Estimate, and Restatement**

- A. Changes in accounting policies in accordance with a revision of the accounting rules: Not Applicable
- B. Changes in 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 at the end of the fiscal period (including treasury investment units)
  - As of May 31, 2014: 2,380,181 units
  - As of November 30, 2013: 2,380,181 units
- B. Treasury investment units at the end of the fiscal period
  - As of May 31, 2014: None
  - As of November 30, 2013: None

Notes: For the number of investment units used as the basis for the calculation of net income per unit, please refer to “Notes to Per Unit Information” on page 24.

**(3) Rounding of Fractions of Amounts and Ratios**

Unless otherwise specifically 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 15, 2014, the audit procedure of the 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, distributions per unit and distributions 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 concerning United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of the assumptions made, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2014 (22nd fiscal period: from June 1, 2014 to November 30, 2014) and the Fiscal Period Ending May 31, 2015 (23rd fiscal period: from December 1, 2014 to May 31, 2015)” below.

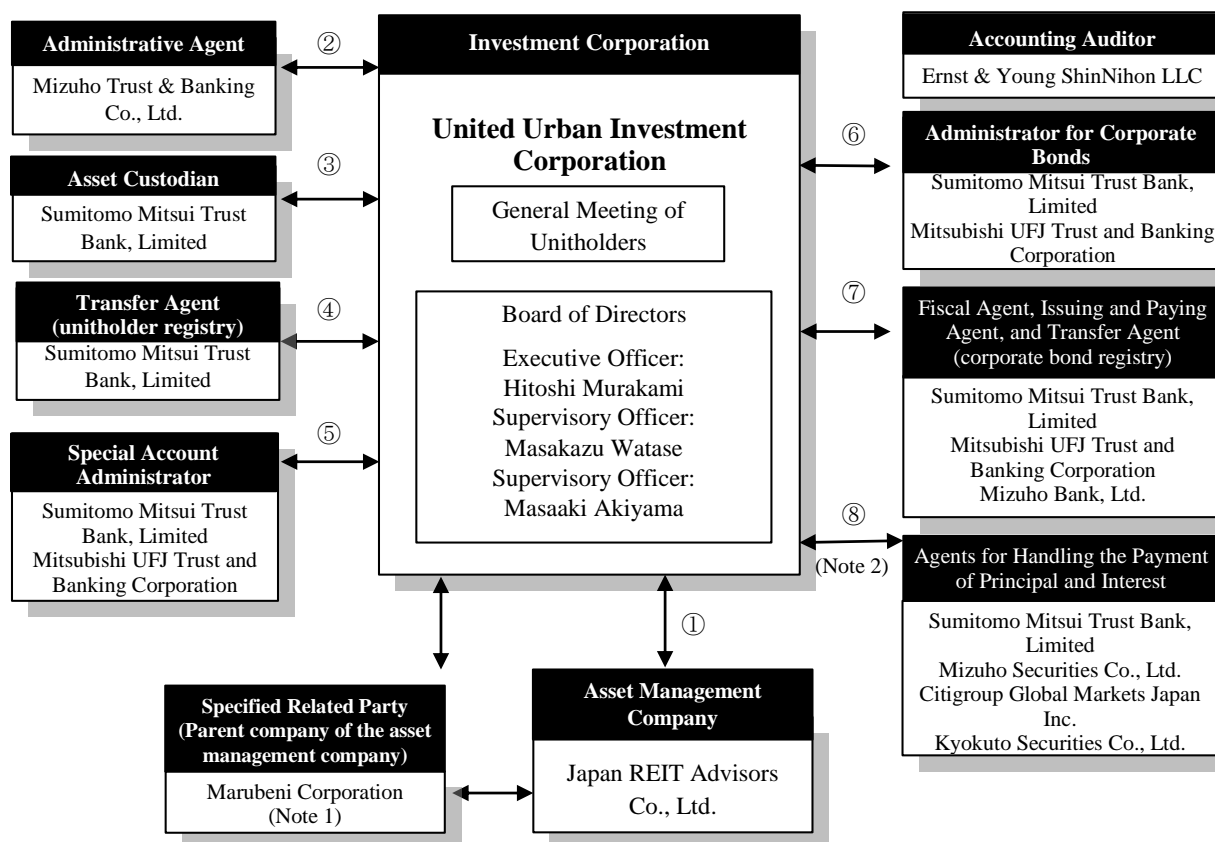
**DISCLAIMER**

This is an English-language translation of original Japanese document “the Brief Report on the Closing of Accounts (*Kessan-Tanshin*) for the fiscal period ended May 31, 2014. This translation is provided for information purpose only 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. United Urban makes no assurance or warranty with respect to the completeness or accuracy of this English translation; the Japanese versions of the *Kessan-Tanshin* should always be referred to as the originals of this document.

## 1. Related Corporations of Investment Corporation

### Structure of Investment Corporation

The structure chart of United Urban as of the date of this report is as follows:



No.	Type of Agreements
1	Asset management entrustment agreement
2	Administrative agency entrustment agreement
3	Asset custodian entrustment agreement
4	Transfer agency entrustment agreement
5	Administrative agency entrustment agreement for the administration of special accounts
6	Administration entrustment agreement for corporate bonds / Administration and operation entrustment agreement for corporate bonds
7	Fiscal agency and Issuing/Paying agency agreement for corporate bonds / Administration and operation entrustment agreement for corporate bonds
8	Entrustment agreement for handling the payment of principal and interest (Note 2)

- Notes: 1. The specified related party ("Specified Related Party" stipulated in Article 12, Paragraph 3 of Cabinet Office Ordinance on Disclosure of Information, etc. of Regulated Securities (Ministry of Finance Ordinance No. 22 of 1993, as amended)) of the United Urban is Marubeni Corporation. Marubeni Corporation is a parent company ("Parent Company" stipulated in Article 8, Paragraph 3 of Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963, as amended)) of the asset management company. There are lease agreements concluded between United Urban and Marubeni Corporation regarding part of assets owned by United Urban, and the incidental agreements related to the assets owned by United Urban has been concluded.
2. The corporate bonds subject to this agreement are in the form of book-entry transfer corporate bonds as of the date of this report. Accordingly, there are actually no operations related to the entrustment agreement for handling the payment of principal and interest.

## 2. Management Policies and Management Status

### (1) Management Policies

Japan REIT Advisors Co., Ltd. ("JRA"), the asset management company of United Urban, amended part of the

Asset Management Guideline, which is an internal rule of JRA, to enable acquisition of assets in a more flexible manner taking into account the market environment, and the characteristics and situation of individual property as well as considering the current asset size of United Urban, on March 17, 2014. The major amendments are as follows:

- Partial amendments of the internal rule regarding specific investment criteria for investment real estate
- Partial amendments of the internal rule regarding a minimum investment amount for operating assets
- Establishment of new rule regarding concurrent acquisition of multiple operating assets from the same owner
- Partial amendments of the internal rule regarding development properties

There are no significant changes in “Investment Policies,” “Investment Targets,” “Distribution Policies” and “Investment Restriction” described in the most recent Securities Report (filed on February 26, 2014) other than above.

## (2) Management Status

### 1. Overview during the period

#### i) Investment environment and operation

##### A. Investment environment

Despite concerns about the impact of the increase in the consumption tax, the domestic economy is still on a gradual recovery trend through robust corporate performance and improvement of the employment environment. Under these circumstances, in the real estate sales market, the real estate transactions have become more active with the increasing expectation of economic recovery and the favorable financing environment. Moreover, real estate prices have been rising, particularly in urban areas.

With regard to the real estate rental market, the market for retail properties is expected to stay steady, supported by strong sales of basic goods like daily necessities, while some luxury goods have been affected by the increase in the consumption tax. As for office buildings, the occupancy ratio, particularly in major cities, is improving since the large supply of new office buildings has run its course and tenant needs for expanding rental space and relocation have manifested themselves. Moreover, there is movement towards improvement in rental revenues. As for hotels, the occupancy ratio has been steady with an increase in business trips, travelers and foreign visitors, and the room rates for guests are also improving. As for residential properties, there are no particular changes in the occupancy ratio and rent levels.

##### B. New acquisitions

During the period, United Urban acquired the following six properties (total acquisition price: ¥18,260 million).

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A32	Narumi Shopping Center (Site) (Note 3)	-	Nagoya, Aichi	6,460	April 8, 2014
B40	GRAND-SQUARE Shin-Sakae (Note 4)	Office	Nagoya, Aichi	1,480	February 28, 2014
B41	GRAND-SQUARE Meieki-minami	Office	Nagoya, Aichi	1,220	February 28, 2014
B42	Shiba 520 Building (Note 5)	Office	Minato-ku, Tokyo	2,100	March 28, 2014
C9	the b roppongi	Hotel	Minato-ku, Tokyo	3,500	May 1, 2014
E4	THE PLACE of TOKYO	Hall (Note 6)	Minato-ku, Tokyo	3,500	May 1, 2014
Total				18,260	

- Notes:
1. Of the types of use indicated in the real estate register, the primary type is stated.
  2. The acquisition prices are stated based on the purchase prices stated in the sale and purchase agreements concerning the acquisition of each property. In addition, the amounts of the acquisition prices do not include the acquisition cost, property tax, city planning tax and consumption tax, etc.
  3. The real estate which United Urban acquired is mainly the site. The building and structures situated on the site are not part of the property held by United Urban.
  4. The property comprises the office tower and the separate parking tower, and information in the “Type of Use” is applicable to the office tower.
  5. The property name was changed from “Marubeni Corporation Tokyo Head Office Mita Annex” to “Shiba 520 Building” on April 1, 2014.
  6. Specifically, the property is used as a place for weddings.

### C. Portfolio overview

As a result of the aforementioned acquisitions of property, as of May 31, 2014, United Urban held a total of 103 properties, comprising 28 retail properties, 38 office buildings, 1 retail-office complex, 9 hotels, 1 office-hotel complex, 22 residential properties and 4 others, with an aggregate acquisition price of ¥493,124 million. In addition, the total leasable floor space was increased to 1,087,135.55 sq. m. and the number of tenants increased to 1,681.

United Urban has continued to focus on improving occupancy ratios by devoting its attention to improvement in the quality of assets during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 97.0% and 98.0%, and stood at 98.0% on May 31, 2014.

### ii) Financing overview

During this period, United Urban conducted certain debt financings for the purpose of procuring funds for repayment of interest-bearing liabilities and acquisition of specified assets. The status of interest-bearing liabilities at the end of the previous period and the end of the 21st fiscal period are as follows.

	Balance at the end of the 20th Fiscal Period (As of November 30, 2013)	Balance at the end of the 21st Fiscal Period (As of May 31, 2014)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	166,833	182,207	15,374
Total of borrowings	166,833	182,207	15,374
Corporate bonds	90,500	75,500	(15,000)
Total of interest-bearing liabilities	257,333	257,707	374

In addition, as of the end of the 21st fiscal period, the amount of borrowings due for repayment within one year was ¥15,750 million, and the amount of the current portion of corporate bonds was ¥7,000 million.

Moreover, the details of ratings of United Urban as of June 30, 2014 are as follows.

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

### iii) Overview of financial results and distribution

As a result of the above operations, United Urban achieved operating revenues of ¥17,548 million (up by 0.8% from the previous period), profit from rental activities of ¥9,790 million (up by 5.1% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥8,017 million (up by 3.8% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥6,694 million (up by 9.5% from the previous period), and net income of ¥6,674 million (up by 9.2% from the previous period).

With regard to the distribution in the period, in order to ensure that the maximum amount of distribution of earnings would be deductible through the application of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation), 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 less than one yen. As a result, the cash distribution per unit was ¥2,804.

## 2. Outlook for the next fiscal period

### i) Outlook for overall operation

As for the real estate rental market in Japan, it is expected that rental revenues will increase due to continuing improvement in the occupancy ratio of office properties. On the other hand, the real estate sales market is getting overheated along with the upward move of real estate prices and increase in market players, especially for the office properties located in the central Tokyo.

Under the circumstances, United Urban will focus on acquiring blue-chip properties by utilizing the characteristics of a diversified J-REIT, such as investments in new types of property by taking advantage of the knowledge and network of the sponsor, in order to secure stable earnings over the medium to long term. Moreover, United Urban will make continuous efforts to maintain or improve the occupancy ratio and the rent levels and to reduce the costs for the purpose of the improvement of profitability of the portfolio.

In regard to the financial strategy, United Urban will make continuous efforts to create robust and stable financial standing by reducing financial costs, increasing the share of borrowings with fixed interest rates, extending and diversifying the maturities for interest-bearing liabilities, and ensuring enough liquidity under the conservative policy of targeting the practical upper limit of LTV (Note) at 50%.

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

## ii) Outlook for management status

### A. Material facts arising after the end of 21st fiscal period and other material events

#### 1) Issuance of new investment units

In order to replenish cash reserves, which were reduced by the acquisition of specified assets, and to procure funds for the acquisition of new specified assets and for repayment of interest-bearing liabilities, the payments of ¥18,661 million in connection with the issuance of new investment units by public offering were completed on June 10, 2014, and the payment of ¥1,876 million in connection with the issuance of new investment units by way of third-party allotment (12,065 units) was also completed on July 9, 2014 based on the resolution regarding the issuance of 120,000 new investment units by way of public offering, and the issuance of 12,065 new investment units (maximum) by way of third-party allotment at the board of directors' meetings of United Urban, held on May 23, 2014 and the resolution regarding the determination of prices for the issuance of new investment units and secondary offering of investment units at the board of directors' meetings of United Urban, held on June 3, 2014.

As a result, the United Urban's total capital increased to ¥219,768 million and United Urban's total number of investment units issued and outstanding increased to 2,512,246 units.

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

Number of investment units issued	: 120,000 units
Offer price (per unit)	: ¥160,426
Total offer price	: ¥19,251,120,000
Issue price (per unit)	: ¥155,515
Total issue price	: ¥18,661,800,000
Payment date	: June 10, 2014 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2014 (Sunday)

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

Number of investment units issued	: 12,065 units
Issue price (per unit)	: ¥155,515
Total issue price	: ¥1,876,288,475
Payment date	: July 9, 2014 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2014 (Sunday)
Alottee	: SMBC Nikko Securities Inc.

#### 2) Acquisition of property

United Urban decided to acquire the following specified asset (acquisition price: ¥3,600 million) on May 23, 2014, and the acquisition was completed on June 13, 2014 with proceeds from the issuance of new investment units stated in 1) above.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
B43	Hirose-dori SE Building	Office	Sendai, Miyagi	3,600	June 13, 2014
Total				3,600	

Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated.



2. The acquisition price is stated based on the purchase price stated in the sale and purchase agreements concerning the acquisition of the property. In addition, the amount of the purchase price does not include the acquisition cost, property tax, city planning tax and consumption tax, etc.

### 3) New committed line of credit agreement

United Urban concluded a new committed line of credit agreement on June 20, 2014, as set forth below. As a result, the total maximum loan amount under the committed line of credit agreements increased to ¥30,000 million.

#### Outline of the new committed line of credit agreement

Participating financial institutions	:	Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	:	¥20,500 million
Date of agreement	:	June 20, 2014
Term of agreement	:	From June 20, 2014 to June 19, 2015
Collateral	:	Unsecured, unguaranteed

### 4) Early repayment of existing borrowing

United Urban has decided that it would repay the below-stated borrowing on July 22, 2014 prior to the maturity date with proceeds from the issuance of new investment units mentioned in 1) above, as set forth below.

#### Term Loan 37

Lender	:	Mitsubishi UFJ Trust and Banking Corporation
Balance of borrowing	:	¥2,800 million
Interest rate	:	Basic interest rate (JBA one month JPY TIBOR) + 0.35%
Drawdown date	:	October 31, 2011
Maturity date	:	September 20, 2014
Early repayment date	:	July 22, 2014
Amount of repayment	:	¥2,800 million
Balance after repayment	:	- (full payment)
Remarks	:	Unsecured, unguaranteed

### 5) Lawsuits, etc.

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

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

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

## B. Outlook for management status

For the fiscal period ending November 30, 2014 (22nd fiscal period: from June 1, 2014 to November 30, 2014) and the fiscal period ending May 31, 2015 (23rd fiscal period: from December 1, 2014 to May 31, 2015), the forecasts of financial results are estimated, as set forth below. For details of the assumptions for the forecasts, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2014 (22nd fiscal period: from June 1, 2014 to November 30, 2014) and the Fiscal Period Ending May 31, 2015 (23rd fiscal period: from December 1, 2014 to May 31, 2015)” below.



## Fiscal Period Ending November 30, 2014

Operating revenues	¥18,349 million
Operating income	¥8,407 million
Ordinary income	¥7,060 million
Net income	¥7,060 million
Cash distributions per unit	¥2,810
Distributions in excess of earnings per unit	¥0

## Fiscal Period Ending May 31, 2015

Operating revenues	¥18,184 million
Operating income	¥8,493 million
Ordinary income	¥7,236 million
Net income	¥7,236 million
Cash distributions per unit	¥2,880
Distributions in excess of earnings per unit	¥0

Note: The above-listed forward-looking statements 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, cash distributions per unit and distributions 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 concerning United Urban. In addition, the forward-looking statements are not guarantees of the payment amount of any cash distributions by United Urban.

Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2014  
(22nd fiscal period: from June 1, 2014 to November 30, 2014) and the Fiscal Period Ending May 31, 2015  
(23rd fiscal period: from December 1, 2014 to May 31, 2015)

Item	Assumptions
Terms	<ul style="list-style-type: none"> <li>• Fiscal period ending November 30, 2014 (22nd fiscal period: from June 1, 2014 to November 30, 2014) (183 days)</li> <li>• Fiscal period ending May 31, 2015 (23rd fiscal period: from December 1, 2014 to May 31, 2015) (182 days)</li> </ul>
Investment Assets	<ul style="list-style-type: none"> <li>• The forecast of financial results is based on 104 properties consisting of (i) 103 properties owned by United Urban as of May 31, 2014 and (ii) “Hirose-dori SE Building” acquired on June 13, 2014. In addition, the forecast is based on the assumption that there will be no change in the investment portfolio (and United Urban shall not acquire or sell any investment assets, etc.) until May 31, 2015 (the end of the 23rd fiscal period).</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 2,512,246 units as of July 15, 2014.</li> <li>• It is based on the assumption that there will be no additional issuance of investment units until May 31, 2015 (the end of the 23rd fiscal period).</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>• Operating revenues are calculated based on lease agreements in effect as of July 15, 2014 by taking into account the expected rent and estimated occupancy ratio in the future, and in view of the existence of neighboring competitive properties and market trends and other conditions.</li> <li>• As for “Shinsaibashi OPA Honkan” and “Shinsaibashi OPA Kireikan,” (i) a case brought by OPA co., Ltd., the lessee, to reduce the rent and (ii) a counterclaim brought by United Urban to increase the rent (collectively, the “Shinsaibashi OPA Case”) have been pending as of July 15, 2014. In addition, as for Shinsaibashi OPA Honkan, the due date for the renewal of lease agreement will arrive during the fiscal period ending November 2014. However, since we cannot predict when the court decision for Shinsaibashi OPA Case will be made, it is difficult to incorporate any increase or decrease of rent in the forecast. Therefore, the operating revenues for the both properties are based on the assumption that the rental income under the current lease contract will continue until the end of the fiscal period ending May 31, 2015. Depending on the result of the Shinsaibashi OPA Case, the rent for the tenant and the operating revenues from the both properties may change and/or may be changed retroactively.            (Note) For details of the Shinsaibashi OPA Case, please refer to the press releases “Notice Concerning a Case Brought against United Urban to Reduce the Rent of Shinsaibashi OPA Honkan and Shinsaibashi OPA Kireikan” dated October 29, 2012 and “Notice Concerning a Counterclaim against the Case Brought against United Urban to Reduce the Rent of Shinsaibashi OPA Honkan and Shinsaibashi OPA Kireikan” dated June 3, 2013.</li> <li>• United Urban anticipates rental revenues (including common area charges) of ¥16,446 million for the fiscal period ending November 30, 2014, and ¥16,463 million for the fiscal period ending May 31, 2015, respectively.</li> <li>• United Urban anticipates parking revenues of ¥475 million for the fiscal period ending November 30, 2014, and ¥476 million for the fiscal period ending May 31, 2015, respectively.</li> <li>• United Urban anticipates utility revenues (electricity, water, gas, etc.) from tenants of ¥1,227 million for the fiscal period ending November 30, 2014, and ¥1,047 million for the fiscal period ending May 31, 2015, respectively.</li> <li>• Operating revenues are based on the assumption that there is no back rent or nonpayment of rent by the 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, expenses other than depreciation and amortization are calculated based on historical data, and reflect factors that may cause fluctuations in expenses.</li> <li>• United Urban assumes it will incur ¥1,449 million as taxes and public charges (property taxes and city planning taxes, etc.) concerning its investment assets for the fiscal period ending November 30, 2014, and ¥1,448 million for the fiscal period ending May 31, 2015, 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> </ul>

	<ul style="list-style-type: none"> <li>United Urban assumes it will incur ¥1,193 million as property management fees for the fiscal period ending November 30, 2014, and ¥1,186 million for the fiscal period ending May 31, 2015, respectively.</li> <li>United Urban assumes it will incur ¥1,318 million as utilities for the fiscal period ending November 30, 2014, and ¥1,136 million for the fiscal period ending May 31, 2015, respectively.</li> <li>United Urban assumes it will incur ¥320 million as repairs and maintenance of buildings for the fiscal period ending November 30, 2014, and ¥285 million for the fiscal period ending May 31, 2015, respectively. However, please note that the actual 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 work due to damages to buildings owing to unexpected factors, the large variance in amounts between fiscal years and the fact that these amounts do not accrue on a regular basis.</li> <li>Depreciation and amortization are calculated on a straight-line basis, inclusive of ancillary expenses and future capital expenditures. United Urban assumes it will incur ¥3,393 million as depreciation and amortization for the fiscal period ending November 30, 2014, and ¥3,407 million for the fiscal period ending May 31, 2015, respectively.</li> </ul>															
<p style="text-align: center;">Non-Operating Expenses</p>	<ul style="list-style-type: none"> <li>United Urban assumes it will incur, as a one-off expense for the fiscal period ending November 30, 2014, ¥48 million in expenses associated with the issuance of new investment units and the secondary offering of investment units that was resolved at the board of directors' meeting held on May 23, 2014. The costs will be recorded as expenses for the relevant fiscal periods.</li> <li>United Urban assumes it will incur ¥1,236 million as interest expenses for interest-bearing liabilities (including financing-related expenses and interest expenses on corporate bonds, etc.) for the fiscal period ending November 30, 2014, and ¥1,190 million for the fiscal period ending May 31, 2015, respectively.</li> </ul>															
<p style="text-align: center;">Interest-bearing Liabilities</p>	<ul style="list-style-type: none"> <li>As of July 15, 2014, the total balance of interest-bearing liabilities is ¥248,957 million of which ¥173,457 million are borrowings and ¥75,500 million are corporate bonds.</li> <li>The interest-bearing liabilities coming due during the fiscal period ending November 30, 2014 and our plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="491 1093 1412 1384"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>September 20, 2014 (Note)</td> <td>Borrowing: ¥2,800 million (Note)</td> <td>United Urban plans to repay the borrowing in full on July 22, 2014, using the proceeds (the "Proceeds") from the issuance of new investment units by way of public offering and by way of third-party allotment in connection with the secondary offering through over-allotment that were resolved at the board of directors' meeting held on May 23, 2014.</td> </tr> </tbody> </table> <p>(Note) United Urban will repay the borrowing in full on July 22, 2014 prior to the maturity date. For details of the early repayment, please refer to the press releases "Notice Concerning Early Repayment of Existing Borrowing" dated June 17, 2014 and "Notice Concerning Early Repayment of Existing Borrowing (Determination of details of Repayment)" dated July 7, 2014.</p> <ul style="list-style-type: none"> <li>The interest-bearing liabilities coming due during the fiscal period ending May 31, 2015 and our plan for repayment are as set forth below.</li> </ul> <table border="1" data-bbox="491 1579 1412 1883"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>December 16, 2014</td> <td>Corporate bond: ¥7,000 million</td> <td>United Urban plans to redeem the corporate bonds in full, using the part of remainder of the Proceeds, and new borrowing(s) from lender(s) or cash on hand for insufficiency.</td> </tr> <tr> <td>December 20, 2014 (Note)</td> <td>Borrowing: ¥4,250 million</td> <td>United Urban plans to repay ¥50 million using the cash reserves. As for the remaining ¥4,200 million, United Urban plans to newly obtain borrowing(s) from lender(s) to refinance.</td> </tr> </tbody> </table> <p>(Note) Since December 20, 2014 is not a business day, December 22, 2014 which is the immediate following business day, will be the maturity date pursuant to the contract. Moreover, apart from the abovementioned borrowing (¥4,250 million), United Urban is to make a scheduled install payment in the amount of ¥50 million funded by cash reserves, separately, on December 22, 2014.</p>	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment	September 20, 2014 (Note)	Borrowing: ¥2,800 million (Note)	United Urban plans to repay the borrowing in full on July 22, 2014, using the proceeds (the "Proceeds") from the issuance of new investment units by way of public offering and by way of third-party allotment in connection with the secondary offering through over-allotment that were resolved at the board of directors' meeting held on May 23, 2014.	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment	December 16, 2014	Corporate bond: ¥7,000 million	United Urban plans to redeem the corporate bonds in full, using the part of remainder of the Proceeds, and new borrowing(s) from lender(s) or cash on hand for insufficiency.	December 20, 2014 (Note)	Borrowing: ¥4,250 million	United Urban plans to repay ¥50 million using the cash reserves. As for the remaining ¥4,200 million, United Urban plans to newly obtain borrowing(s) from lender(s) to refinance.
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	<ul style="list-style-type: none"> <li>After the abovementioned new borrowing and refinancing of interest-bearing liabilities, the total balance of interest-bearing liabilities at the end of the fiscal period ending May 31, 2015 will be ¥244,757 million (however, if a part of the cash reserves are appropriated for the abovementioned redemption of corporate bonds, the balance will vary in the amount of such appropriation.).</li> </ul>
Cash Distributions per Unit	<ul style="list-style-type: none"> <li>Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</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>
Distributions in Excess of Earnings per Unit	<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>
Other	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that there will be no amendments to laws and regulations, taxation systems, accounting standards, listing rules or regulations of the Investment Trusts Association, Japan and other regulations, which would affect the aforementioned forecasted figures.</li> <li>Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.</li> </ul>

### 3. Financial Statement

#### (1) Balance Sheet

		(Thousands of yen)	
		End of 20th Fiscal Period (as of November 30, 2013)	End of 21st Fiscal Period (as of May 31, 2014)
<b>ASSETS</b>			
Current Assets			
Cash and bank deposit		23,444,838	19,845,869
Cash and bank deposit in trust	*1	21,000,167	21,863,148
Rent receivables		354,440	358,919
Marketable securities		15,000,000	-
Consumption taxes refundable		-	57,392
Prepaid expenses		112,010	507,182
Other		6,227	2,628
Total Current Assets		59,917,685	42,635,140
Fixed Assets			
Property and equipment, at cost			
Buildings	*1	20,119,874	20,224,819
Less accumulated depreciation		(3,023,935)	(3,371,998)
Buildings, net		17,095,938	16,852,821
Structures	*1	153,035	155,414
Less accumulated depreciation		(94,247)	(100,179)
Structures, net		58,787	55,234
Machinery and equipment		237,871	237,871
Less accumulated depreciation		(85,755)	(96,965)
Machinery and equipment, net		152,115	140,906
Tools, furniture and fixtures		22,467	26,747
Less accumulated depreciation		(4,636)	(6,483)
Tools, furniture and fixtures, net		17,830	20,263
Land	*1	39,227,659	46,048,374
Construction in progress		2,606	1,038
Buildings in trust	*1	172,553,262	178,737,557
Less accumulated depreciation		(29,152,431)	(31,951,462)
Buildings in trust, net		143,400,830	146,786,095
Structures in trust	*1	1,417,254	1,462,247
Less accumulated depreciation		(668,541)	(715,065)
Structures in trust, net		748,712	747,182
Machinery and equipment in trust		1,415,280	1,538,151
Less accumulated depreciation		(528,649)	(594,820)
Machinery and equipment in trust, net		886,630	943,330
Tools, furniture and fixtures in trust	*1	287,704	338,509
Less accumulated depreciation		(84,016)	(104,679)
Tools, furniture and fixtures in trust, net		203,688	233,830
Land in trust	*1	261,464,880	267,053,807
Construction in progress in trust		6,532	34,036
Total property and equipment		463,266,212	478,916,920
Intangible assets			
Software		792	29,136
Leasehold rights		1,149,355	1,149,355
Leasehold rights in trust		585,575	2,780,922
Other intangible assets in trust		232,430	225,765
Total intangible assets		1,968,152	4,185,179
Investments and other assets			
Security deposits paid		10,000	10,000
Security deposits paid in trust		80,309	80,279
Long-term prepaid expenses		1,783,409	1,980,349
Total investments and other assets		1,873,719	2,070,628
Total Fixed Assets		467,108,084	485,172,729
<b>TOTAL ASSETS</b>		<b>527,025,769</b>	<b>527,807,870</b>

	(Thousands of yen)	
	End of 20th Fiscal Period (as of November 30, 2013)	End of 21st Fiscal Period (as of May 31, 2014)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	1,655,371	1,601,991
Current portion of corporate bonds	15,000,000	7,000,000
Long-term debt due for repayment within one year	29,176,000	15,750,000
Accrued expenses	583,543	490,090
Distributions payable	27,891	26,611
Income taxes payable	605	19,542
Consumption taxes payable	375,354	-
Rent received in advance	311,868	348,963
Rent received in advance in trust	2,199,693	2,281,212
Deposits received	4,684	2,446
Deposits received in trust	29,742	37,346
Other	17	-
<b>Total Current Liabilities</b>	<b>49,364,773</b>	<b>27,558,204</b>
Long-term Liabilities		
Corporate bonds	75,500,000	68,500,000
Long-term debt	137,657,000	166,457,000
Leasehold and security deposits received *1	3,013,928	3,248,151
Leasehold and security deposits received in trust *1	24,410,885	24,836,480
<b>Total Long-term Liabilities</b>	<b>240,581,814</b>	<b>263,041,632</b>
<b>Total Liabilities</b>	<b>289,946,587</b>	<b>290,599,836</b>
<b>NET ASSETS</b>		
Unitholders' Equity		
Unitholders' capital	199,230,469	199,230,469
Surplus		
Capital surplus	23,548,287	23,548,287
Reserve for distribution	8,187,154	7,754,927
Unappropriated retained earnings (unappropriated deficit)	6,113,271	6,674,349
<b>Total surplus</b>	<b>37,848,712</b>	<b>37,977,564</b>
<b>Total Unitholders' Equity</b>	<b>237,079,182</b>	<b>237,208,033</b>
<b>Total Net Assets</b> *4	<b>237,079,182</b>	<b>237,208,033</b>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>527,025,769</b>	<b>527,807,870</b>

## (2) Statement of Income

		(Thousands of yen)	
		20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
<b>Operating Revenues</b>			
Rental revenues	*1	15,859,355	16,348,932
Other rental revenues	*1	1,224,842	1,199,103
Gain on sales of real estates	*2	331,935	-
Dividend income from investment in anonymous association		29	-
<b>Total Operating Revenues</b>		<b>17,416,162</b>	<b>17,548,036</b>
<b>Operating Expenses</b>			
Property-related expenses	*1	7,771,624	7,757,790
Loss on sales of real estate	*3	153,756	-
Asset management fees		1,412,232	1,429,032
Asset custodian fees		17,334	17,065
Administrative service fees		74,732	68,913
Directors' compensation		10,200	10,200
Other operating expenses		255,654	247,959
<b>Total Operating Expenses</b>		<b>9,695,534</b>	<b>9,530,962</b>
<b>Operating Income</b>		<b>7,720,628</b>	<b>8,017,074</b>
<b>Non-operating Revenues</b>			
Interest income		3,118	2,209
Reversal of cash distributions payable		2,169	1,618
Insurance income		2,471	14,285
Subsidy income		5,120	-
Interest on refund		3,126	9
Other		148	2,561
<b>Total Non-operating Revenues</b>		<b>16,154</b>	<b>20,684</b>
<b>Non-operating Expenses</b>			
Interest expenses		1,055,603	959,384
Interest expenses on corporate bonds		409,866	342,847
Corporate bond issuance expenses		101,740	-
Investment unit issuance expenses		35,499	10,407
Other		20,197	30,781
<b>Total Non-operating Expenses</b>		<b>1,622,906</b>	<b>1,343,420</b>
<b>Ordinary Income</b>		<b>6,113,876</b>	<b>6,694,337</b>
<b>Income before Income Taxes</b>		<b>6,113,876</b>	<b>6,694,337</b>
Income Taxes - current		605	19,988
<b>Total Income Taxes</b>		<b>605</b>	<b>19,988</b>
<b>Net Income</b>		<b>6,113,271</b>	<b>6,674,349</b>
Retained Earnings Brought Forward		-	-
<b>Unappropriated Retained Earnings (unappropriated deficit)</b>		<b>6,113,271</b>	<b>6,674,349</b>



### (3) Statements of Unitholders' Equity

20th Fiscal Period (From June 1, 2013 to November 30, 2013)

(Thousands of yen)

	Unitholders' Equity						Total Net Assets
	Unitholders' Capital	Surplus				Total Unitholders' Equity	
		Capital Surplus	Reserve for Distribution	Unappropriated Retained Earnings	Total Surplus		
Balance at the beginning of current period	190,067,333	23,548,287	9,275,511	5,251,622	38,075,421	228,142,754	228,142,754
Changes of items during the period							
Issuance of new investment units	9,163,135				-	9,163,135	9,163,135
Reversal of reserve for distribution			(1,088,356)		(1,088,356)	(1,088,356)	(1,088,356)
Cash distribution disbursed				(5,251,622)	(5,251,622)	(5,251,622)	(5,251,622)
Net income				6,113,271	6,113,271	6,113,271	6,113,271
Total changes of items during the period	9,163,135	-	(1,088,356)	861,648	(226,708)	8,936,427	8,936,427
Balance at the end of current period	*199,230,469	23,548,287	8,187,154	6,113,271	37,848,712	237,079,182	237,079,182

21st Fiscal Period (From December 1, 2013 to May 31, 2014)

(Thousands of yen)

	Unitholders' Equity						Total Net Assets
	Unitholders' Capital	Surplus				Total Unitholders' Equity	
		Capital Surplus	Reserve for Distribution	Unappropriated Retained Earnings	Total Surplus		
Balance at the beginning of current period	199,230,469	23,548,287	8,187,154	6,113,271	37,848,712	237,079,182	237,079,182
Changes of items during the period							
Issuance of new investment units					-	-	-
Reversal of reserve for distribution			(432,226)		(432,226)	(432,226)	(432,226)
Cash distribution disbursed				(6,113,271)	(6,113,271)	(6,113,271)	(6,113,271)
Net income				6,674,349	6,674,349	6,674,349	6,674,349
Total changes of items during the period	-	-	(432,226)	561,078	128,851	128,851	128,851
Balance at the end of current period	*199,230,469	23,548,287	7,754,927	6,674,349	37,977,564	237,208,033	237,208,033

## (4) Statements of Cash Distribution

	20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
I. Unappropriated retained earnings	¥ 6,113,271,055	¥ 6,674,349,523
II. Reversal of reserve for distribution	¥ 432,226,695	-
III. Cash distributions (Cash distribution per unit)	¥6,545,497,750 (¥2,750)	¥ 6,674,027,524 (¥ 2,804)
IV. Retained earnings carried forward to the next period	-	¥ 321,999

Calculation method for cash distribution	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan concerning the deductibility of cash dividends paid for income tax purposes, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban decided to distribute ¥6,545,497,750, which is a total of unappropriated profit at the end of the period of ¥6,113,271,055 and reversal of reserve for distribution of ¥432,226,695 (of the balance of reserve for distribution, ¥8,187,154,621) for the 20th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan concerning the deductibility of cash dividends paid for income tax purposes, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban decided to distribute ¥6,674,027,524, which is the amount that does not exceed the unappropriated retained earnings and is the amount equivalent to the maximum integral multiple of number of investment units issued and outstanding (2,380,181 units) for the 21st fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>
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## (5) Statements of Cash Flows

	(Thousands of yen)	
	20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Cash flows from operating activities		
Income before income taxes	6,113,876	6,694,337
Depreciation and amortization	3,484,281	3,358,834
Gain on sale of properties	(331,935)	-
Loss on sale of properties	153,756	-
Interest income and interest on securities	(3,118)	(2,209)
Interest expense and interest expense on corporate bonds	1,465,469	1,302,231
Corporate bond issuance expenses	101,740	-
Investment unit issuance expenses	35,499	10,407
Decrease (increase) in rent receivables	(39,400)	(4,478)
Decrease (increase) in consumption taxes refundable	593,629	(57,392)
Decrease (increase) in prepaid expenses	367,392	(409,509)
Decrease (increase) in long-term prepaid expenses	19,352	20,389
Increase (decrease) in trade accounts payable	76,022	(25,649)
Increase (decrease) in accrued expenses	(5,818)	(1,238)
Increase (decrease) in consumption taxes payable	375,705	(375,267)
Increase (decrease) in rent received in advance	23,360	37,094
Increase (decrease) in rent received in advance in trust	97,408	81,518
Increase (decrease) in deposits received	1,073	(2,238)
Increase (decrease) in deposits received in trust	(13,163)	7,604
Amortization of leasehold and security deposits received	(28,661)	(25,578)
Amortization of leasehold and security deposits received in trust	(64,243)	(128,507)
Other	7,882	24,477
Subtotal	<u>12,430,108</u>	<u>10,504,826</u>
Interest received	3,097	2,189
Interest paid	(1,665,646)	(1,607,845)
Income taxes (paid) refund	44,294	(414)
Net cash provided by (used in) operating activities	<u>10,811,854</u>	<u>8,898,755</u>
Cash flows from investing activities		
Sale of property and equipment in trust	5,932,555	-
Purchase of property and equipment	(128,952)	(6,961,784)
Purchase of intangible assets	-	(5,738)
Purchase of property and equipment in trust	(11,638,475)	(12,088,576)
Purchase of intangible assets in trust	(99)	(2,221,438)
Proceeds from refund of investment securities	2,953	-
Proceeds from collection of leasehold and security deposits	-	30
Payment for leasehold and security deposits	(30)	-
Proceeds from leasehold and security deposits received	75,302	318,490
Payment of leasehold and security deposits received	(40,176)	(58,689)
Proceeds from leasehold and security deposits received in trust	857,255	943,911
Payment of leasehold and security deposits received in trust	(489,081)	(389,810)
Net cash provided by (used in) investing activities	<u>(5,428,749)</u>	<u>(20,463,605)</u>
Cash flows from financing activities		
Proceeds from long-term debt	23,550,000	33,100,000
Repayment of long-term debt	(27,573,000)	(17,726,000)
Proceeds from issuance of corporate bonds	14,903,557	-
Repayment of corporate bonds	(10,000,000)	(15,000,000)
Proceeds from issuance of investment units	9,127,636	-
Distributions to unitholders	(6,337,633)	(6,545,158)
Net cash provided by (used in) financing activities	<u>3,670,560</u>	<u>(6,171,158)</u>
Net changes in cash and cash equivalents	<u>9,053,664</u>	<u>(17,736,009)</u>
Cash and cash equivalents at the beginning of the period	<u>50,184,177</u>	<u>59,237,842</u>
Cash and cash equivalents at the end of the period	<u>59,237,842</u>	<u>41,501,833</u>

## (6) Statements of Cash Flows

Not applicable

## (7) Notes to Important Accounting Policies

1.	Valuation bases and methods of marketable securities	Debt securities held to maturity The amortized cost method (straight-line method) is used.
2.	Depreciation and amortization methods of fixed assets	<p>(1) Property and equipment (including trust assets) Depreciation of property and equipment is calculated on a straight-line basis. The estimated useful lives of the respective assets are as follows: Building: 2-67 years Structure: 2-45 years Machinery and equipment: 2-17 years Tools, furniture and fixtures: 3-15 years</p> <p>(2) Intangible assets (including trust 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.</p> <p>(3) Long-term prepaid expenses Depreciation of long-term prepaid expenses is calculated on a straight-line basis.</p>
3.	Accounting method of differed assets	Investment unit issuance expenses Investment unit issuance expenses are expensed at once at the time of payment.
4.	Revenues and expenses recognition	<p>Accounting method for taxes on property and equipment United Urban allocated the respective portion of property taxes, city planning taxes, depreciable property tax and other taxes for real estate assets held allocated to the current period and charged this to property-related expenses.</p> <p>The amount equivalent to the property taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year is not recorded as expenses but included in the purchase price of each property as a capitalized cost. There was ¥88,020 thousand of such property taxes which were capitalized for the current fiscal period.</p>
5.	Hedge accounting	<p>(1) Hedge accounting method The differed hedge accounting is adopted.</p> <p>(2) Hedging instrument and hedged item Hedging instrument: Interest rate cap transaction / Interest rate swap transaction Hedged item: Interest rate on debts</p> <p>(3) Hedging policy Based on its financial policy, United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation.</p> <p>(4) Evaluation method of the effectiveness of hedging The effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.</p>
6.	Scope of cash and cash equivalents in the statements of cash flows	Cash in the statements of cash flows (cash and cash equivalents) consist of cash on hand, cash held in trust, deposits and deposits in trust which can be withdrawn at any time, and short-term 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.

7.	Important matters as the basis for preparation of the financial statements	<p>(1) Accounting treatment for trust beneficial interests in entrusted assets including real estate</p> <p>For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts. In addition, the following significant accounts of assets held in trust which are recorded in the relevant accounts are reported separately in the balance sheet.</p> <ol style="list-style-type: none"> <li>1) Cash and bank deposit in trust</li> <li>2) Buildings in trust, Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust, and Construction in progress in trust</li> <li>3) Leasehold rights in trust and Other intangible assets in trust</li> <li>4) Security deposits paid in trust</li> <li>5) Rent received in advance in trust</li> <li>6) Deposits received in trust</li> <li>7) Leasehold and security deposits received in trust</li> </ol> <p>(2) Accounting method for consumption taxes</p> <p>The consumption tax and local consumption tax are accounted for using the tax exclusion method. However, non-deductible consumption taxes on fixed assets are included in the purchase price of each property as a capitalized cost.</p>
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## (8) Notes to Financial Statements

### [Notes to Balance Sheets]

#### \*1. Pledged assets and secured debt

Pledged assets were as follows:

	(Thousands of yen)	
	End of 20th Fiscal Period (As of November 30, 2013)	End of 21st Fiscal Period (As of May 31, 2014)
Cash and bank deposit in trust	207,164	207,184
Buildings	1,963,611	1,910,399
Structures	9,769	7,858
Land	2,089,982	2,089,982
Buildings in trust	2,245,264	2,190,226
Structures in trust	1,608	1,581
Tools, furniture and fixtures in trust	1,978	1,701
Land in trust	2,114,743	2,114,743
<b>Total</b>	<b>8,634,123</b>	<b>8,523,678</b>

Debt secured by pledged assets were as follows:

	(Thousands of yen)	
	End of 20th Fiscal Period (As of November 30, 2013)	End of 21st Fiscal Period (As of May 31, 2014)
Leasehold security deposits received	408,171	408,171
Leasehold security deposits received in trust	1,247,041	1,139,773
<b>Total</b>	<b>1,655,212</b>	<b>1,547,945</b>

#### \*2. Line-of-credit agreement

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

	(Thousands of yen)	
	End of 20th Fiscal Period (As of November 30, 2013)	End of 21st Fiscal Period (As of May 31, 2014)
Total amount of commitment	29,500,000	30,000,000
Outstanding borrowings at end of the period	-	-
<b>Net balance</b>	<b>29,500,000</b>	<b>30,000,000</b>

\*3. Contingent liabilities

20th Fiscal Period (As of November 30, 2013)

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

The Plaintiff has requested to reduce the rent of OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent. In addition, United Urban obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim to the Osaka District Court against OPA co., ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level.

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

21st Fiscal Period (As of May 31, 2014)

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

The Plaintiff has requested to reduce the rent of OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent. In addition, United Urban obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim to the Osaka District Court against OPA co., ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level.

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

\*4. Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan

(Thousands of yen)	
End of 20th Fiscal Period (As of November 30, 2013)	End of 21st Fiscal Period (As of May 31, 2014)
50,000	50,000

## [Notes to the Statement of Income]

## \*1. Operating revenues and expenses

	(Thousands of yen)			
	20th Fiscal Period (June 1, 2013- November 30, 2013)		21st Fiscal Period (December 1, 2013- May 31, 2014)	
<b>A. Operating revenues</b>				
Rental revenues				
Rental revenues	14,031,693		14,400,426	
Common area charges	1,310,212		1,395,164	
Parking revenues	422,336		439,132	
Other revenues (Note 1)	95,112	15,859,355	114,209	16,348,932
Other rental revenues				
Incidental revenues (Note 2)	1,103,016		1,020,421	
Temporary revenues	52,445		108,439	
Other miscellaneous revenues	69,380	1,224,842	70,242	1,199,103
<b>Total operating revenues</b>		<b>17,084,198</b>		<b>17,548,036</b>
<b>B. Property-related expenses</b>				
Rental expenses				
Property and other taxes	1,355,593		1,310,706	
Property management fees	1,106,995		1,180,470	
Utilities	1,184,814		1,111,046	
Casualty insurance	21,751		22,291	
Repairs and maintenance (Note 3)	304,612		432,966	
Depreciation and amortization	3,484,281		3,358,834	
Other rental expenses	313,574		341,473	
<b>Total rental expenses</b>		<b>7,771,624</b>		<b>7,757,790</b>
<b>C. Profit from rental activities (A-B)</b>		<b>9,312,573</b>		<b>9,790,245</b>

- Notes: 1 The consistent revenues other than rental revenues, common area charges and parking revenues are stated.  
2 The utilities revenues that come from tenants in proportion to the amount used are stated.  
3 The repair expense and repair and maintenance reserve are stated.

## \*2. Gain on Sale of Properties

## 20th Fiscal Period (From June 1, 2013 to November 30, 2013)

		(Thousand of yen)
<b>T&amp;G Yotsuya Mansion</b>		
Revenue from sale of property	1,280,000	
Cost of sale of property	1,117,110	
Other sales expenses	50,845	
<b>Gain on sale of properties</b>		<b>112,043</b>

		(Thousand of yen)
<b>Omori City Building</b>		
Revenue from sale of property	4,370,000	
Cost of sale of property	3,980,289	
Other sales expenses	169,817	
<b>Gain on sale of properties</b>		<b>219,892</b>

## 21st Fiscal Period (From December 1, 2013 to May 31, 2014)

There was no applicable information on gain on sale of properties for the fiscal period ended May 31, 2014.

## \*3. Loss on Sale of Properties

## 20th Fiscal Period (From June 1, 2013 to November 30, 2013)

		(Thousand of yen)
<b>Ropponmatsu Court</b>		
Revenue from sale of property	525,000	
Cost of sale of property	656,975	
Other sales expenses	21,781	
<b>Loss on sale of properties</b>		<b>153,756</b>



21st Fiscal Period (From December 1, 2013 to May 31, 2014)

There was no applicable information on loss on sale of properties for the fiscal period ended May 31, 2014.

[Notes to Statements of Changes in Unitholders' Equity]

\* Total number of investment units authorized and Total number of investment units issued and outstanding

	20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,380,181 units	2,380,181 units

[Notes to Tax Effect Accounting]

\*1. Significant components of deferred tax assets and deferred tax liabilities

	(Thousands of yen)	
	End of 20th Fiscal Period (As of November 30, 2013)	End of 21st Fiscal Period (As of May 31, 2014)
Deferred tax assets (non current)		
Valuation difference on assets acquired by merger	24,716,566	24,717,847
Other	510	408
Subtotal	24,717,077	24,718,255
Valuation allowance	(24,717,077)	(24,718,255)
Total	-	-
Total deferred tax assets	-	-

\*2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting

	End of 20th Fiscal Period (As of November 30, 2013)	End of 21st Fiscal Period (As of May 31, 2014)
Statutory tax rate	36.59 %	39.43 %
(Adjustment)		
Distributions of tax-deductible dividends	(38.88)%	(39.31)%
Changes in valuation allowance	2.29 %	0.14 %
Other	0.01 %	0.03 %
Effective tax rate after the application of tax effect accounting	0.01 %	0.29 %

\*3. Change in tax rate after the closing date of fiscal period ended May 31, 2014

On March 31, 2014, "The Act for Partial Revision of the Income Tax Act, etc." (Act No. 10 of 2014) was issued. In line with this, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities concerning temporary differences expected to reverse during fiscal periods beginning on or after April 1, 2014 will be changed to 34.16%. Moreover, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities concerning temporary differences expected to reverse during fiscal periods beginning on or after October 1, 2014 will be changed to 34.15%. These changes will have no impact on the settlement of United Urban.

[Notes to Real Estate Assets for Rent]

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values at the end of the period were as follows:

(Thousands of yen)

Type of Use		20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	164,084,374	167,732,131
	Change during the period (Note 2)	3,647,756	6,343,262
	Balance at the end of the period	167,732,131	174,075,394
	Fair value at the end of the period (Note 3)	170,048,000	178,918,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	196,772,803	192,019,858
	Change during the period (Note 2)	(4,752,945)	4,928,571
	Balance at the end of the period	192,019,858	196,948,429
	Fair value at the end of the period (Note 3)	202,857,000	211,016,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	59,823,358	59,511,820
	Change during the period (Note 2)	(311,537)	3,348,083
	Balance at the end of the period	59,511,820	62,859,904
	Fair value at the end of the period (Note 3)	60,415,000	65,026,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	35,308,111	34,630,676
	Change during the period (Note 2)	(677,435)	(305,717)
	Balance at the end of the period	34,630,676	34,324,958
	Fair value at the end of the period (Note 3)	38,382,000	39,244,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	6,845,455	11,106,655
	Change during the period (Note 2)	4,261,200	3,531,855
	Balance at the end of the period	11,106,655	14,638,510
	Fair value at the end of the period (Note 3)	11,530,000	15,620,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	462,834,104	465,001,142
	Change during the period (Note 2)	2,167,038	17,846,055
	Balance at the end of the period	465,001,142	482,847,198
	Fair value at the end of the period (Note 3)	483,232,000	509,824,000

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the “Change during the period” for the 20th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥10,376 million) and capital expenditures (¥1,034 million). And the amount of the decrease is primarily attributable to the sale of three properties (¥5,754 million), and the depreciation and amortization (¥3,477 million).  
Of the “Change during the period” for the 21st fiscal period, the amount of the increase is primarily attributable to acquisition of six new properties (total: ¥19,171 million) and capital expenditures (¥2,049 million). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,352 million).
- 3 The “Fair value at the end of the period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of the Investment Trusts Association, Japan.

For the revenues and expenses concerning investment and rental properties, please refer to the “Notes to the Statement of Income.”

#### [Omission of Disclosure]

Notes to statements of cash flow, leases, financial instruments, securities, derivative transactions, employee retirement benefit, equity earnings of affiliate companies, transactions with related parties, segment information, and asset retirement obligation are omitted since the disclosure of these notes in this Financial Report is not considered to be important.

#### [Notes to Per Unit Information]

	20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Net assets per unit	¥ 99,605	¥ 99,659
Net income per unit	¥ 2,586	¥ 2,804

- Notes: 1 Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. Diluted net income per unit is not stated, as there are no dilutive investment units.
- 2 A basis for calculation of net income per unit is as follows:

		20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Net income	(Thousands of yen)	6,113,271	6,674,349
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	6,113,271	6,674,349
Average number of investment units during the period	(Unit)	2,363,119	2,380,181

#### [Notes to Significant Subsequent Events]

##### 1. Issuance of new investment units

In order to replenish cash reserves, which were reduced by the acquisition of specified assets and to procure funds for the acquisition of new specified assets and for repayment of interest-bearing liabilities, the payments of ¥18,661 million in connection with the issuance of new investment units by public offering were completed on June 10, 2014, and the payment of ¥1,876 million in connection with the issuance of new investment units by way of third-party allotment (12,065 units) was also completed on July 9, 2014 based on the resolution regarding the issuance of 120,000 new investment units by way of public offering, and the issuance of 12,065 new investment units (maximum) by way of third-party allotment at the board of directors' meetings of United Urban, held on May 23, 2014 and the resolution regarding the determination of prices for the issuance of new investment units and secondary offering of investment units at the board of directors' meetings of United Urban, held on June 3, 2014.

As a result, the United Urban's total capital increased to ¥219,768 million and United Urban's total number of investment units issued and outstanding increased to 2,512,246 units.

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

Number of investment units issued	: 120,000 units
Offer price (per unit)	: ¥160,426
Total offer price	: ¥19,251,120,000
Issue price (per unit)	: ¥155,515
Total issue price	: ¥18,661,800,000
Payment date	: June 10, 2014 (Tuesday)
Starting date of the computation for cash distribution	: June 1, 2014 (Sunday)

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

Number of investment units issued	: 12,065 units
Issue price (per unit)	: ¥155,515
Total issue price	: ¥1,876,288,475
Payment date	: July 9, 2014 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2014 (Sunday)
Alottee	: SMBC Nikko Securities Inc.

##### 2. Acquisition of property

United Urban decided to acquire the following property (acquisition price: ¥3,600 million) on May 23, 2014, and the acquisition had been completed on June 13, 2014 with proceeds from the issuance of new investment units stated in 1. above.

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
B43	Hirose-dori SE Building	Office	Sendai, Miyagi	3,600	June 13, 2014
Total				3,600	

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated.
2. The acquisition price is stated based on the purchase price stated in the sale and purchase agreements concerning the acquisition of the property. In addition, the amount of the purchase price does not include the acquisition cost, property tax, city planning tax and consumption tax, etc.

## (9) Change in Number of Investment Units Issued and Outstanding

There were no changes in the number of investment units issued and outstanding and unitholders' capital during the current period. The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Number of Investment Units Issued and Outstanding (Unit)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
December 1, 2010	Split of investment units	1,006,500	1,207,800	-	108,310	(Note 1)
December 1, 2010	Merger with NCI	243,519	1,451,319	-	108,310	(Note 2)
June 8, 2011	Additional issue of new investment units through public offering	640,000	2,091,319	56,548	164,858	(Note 3)
July 6, 2011	Additional issue of new investment units through third-party allotment	12,064	2,103,383	1,065	165,924	(Note 4)
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 5)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 6)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 7)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 8)

- Notes
1. One investment unit was split into six units.
  2. United Urban conducted an absorption-type merger based on Article 147 of the Investment Trust Act under which United Urban remained as the surviving company and NCI as the absorbed company. Due to the absorption-type merger, one United Urban unit after the split of units was allocated per one NCI unit (257,400 NCI outstanding units prior to the merger, minus 13,881 NCI units for which appraisal rights were invoked).
  3. New investment units were issued through public offering at the offer price of ¥91,162 per unit (issue price (underwriter price) ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.
  4. New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.
  5. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
  6. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
  7. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
  8. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.

## 4. Change in Directors

Change in directors had been disclosed timely at the time of decision.

## 5. Reference Information

### (1) Composition of Portfolio

Categories of Assets	Type of Use	Areas		20th Fiscal Period (As of November 30, 2013)		21st Fiscal Period (As of May 31, 2014)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
		Tokyo metropolitan area (Note 5)	7,394,312	1.4	7,381,171	1.4	
		Other regions	7,501,820	1.4	14,242,392	2.7	
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,349,463	2.5	13,372,400	2.5
			The 23 wards of Tokyo	9,847,225	1.9	9,810,123	1.9
		Tokyo metropolitan area	9,566,676	1.8	9,507,250	1.8	
		Other regions	-	-	-	-	
	Hotels	Capital region	The 6 central wards of Tokyo	1,731,838	0.3	1,717,317	0.3
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	4,462,091	0.8	4,429,292	0.8	
		Other regions	-	-	-	-	
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	3,027,467	0.6	2,995,901	0.6
		Tokyo metropolitan area	-	-	-	-	
		Other regions	823,397	0.2	812,143	0.2	
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	-	-	-	-	
		Other regions	-	-	-	-	
Subtotal				57,704,293	10.9	64,267,993	12.2
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	1,574,333	0.3	1,570,796	0.3
			The 23 wards of Tokyo	23,784,074	4.5	23,660,430	4.5
		Tokyo metropolitan area	67,822,789	12.9	67,476,538	12.8	
		Other regions	59,654,801	11.3	59,744,064	11.3	
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,074,757	11.6	63,568,071	12.0
			The 23 wards of Tokyo	3,786,899	0.7	3,766,391	0.7
		Tokyo metropolitan area	47,166,562	8.9	46,972,025	8.9	
		Other regions	47,228,273	9.0	49,952,167	9.5	
	Hotels	Capital region	The 6 central wards of Tokyo	30,132,942	5.7	33,714,050	6.4
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	3,507,580	0.7	3,459,312	0.7	
		Other regions	19,677,367	3.7	19,539,930	3.7	
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,069,721	0.2	1,059,191	0.2
			The 23 wards of Tokyo	9,461,103	1.8	9,427,844	1.8
		Tokyo metropolitan area	2,100,523	0.4	2,113,299	0.4	
		Other regions	18,148,464	3.4	17,916,578	3.4	
	Others	Capital region	The 6 central wards of Tokyo	-	-	3,640,875	0.7
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	5,092,649	1.0	5,059,163	1.0	
		Other regions	6,014,006	1.1	5,938,472	1.1	
Subtotal				407,296,849	77.3	418,579,204	79.3
Bank deposit and other assets				62,024,626	11.8	44,960,671	8.5
Total assets				527,025,769	100.0	527,807,870	100.0

- Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The trust beneficial interest which trust asset mainly consists of real estate does not include an amount of deposit in the trust asset.
2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the capital region excluding the "23 wards of Tokyo."

	20th Fiscal Period (As of November 30, 2013)		21st Fiscal Period (As of May 31, 2014)	
	Amount (Thousands of yen)	Percentage of Total Assets (%)	Amount (Thousands of yen)	Percentage of Total Assets (%)
Total Liabilities	289,946,587	55.0	290,599,836	55.1
Total net assets	237,079,182	45.0	237,208,033	44.9
Total assets	527,025,769	100.0	527,807,870	100.0

## (2) Investment Assets

### Investment Real Estate Properties

As of the end of the 21st fiscal period, United Urban had ownership of, or trust beneficial interests in real estate (properties which are the trust assets of trust beneficial interests in real estate are referred to as the "Real Estate in Trust", and real estate and Real Estate in Trust are referred to as collectively the "Real Estate Assets". Consequently, all of the real estate and Real Estate in Trust are shown in the table below.

### Outline of Real Estate Assets 1

Acquisition price, book value at the end of the period, appraisal value at the end of the period, appraisers, number of tenants, leasable floor space, leased floor space and occupancy ratio of Real Estate Assets were as follows:

(As of May 31, 2014)

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A1	Daiei Himonya	15,300	14,790	14,300	2.8	JREI	1	26,655.66	26,655.66	100.0
A2	Joy Park Izumigaoka	6,770	5,592	4,270	0.8	JREI	23	13,611.24	13,611.24	100.0
A3	Daimaru Peacock Ashiya Kawanishi	769	746	1,080	0.2	JREI	1	1,558.80	1,558.80	100.0
A4	Re-LAND Shopping Center	5,200	4,308	5,190	1.0	JREI	15	12,968.85	12,695.30	97.9
A5	AEON MALL Uki	11,100	9,699	10,100	2.0	JREI	1	72,073.39	72,073.39	100.0
A6	TENJIN LUCE	6,500	6,447	4,560	0.9	Nittochi	10	4,194.66	4,194.66	100.0
A7	Yamada Denki Tecc Land Sakai Honten	3,210	2,946	3,090	0.6	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	5,216	4,640	0.9	JREI	3	10,487.92	10,487.92	100.0
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,772	1,720	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,740	3,090	0.6	JREI	8	2,081.50	1,601.50	76.9
A11	Tip's Machida Building	4,100	4,254	4,160	0.8	JREI	10	6,715.75	6,715.75	100.0
A12	Daiei Takarazuka Nakayama	4,284	3,448 (Note 12)	3,910	0.8	JREI	1	16,729.60	16,729.60	100.0
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	11,904	12,450	11,100	2.2	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,370	1,920	0.4	JREI	9	1,938.56	1,938.56	100.0
A15	Shinsaibashi OPA Honkan	22,800	22,362	24,500	4.8	JREI	1	27,025.42	27,025.42	100.0
A16	Shinsaibashi OPA Kireikan	2,770	2,696	3,030	0.6	JREI	1	4,858.61	4,858.61	100.0
A19	Albore Jingumae	1,580	1,570	1,930	0.4	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,459	2,790	0.5	JREI	5	3,147.29	3,147.29	100.0
A21	Mallage Kashiwa	7,040	6,877	7,820	1.5	JREI	92	40,152.73	39,458.64	98.3
A23	Ito-Yokado Owariasahi	4,840	4,475	4,940	1.0	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,368	1,840	0.4	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	5,129	5,340	1.0	JREI	21	2,283.47	2,283.47	100.0

A26	ACTIOLE Ichikawa	3,350	3,286	3,580	0.7	JREI	13	3,925.49	3,925.49	100.0
A27	VIVAHOME Yokohama Aoba (Site)	2,600	2,740	2,980	0.6	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,370	0.5	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	28,757	32,300	6.3	JREI	1	37,932.95	37,932.95	100.0
A30	Yamada Denki Tecc Land New Matsudo Honten	5,150	5,206	5,940	1.2	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,518	4,600	0.9	JREI	9	7,575.89	7,515.00	99.2
A32	Narumi Shopping Center (Site)	6,460	6,820	6,510	1.3	Tanizawa	3	60,419.26	60,419.26	100.0
B1	T&G Hamamatsucho Building	2,257	2,127	2,840	0.6	Tanizawa	6	2,420.85	2,420.85	100.0
B2	SK Nagoya Building	5,400	5,344	4,650	0.9	Tanizawa	7	8,708.52	6,166.27	70.8
B3	Fukuoka Eartheon Building	2,080	1,718	2,270	0.4	JREI	4	4,934.39	4,934.39	100.0
B4	Marumasa Kojimachi Building	2,350	2,471	2,320	0.5	JREI	16	2,578.84	2,355.09	91.3
B5	Rokubancho K Building	2,150	2,302	3,380	0.7	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	24,679	25,100	4.9	Nittochi	60	45,938.36	42,596.11	92.7
B7	Kawasaki Toshiba Building	19,200	19,012	29,000	5.7	Tanizawa	1	36,118.31	36,118.31	100.0
B8	UUR Toyochō Building	8,500	8,707	8,310	1.6	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,326	4,970	1.0	JREI	1	5,000.54	5,000.54	100.0
B10	Hitachi High-Tech Building	14,800	14,603	13,500	2.6	JREI	2	15,781.64	15,781.64	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	12,305	10,700	2.1	JREI	21	11,119.39	10,300.91	92.6
B12	UUR Tsukiji Building	6,860	6,563	6,260	1.2	JREI	4	5,971.42	5,971.42	100.0
B13	Pacific Marks Tsukishima	6,080	5,978	6,140	1.2	JREI	47	9,336.27	9,174.65	98.3
B14	Pacific Marks Yokohama East	7,050	7,091	6,870	1.3	Tanizawa	17	10,759.29	7,902.43	73.4
B15	Pacific Marks Shin-Urayasu	3,920	3,790	3,900	0.8	JREI	12	8,743.05	7,394.52	84.6
B17	Akasaka Hikawa Building	3,290	3,245	3,500	0.7	JREI	1	3,438.23	3,438.23	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,497	2,800	0.5	JREI	1	1,972.43	1,972.43	100.0
B19	Pacific Marks Nihonbashi- Tomizawacho	1,890	1,852	1,900	0.4	JREI	7	2,631.17	2,631.17	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,194	2,020	0.4	JREI	8	1,675.13	1,675.13	100.0
B21	Yokohama Aioicho Building	1,060	1,046	1,180	0.2	Tanizawa	20	2,445.10	2,445.10	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,632	1,510	0.3	Tanizawa	11	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	9,507	10,400	2.0	Tanizawa	35	7,398.89	6,677.10	90.2
B26	Hamamatsucho 262 Building	6,840	6,704	6,610	1.3	JREI	18	6,183.89	6,183.89	100.0
B27	Lila Hijirizaka	2,750	2,685	2,720	0.5	JREI	13	4,255.02	4,102.06	96.4
B28	Pacific Marks Aobadai	1,620	1,619	1,530	0.3	JREI	5	2,486.40	1,561.30	62.8
B29	Otsuka HT Building	1,160	1,103	1,200	0.2	JREI	6	1,794.71	1,794.71	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,514	2,700	0.5	JREI	8	1,742.04	1,389.22	79.7
B31	Pacific Marks Nishi-Umeda	6,860	6,468	6,900	1.4	Tanizawa	27	11,040.04	10,613.24	96.1
B32	Pacific Marks Higobashi	4,570	4,407	4,250	0.8	Tanizawa	19	7,623.58	6,587.54	86.4
B33	Nagoya Nishiki City Building	2,670	2,551	2,350	0.5	Tanizawa	19	5,617.35	3,938.26	70.1



B34	Pacific Marks Esaka	9,590	9,172	9,700	1.9	Tanizawa	34	20,015.73	19,703.53	98.4
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,859	1,870	0.4	Tanizawa	13	4,761.87	4,761.87	100.0
B36	Shin-Sapporo Center Building	987	924	1,040	0.2	Tanizawa	18	2,797.03	2,512.87	89.8
B37	ARENA TOWER	9,500	9,147	11,100	2.2	Tanizawa	12	17,967.46	17,707.24	98.6
B38	Yushima First Building	2,100	2,147	2,680	0.5	JREI	7	4,598.87	4,598.87	100.0
B39	Dogenzaka Square	2,300	2,372	2,560	0.5	JREI	30	2,231.84	2,111.72	94.6
B40	GRAND-SQUARE Shin-Sakae	1,480	1,544	1,760	0.3	JREI	6	4,578.93	4,405.01	96.2
B41	GRAND-SQUARE Meieki-minami	1,220	1,277	1,670	0.3	JREI	11	4,003.05	3,405.05	85.1
B42	Shiba 520 Building (Note 13)	2,100	2,194	2,340	0.5	JREI	4	2,854.26	2,854.26	100.0
C1	Shinjuku Washington Hotel Honkan	21,140	20,628	20,800	4.1	JREI	7	53,363.11	53,256.78	99.8
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,717	2,180	0.4	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,459	3,410	0.7	JREI	8	6,670.21	6,494.00	97.4
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	4,429	4,430	0.9	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,521	8,000	1.6	Nittochi	2	13,701.80	13,701.80	100.0
C6	Hotel JAL City Yotsuya Tokyo	4,200	4,272	4,650	0.9	JREI	3	7,854.86	7,854.86	100.0
C7	Yotsuya 213 Building	5,020	5,151	5,390	1.1	JREI	4	7,550.16	7,550.16	100.0
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	2,000	2,022	2,490	0.5	JREI	1	5,880.69	5,880.69	100.0
C9	the b roppongi	3,500	3,661	3,510	0.7	JREI	2	2,710.90	2,710.90	100.0
D1	T&G Higashi-ikebukuro Mansion	2,021	1,632	2,020	0.4	Tanizawa	124	2,603.22	2,502.32	96.1
D4	Komazawa Court	1,680	1,560	2,110	0.4	JREI	1	3,741.17	3,741.17	100.0
D6	Sky Court Shiba-Daimon	1,175	1,059	1,180	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D7	Maison Ukima	3,530	3,312	4,110	0.8	JREI	1	12,691.43	12,691.43	100.0
D8	Narashino Residence	1,140	1,045	1,200	0.2	JREI	1	6,840.86	6,840.86	100.0
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,680	3,280	0.6	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	1,119	1,370	0.3	Tanizawa	1	4,790.50	4,790.50	100.0
D11	UUR Court Chiba Soga	620	600	626	0.1	JREI	1	2,931.14	2,931.14	100.0
D12	Higashi-kurume Dormitory Shinkan	480	467	503	0.1	JREI	1	1,397.61	1,397.61	100.0
D13	Nanzan Court Ichigokan	1,070	952	1,020	0.2	JREI	1	3,576.74	3,576.74	100.0
D14	Nanzan Court Nigokan	450	399	485	0.1	JREI	1	1,890.51	1,890.51	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,923	3,120	0.6	JREI	87	4,097.51	3,933.27	96.0
D16	GRAND-ROUGE Sakae	1,570	1,366	1,370	0.3	JREI	1	3,697.38	3,697.38	100.0
D17	GRAND-ROUGE Sakae II	1,300	1,157	1,200	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	3,058	3,840	0.8	JREI	153	11,525.36	11,525.36	100.0
D19	UUR Court Nagoya Meieki	1,473	1,349	1,380	0.3	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	812	817	0.2	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	863	703	0.1	JREI	35	2,067.95	1,778.39	86.0

D22	UUR Court Osaka Juso-honmachi	1,570	1,464	1,530	0.3	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,995	3,320	0.7	JREI	202	5,460.39	5,460.39	100.0
D24	UUR Court Sapporo Minami-Sanjo Premier Tower (Note14)	2,050	2,047	2,530	0.5	JREI	136	7,817.12	6,857.12	87.7
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,459	1,530	0.3	JREI	111	3,090.36	2,918.54	94.4
E1	Lilycolor Tohoku Branch	2,050	1,657	1,980	0.4	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	5,059	5,200	1.0	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	4,280	4,550	0.9	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,640	3,890	0.8	JREI	1	3,212.21	3,212.21	100.0
Total		493,124	482,847	509,824	100.0	-	1,681	1,087,135.55	1,065,321.00	98.0

## Outline of Real Estate Assets 2

Type, total annual rent, tenant leasehold and security deposits, PML and earthquake insurance of Real Estate Assets were as follows:

(As of May 31, 2014)

Property No.	Type	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
A1	Retail Properties	Daiei Himonya	918,720	765,600	15%	N/A
A2		Joy Park Izumigaoka	380,480	369,614	10%	N/A
A3		Daimaru Peacock Ashiya Kawanishi	60,000	60,000	6%	N/A
A4		Re-LAND Shopping Center	404,674	983,697	13%	N/A
A5		AEON MALL Uki	903,349	1,000,000	7.8% (Note 9)	N/A
A6		TENJIN LUCE	309,874	278,003	2%	N/A
A7		Yamada Denki Tecc Land Sakai Honten	(Note 10)	539,000	8%	N/A
A8		Miyamae Shopping Center	231,213	909,730	17%	N/A
A9		KONAMI SPORTS CLUB Korigaoka	(Note 10)	60,000	11%	N/A
A10		ACTIOLE Minami-ikebukuro	138,582	134,315	14%	N/A
A11		Tip's Machida Building	307,902	251,106	18%	N/A
A12		Daiei Takarazuka Nakayama	303,999	-	9%	N/A
A13	Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	596,821	397,218	- (Note 11)	- (Note 11)
A14	Retail Properties	ACTIOLE Kannai	112,460	95,521	19%	N/A
A15		Shinsaibashi OPA Honkan	1,408,804	1,448,304	12%	N/A
A16		Shinsaibashi OPA Kireikan	175,536	184,312	10%	N/A
A19		Albore Jingumae	91,200	68,200	14.6%	N/A
A20		Albore Sendai	186,729	109,210	8%	N/A
A21		Mallage Kashiwa	831,024	883,742	9%	N/A
A23		Ito-Yokado Owariasahi	419,090	417,793	11%	N/A
A24		Yokohama Kariba Shopping Center	(Note 10)	110,000	12%	N/A
A25		Luz Jiyugaoka	318,266	276,472	12%	N/A
A26		ACTIOLE Ichikawa	229,661	175,337	10%	N/A

A27		VIVAHOME Yokohama Aoba (Site)	(Note 10)	150,000	(Note 11)	(Note 11)
A28		Yamada Denki Tecc Land Aoba (Site)	(Note 10)	87,500	(Note 11)	(Note 11)
A29		Yodobashi Camera Multimedia Kichijoji	(Note 10)	1,210,000	14%	N/A
A30		Yamada Denki Tecc Land New Matsudo Honten	(Note 10)	350,000	11%	N/A
A31		Tenjin Loft Building	485,384	243,723	1%	N/A
A32		Narumi Shopping Center (Site)	(Note 10)	290,617	(Note 11)	(Note 11)
B1	Office Buildings	T&G Hamamatsucho Building	137,483	247,303	12%	N/A
B2		SK Nagoya Building	272,791	216,671	11%	N/A
B3		Fukuoka Eartheon Building	188,856	104,101	1%	N/A
B4		Marumasu Kojimachi Building	145,544	106,047	11%	N/A
B5		Rokubancho K Building	204,674	82,011	14%	N/A
B6	Office /Hotels	Shin-Osaka Central Tower	1,797,310	1,469,749	7%	N/A
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7%	N/A
B8		UUR Toyochō Building	492,683	367,939	13%	N/A
B9		FOUR SEASONS BLDG	306,489	254,855	11%	N/A
B10		Hitachi High-Tech Building	741,577	771,472	15%	N/A
B11		Pacific Marks Shinjuku Parkside	592,388	441,176	14.8%	N/A
B12		UUR Tsukiji Building	241,150	230,248	14%	N/A
B13		Pacific Marks Tsukishima	443,471	262,345	14%	N/A
B14		Pacific Marks Yokohama East	302,584	177,327	15%	N/A
B15		Pacific Marks Shin-Urayasu	287,725	180,357	11%	N/A
B17		Akasaka Hikawa Building	205,931	294,216	14%	N/A
B18		Pacific Marks Shibuya Koen-dori	168,000	100,500	12%	N/A
B19		Pacific Marks Nihonbashi-Tomizawacho	138,501	110,798	15%	N/A
B20		Pacific Marks Akasaka-mitsuke	115,755	75,221	13%	N/A
B21		Yokohama Aioicho Building	104,750	71,339	17%	N/A
B22		Pacific Marks Shin-Yokohama	109,929	70,940	16%	N/A
B25		Pacific Marks Kawasaki	527,741	403,105	17%	N/A
B26		Hamamatsucho 262 Building	398,511	516,104	14%	N/A
B27		Lila Hijirizaka	196,466	108,260	12%	N/A
B28		Pacific Marks Aobadai	75,757	68,262	12%	N/A
B29		Otsuka HT Building	94,378	76,062	13%	N/A
B30		Pacific Marks Shinjuku South-gate	138,533	153,397	12%	N/A
B31		Pacific Marks Nishi-Umeda	485,652	391,309	10%	N/A
B32		Pacific Marks Higobashi	257,179	217,150	12%	N/A
B33		Nagoya Nishiki City Building	119,148	122,061	16%	N/A
B34		Pacific Marks Esaka	877,128	791,177	9%	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	166,464	126,076	1%	N/A
B36		Shin-Sapporo Center Building	102,645	73,903	2%	N/A
B37		ARENA TOWER	762,413	394,929	10%	N/A
B38		Yushima First Building	200,261	144,914	13%	N/A

B39		Dogenzaka Square	168,679	127,485	16%	N/A	
B40		GRAND-SQUARE Shin-Sakae	142,073	86,255	10%	N/A	
B41		GRAND-SQUARE Meieki-minami	106,023	77,747	10%	N/A	
B42		Shiba 520 Building (Note 13)	160,325	88,106	13%	N/A	
C1	Hotels	Shinjuku Washington Hotel Honkan	1,462,148	2,004,479	9%	N/A	
C2		Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17%	N/A	
C3		MZ BLD.	264,535	195,293	13%	N/A	
C4		HOTEL ROUTE-INN Yokohama Bashamichi	284,091	111,377	19%	N/A	
C5		Hotel JAL City Naha	268,393	14,196	5%	N/A	
C6		Hotel JAL City Yotsuya Tokyo	369,701	311,267	14%	N/A	
C7		Yotsuya 213 Building	317,490	238,841	13%	N/A	
C8		HOTEL ROUTE-INN Nagoya Imaike Ekimae	(Note 10)	75,000	12%	N/A	
C9		the b roppongi	146,900	11,457	12%	N/A	
D1		Residential Properties	T&G Higashi-ikebukuro Mansion	125,988	21,218	12%	N/A
D4	Komazawa Court		118,800	19,800	11%	N/A	
D6	Sky Court Shiba-Daimon		64,800	10,800	17%	N/A	
D7	Maison Ukima		247,320	82,440	14.6%	N/A	
D8	Narashino Residence		102,720	34,540	10%	N/A	
D9	Aprile Shin-Ohgi Ichibankan		(Note 10)	55,288	8%	N/A	
D10	UUR Court Sapporo Kita-Sanjo		94,180	7,838	2%	N/A	
D11	UUR Court Chiba Soga		(Note 10)	16,400	14%	N/A	
D12	Higashi-kurume Dormitory Shinkan		33,696	11,232	10%	N/A	
D13	Nanzan Court Ichigokan		74,235	13,228	12%	N/A	
D14	Nanzan Court Nigokan		32,963	5,801	14%	N/A	
D15	CLIO Bunkyo Koishikawa		187,644	32,807	14.5%	N/A	
D16	GRAND-ROUGE Sakae		83,859	24	13%	N/A	
D17	GRAND-ROUGE Sakae II		69,303	6,413	13%	N/A	
D18	MA Sendai Building		276,031	24,380	11%	N/A	
D19	UUR Court Nagoya Meieki		87,555	7,381	16%	N/A	
D20	UUR Court Sapporo Shinoro Ichibankan		61,581	4,058	3%	N/A	
D21	Park Site IZUMI		53,304	10,631	12%	N/A	
D22	UUR Court Osaka Juso-honmachi		100,854	9,394	16%	N/A	
D23	UUR Court Kinshicho		224,682	35,953	14.8%	N/A	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower (Note14)		202,732	42,503	1%	N/A	
D25	GLAND-ROUGE Nakanoshima-minami		107,244	9,100	15%	N/A	
E1	Others		Lilycolor Tohoku Branch	(Note 10)	600,000	11%	N/A
E2			KDDI Fuchu Building	(Note 10)	614,670	11%	N/A
E3			Tsubogawa Square Building	402,585	245,942	8%	N/A
E4		THE PLACE of TOKYO	(Note 10)	100,000	13%	N/A	
Total			32,574,721	28,084,632	8.41%		

- Notes:
1. The “Acquisition Price” is an amount (the amounts stated in each sale and purchase agreements excluding consumption taxes) does not include the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen.
  2. “Appraisal Value at the End of Period” shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2014.  
 In addition, “Appraisers” shows the real estate appraisers, which conducted real estate appraisal or price surveys at the time of acquisition of each properties and continuous assessments. The appraisers are referred to as “JREI” for Japan Real Estate Institute”, “Tanizawa” for The Tanizawa Sōgō Appraisal Co., Ltd. and “Nittochi” for NIPPON TOCHI-TATEMONO Co., Ltd.
  3. “Number of Tenants,” “Leasable Floor Space,” “Leased Floor Space,” and “Occupancy Ratio” are based on data as of May 31, 2014. “Leasable Floor Space” means the aggregate leasable floor space of the portions owned by United Urban of individual Real Estate Assets. “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.) “Occupancy Ratio” is the percentage obtained from dividing “Leased Floor Space” by “Leasable Floor Space.” With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion’s entire floor area.
  4. “Number of Tenants” figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
  5. As a general rule, “Leased Floor Space” indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
  6. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2014 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. As for residential properties which are leased in the form of a pass-through-type master lease agreement, monthly rent(s) under the lease agreement of end-tenants in effect as of May 31, 2014 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen are shown.
  7. “Tenant Leasehold and Security Deposits” are based on data as of May 31, 2014. In addition, “Tenant Leasehold and Security Deposits” include leasehold and security deposits of room, parking lot, warehouse, signboard, etc., and is rounded down to the nearest thousand yen.
  8. “PML” (probable maximum loss in an analysis of the earthquake risk) is based on the earthquake risk analysis report prepared by SHIMIZU CORPORATION. In addition, figure at “Total” for “PML” represents the overall portfolio PML.
  9. As for “PML” of AEON MALL Uki, the entire portfolio PML of eleven buildings held by United Urban is stated.
  10. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
  11. For maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), VIVAHOME Yokohama Aoba (Site), Yamada Denki Tecc Land Aoba (Site) and Narumi Shopping Center (Site), United Urban acquired only land. Accordingly, there is no applicable information.
  12. 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 Dai-ichi 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 ¥3,448 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.
  13. The property name was changed from “Marubeni Corporation Tokyo Head Office Mita Annex” to “Shiba 520 Building” on April 1, 2014.
  14. The property name was changed from “Glenpark Sapporo Premier Tower” to “UUR Court Sapporo Minami-Sanjo Premier Tower” on October 1, 2013.

### (3) Capital Expenditures

#### 1. Plan of Capital Expenditure

The table below sets out the principal capital expenditures for repair, etc., of Real Estate Assets managed by United Urban scheduled as of May 31, 2014. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Location	Purpose	Scheduled Period	Amount Projected (Millions of yen)		
				Total amount	Amount payable in the 21st fiscal period	Amount already paid
SK Nagoya Building	Nagoya, Aichi	Renewal of air-conditioning facilities (2nd period)	From August 2014 to May 2015	311	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities (1st period)	From April 2014 to July 2014	134	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities (2nd period)	From September 2014 to December 2014	407	-	-
Pacific Marks Esaka	Suita, Osaka	Renewal of receiving and transforming facilities (2nd period)	From September 2014 to December 2014	223	-	-

#### 2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Real Estate Assets during the 21th fiscal period, which totaled ¥2,049 million. Together with ¥432 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,482 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	Repair of exterior walls	From January 2014 to April 2014	71
Joy Park Izumigaoka	Sakai, Osaka	Renewal of 1st floor	From January 2014 to March 2014	282
Joy Park Izumigaoka	Sakai, Osaka	Renewal of toilets (1F~3F)	From March 2014 to March 2014	23
AEON MALL Uki	Uki, Kumamoto	Renewal of air-conditioning facilities	From February 2014 to March 2014	25
TENJIN LUCE	Fukuoka, Fukuoka	Installation work for new tenant	From May 2014 to May 2014	30
Miyamae Shopping Center	Kawasaki, Kanagawa	Waterproof repair work of parking lot	From January 2014 to May 2014	69
Shinsaibash OPA Kireikan	Osaka, Osaka	Renewal of air-conditioning facilities	From January 2014 to March 2014	108
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From February 2014 to March 2014	15
SK Nagoya Building	Nagoya, Aichi	Individual air-conditioning work (1st period)	From April 2014 to May 2014	103
Rokubancho K Building	Chiyoda-ku, Tokyo	Renewal of toilets Renewal of water supply and drainage pipe (1st period)	From October 2013 to March 2014	64
Shin-Osaka Central Tower	Osaka, Osaka	Renewal of emergency lighting	From April 2014 to May 2014	18
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of lightning luminaries and repair and paint work of roof top (1st period)	From September 2013 to December 2013	10
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of protection relays of high tension trunk lines	From September 2013 to May 2014	11
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of high-voltage receiving and transforming facility (2nd period)	From September 2013 to May 2014	20
FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Renewal of air-conditioning facilities (in some floors)	From September 2013 to February 2014	111



Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Individual air-conditioning work (in some floors)	From September 2013 to March 2014	116
Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Individual air-conditioning work (in some floors)	From February 2014 to May 2014	218
Pacific Marks Yokohama East	Yokohama, Kanagawa	Renewal of high voltage equipment (5th period)	From May 2014 to May 2014	17
Pacific Marks Nihonbashi -Tomizawacho	Chuo-ku, Tokyo	Renewal of air-conditioning facilities	From December 2013 to March 2014	36
Yokohama Aioicho Building	Yokohama, Kanagawa	Renewal of air-conditioning facilities (1st period) (in some floors)	From April 2014 to May 2014	50
Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Repair of rooftop and exterior walls (including remodeling of LED vision)	From November 2013 to March 2014	61
Pacific Marks Esaka	Suita, Osaka	Overhaul of turbo refrigerator	From April 2014 to May 2014	18
Pacific Marks Esaka	Suita, Osaka	Renewal of reflective film for window	From March 2014 to April 2014	16
Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Conversion to LED (common area)	From October 2013 to December 2013	11
Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Renewal of air-conditioning facilities	From September 2013 to February 2014	82
HOTEL ROUNT-INN Yokohama Bashamichi	Yokohama, Kanagawa	Installation work for new tenant	From November 2013 to April 2014	13
Hotel JAL City Naha	Naha, Okinawa	Renewal of hotel's main system and terminal	From August 2013 to December 2013	27
T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Repair of exterior walls	From February 2014 to May 2014	41
UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Renewal of water meter, hot-water meter and calorimeter	From May 2014 to May 2014	10
UUR Court Chiba Soga	Chiba, Chiba	Repair of exterior walls and repair of common area including waterproof treatment	From January 2014 to April 2014	27
Other capital expenditures				335
Total				2,049

### 3. Cash Reserved for Long-Term Repair and Maintenance Plan (Repair and Maintenance Reserve)

Based on the long-term repair and maintenance plan formulated for each of its properties, United Urban sets aside a repair and maintenance reserve out of cash flow during each fiscal period, as outlined below, for the purpose of large-scale repairs and maintenance for the medium to long term.

(Millions of yen)

	17th Fiscal Period (December 1, 2011 - May 31, 2012)	18th Fiscal Period (June 1, 2012 - November 30, 2012)	19th Fiscal Period (December 1, 2012 - May 31, 2013)	20th Fiscal Period (June 1, 2013 - November 30, 2013)	21st Fiscal Period (December 1, 2013 - May 31, 2014)
Reserve balance at the beginning of period	3,757	4,005	4,495	612	642
Addition to the reserve during the period (Note 1)	484	655	77	61	49
Reduction of reserve during the period	237	164	3,960 (Note 2)	32	28
Reserve balance to be carried over to the next of period	4,005	4,495	612	642	663

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

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



#### (4) Information Concerning Tenants

##### Top 10 Tenants by Leased Floor Space

(As of May 31, 2014)

No.	Tenant Name	Property Name	Leased Floor Space (Note 1)	Total Annual Rent (Thousand of yen) (Note 2)	Expiration Date of Contract
1	AEON MALL Co., Ltd.	AEON MALL Uki	72,073.39 m <sup>2</sup>	903,349	August 9, 2019
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34 m <sup>2</sup>	419,090	November 11, 2018
3	Fujita Kanko Inc.	Shinjuku Washington Hotel-Honkan	49,304.81 m <sup>2</sup>	1,220,771	October 31, 2023, etc. (Note 4)
4	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44 m <sup>2</sup>	- (Note 3)	November 19, 2024, etc. (Note 4)
5	The Daiei, Inc.	<ul style="list-style-type: none"> <li>· Daiei Himonya</li> <li>· Daiei Takarazuka Nakayama</li> </ul>	43,385.26 m <sup>2</sup>	1,222,719	<ul style="list-style-type: none"> <li>· Daiei Himonya February 29, 2016</li> <li>· Daiei Takarazuka Nakayama August 1, 2017</li> </ul>
6	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95 m <sup>2</sup>	- (Note 3)	May 31, 2027
7	Toshiba Corporation	Kawasaki Toshiba Building	36,118.31 m <sup>2</sup>	1,665,139	October 20, 2018
8	Yamada Denki Co., Ltd.	<ul style="list-style-type: none"> <li>· Yamada Denki Tecc Land Sakai Honten</li> <li>· Yamada Denki Tecc Land Aoba (Site)</li> <li>· Yamada Denki Tecc Land New Matsudo Honten</li> </ul>	33,849.49 m <sup>2</sup>	- (Note 3)	<ul style="list-style-type: none"> <li>· Yamada Denki Tecc Land Sakai Honten May 9, 2022</li> <li>· Yamada Denki Tecc Land Aoba (Site) May 31, 2020</li> <li>· Yamada Denki Tecc Land New Matsudo Honten August 20, 2029</li> </ul>
9	OPA Co., Ltd. (Note 5)	<ul style="list-style-type: none"> <li>· Shinsaibashi OPA Honkan</li> <li>· Shinsaibashi OPA Kireikan</li> </ul>	31,884.03 m <sup>2</sup>	1,584,340	<ul style="list-style-type: none"> <li>· Shinsaibashi OPA Honkan November 18, 2014</li> <li>· Shinsaibashi OPA Kireikan August 5, 2018</li> </ul>
10	Bab-Hitachi Business Corporation	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	26,605.59 m <sup>2</sup>	- (Note 3)	September 30, 2021, etc. (Note 4)

- Notes: 1. In principle, numerical values in “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. However, in the case of a master lease agreement without rental guarantee, “Leased Floor Space” is counted based on the end-tenants who are actually using the property, not based on the tenants who have the lease agreement between the owner, United Urban or the asset custodian.
2. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2014 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. An expiration date of the representative agreement is stated because there are several lease agreements.
5. With regard to Shinsaibashi OPA Honkan (“OPA Honkan”) and Shinsaibashi OPA Kireikan (“OPA Kireikan”), a case to reduce the rent of these two properties (the “Case”) was brought against United Urban at the Tokyo District Court on October 15, 2012 by OPA co., Ltd., the lessee of these two properties (the “Plaintiff”). Later, the Case was decided to be transferred to the Osaka District Court, and is now pending at the Osaka District Court. In addition, United Urban filed a counterclaim to the Osaka District Court against OPA co., Ltd. on June 3, 2013, seeking to increase the rent of these two properties. Therefore, the counterclaim is also pending at the Osaka District Court together with the Case.