

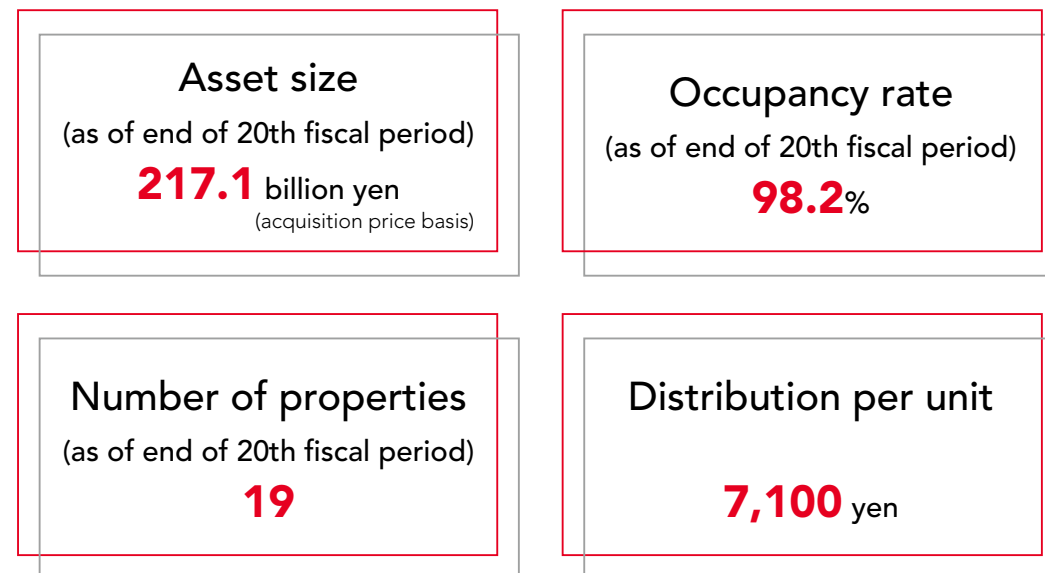
20th Fiscal Period

January 1, 2016
to
June 30, 2016

Business Report

20th Fiscal Period Financial Highlights

(January 1, 2016 to June 30, 2016)



	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period (Forecast)	22nd Fiscal Period (Forecast)
Operating revenue	6,579 million yen	6,824 million yen	6,974 million yen	6,922 million yen
Ordinary income	1,937 million yen	1,889 million yen	1,916 million yen	1,943 million yen
Net income	1,936 million yen	1,888 million yen	1,915 million yen	1,942 million yen
Number of investment units	266,025 units	266,025 units	266,025 units	266,025 units
Distribution per unit	7,281 yen	7,100 yen	7,200 yen	7,300 yen

(Note) The forecast figures above were calculated as of August 16, 2016 under certain assumptions and may change according to changes of circumstances. Furthermore, the forecasts do not guarantee the full amount of distributions.

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Leadership Message

Katsura Matsuo

Executive Director, MCUBS MidCity Investment Corporation
 President & CEO & Representative Director, MCUBS MidCity Inc.



With the end of the 18th and 19th fiscal periods that were marked by a series of changes, such as changes in the investment corporation name and its investment policy, and furthermore, asset acquisitions through public offering following the change in the main sponsor, Katsura Matsuo, President & CEO & Representative Director of MCUBS MidCity Inc., was interviewed on the current circumstance and future strategy and other matters for the 20th fiscal period.

Q One year has passed since the change in the investment corporation name, its investment policy and other matters based on the resolution at the previous General Meeting of Unitholders. What is the current status of MCUBS MidCity with the changes during this period?

A Since the change in the main sponsor, various actions have been proactively carried out in order to place MCUBS MidCity on a growth track. In particular, improvement of profitability of the portfolio and improvement of stability through implementation of strategic financial measures were realized in the fiscal period (20th fiscal period). In the past year, we believe that the first step toward growth was taken, and as a result, the foundation for steady growth of distributions was established.

Properties acquired in the previous fiscal period (19th fiscal period) mainly in the Tokyo area are not only contributing to an increase in revenue for the full fiscal period from the 20th fiscal period but are also providing stability to the portfolio by diversifying risks as properties used to be concentrated to the Osaka area. The ratio of properties in the Osaka area among the overall portfolio has decreased from 82.0% to 59.6% since the end of the 17th fiscal period which

was before the change in the main sponsor. The portfolio as of the end of the 20th fiscal period (at the end of June 2016) consisted of 19 properties, among which 98.9% is located in the three major metropolitan areas (37.1% for the Tokyo area, 59.6% for the Osaka area and 2.3% for the Nagoya area) and 1.1% for other regions based on acquisition price. The investment ratio by asset type is 85.6% for office properties and 14.4% for others.

Furthermore, the website of MCUBS MidCity was fully renewed in June 2016, and we think it now provides information in a more unitholder-friendly manner than before. We hope that you will take a look at the site.

Q Can you give us an overview of the 20th fiscal period?

A Due to the full fiscal period revenue contribution of properties acquired in the previous fiscal period, the status of management in the 20th fiscal period is that operating revenue increased 3.7% period-on-period to 6,824 million yen. On the other hand, net income for the 20th fiscal period showed a slight period-on-period decrease due to the burden of property taxes and city planning taxes on properties acquired during the two previous fiscal periods,

but achieved 1,888 million yen which exceeded our forecast at the beginning of the 20th fiscal period due to successful reductions in other costs. These resulted in a distribution per unit of 7,100 yen which exceeded the forecasted amount of 6,900 yen at the beginning of the 20th fiscal period.

Moreover, we forecast that distribution per unit would be 7,200 yen for the fiscal period ending December 31, 2016 (21st fiscal period), mainly due to an increase in rental revenues and reductions in financial costs.

Q A high occupancy rate was maintained in the 20th fiscal period as well. What is the status of management for the portfolio properties?

A With the occupancy rate at the end of the 20th fiscal period at 98.2%, it exceeded that of the previous fiscal period (97.6% at the end of December 2015). Against the backdrop of relatively solid office demand, the unit price of contracted rent of new tenants in the Tokyo area was increased where proactive leasing activities had been performed. In addition, in the entire portfolio, the number of upward rent revisions, with an upward trend since the previous fiscal period, has been further increasing, and rent revisions are showing signs of shifting to an upward trend from a downward trend. This resulted in improvement of the average unit price of rent

of the entire portfolio. We will continue proactive management to be a growth driver in increasing distributions.

Q What financial measures were implemented in the 20th fiscal period while the financial market was changing including introduction of a negative interest rate, etc. compared to the previous fiscal period?

A In the 20th fiscal period, the first ever unsecured investment corporation bonds for MCUBS MidCity was issued in May in the amount of 3.0 billion yen (1.5 billion yen for 5-year bond and 1.5 billion yen for 10-year bond) in an attempt to diversify its fund procurement methods. Of these, the ten-year procurement maturity of the 10-year bond is the longest term for MCUBS MidCity.

In addition, with funds procured through the issuance of the investment corporation bonds, short-term loans payable of 1.5 billion yen which had been borrowed through refinancing of 4.3 billion yen in April were repaid before the maturity date, and the ratio of long-term interest-bearing debt became 100.0%. Furthermore, long-term loans payable of 19.9 billion yen became due in July of the following fiscal period (21st fiscal period), refinancing of 18.4 billion yen for long-term loans payable could be conducted with low interest rates by way of allocating funds procured through the issuance of

the investment corporation bonds to this repayment. These resulted in the extension of the average remaining years of interest-bearing liabilities to 3.6 years from 2.8 years and a decline of the average interest rate of the interest-bearing liabilities by 0.15% to 1.07% in comparison with the previous fiscal period (19th fiscal period).

Moreover, we established our first ever commitment line (credit line amount of 15.0 billion yen) for MCUBS MidCity in August as a backup measure for stabilized fund procurement and are implementing measures to further strengthen the financial base.

Thus, reduction in financial costs is being realized by significantly enhancing the financial stability through proactive implementation of strategic financial measures while evaluating the change in financial environment after the introduction of negative interest rate.

Q The financial base has been further stabilized through issuance of the investment corporation bonds and refinancing, etc. What is the future growth strategy?

A We will continue to aim for maximizing unitholders' value through sustainable growth of distributions taking various measures in the past year as the first step toward growth.

In the office leasing market of the Osaka area representing the majority of the portfolio properties, improvement of vacancy rates has been continuing as new supply of office buildings is declining. It is presumed that the full-scale rise of ongoing-contract rent will require a certain amount of time, but we intend to ensure stabilized rent revenue by maintaining the occupancy rate of portfolio properties while continuing

management to enhance the competitiveness of properties backed by solid office demand.

On the other hand, the office leasing market in the Tokyo area is forecasted to have a new supply of large-scale office buildings going forward. However, the impact on the portfolio properties of MCUBS MidCity is considered to be limited, and thus, we will further improve profitability while continuously promoting leasing activities to increase the unit price of new contract rent.

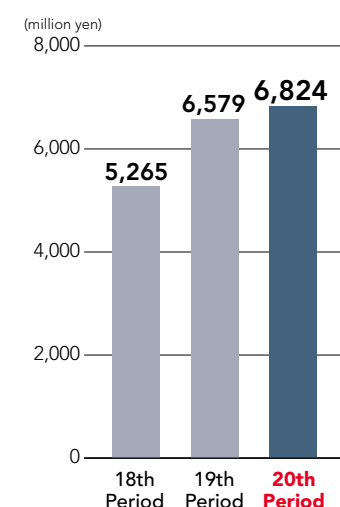
Furthermore, we will continue to establish a solid financial base as the foundation to support growth while strategically extending borrowing periods and fixing interest rates in a continuous manner.

In terms of external growth, real estate prices are maintaining a high level which does not provide a good environment for the acquisition of new properties. However, with good evaluation of prime properties with growth potential, we will expand asset size centering on the three major metropolitan areas in an attempt to diversify investment areas while investigating overseas investment.

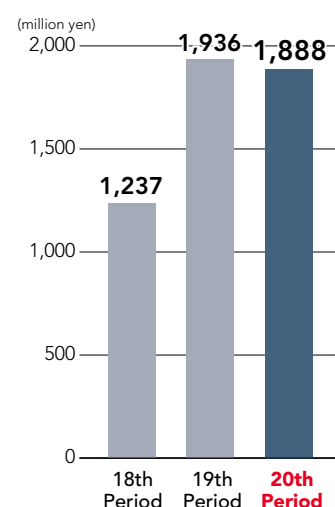
Q Lastly, do you have a message for unitholders?

A MCUBS MidCity fortunately celebrated its 10-year anniversary of listing in August 2016. Up to now, our investments have been focused in the Osaka area, but we will devote ourselves to boast a high level presence as a REIT focused on office properties in three major metropolitan areas going forward. We will continue to engage in management that pursues the expansion of unitholders' value so as to meet unitholders' expectations. Your continued support would be greatly appreciated.

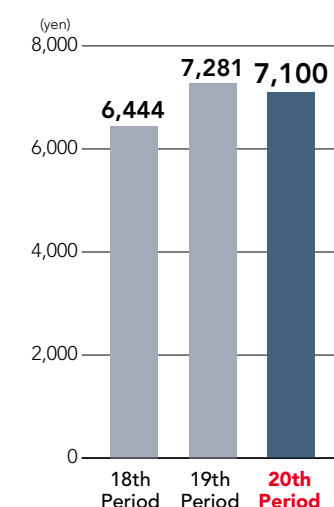
■ Operating Revenue



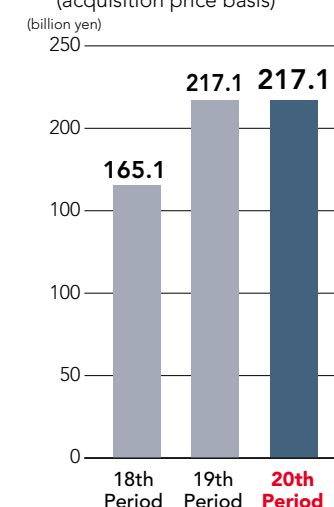
■ Net Income



■ Distribution per Unit



■ Asset Size



Financial Status

MCUBS MidCity, as part of strategic financial measures, conducted refinancing of 4.3 billion yen in borrowings due for repayment in April 2016 and issued its first ever investment corporation bonds totaling 3.0 billion yen. Additionally, with funds procured through the investment corporation bonds, short-term loans payable of 1.5 billion yen borrowed in April 2016 were fully repaid before the maturity date.

Refinancing Conducted in April 2016

	Lender	Debt Financing	Borrowing Period	Interest Rate	Contract Date	Drawdown Date	Borrowing and Repayment Method	Repayment Date
Debt financing 1	Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	2,800 million yen	5 years	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.500% (floating interest rate)	April 25, 2016	April 28, 2016	Unsecured/ unguaranteed bullet payment on the repayment date	April 30, 2021
Debt financing 2	Sumitomo Mitsui Banking Corporation	1,500 million yen	1 year	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.400% (floating interest rate)				April 28, 2017

(Note) Interest rate of debt financing 1 is practically fixed at 0.49795% due to a swap agreement for the purpose of hedging interest rate fluctuation risks.

Issuance of the Investment Corporation Bonds

Name	1st Unsecured Investment Corporation Bond	2nd Unsecured Investment Corporation Bond
Total Amount of Issuance	1,500 million yen	1,500 million yen
Interest Rate	0.340% per year	0.810% per year
Payment Date	May 23, 2016	May 23, 2016
Redemption Date and Redemption Method	Full redemption on May 21, 2021 (5-year)	Full redemption on May 22, 2026 (10-year)
		Maximum length of procurement maturity

Implementation of Early Repayment

Lender	Debt Financing	Interest Rate	Drawdown Date	Borrowing and Repayment Method	Repayment Date	Date of Early Repayment
Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation	1,500 million yen	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.400% (floating interest rate)	April 28, 2016	Unsecured/ unguaranteed bullet payment on the repayment date	April 28, 2017	May 31, 2016

Refinancing Conducted in July 2016 (21st fiscal period)

Regarding borrowings of 19.9 billion yen due for repayment in July 2016, with funds procured through the issuance of the investment corporation bonds, 1.5 billion yen was repaid, and remaining 18.4 billion yen was refinanced.

Lender	Debt Financing	Borrowing Period	Interest Rate	Contract Date	Drawdown Date	Borrowing and Repayment Method	Repayment Date
Sumitomo Mitsui Banking Corporation Shinkin Central Bank	3,700 million yen	3.5 years	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.310% (floating interest rate)	July 26, 2016	July 29, 2016	Unsecured/ unguaranteed bullet payment on the repayment date	January 31, 2020
The Nishi-Nippon City Bank, Ltd. The Hyakugo Bank, Ltd.	2,250 million yen	3.5 years	0.37315% (fixed interest rate)				
Sumitomo Mitsui Trust Bank, Limited	2,600 million yen						
Mizuho Bank, Ltd. Development Bank of Japan, Inc. Mitsubishi UFJ Trust and Banking Corporation The Senshu Ikeda Bank, Ltd.	2,500 million yen	4.5 years	0.45065% (fixed interest rate)				January 31, 2021
Development Bank of Japan, Inc. Aozora Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation The Senshu Ikeda Bank, Ltd.	2,650 million yen	5 years	0.49380% (fixed interest rate)				July 31, 2021
Mizuho Bank, Ltd. Development Bank of Japan, Inc. Aozora Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	4,700 million yen	8 years	0.73500% (fixed interest rate)				July 31, 2024

The following is the status of debt financing as of June 30, 2016.

Total Interest-Bearing Liabilities

Short-term loans payable	–	Ratio of long-term interest-bearing liabilities ^(Note 2)	100.0%
Long-term loans payable ^(Note 1)	92,725 million yen	Ratio of fixed interest rate ^(Note 2)	62.5%
Investment corporation bonds	3,000 million yen	LTV based on fair value (appraisal value basis) ^(Note 3)	45.8%
Interest-bearing liabilities	95,725 million yen	LTV based on book value ^(Note 4)	42.0%

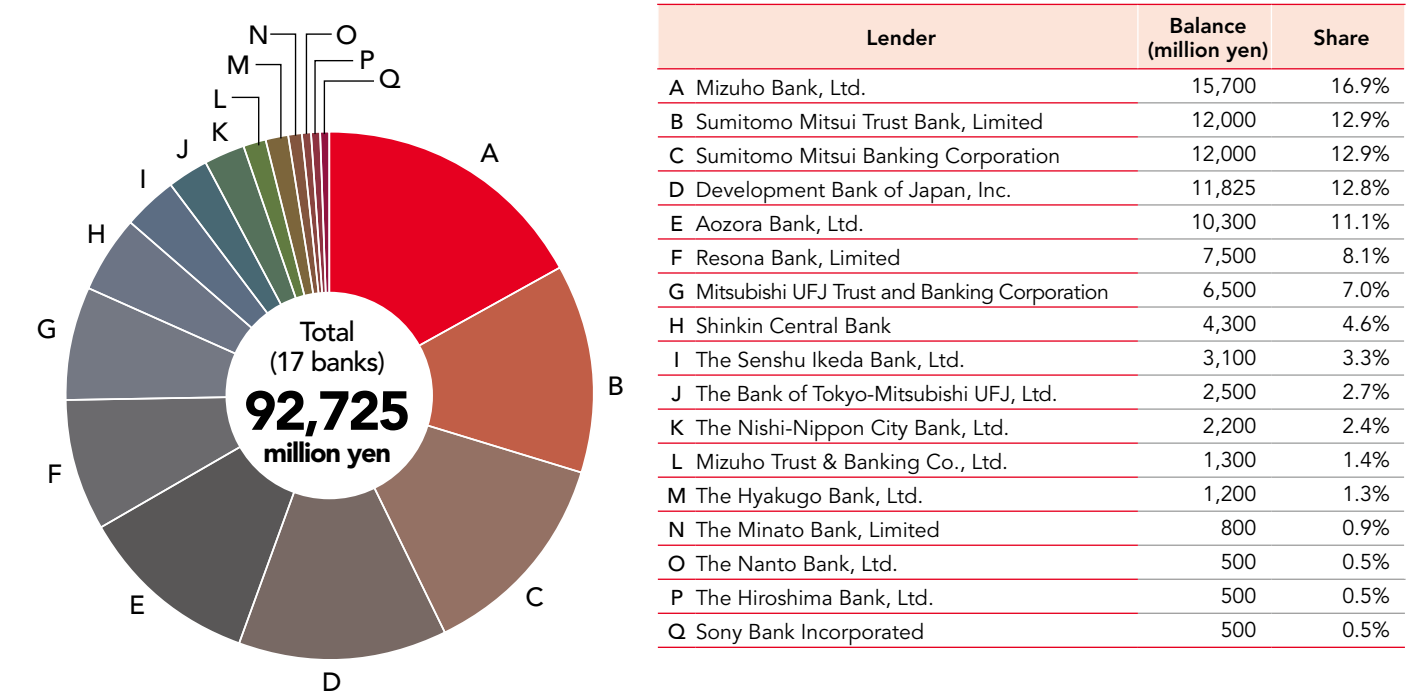
(Note 1) Long-term loans payable includes current portion of long-term loans payable.

(Note 2) Weight-averaged based on the amount of loans. Ratio of fixed interest rate includes those whose interest rates have been practically fixed through interest rate swap agreements.

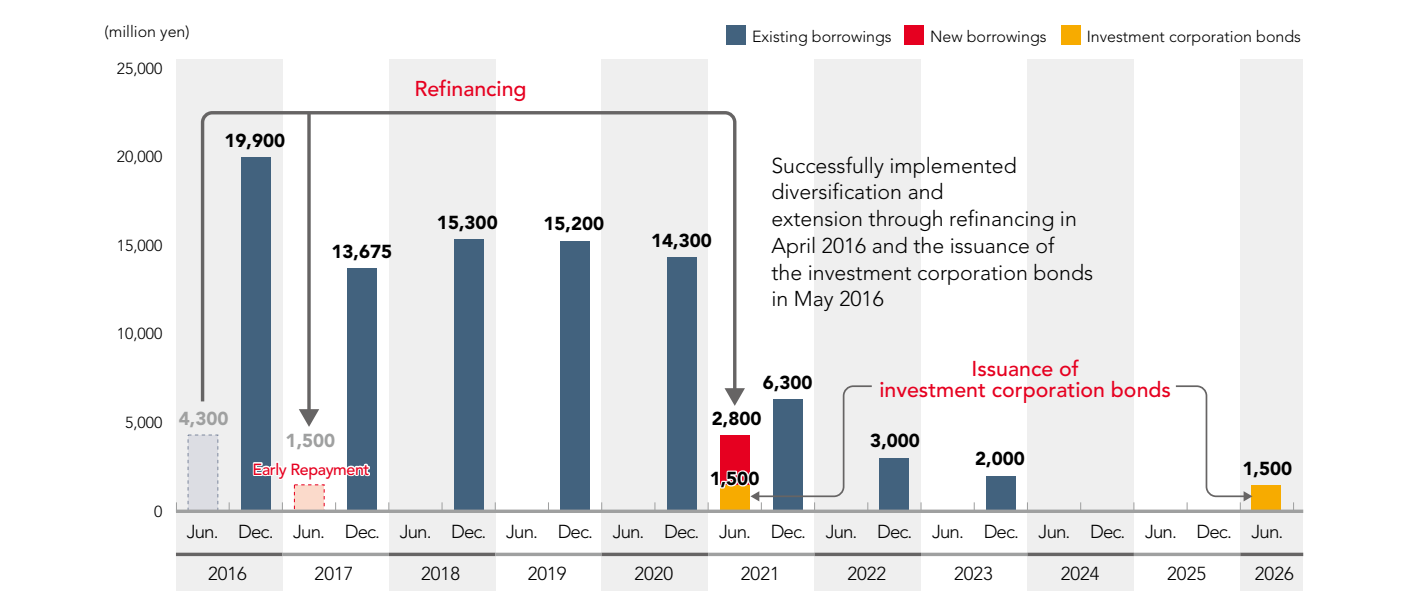
(Note 3) LTV based on fair value (appraisal value basis) = Total interest-bearing liabilities ÷ (Total assets + Appraised value of portfolio properties at the end of period – Book value of portfolio properties)

(Note 4) LTV based on book value = Total interest-bearing liabilities ÷ Total assets

Breakdown of Financing by Bank



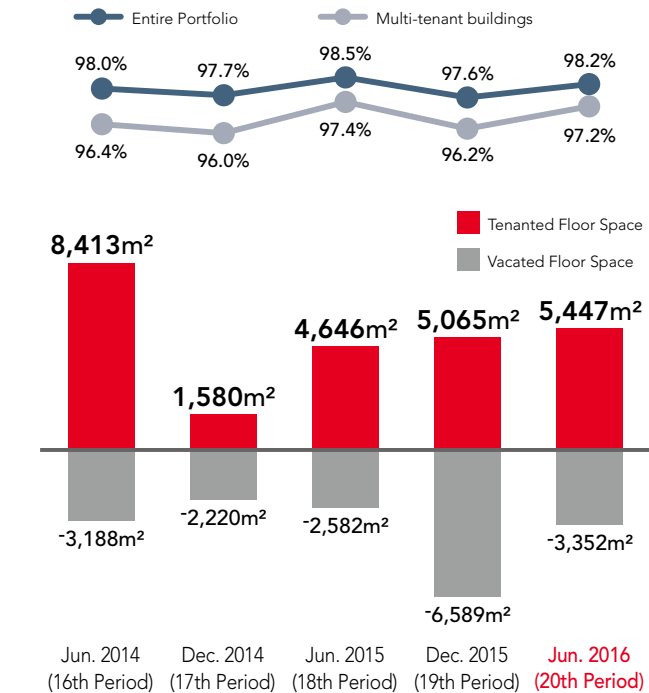
Diversification of Maturities



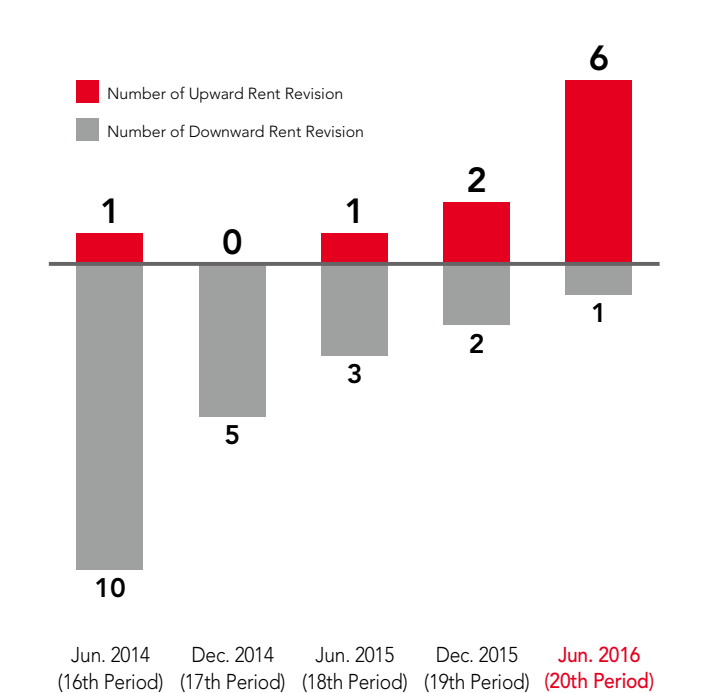
Status of Portfolio Management

While maintaining a high level of occupancy rate both for the entire portfolio and multi-tenant buildings, we are focusing on increasing the number of upward rent revisions as well as the unit price of rent, and steadily engaging ourselves in improvement of portfolio profitability.

Occupancy and Tenant Turnover

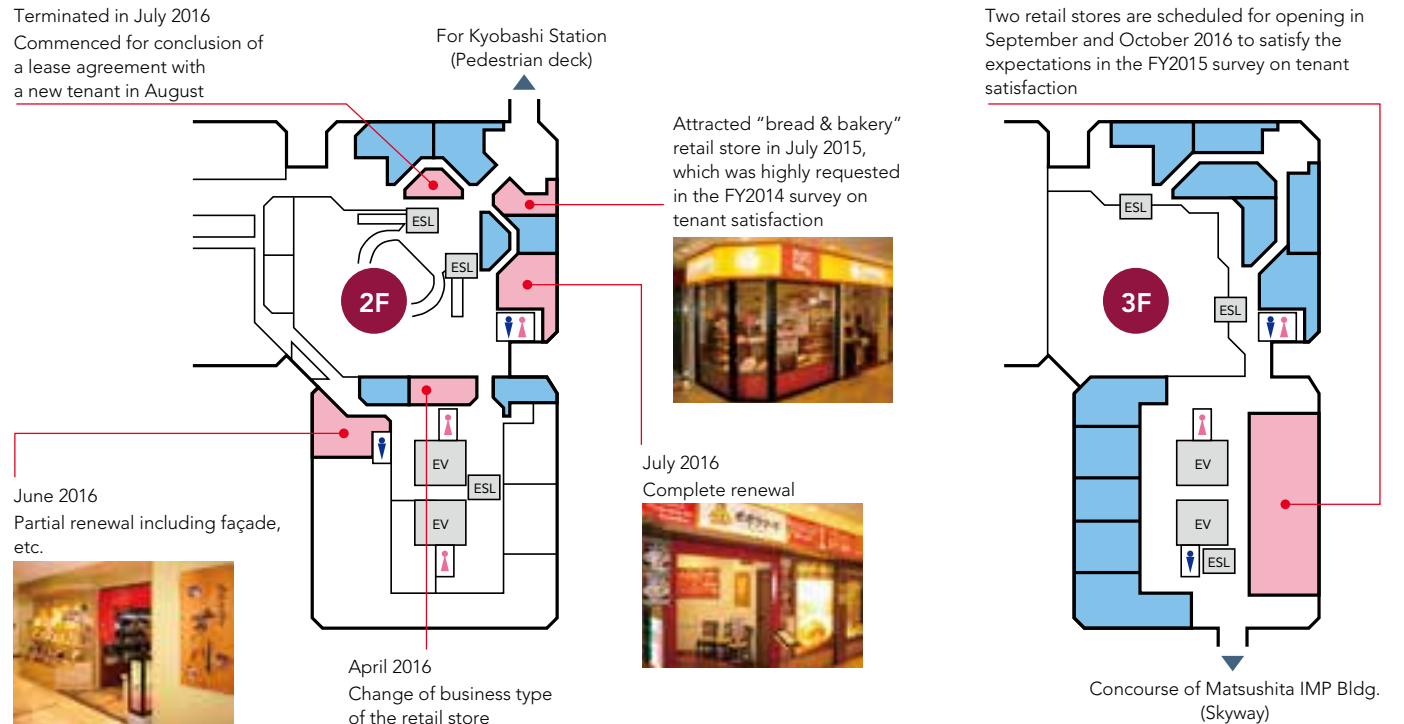


Revision of Lease Agreements



Status on Improvement of Office Building Environment (Twin 21 retail zone)

Based on the survey on tenant satisfaction for improvement of the office building environment conducted in FY2014 and 2015, we have been executing activities to attract retail tenants into the commercial zone as well as renewals in cooperation with tenants.



Portfolio Overview

The following is the status of MCUBS MidCity's portfolio as of June 30, 2016.

Investment Category	Investment Area (Note 1)	Property Name	Location	Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 3)	Acquisition Date	Leasable Space (m ²) (Note 4)	Occupancy Rate (%) (Note 5)	
Office Properties	Three major metropolitan areas	Sumitomo Fudosan Ueno Bldg. No. 6	Taito-ku, Tokyo	7,460	3.4	May 2015	6,858.16	100.0	
		G-Square Shibuya Dogenzaka	Shibuya-ku, Tokyo	12,220	5.6	Aug. 2015	5,013.55	79.5	
		Shibuya Sakuragaoka Square (land with leasehold interest) (Quasi co-ownership interest: 40%)	Shibuya-ku, Tokyo	5,000	2.3	Aug. 2015	1,200.08	100.0	
		Yokohama Creation Square	Kanagawa-ku, Yokohama	7,080	3.3	Aug. 2015	12,747.19	92.4	
		Cube Kawasaki	Kawasaki-ku, Kawasaki	20,050	9.2	Aug. 2015	24,462.29	100.0	
		Higashi-Nihombashi Green Bldg.	Chuo-ku, Tokyo	2,705	1.2	Dec. 2015	3,256.64	100.0	
		Twin 21 (Note 6)	Chuo-ku, Osaka	68,700	31.6	Aug. 2006	82,313.73	98.0	
		Matsushita IMP Bldg.	Chuo-ku, Osaka	24,600	11.3	Aug. 2006	37,406.94	97.6	
		Midosuji MID Bldg.	Chuo-ku, Osaka	8,290	3.8	Aug. 2006 Oct. 2007	10,461.32	98.8	
		MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	2,300	1.1	Aug. 2006	4,833.88	100.0	
		MID Imabashi Bldg.	Chuo-ku, Osaka	3,270	1.5	Apr. 2007	4,277.64	85.6	
		MID Midosujikawaramachi Bldg.	Chuo-ku, Osaka	2,000	0.9	May 2007	3,110.49	100.0	
		Kitahama MID Bldg.	Chuo-ku, Osaka	10,800	5.0	Apr. 2008	10,189.49	100.0	
		MID Nishihommachi Bldg.	Nishi-ku, Osaka	3,550	1.6	Oct. 2008	3,877.38	89.6	
		Higobashi MID Bldg.	Nishi-ku, Osaka	3,000	1.4	Jun. 2013	4,655.57	95.0	
		Nagoya Lucent Tower (silent partnership interest) (Note 7)	Nishi-ku, Nagoya	4,919	2.3	Aug. 2015	–	–	
		Subtotal (16 properties)				185,944	85.6		214,664.35
Others	Three major metropolitan areas	AEON MALL Tsudanuma	Narashino-shi, Chiba	26,100	12.0	Aug. 2006	101,210.44	100.0	
		Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	2,780	1.3	Aug. 2006	9,586.26	100.0	
	Others	Dormy Inn Hakata Gion	Hakata-ku, Fukuoka	2,280	1.1	Sep. 2013	5,554.91	100.0	
	Subtotal (3 properties)				31,160	14.4		116,351.61	100.0
	Total (19 properties)				217,104	100.0		331,015.96	98.2

(Note 1) Three major metropolitan areas under Investment Area indicates Tokyo area (Tokyo, Kanagawa, Chiba and Saitama Prefectures), Osaka area (Osaka, Kyoto and Hyogo Prefectures) and Nagoya area (Aichi Prefecture), and Others under Investment Area indicates the government-designated cities and other major cities as well as abroad, excluding the three major metropolitan areas.

(Note 2) "Acquisition Price" states the sale price which is stated in the sales contract for the respective trust beneficiary interest, etc. (excluding various acquisition expenses, property taxes and consumption taxes, etc.)

(Note 3) "Investment Ratio" indicates the ratio of the acquisition price of the applicable asset to the total amount of acquisition prices and is rounded to the first decimal place.

(Note 4) "Leasable space" refers to space (leased space only, excluding storage, halls, parking and other space, but including leasable shared or common space and parking space of the Konami Sports Club Kyobashi and the AEON MALL Tsudanuma, in which entire buildings are leased, as well as leasable shared or common space of the MID REIT Kyobashi Bldg. and Dormy Inn Hakata Gion) that is leasable as of June 30, 2016. When MCUBS MidCity owns only land with leasehold interest, the entire land space is indicated.

(Note 5) "Occupancy Rate" is presented as percentage figures, which are obtained by dividing the leased space as of June 30, 2016 by the leasable space. In addition, the figures in the "Subtotal" and the "Total" rows are presented as percentages that are obtained by dividing the sum of the leased space of each property group by the sum of the group's leasable space and rounded to the first decimal place.

(Note 6) Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).

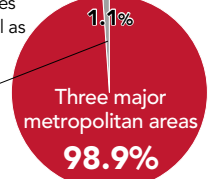
(Note 7) Nagoya Lucent Tower is silent partnership interest with R40 GK as the operator (Silent Partnership Interest B in R40 GK; equity interest: 40%), backed by the trust beneficiary interest for the 33.9% co-ownership interest (and 29.5% right of site) of the sectional ownership of Nagoya Lucent Tower as the asset in trust, acquired on August 3, 2015.

Portfolio Analysis

The following is the diversification of MCUBS MidCity's portfolio by respective category. (Note 1)

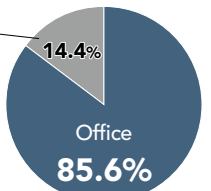
By Area (Note 2)

Government-designated cities and other major cities as well as abroad, excluding the three major metropolitan areas



By Asset Type

Others

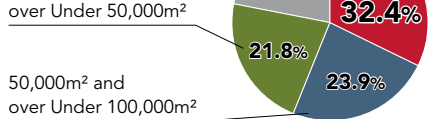


By Asset Size (Note 3) (Note 4)

Under 10,000m²

10,000m² and over Under 50,000m²

50,000m² and over Under 100,000m²



(Note 1) The ratios represent the ratios of the combined acquisition prices for respective categories over the total acquisition price, and are rounded to the first decimal place. Accordingly, the total of such figures is not necessarily 100%.

(Note 2) Three major metropolitan areas under Regional Classification indicates Tokyo area (Tokyo, Kanagawa, Chiba and Saitama Prefectures), Osaka area (Osaka, Kyoto and Hyogo Prefectures) and Nagoya area (Aichi Prefecture).

(Note 3) Site area sizes based upon data for the total floor space of the buildings as recorded land registers (For Shibuya Sakuragaoka Square (land with leasehold interest), is based on the total land square).

(Note 4) Excluding silent partnership interests.

Tokyo area

Sumitomo Fudosan
Ueno Bldg. No. 6

Taito-ku, Tokyo



G-Square
Shibuya Dogenzaka

Shibuya-ku, Tokyo



Shibuya Sakuragaoka Square
(land with leasehold interest)
(quasi co-ownership interest: 40%)

Shibuya-ku, Tokyo



Yokohama Creation Square

Kanagawa-ku, Yokohama-shi



Cube Kawasaki

Kawasaki-ku, Kawasaki-shi



Higashi-Nihombashi
Green Bldg.

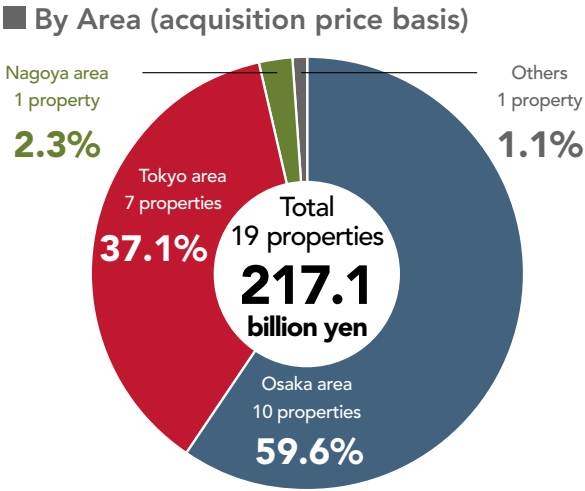
Chuo-ku, Tokyo



AEON MALL Tsudanuma

Narashino-shi, Chiba





Osaka area


Twin 21

Chuo-ku, Osaka




Matsushita IMP Bldg.

Chuo-ku, Osaka



Kitahama MID Bldg.

Chuo-ku, Osaka



Higobashi MID Bldg.

Nishi-ku, Osaka



Midosuji MID Bldg.

Chuo-ku, Osaka



MID REIT Kyobashi Bldg.

Miyakojima-ku, Osaka



MID Imabashi Bldg.

Chuo-ku, Osaka



MID Midosujikawaramachi Bldg.

Chuo-ku, Osaka



MID Nishihommachi Bldg.

Nishi-ku, Osaka



Konami Sports Club
Kyobashi

Miyakojima-ku, Osaka



Nagoya area

Nagoya Lucent Tower
(silent partnership interest)

Nishi-ku, Nagoya-shi



Others

Dormy Inn Hakata Gion

Hakata-ku, Fukuoka-shi



Introduction of MCUBS MidCity

MCUBS MidCity Investment Corporation, whose asset management is performed by MCUBS MidCity Inc., is an investment corporation with investment focused on office properties.

Mitsubishi Corp. - UBS Realty Inc. is the major shareholder of MCUBS MidCity Inc. and boasts an extensive track record performing management for Japan Retail Fund Investment Corporation (REIT specializing in retail properties) and Industrial & Infrastructure Fund Investment Corporation (REIT specializing in industrial and infrastructure properties).

■ Targeted investment areas “focused on the three major metropolitan areas (Tokyo area, Osaka area and Nagoya area)”

■ Investment focused on “office properties”

■ Consider investing in overseas properties

Targeted investment areas

Three major metropolitan areas (Tokyo area, Osaka area and Nagoya area) (Note 1)

Government-designated cities and other major cities as well as abroad, excluding the three major metropolitan areas

Investment ratio

70% or more

30% or less

Type (Note 2)

Office

Others (Note 3)

Investment ratio

70% or more

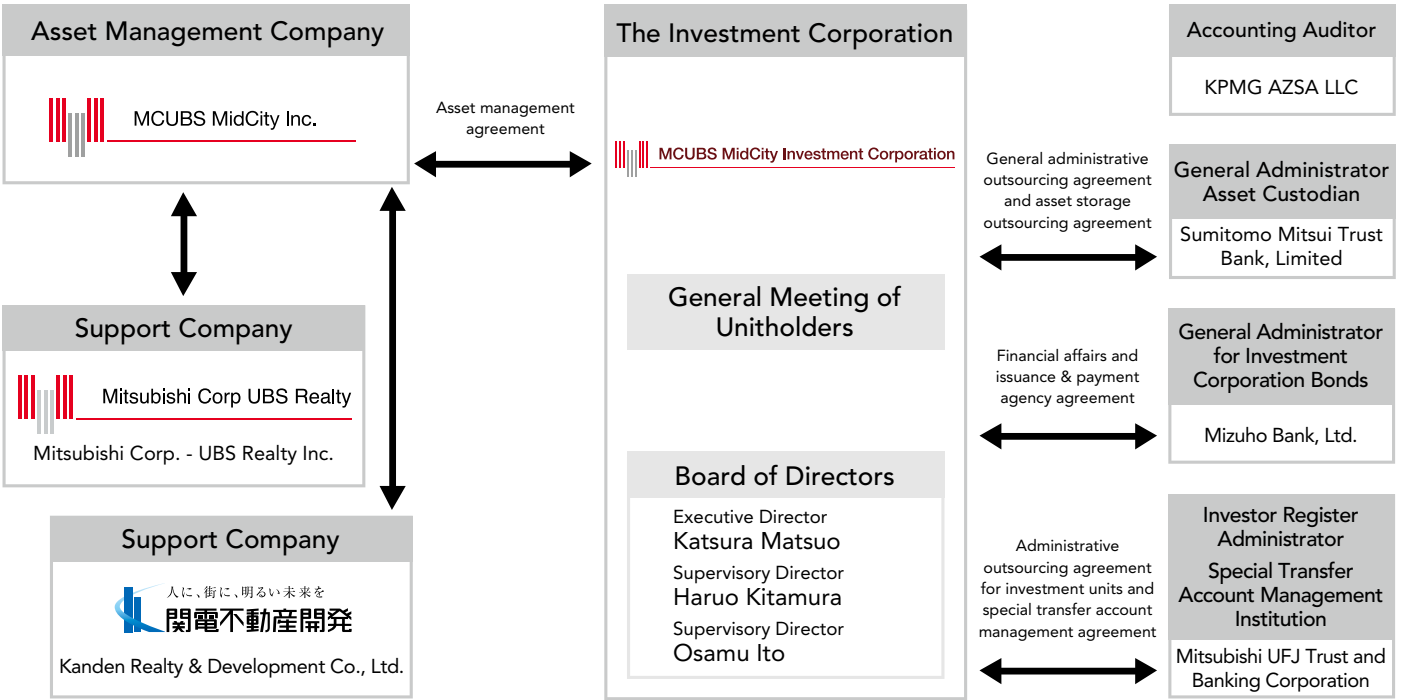
30% or less

(Note 1) Three major metropolitan areas indicates Tokyo area (Tokyo, Kanagawa, Chiba and Saitama Prefectures), Osaka area (Osaka, Kyoto and Hyogo Prefectures) and Nagoya area (Aichi Prefecture).

(Note 2) When properties have multiple uses, we determine which type they belong to based on what the majority of leasable floor space for the real-estate-related assets of the portfolio as a whole are used for, and the total acquisition cost of the real-estate-related asset is included in the acquisition cost of the type.

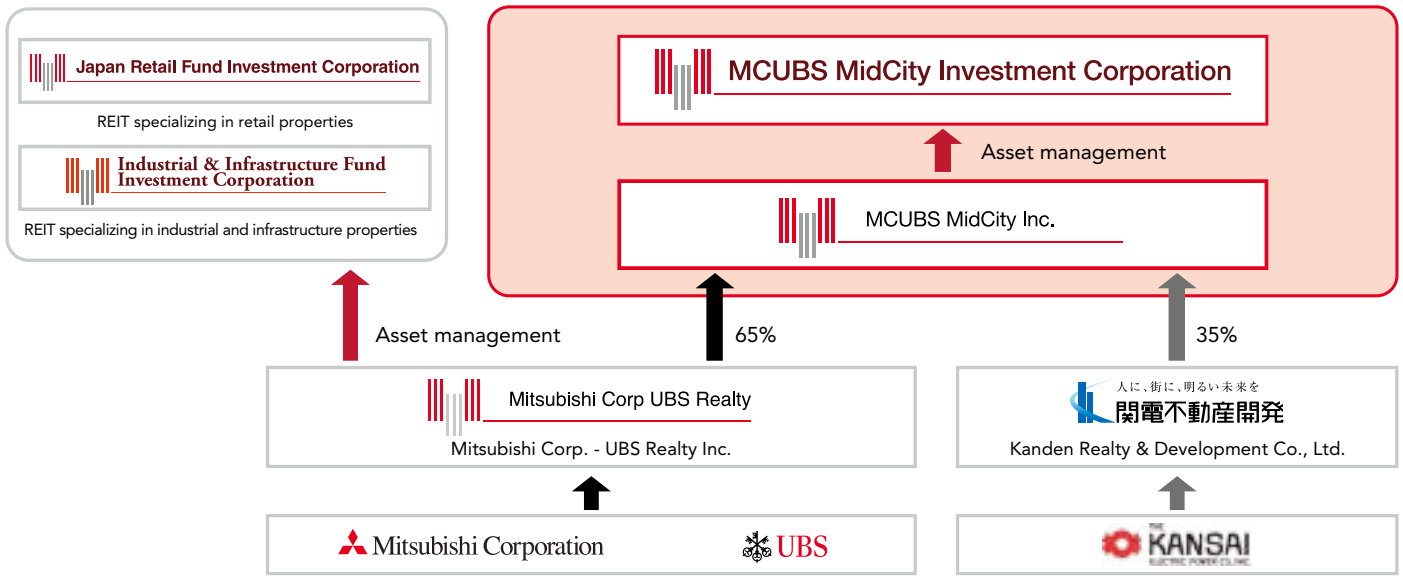
(Note 3) New investments shall be made in real estate primarily used as service apartments or hotels, and no new acquisition shall be made as to retail properties and industrial properties.

Organization of MCUBS MidCity

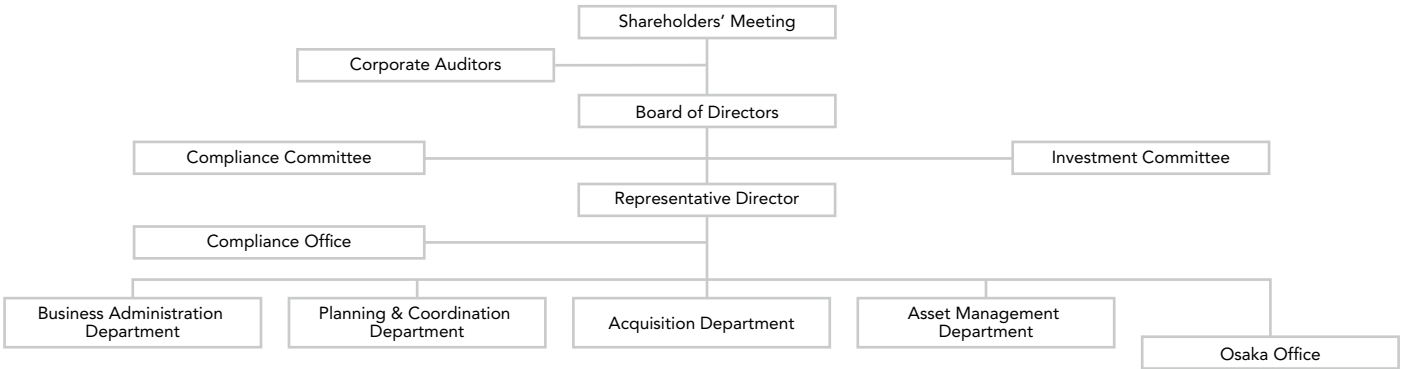


(Note) With reorganization of the real estate business of the Kansai Electric Power group, MID Urban Development Co., Ltd. underwent an absorption-type merger with Kanden Fudosan Co., Ltd. as the company surviving, MID Urban Development Co., Ltd. as the company being absorbed on April 1, 2016 as the effective date, and Kanden Fudosan Co., Ltd. changed its trade name to Kanden Realty & Development Co., Ltd. on the same date. The same shall apply hereinafter.

Correlation Chart of MCUBS MidCity



Organizational Chart of Asset Management Company (as of September 1, 2016)



Overview of Asset Management Company

Name	MCUBS MidCity, Inc.
Location	2-7-3 Marunouchi, Chiyoda-ku, Tokyo
Paid-in capital	210 million yen
Shareholder	Mitsubishi Corp. - UBS Realty Inc.: 65% Kanden Realty & Development Co., Ltd.: 35%
Representative	Katsura Matsuo President & CEO & Representative Director
Business Description	Investment management business
Company History	September 2005: MID REIT Management Co., Ltd. established
	October 2005: Acquired real estate brokerage license (License Number: 1-51806, Osaka Governor)
	February 2006: Obtained grant for agency by discretionary trust, based on the Building Lots and Buildings Transaction Business Law (Grant Number: 50, Minister of Land, Infrastructure, Transport and Tourism)
	May 2006: Obtained grant for asset management under the Investment Trust and Investment Corporation Law (Grant Number: 64, Prime Minister of Japan)
	September 2007: Registered as an investment management business under the Financial Instruments and Exchange Law of Japan (the "FIE Law") (Registration No. 43 [FIE], Director-General, Kinki Local Finance Bureau) <small>(Note)</small>
	October 2010: Updated real estate brokerage license (License Number: 2-51806, Osaka Governor)
	April 2015: The asset management company name was changed from MID REIT Management Co., Ltd. to MCUBS MidCity Inc.
	July 2015: Acquired real estate brokerage license (License Number: 1-8835, Minister of Land, Infrastructure, Transport and Tourism)
	October 2015: Relocated head office to 2-7-3 Marunouchi, Chiyoda-ku, Tokyo.
	December 2015: Registered as an investment management business under the FIE Law (registration change upon head office relocation) (Registration No. 2888 [FIE], Director-General, Kanto Local Finance Bureau)

(Note) Subject to the stipulation under Article 159, Paragraph 1 of the Supplementary Provisions of the Law Concerning the Amendments of the Securities and Exchange Law and Other Financial Laws, the Asset Management Company is deemed to have been registered in accordance with Article 29 of the FIE Law, effective as of September 30, 2007, the date of the FIE Law implementation.

MCUBS MidCity’s Way of Thinking

MCUBS MidCity Investment Corporation, along with its asset management company MCUBS MidCity Inc., both promote actions under a common thinking of sustainability. Regarding investment and operation processes, related activities are conducted in compliance with the “Responsible Property Investment Policy” as established by the asset management company.


Actions of MCUBS MidCity

Communication

MCUBS MidCity considers to further contribute to the establishment of a sustainable society through dialogue with stakeholders to utilize their opinions for asset management.

Contribution to Society

MCUBS MidCity is implementing initiatives to enhance and improve relationships with people in local communities through disaster prevention measures and other social contribution activities.



In an attempt to establish relationships with people in local communities, seasonal flowers were displayed inside Twin 21 and Matsushita IMP Bldg. located in the OBP (Osaka Business Park) for office workers and visitors to enjoy, and these flowers were presented to people on the last day. A quality office environment was publicized while providing a temporary refreshing environment.

Environment

MCUBS MidCity is promoting measures for consideration of the environment and reduction of the environmental load while implementing initiatives for both environmental and energy-conserving measures for portfolio properties as well as for more efficient energy use.

Assignment with Environmental Certification and Assessment

DBJ Green Building Certification

“DBJ Green Building Certification” is a system for Development Bank of Japan Inc. to assign one of five ranks of certification under the objective of promoting an increase of real estate that demonstrates high consideration not only for environmental performance of the building but also disaster prevention and anticrime measures as well as societal demands from various stakeholders of real estate (“Green Building”). The properties to the right are certified as “properties with excellent environmental and social awareness” (obtained “three stars”).








Twin 21

Matsushita IMP Bldg.

Kitahama MID Bldg.

Higobashi MID Bldg.

CASBEE Real Estate Certification

“CASBEE” (Comprehensive Assessment System for Built Environment Efficiency) is a tool for assessing and rating the environmental performance of buildings and built environment. It is a comprehensive assessment of not only consideration for the environment, such as use of energy-conserving and low-environmental-load resources and materials, but also consideration for the indoor and outdoor built environment and other built environment quality. The properties to the right are ranked A for their environmental performance.




G-Square
Shibuya Dogenzaka

Higobashi MID Bldg.

GRESB (Global Real Estate Sustainability Benchmark)

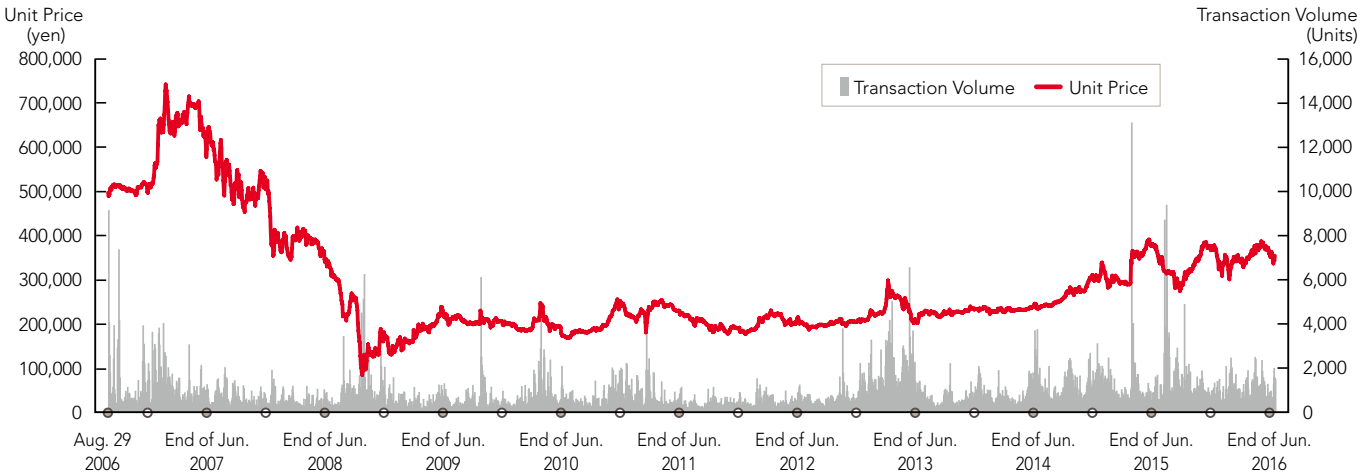
“GRESB” is an organization established in 2009 with the aim to enhance unitholders’ value through applying consideration to the environment, society and governance of real estate investment. It brings a high degree of attention as institutional investors use the benchmark assessment of GRESB in the process of selecting investment targets, and real estate companies and funds from countries all over the world are participating. MCUBS MidCity aims to participate in the environmental management research from 2016 prepared for real estate companies by GRESB.



Please refer to the website of MCUBS MidCity for more details regarding sustainability
(<http://www.midcity-reit.com/en/sustainability>)

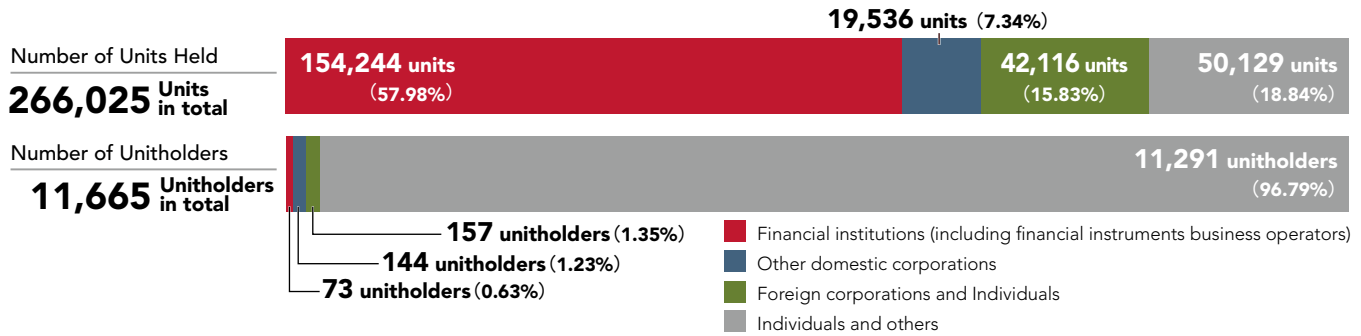
Unit Price Performance

The following is the history of investment unit prices (closing prices) and transaction volumes of MCUBS MidCity on the Tokyo Stock Exchange from the date of listing (August 29, 2006) to June 30, 2016.



Breakdown of Unitholders

The following is the breakdown of MCUBS MidCity’s unitholders as of June 30, 2016.



Website of MCUBS MidCity Investment Corporation <http://www.midcity-reit.com/en/>

MCUBS MidCity Investment Corporation renewed its website in June 2016. Accordingly, the URL has changed.

While attempting to improve the convenience in obtaining necessary information, the content has been upgraded with guidance prepared for individual investors considering investment in addition to information that investors seek such as distributions, asset size and occupancy rate, etc. We will continue to make efforts to enhance and improve the content of our website and to provide information for both domestic and foreign investors in a timely and an accurate manner.

