

18th Fiscal Period

January 1, 2015
to
June 30, 2015

Business Report

18th Fiscal Period Financial Highlights

(January 1, 2015 to June 30, 2015)

Asset size (as of end of 18th fiscal period) 165.1 billion yen	Occupancy rate (as of end of 18th fiscal period) 98.5%
Number of properties (as of end of 18th fiscal period) 13	Distribution per unit 6,444 yen

	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period (Forecast) <small>(Note)</small>	20th Fiscal Period (Forecast) <small>(Note)</small>
Operating revenue	5,173 million yen	5,265 million yen	6,612 million yen	6,766 million yen
Ordinary income	1,087 million yen	1,239 million yen	1,797 million yen	1,744 million yen
Net income	1,093 million yen	1,237 million yen	1,795 million yen	1,742 million yen
Number of investment units	183,625 units	192,025 units	266,025 units	266,025 units
Distribution per unit	5,958 yen	6,444 yen	6,750 yen	6,550 yen

(Note) The forecast figures above were calculated as of August 18, 2015 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.

Katsura Matsuo, appointed as Executive Director of MCUBS MidCity Investment Corporation (MCUBS MidCity) and President & CEO & Representative Director of its asset manager MCUBS MidCity Inc. in the 18th fiscal period, was interviewed on the background to the change in the main sponsor and initiatives for the 18th fiscal period and for the 19th fiscal period onward.

What is the background to MCUBS MidCity welcoming Mitsubishi Corp. - UBS Realty Inc. as its main sponsor?

A Mitsubishi Corp. - UBS Realty Inc., the new main sponsor, has been operating retail properties, logistics properties, manufacturing and research and development facilities as well as infrastructure properties based on its stable track record through Japan Retail Fund Investment Corporation and Industrial & Infrastructure Fund Investment Corporation. The company had been seeking to enter office REITs which target office properties,

the largest investment target by scale in the Japanese REIT market, and came to participate in April 2015 as a main sponsor in the management of MCUBS MidCity, whose sponsor was The Kansai Electric Power Co., Inc., a company that also had a strong business relationship with Mitsubishi Corporation.

Mitsubishi Corp. - UBS Realty Inc. intends to develop MCUBS MidCity utilizing the know-how on REIT management it has accumulated over the years. Specifically, it will aim to maximize MCUBS MidCity's unitholder value by taking advantage of the capabilities of Mitsubishi Corp. - UBS

Realty Inc. to operate properties, the capabilities of Mitsubishi Corporation and Mitsubishi Corp. - UBS Realty Inc. to collect property information, and the diversified fund procurement methods and fund procurement capabilities of Mitsubishi Corporation, UBS Group and Mitsubishi Corp. -UBS Realty Inc., enabled by favorable relationships with financial institutions.

Q What are the reasons for changing the trade name from MID REIT, Inc. to MCUBS MidCity Investment Corporation?

A The amendment of the Articles of Incorporation was approved at the General Meeting of Unitholders in June to allow changes in targeted investment regions from mainly in Osaka metropolitan area to mainly in the three major metropolitan areas and also to allow investment in other government-designated cities. All are under the concept of investment in city centers, thus the word “MidCity” was chosen. “Mid” happens to also coincide with MCUBS MidCity’s former name. Placing MCUBS, the abbreviated name of Mitsubishi Corp. - UBS Realty Inc., at the head, the new trade name was decided to be MCUBS MidCity Investment Corporation.

Q What are the growth strategies going forward with the targeted investment regions having been changed from mainly in Osaka metropolitan area to the three major metropolitan areas and government-designated cities?

A By shifting the focus from Osaka metropolitan area and acquiring properties mainly in

Tokyo metropolitan area, we intend to diversify the portfolio. We would like to expand the asset size to around 500 billion on an acquisition price basis within three to five years.

Other government-designated cities will also be our investment target, but our policy is to allocate 70% or more of investment to the three major metropolitan areas of Tokyo, Osaka and Nagoya, and investment in other government-designated cities and overseas real estate should account for less than 30%.

Q With the conducting of the first public offering, can you tell us about the plans for future growth?

A When I explained the public offering to unitholders, the following three points were highly evaluated and given great anticipation: 1. High evaluation for taking a step toward external growth at an early stage after the change in main sponsors and carrying out the first public offering since listing in 2006, 2. High evaluation for expanding the targeted investment regions to the three metropolitan areas centering on the Tokyo metropolitan area, as it will reduce the risks from concentration of investment areas or key tenants, leading to enhanced stability of the portfolio, and 3. Anticipation for speedy growth going forward.

Taking into account the above, we believe that it is desirable to realize the earliest possible external growth after focusing on searching for appropriate candidate properties to acquire. We would then like to continue external growth into the future.

Q What is the future policy for maintaining the occupancy rate that has been maintained at 95% or more?

A We have successfully secured occupancy rates that are higher than the market average. We intend to retain high occupancy rates going forward with support from the MID Urban Development group and the Mitsubishi Corporation group.

Q What is MCUBS MidCity’s overseas real estate investment strategy?

A We have amended the Articles of Incorporation to enable acquisition of overseas assets. Investment in overseas real estate requires thorough discussions on a wide range of matters including securing the liquidity of properties and troubleshooting measures, etc. in addition to handling of various system risks, exchange rate risks, etc. such as political risks as well as legal and taxation issues. MCUBS MidCity believes it is important to select target areas and properties that can meet the expectations of unitholders after going through careful reviews. Taking full advantage of overseas bases of Mitsubishi Corporation and bases where UBS AG undertakes asset management should be our strengths when investing in overseas real estate.

Q What is your vision for the future?

A Our motto is “to make MCUBS MidCity an office REIT that represents Japan.” In terms of asset size, achieving around 500 billion yen on an acquisition price basis will allow us to take the lead among medium-sized listed REITs. Therefore, we would like to set this as one goal. Furthermore, we will pay attention not only to asset size but also to the quality of properties. We will also put forth efforts to conduct property operations that satisfy tenants by bringing services that tenants in our office buildings would easily recognize as properties of MCUBS MidCity.

The top priority aim, however, is to expand unitholder value as represented in the growth of distributions. We will manage MCUBS MidCity while pursuing the growth of distributions and expansion of unitholder value, as with other funds managed by the Mitsubishi Corp. - UBS Realty group. We would appreciate your continued support.

Introduction of new Executive Director

Executive Director,
MCUBS MidCity Investment Corporation

Katsura Matsuo

April 1989: Joined Mitsubishi Corporation

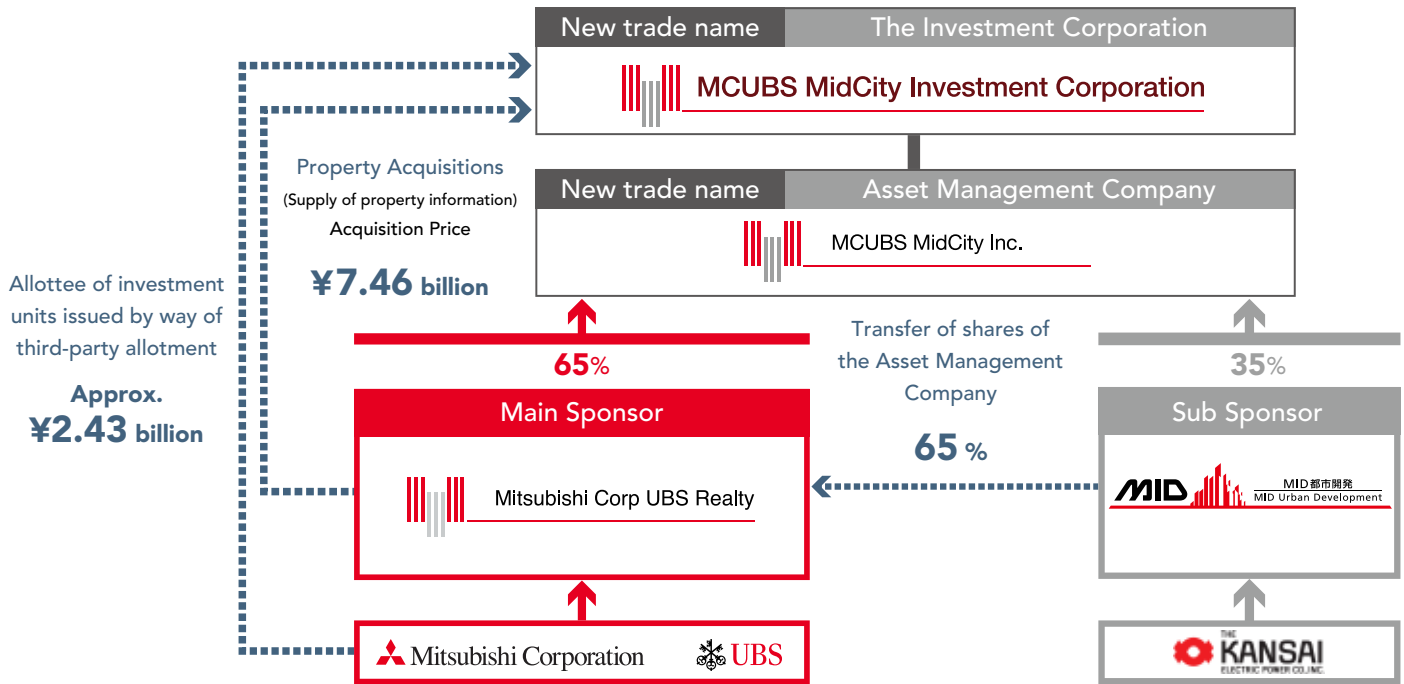
April 2015: Appointed as President & CEO & Representative Director, MCUBS MidCity Inc.
(after serving as Head of Asset Management, Retail Division, Mitsubishi Corp. – UBS Realty Inc.)

June 2015: Appointed as Executive Director, MCUBS MidCity Investment Corporation



Change in Main Sponsor

On April 22, 2015, Mitsubishi Corp. - UBS Realty Inc. acquired 65% of the shares issued and outstanding of the asset management company of MCUBS MidCity and joined as a main sponsor of MCUBS MidCity. Scheme after the change in the main sponsor is as follows.



New Portfolio Building Policy

MCUBS MidCity’s Portfolio Building Policy was amended at the Sixth General Meeting of Unitholders held on June 16, 2015.

- Expand targeted investment regions to **“focused on three major metropolitan areas (Tokyo metropolitan area, Osaka metropolitan area and Nagoya metropolitan area)”**
- Maintain investment policy of **focusing on office buildings**
- Policy changed to enable considering investment in real estate abroad

Targeted investment regions

Investment ratio	Three major metropolitan areas (Tokyo metropolitan area, Osaka metropolitan area and Nagoya metropolitan area) (Note 1)	Government-designated cities and other major cities as well as abroad, excluding the three major metropolitan areas
	70% or more	30% or less

Type (Note 2)

Investment ratio	Office building	Real estate other than office properties (Note 3)
	70% or more	30% or less

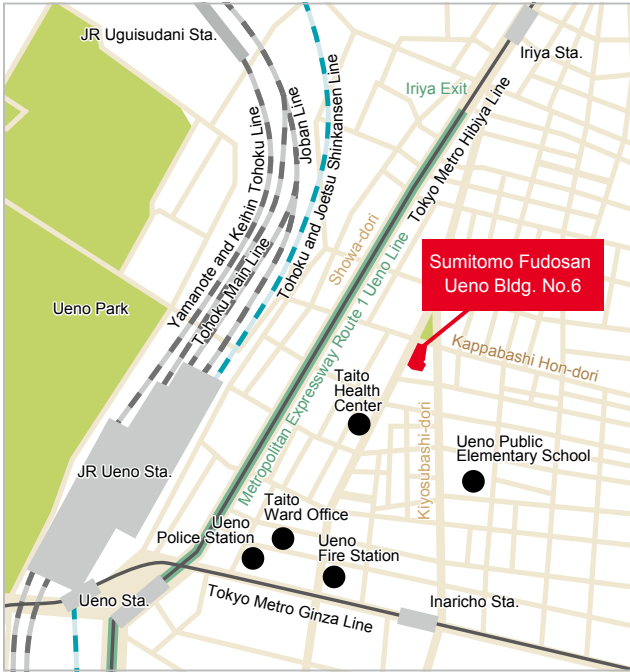
(Note 1) Three major metropolitan areas indicates Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama Prefectures), Osaka metropolitan area (Osaka, Kyoto and Hyogo Prefectures) and Nagoya metropolitan area (Aichi Prefecture).
 (Note 2) When properties have multiple uses, we determine which category 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 said real-estate-related asset is included in the acquisition cost of said category.
 (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.

External Growth

MCUBS MidCity acquired the following property based on the to-be-revised portfolio building policy using proceeds from the third-party allotment to Mitsubishi Corporation and UBS AG, new borrowings and equity capital.

Overview of acquisition property

Sumitomo Fudosan Ueno Bldg. No.6



- Located in the high visibility location along Kiyosubashi-dori street in east Ueno area, where many high-grade office buildings concentrate near Ueno station, one of Tokyo’s leading terminal stations.
- Able to keep high competitiveness in the area as the building has a convenient regular-shaped typical floor plan.

Location	5-24-8, Higashiueno, Taito-Ku, Tokyo	Leasable space	6,858.16 m ²
Access	Seven-minute walk from JR Ueno Station	Structure/scale	SRC with flat roof, B2/11F
	Seven-minute walk from Inaricho Station on the Tokyo Metro Ginza Line	Construction Completed	November 1993
	Seven-minute walk from Iriya Station on the Tokyo Metro Hibiya Line	No. of tenants	2
Total land space	1,323.78 m ²	Acquisition date	May 1, 2015
Total floor space	9,631.83 m ²	Occupancy rate (Note 2)	100.0%

(Note 1) Calculated based on the appraisal report as of February 28, 2015.
 (Note 2) As of June 30, 2015

Overview of Third-Party Allotment

New investment units to be issued	8,400 units	Total issue value	2,435,580,000 yen
Total units outstanding before the new issuance	183,625 units	Payment date	April 22, 2015
Total units outstanding after the new issuance	192,025 units	Alottees and number of units to be allotted	Mitsubishi Corporation 4,200 units UBS AG 4,200 units
Issue value	289,950 yen per unit	Specific use of proceeds	Part of acquisition fund for the above new property

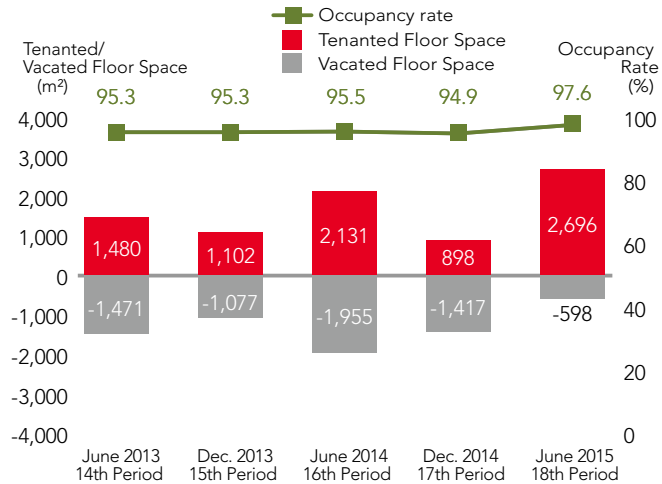
18th Fiscal Period Results

Internal Growth

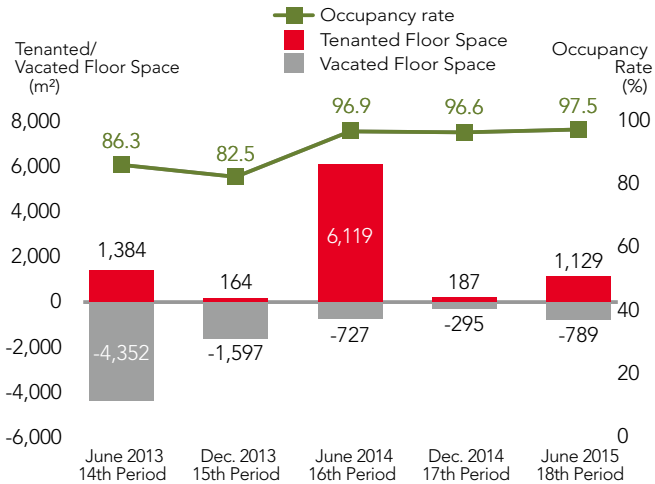
■ Maintained high occupancy rate with contribution from tenanted and expanded leased space in flagship properties

In the 18th fiscal period, occupancy rate of the entire portfolio remained at a high level due to move-ins of new tenants and an increase in existing tenants' expansion of leased space at Twin 21 and Matsushita IMP Building, MCUBS MidCity's flagship properties.

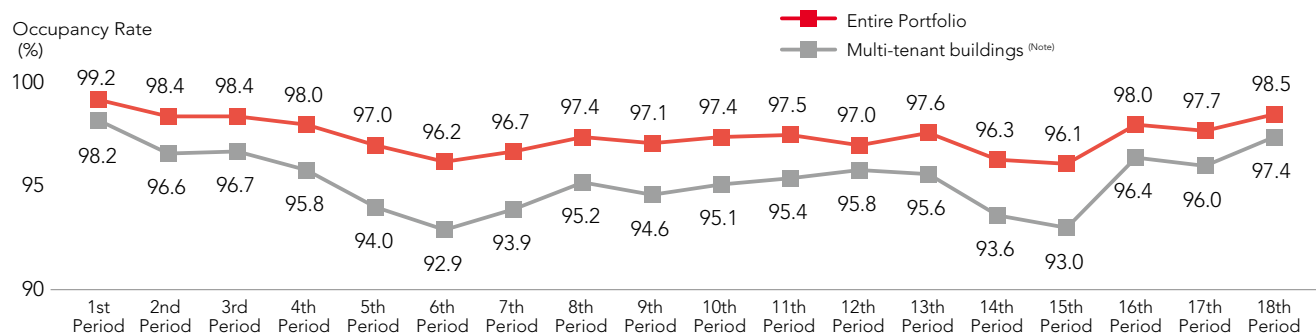
■ Twin 21



■ Matsushita IMP Bldg.



■ Change in Occupancy Rate at Period End



(Note) Properties considered in the calculation at the end of 18th fiscal period are as follows.
Sumitomo Fudosan Ueno Bldg. No.6, Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg. and Higobashi MID Bldg.

Efforts to Enhance Osaka Business Park's Brand Image

MCUBS MidCity is continuing/will continue to conduct advertisement activities appealing the excellent environment of OBP in the 18th and also in the 19 fiscal periods. We will make efforts so that these initiatives will help benefit OBP to be rediscovered and lead to stronger competitiveness of Twin 21 and Matsushita IMP Bldg.

■ Efforts in and after 19th Fiscal Period

Continue to conduct advertisement activities appealing the excellent environment of OBP.



Twin 21 and Matsushita IMP Bldg. Advertisement at Osaka Municipal Subway Yodoyabashi Station

Efforts for the 19th Fiscal Period

External Growth

MCUBS MidCity conducted issuance of new investment units through its first public offering and third party allotment in July 2015. We acquired new properties (4 properties) and silent partnership interest (1 property) using the proceeds and new borrowings.

Property name	Location	Asset type	Acquisition price (million yen) <small>(Note 1)</small>	Acquisition date
G-Square Shibuya Dogenzaka	Shibuya-ku, Tokyo	Real estate trust beneficiary interest	12,220	August 3, 2015
Shibuya Sakuragaoka Square (land with leasehold interest) (Quasi co-ownership interest: 40%)	Shibuya-ku, Tokyo	Real estate trust beneficiary interest	5,000	August 3, 2015
Yokohama Creation Square	Kanagawa-ku, Yokohama	Real estate trust beneficiary interest	7,080	August 3, 2015
Cube Kawasaki	Kawasaki-ku, Kawasaki	Real estate trust beneficiary interest	20,050	August 7, 2015
Subtotal			44,350	
Nagoya Lucent Tower <small>(Note 2)</small>	Nishi-ku, Nagoya	Silent Partnership Interest	4,919	August 3, 2015
Total			49,269	

(Note 1) "Acquisition Price" indicates the sale price (excluding acquisition expenses, property taxes, city planning taxes, consumption taxes, etc.) of respective acquired assets stated in the trust beneficiary interest transfer agreement or silent partnership transfer agreement.

(Note 2) The location of Nagoya Lucent Tower is that of Nagoya Lucent Tower (the real estate in trust) (the real estate in trust backed by the trust beneficiary interest for the 33.9% (and 29.5% right of site) of the sectional ownership of Nagoya Lucent Tower (sections of the Nagoya Lucent Tower buildings excluding the special high voltage substation building and part of the extra high voltage substation building) as the asset in trust).

Issuance of New Investment Units through Public Offering and Third-party Allotment

New investment units to be issued	Public offering:	74,000 units	22,434,876,000 yen	
	Third-party allotment:	4,000 units		
	Total units outstanding before the new issuance		192,025 units	
Total units outstanding after the new issuance		266,025 units		
Issue value		303,174 yen per unit		
Total issue value		Public offering:	21,222,180,000 yen	
		Third-party allotment:	1,212,696,000 yen	
Payment date		Public offering:	July 29, 2015	
		Third-party allotment:	August 17, 2015	
Specific use of proceeds		Part of acquisition fund for the above new assets (5 properties)		

Overview of New Borrowings

	Term	Balance (million yen)	Interest rate	Drawdown date	Repayment date	Collateral
Short-term loans payable	9 months	1,800	JBA Japanese Yen TIBOR + 0.4%	August 6, 2015	April 28, 2016	Unsecured Unguaranteed
	3 years	10,500	JBA Japanese Yen TIBOR + 0.4%	July 31, 2015	July 31, 2018	
	5 years	9,300	0.86545% (In accordance with the interest-rate swap agreement, the interest rate is actually fixed)	July 31, 2015	July 31, 2020	
	5 years	1,200	0.90750% (fixed)	July 31, 2015	July 31, 2020	
Long-term loans payable	7 years	2,200	1.20235% (In accordance with the interest-rate swap agreement, the interest rate is actually fixed)	July 31, 2015	July 31, 2022	
	7 years	800	1.23250% (fixed)	July 31, 2015	July 31, 2022	
	8 years	500	1.38430% (In accordance with the interest-rate swap agreement, the interest rate is actually fixed)	July 31, 2015	July 31, 2023	
	8 years	500	1.40000% (fixed)	July 31, 2015	July 31, 2023	
Total		26,800				

Financial Status

MCUBS MidCity completed refinancing of 15 billion yen in July 2015.

We also made new borrowings of 25 billion yen in July and 1.8 billion yen in August to fund new acquisitions made in the 19th fiscal period.

The status of loans as of August 31, 2015 after the above borrowings (the Borrowings) is as follows.

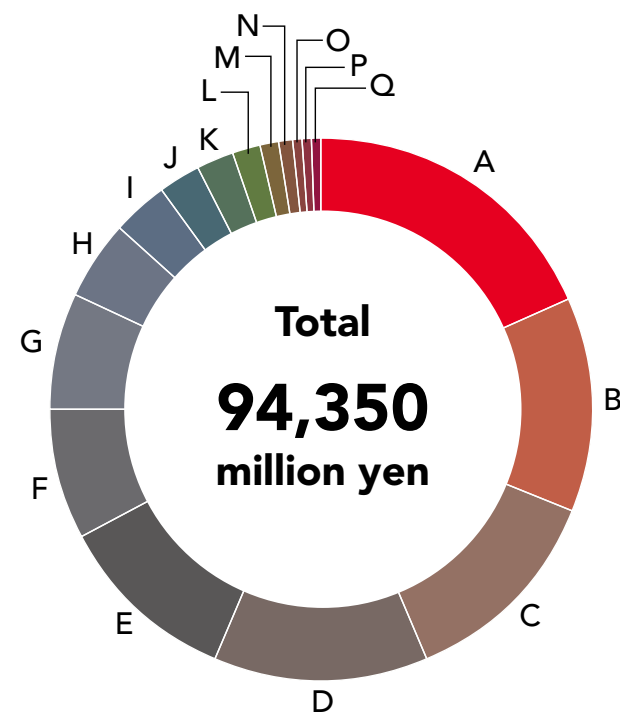
Status of Interest-bearing liabilities

Short-term loans payable ^(Note 1)	4,300 million yen	Ratio of Long-term debt ^(Note 2)	95.4%
Long-term loans payable ^(Note 1)	90,050 million yen	Ratio of Fixed interest rate ^(Note 2)	57.4%
Interest-bearing liabilities	94,350 million yen		

(Note 1) Short-term loans payable refer to borrowings with a borrowing period of less than or equal to 1 year from the borrowing date to the repayment date and Long-term loans payable refer to those with a borrowing period of more than 1 year. Long-term loans payable includes current portion of long-term borrowings.

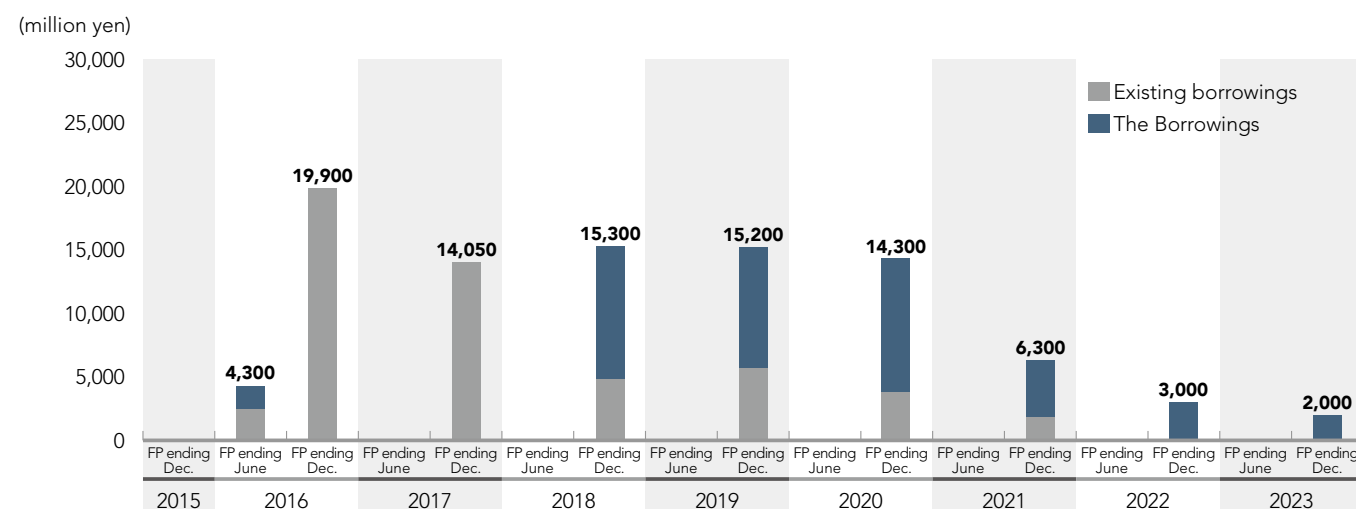
(Note 2) Weight-averaged based on the amount of loans. Ratio of fixed interest rate includes those whose interest rates have been practically fixed through conclusion of interest-rate swap agreements.

Debt Financing of Each Bank



Lender	Debt financing (million yen)	Share
A Mizuho Bank, Ltd.	17,400	18.4%
B Development Bank of Japan, Inc.	11,950	12.7%
C Sumitomo Mitsui Trust Bank, Limited	11,900	12.6%
D Sumitomo Mitsui Banking Corporation	11,900	12.6%
E Aozora Bank, Ltd.	10,300	10.9%
F Resona Bank, Limited	7,500	7.9%
G Mitsubishi UFJ Trust and Banking Corporation	6,500	6.9%
H Shinkin Central Bank	4,300	4.6%
I The Senshu Ikeda Bank, Ltd.	3,100	3.3%
J The Bank of Tokyo-Mitsubishi UFJ, Ltd. New	2,500	2.6%
K The Nishi-Nippon City Bank, Ltd.	2,200	2.3%
L Mizuho Trust & Banking Co., Ltd. New	1,300	1.4%
M The Hyakugo Bank, Ltd.	1,200	1.3%
N The Minato Bank, Limited	800	0.8%
O The Nanto Bank, Ltd.	500	0.5%
P The Hiroshima Bank, Ltd.	500	0.5%
Q Sony Bank Incorporated	500	0.5%
Total (17 Banks)	94,350	100.0%

Diversification of Repayment Dates



(Note) 14,050 million yen due in FP ending December 2017 includes 125 million yen due on January 31, 2016, 125 million yen due on July 31, 2016 and 125 million yen due on January 31, 2017.

Portfolio Overview / Portfolio Analysis

Portfolio Overview

The following is the status of MCUBS MidCity's portfolio as of August 31, 2015.

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 Building	Three major metropolitan areas	Sumitomo Fudosan Ueno Bldg. No.6	Taito-ku, Tokyo	7,460	3.6	May 2015	6,858.16	100.0
		G-Square Shibuya Dogenzaka	Shibuya-ku, Tokyo	12,220	5.8	August 2015	5,013.55	80.1
		Shibuya Sakuragaoka Square (land with leasehold interest) (Quasi co-ownership interest: 40%)	Shibuya-ku, Tokyo	5,000	2.4	August 2015	1,200.08	100.0
		Yokohama Creation Square	Kanagawa-ku, Yokohama	7,080	3.4	August 2015	12,797.73	90.7
		Cube Kawasaki	Kawasaki-ku, Kawasaki	20,050	9.6	August 2015	24,462.29	100.0
		Twin 21 ^(Note 6)	Chuo-ku, Osaka	68,700	32.8	August 2006	82,313.72	97.6
		Matsushita IMP Bldg.	Chuo-ku, Osaka	24,600	11.7	August 2006	37,401.36	97.5
		Midosuji MID Bldg.	Chuo-ku, Osaka	8,290	4.0	August 2006 October 2007	10,461.32	98.8
		MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	2,300	1.1	August 2006	4,833.88	100.0
		MID Imabashi Bldg.	Chuo-ku, Osaka	3,270	1.6	April 2007	4,277.65	94.4
		MID Midosujikawaramachi Bldg.	Chuo-ku, Osaka	2,000	1.0	May 2007	3,110.49	87.4
		Kitahama MID Bldg.	Chuo-ku, Osaka	10,800	5.2	April 2008	10,189.49	98.8
		MID Nishihommachi Bldg.	Nishi-ku, Osaka	3,550	1.7	October 2008	3,877.38	91.3
		Higobashi MID Bldg.	Nishi-ku, Osaka	3,000	1.4	June 2013	4,655.57	100.0
Other	Three major metropolitan areas	Subtotal (14 properties)		178,320	85.1		211,452.67	-
		AEON MALL Tsudanuma	Narashino-shi, Chiba	26,100	12.5	August 2006	101,210.44	100.0
		Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	2,780	1.3	August 2006	9,586.26	100.0
		Dormy Inn Hakata Gion	Hakata-ku, Fukuoka	2,280	1.1	September 2013	5,554.91	100.0
	Other	Subtotal (3 properties)		31,160	14.9		116,351.61	-
		Total (17 properties)		209,480	100.0		327,804.28	-

(Note 1) Three major metropolitan areas under Investment Area indicates Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama Prefectures), Osaka metropolitan area (Osaka, Kyoto and Hyogo Prefectures) and Nagoya metropolitan area (Aichi Prefecture), and Other 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, 2015. When MCUBS MidCity owns only land with leasehold interest, the entire land space is indicated.

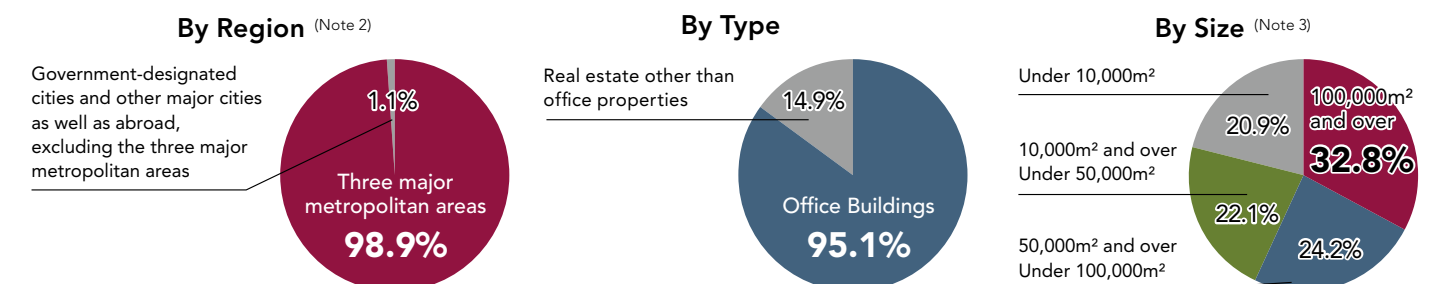
(Note 5) "Occupancy Rate" is presented as percentage figures, which are obtained by dividing the leased space as of June 30, 2015 by the leasable space. In addition, the figures in the "Subtotal" and the "Total" rows are presented as percentages that are obtained by dividing the sum of the leased space 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) In addition to the assets listed in the table above, MCUBS MidCity acquired 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, on August 3, 2015.

Portfolio Analysis

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



(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 metropolitan area (Tokyo, Kanagawa, Chiba and Saitama Prefectures), Osaka metropolitan area (Osaka, Kyoto and Hyogo Prefectures) and Nagoya metropolitan 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).



These buildings received "DBJ Green Building Certification," which certifies real estate properties with high environmental and social awareness (five ranks of certification), from Development Bank of Japan Inc. as "properties with excellent environmental and social awareness." (Obtained "three stars" ratings.)

Twin 21



Matsushita IMP Bldg.



Kitahama MID Bldg.



Higobashi MID Bldg.



Midosuji MID Bldg.



MID REIT Kyobashi Bldg.



MID Imabashi Bldg.



MID
Midosujikawaramachi Bldg.



MID Nishihommachi Bldg.



Konami Sports Club Kyobashi



Osaka metropolitan area

Tokyo metropolitan area

Properties acquired
in 18th fiscal period

Sumitomo Fudosan
Ueno Bldg. No.6



AEON MALL Tsudanuma



Properties acquired in 19th fiscal period

G-Square
Shibuya Dogenzaka



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



Nagoya metropolitan area

Other

Properties acquired
in 19th fiscal period

Dormy Inn Hakata Gion



Nagoya Lucent Tower
(Silent Partnership Interest)



Yokohama
Creation Square



Cube Kawasaki



Historical Results of Operations for MCUBS MidCity

Overview of Asset Management.

Period		14th Period	15th Period	16th Period	17th Period	18th Period
Fiscal period		Jan. 1, 2013 June 30, 2013	July 1, 2013 Dec. 31, 2013	Jan. 1, 2014 June 30, 2014	July. 1, 2014 Dec. 31, 2014	Jan. 1, 2015 June 30, 2015
Operating revenue	(million yen)	5,457	5,265	5,157	5,173	5,265
(Real estate rental revenues)	(million yen)	(5,457)	(5,265)	(5,157)	(5,173)	(5,265)
Operating expenses	(million yen)	4,810	3,615	3,543	3,634	3,582
(Real estate rental expenses)	(million yen)	(3,020)	(2,979)	(3,023)	(3,123)	(3,122)
Operating income	(million yen)	646	1,650	1,614	1,538	1,683
Ordinary income	(million yen)	105	1,177	1,161	1,087	1,239
Net income	(million yen)	104	1,175	1,160	1,093	1,237
Total assets (Period-on-period variation)	(million yen) (%)	173,711 (-1.0)	168,939 (-2.7)	168,762 (-0.1)	168,823 (0.0)	174,117 (3.1)
Net assets (Period-on-period variation)	(million yen) (%)	90,476 (-1.3)	91,548 (1.2)	91,532 (-0.0)	91,466 (-0.1)	94,045 (2.8)
Interest-bearing liabilities	(million yen)	71,675	65,550	65,425	65,300	67,675
Unitholders' capital	(million yen)	90,372	90,372	90,372	90,372	92,808
Total number of investment units issued and outstanding	(units)	183,625	183,625	183,625	183,625	192,025
Net assets per unit	(yen)	492,726	498,563	498,477	498,116	489,757
Total distributions	(million yen)	104	1,175	1,160	1,094	1,237
Distribution per unit	(yen)	567	6,404	6,318	5,958	6,444
(Earnings distribution per unit)	(yen)	(567)	(6,404)	(6,318)	(5,958)	(6,444)
(Distribution in excess of earnings per unit)	(yen)	(-)	(-)	(-)	(-)	(-)
Ordinary income to total assets	(Note 1) (Note 2) (%)	0.1 (0.1)	0.7 (1.4)	0.7 (1.4)	0.6 (1.3)	0.7 (1.5)
Net income to unitholders' equity	(Note 1) (Note 3) (%)	0.1 (0.2)	1.3 (2.6)	1.3 (2.6)	1.2 (2.4)	1.3 (2.7)
Unitholders' equity to total assets at end of period (Period-on-period variation)	(Note 4) (%)	52.1 (-0.2)	54.2 (2.1)	54.2 (0.0)	54.2 (-0.0)	54.0 (-0.2)
Ratio of interest-bearing liabilities at end of period	(Note 5) (%)	41.3	38.8	38.8	38.7	38.9
Payout ratio	(Note 6) (%)	100.0	100.0	100.0	100.0	100.0
Number of investment properties	(properties)	11	12	12	12	13
Total leasable space	(Note 7) (m ²)	271,963.95	277,516.99	277,516.98	277,516.98	284,330.63
Number of tenants at end of period	(Note 8) (tenants)	230	236	235	244	249
Occupancy rate at end of period	(Note 9) (%)	96.3	96.1	98.0	97.7	98.5
Depreciation for the period	(million yen)	1,113	1,107	1,127	1,133	1,150
Capital expenditures for the period	(million yen)	538	266	418	514	394
NOI from property leasing	(Note 10) (million yen)	3,568	3,395	3,268	3,182	3,294

(Note 1) Figures in parenthesis have been annualized.

(Note 2) Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2}×100

(Note 3) Net income ÷ {(Net assets at beginning of period + Net assets at end of period) ÷ 2}×100

(Note 4) Net assets at end of period ÷ Total assets at end of period×100

(Note 5) Interest-bearing liabilities at end of period ÷ Total assets at end of period×100

(Note 6) “Payout ratio” for the 18th fiscal period is calculated using the following formula as new investment units were issued during the period.
Payout ratio = Total distributions (excluding distribution in excess of earnings) ÷ Net income x 100

(Note 7) “Total leasable space” represents the total leasable floor space as of the end of each fiscal period. (Figures are for leasable units only and exclude the floor space for storage, halls, parking, etc., but include the floor space for common areas and parking, etc. when leased to tenants.)

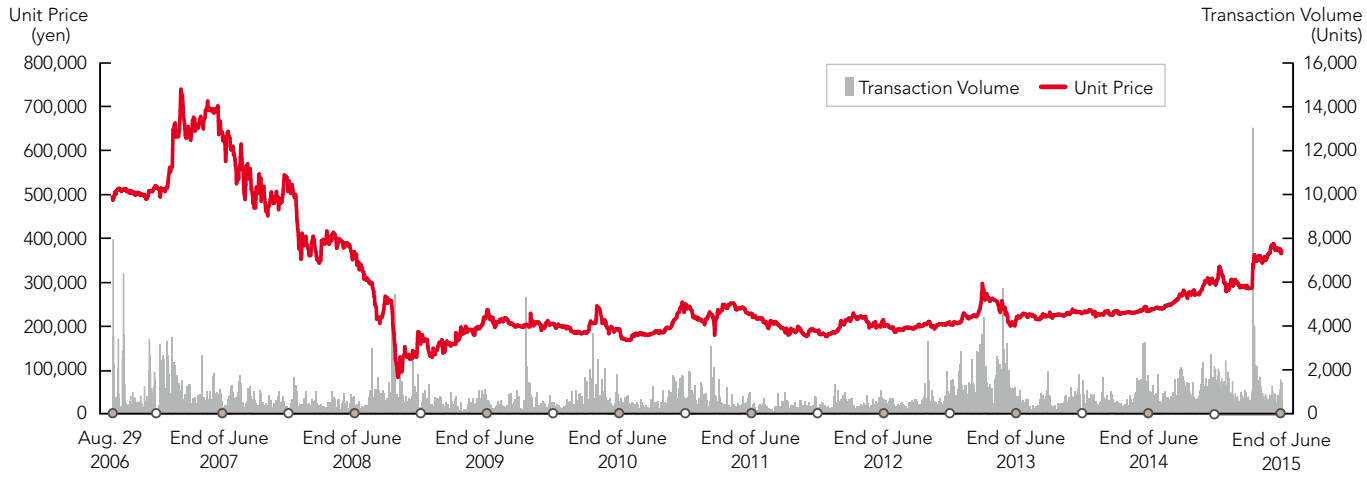
(Note 8) “Number of tenants at end of period” represents the number of tenants based on lease agreements that are valid at the end of each fiscal period. (Figures are for leased units only and exclude the tenants who rent only the floor space for storage, halls, parking, etc.). When a single tenant rents multiple units based on multiple lease agreements, the count is as separate tenants and totaled. When a single tenant rents multiple units in a single property and the billing of the rent for these units is consolidated, the count is as one tenant. Please note that for the 16th fiscal period and earlier fiscal periods, the count is as one tenant when in a single property, regardless of whether or not the billing of the rent for these units is consolidated, and the count is as one tenant for each property and totaled when in multiple properties.

(Note 9) “Occupancy rate at end of period” is the figure obtained by dividing the total leased space of respective properties at the end of each fiscal period by the total leasable floor space, and is expressed as a percentage.

(Note 10) Rental income for the period (Real estate rental revenues – Real estate rental expenses) + Depreciation for the period + Loss on retirement of noncurrent assets for the period

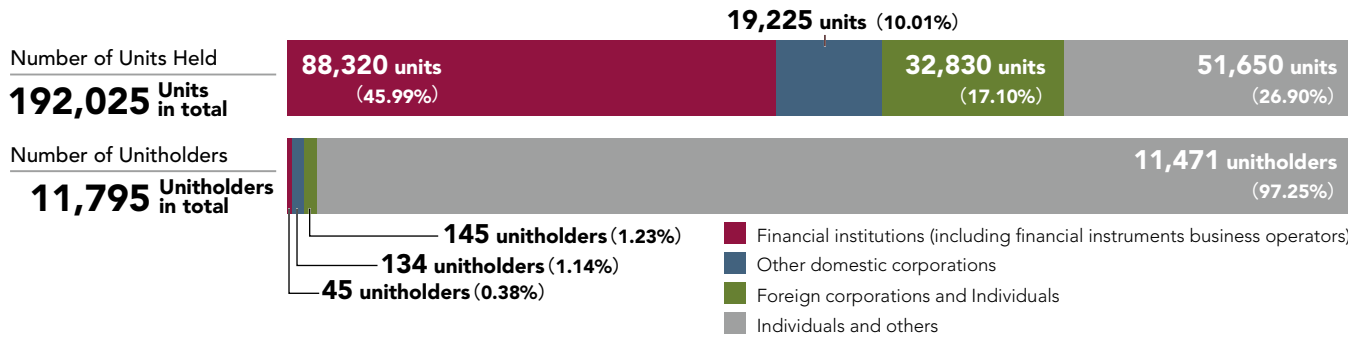
Unit Price Performance

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, 2015.



Breakdown of Unitholders

The following is the breakdown of MCUBS MidCity’s unitholders as of June 30, 2015.



Overview of Asset Management Company (as of June 30, 2015)

Name	MCUBS MidCity, Inc.
Location	1-4-4 Dojimahama, Kita-ku, Osaka
Paid-in capital	210 million yen
Shareholder	Mitsubishi Corp. - UBS Realty Inc.: 65% MID Urban Development Co., Ltd.: 35%
Representative	Katsura Matsuo President & CEO & Representative Director
Business Description	Investment management business
Company History	<p>September 1, 2005: MID REIT Management Co., Ltd. established</p> <p>October 5, 2005: Acquired real estate brokerage license (License Number: 2-51806, Osaka Governor)</p> <p>February 2, 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)</p> <p>May 26, 2006: Obtained grant for asset management under the Investment Trust and Investment Corporation Law (Grant Number: 64, Prime Minister of Japan)</p> <p>September 30, 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) ^(Note)</p> <p>April 22, 2015: The asset manager’s trade name was changed from MID REIT Management Co., Ltd. to MCUBS MidCity Inc.</p> <p>(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.</p>