

Investor Presentation

Fiscal Period ended December 31, 2015
(19th Period)





The 19th fiscal period overview

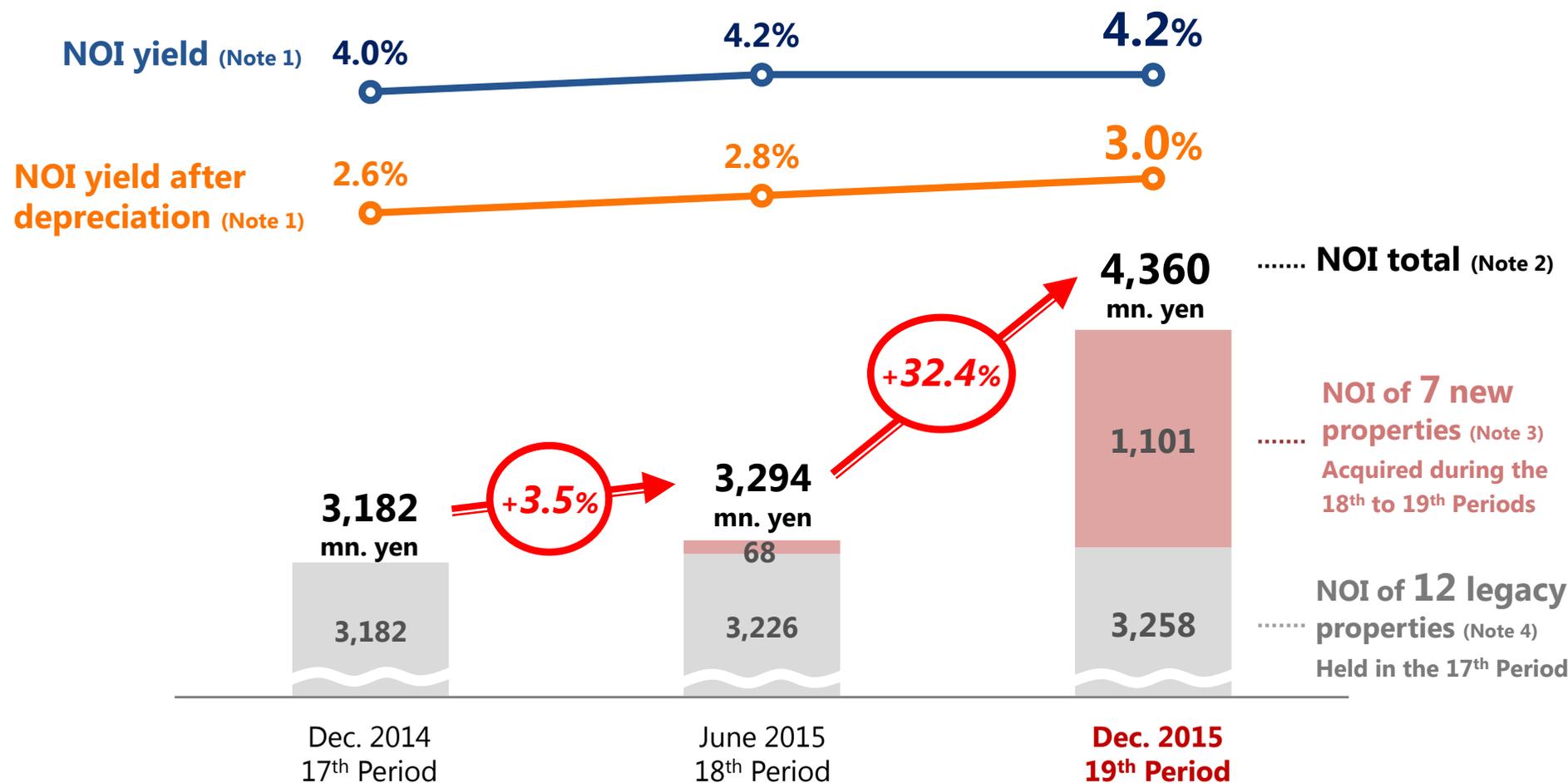
	Fiscal Period ended June 30, 2015 (18 th Period)	Compared to the 17 th Period	Fiscal Period ended Dec. 31, 2015 (19th Period)	Compared to the 18 th Period
Distribution per unit	6,444 yen	+8.2%	7,281 yen	+13.0%
NAV per unit	321,783 yen	+1.3%	344,853 yen	+7.2%
Asset size	165.1 bn. yen	+4.7%	217.1 bn. yen	+31.5%
NOI	3,294 mn. yen	+3.5%	4,360 mn. yen^(Note)	+32.4%

Note: NOI in the 19th Period includes dividends received worth 111 million yen from Nagoya Lucent Tower's silent partnership interest (hereinafter referred to as "TK interest").





Acquisition of new properties led to substantial NOI growth



Note 1: For portfolio average yield, actual results in the 19th Period are annualized on a per diem basis. This calculation does not include the TK interests in Nagoya Lucent Tower.

Note 2: NOI of 4,360 million yen in the 19th Period includes 111 million yen of the TK interests in Nagoya Lucent Tower.

Note 3: New property NOI represents the figure of interest of Sumitomo Fudosan Ueno Bldg. No. 6 acquired during the 18th Period and six properties including the TK interests in Nagoya Lucent Tower acquired in the 19th Period, totaling seven.

Note 4: Legacy property NOI indicates the figure of 12 properties held in the 17th Period (ditto hereafter).





Selective acquisitions of prime properties

Total acquisition price of 7 new properties acquired in the 18th and 19th Periods

59,434 mn. yen
(Note 1) 

Tokyo Area
91.7% (Note 2)

Nagoya Area
8.3% (Note 2)



NOI contribution of 7 new properties acquired in the 18th and 19th Periods

+1,101 mn. yen
(Note 1) 

Average adjusted NOI yield
4.0% (Note 3)

Average adjusted NOI yield after depreciation
3.5% (Note 3)

Note 1: This represents the figure of interest of Sumitomo Fudosan Ueno Bldg. No. 6 acquired during the 18th Period and six properties including the TK interests in Nagoya Lucent Tower acquired in the 19th Period, totaling seven.

Note 2: Acquisition price basis.

Note 3: Expenses for real estate tax is added to annualize this figure and calculates by deducting the TK interests in Nagoya Lucent Tower.



Selective acquisitions of prime properties

Property name	Location	Acquisition price (mn. yen)	Appraisal NOI yield (Note 1)	Appraisal NOI yield after depreciation (Note 1)	Adjusted NOI yield (Note 2)	Adjusted NOI yield after depreciation (Note 2)
Assets acquired in the Fiscal Period ended June 30, 2015						
 Sumitomo Fudosan Ueno Bldg. No.6 Tokyo Area	Taito-ku, Tokyo	7,460	4.5%	3.5%	4.9%	3.9%
Assets acquired in the Fiscal Period ended Dec. 31, 2015 (acquired through PO)						
 G-Square Shibuya Dogenzaka Tokyo Area	Shibuya-ku, Tokyo	12,220	3.6%	3.1%	2.5%	2.0%
 Shibuya Sakuragaoka Square (land with leasehold interest) (quasi co-ownership interest: 40%) Tokyo Area	Shibuya-ku, Tokyo	5,000	3.2%	3.2%	3.3%	3.3%
 Yokohama Creation Square (Sectional ownership) Tokyo Area	Kanagawa-ku, Yokohama	7,080	5.1%	4.4%	4.7%	4.0%
 Cube Kawasaki Tokyo Area	Kawasaki-ku, Kawasaki	20,050	4.8%	4.4%	4.4%	4.1%
 Nagoya Lucent Tower (Silent partnership interest) Nagoya Area	Nishi-ku, Nagoya	4,919	—	—	—	—
Assets acquired in the Fiscal Period ended Dec. 31, 2015 (acquired in Dec. 2015)						
 Higashi-Nihombashi Green Building Tokyo Area	Chuo-ku, Tokyo	2,705	4.8%	4.3%	4.8%	4.3%

Acquired on Dec. 21, 2015

Higashi-Nihombashi Green Building

- ✓ Highly convenient location with access to four stations and four lines
- ✓ Office building with excellent visibility and natural lighting, standing on a corner lot along Kiyosugi-dori, an arterial road



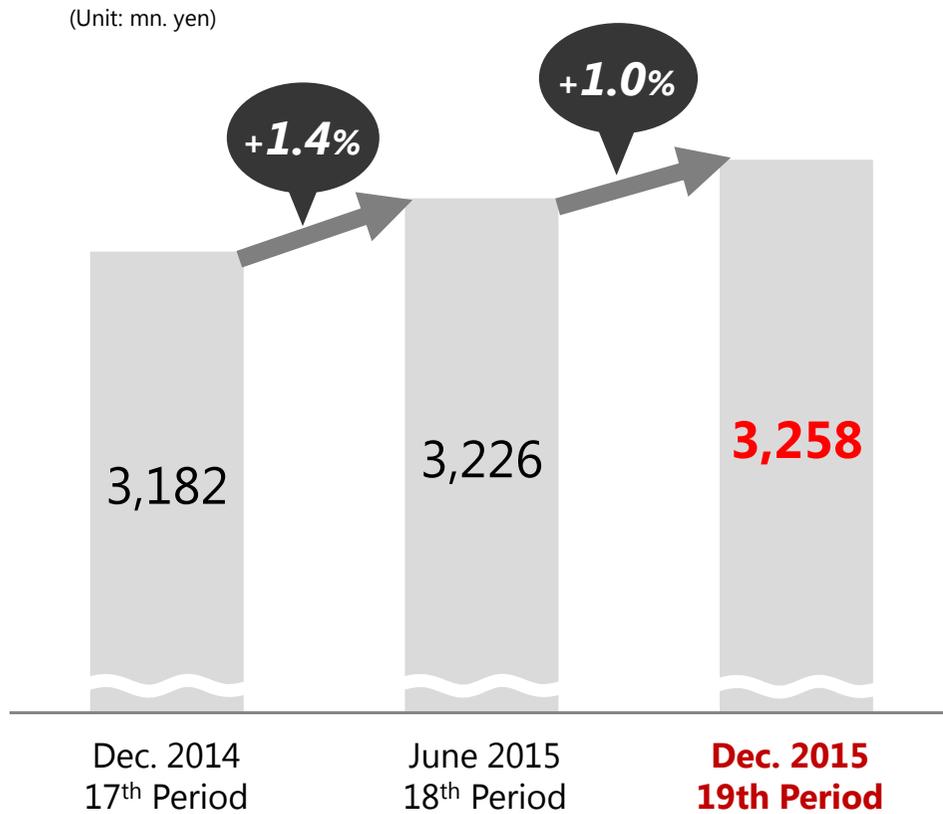
Location	Higashi-Nihombashi 2-8-3, Chuo-ku, Tokyo
Site area	599.07㎡
Total floor area	4,210.72㎡
Structure/Floors	SRC/10F
Completion date	March 1988
Total tenants	8

Note 1: "Appraisal NOI yield" and "Appraisal NOI yield after depreciation" are calculated based on net operating income with a direct income method stated on written appraisal value at the end of the 19th Period.
Note 2: Real estate taxes are added to actual results of the 19th Period for annualization.



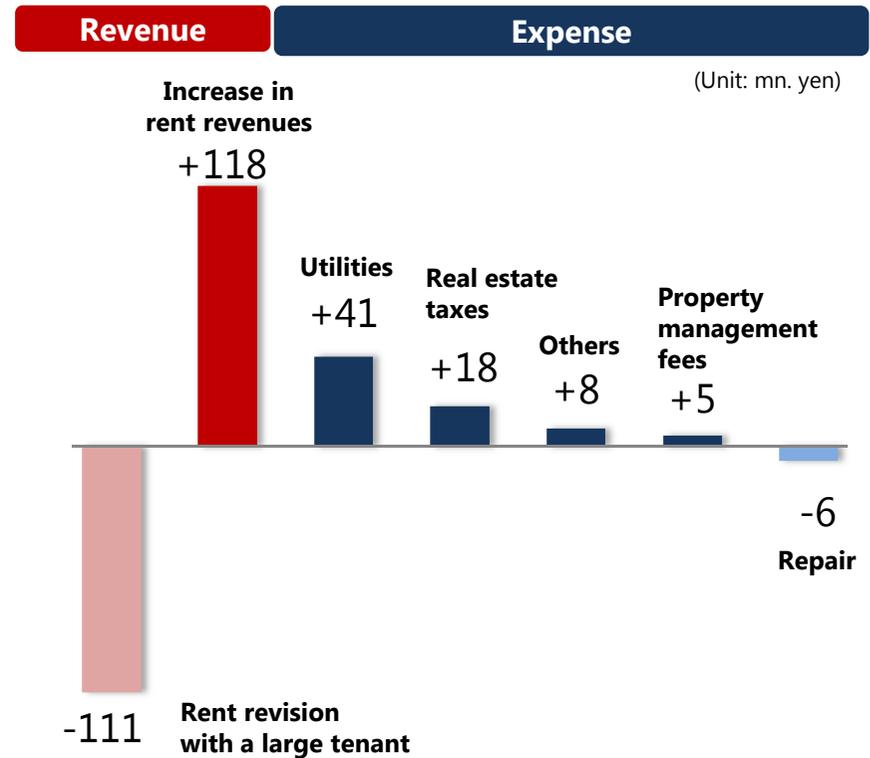
Enhanced profitability of legacy properties

Legacy properties' NOI_(Note)



NOI growth breakdown from 17th to 19th Periods

+75 mn. yen

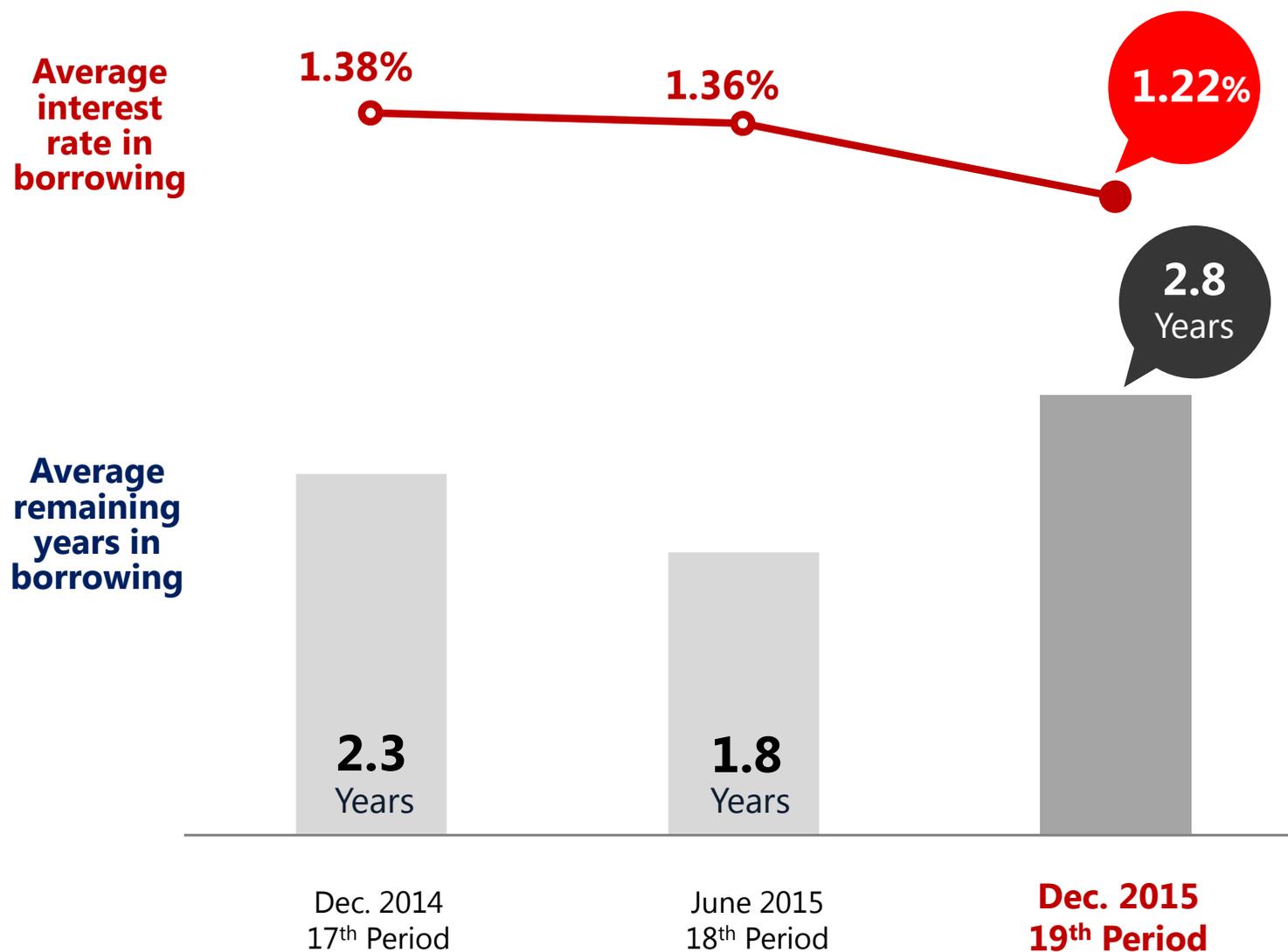


Note: Legacy properties' NOI indicates the total of NOI of the 12 properties held in the 17th Period.





Steadily reducing financial costs while stabilizing debt portfolio



Future Growth Strategy





Continuous growth strategy implemented after MCUBSR's participation

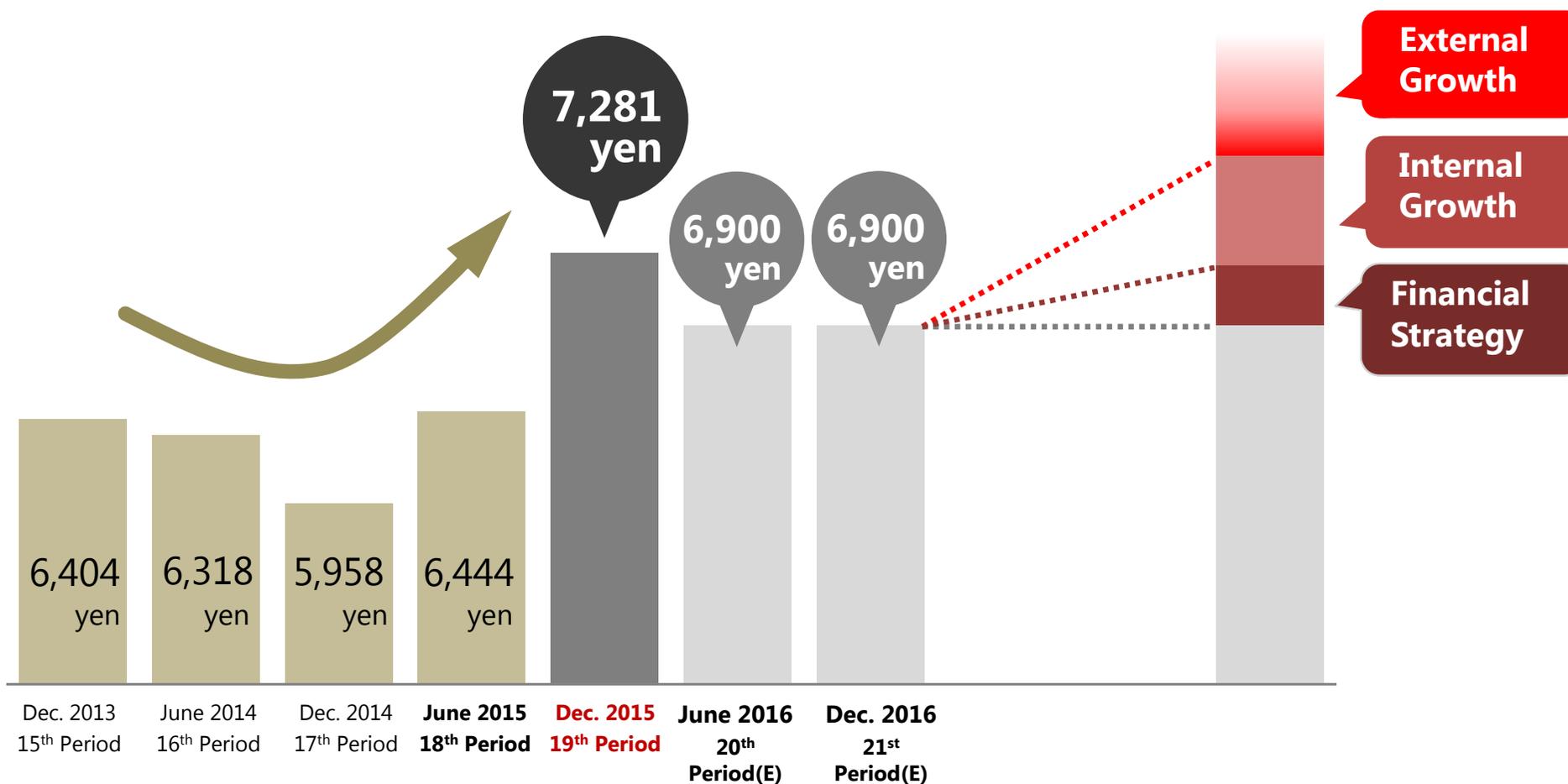


Source: Compiled by MCUBS MidCity using data by Bloomberg





Steady DPU growth





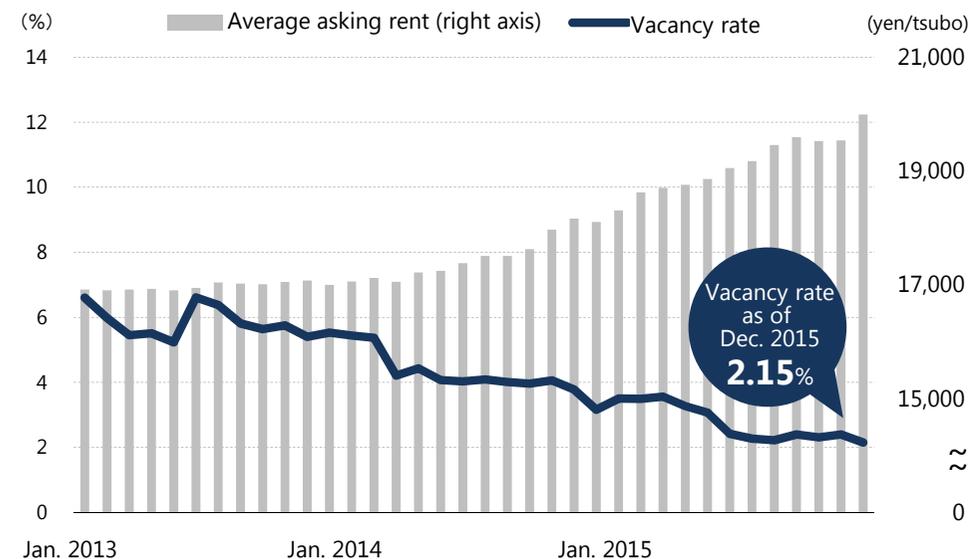
Tokyo area; Revenue to increase by occupancy & rent improvements

G-Square Shibuya Dogenzaka

Occupancy When acquired: 70.2% **19th Period:** 80.1%

Features of Shibuya Area with even lower vacancy within Tokyo's 23 Wards
IT firm clustered area with scarce supplies
Tight supply-and-demand is continuing

Market outlook of Shibuya Vacancy continues to drop
Rent is increasing



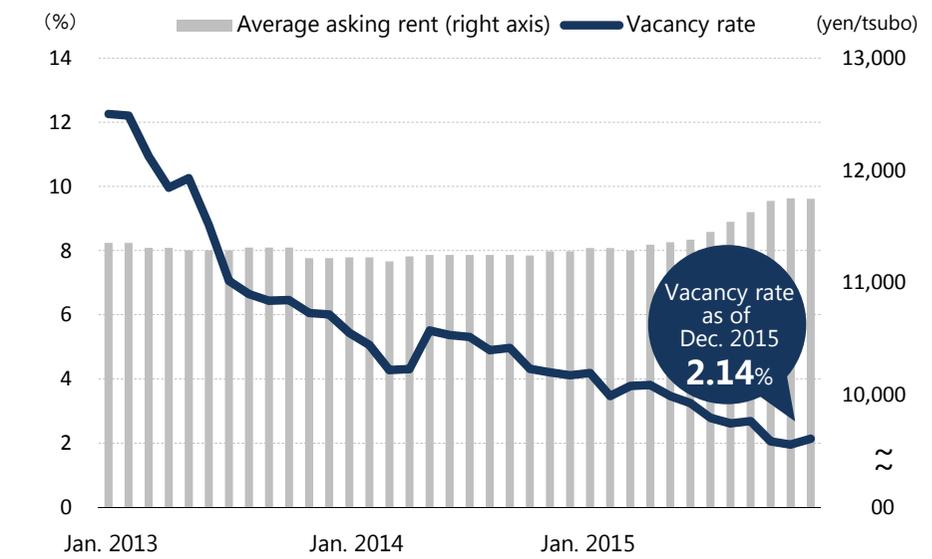
Source: Compiled by MCUBS MidCity using data by Miki Shoji

Cube Kawasaki

Occupancy When acquired: 100.0% **19th Period:** 94.7%

Features of Kawasaki Area with lower vacancy than in Tokyo's 23 Wards
Manufacturer groups are concentrating here since 2013

Market outlook of Kawasaki Vacancy continues to drop
Rent is increasing



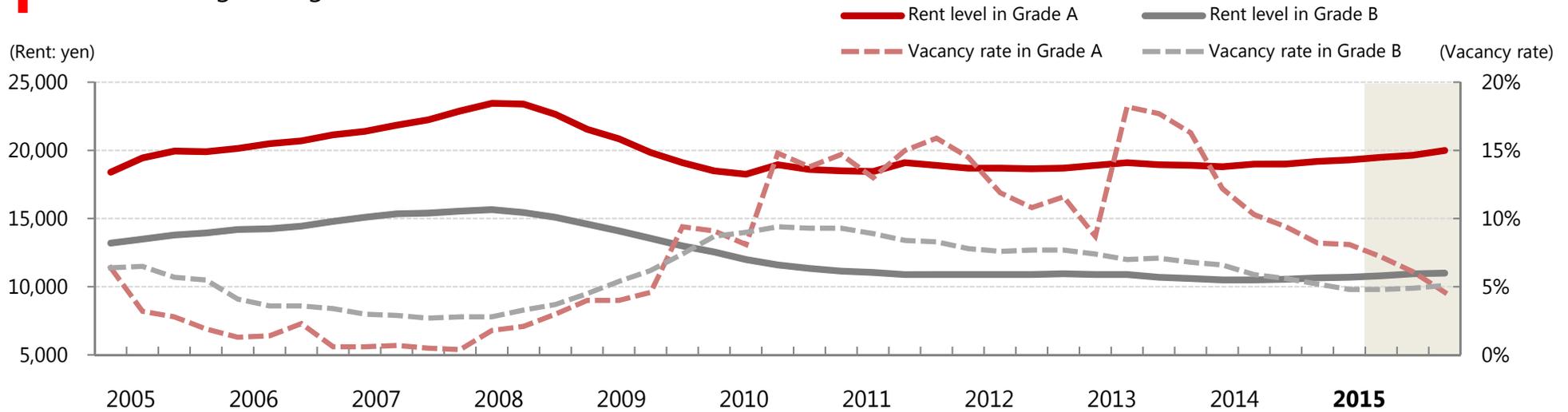
Source: Compiled by MCUBS MidCity using data by Miki Shoji





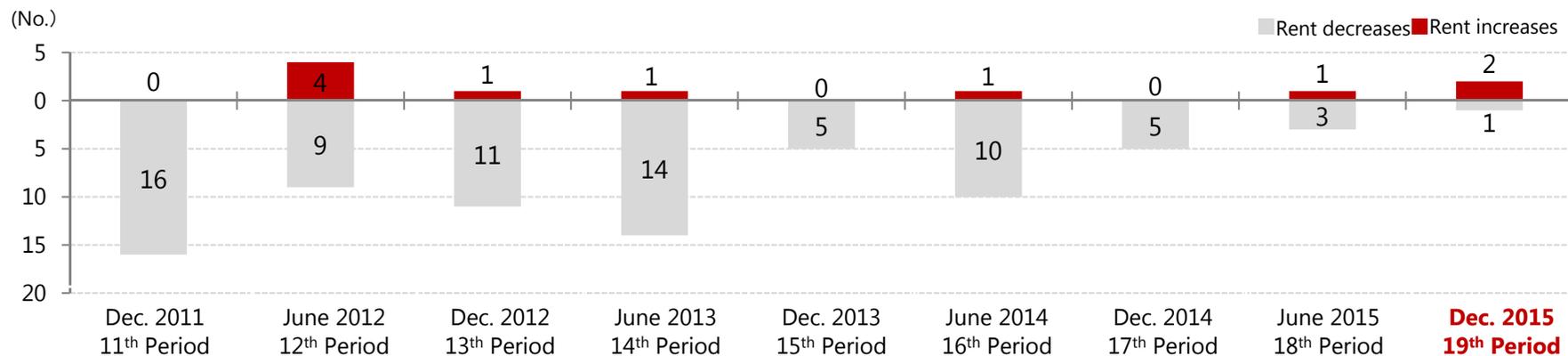
Osaka area; Rent market has bottomed out

Office building leasing market conditions in Osaka area



Source: Compiled by MCUBS MidCity using data by CBRE

No. of legacy properties with revised rents





Value enhancement initiative <Osaka Business Park>

To be completed in FY 2017

New Osaka Kyobashi MID Bldg.(tentative name)

- 22 storied building
- Working population: **about 4,000**

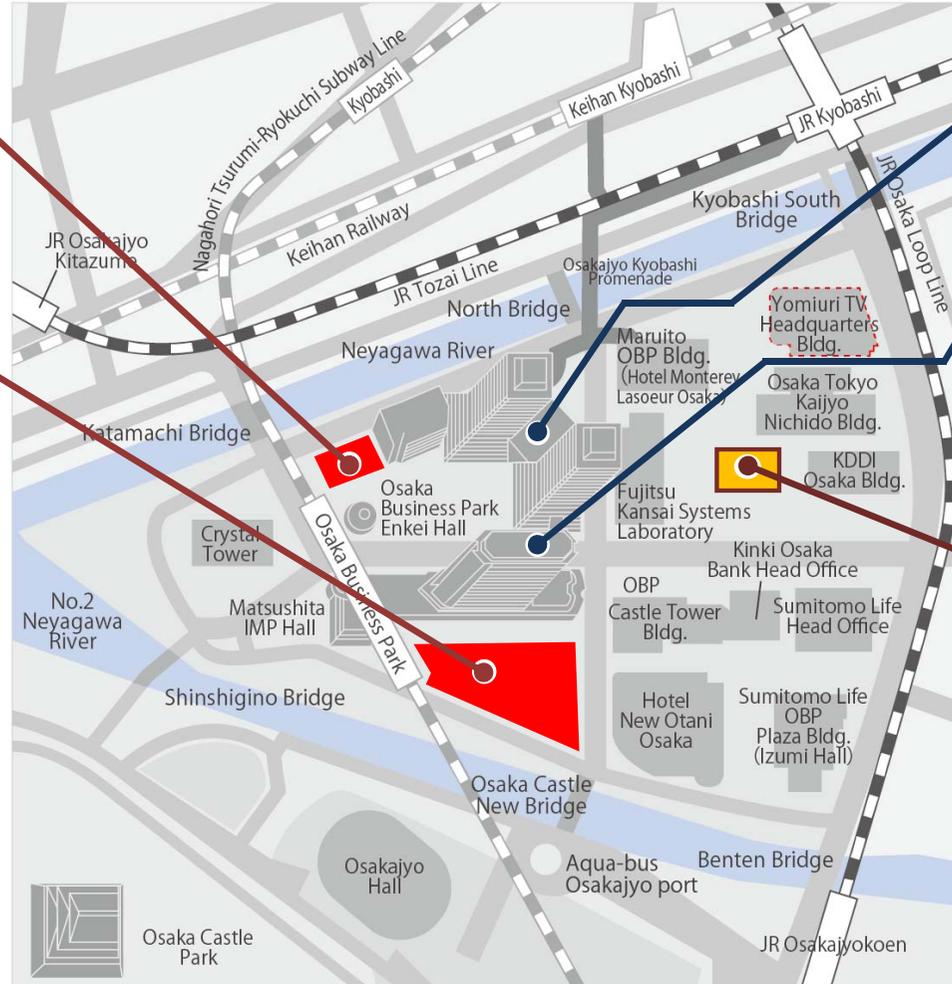
To be completed in summer 2019

Yomiuri Telecasting Corporation's new building

- Construction to be started in fall 2016
- Working population: **about 2,000**

Working population of the whole OBP
About 34,800

↓
About 40,900



Twin 21

- Working population: **about 7,500**

Matsushita IMP Bldg.

- Working population: **about 3,800**

Completed in June 2015

KDDI Osaka No.2 Bldg.

- 20 storied building
- Working population: **about 2,100**

Cf:

No. of annual visitors to Donjon of Osaka Castle: about 1.5 mn.

No. of annual visitors to Osaka Castle Hall: about 1.6 mn.

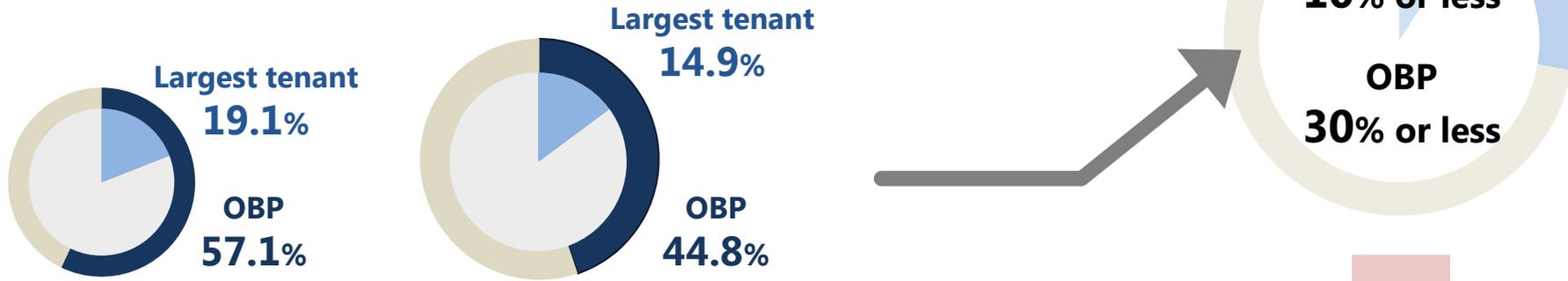




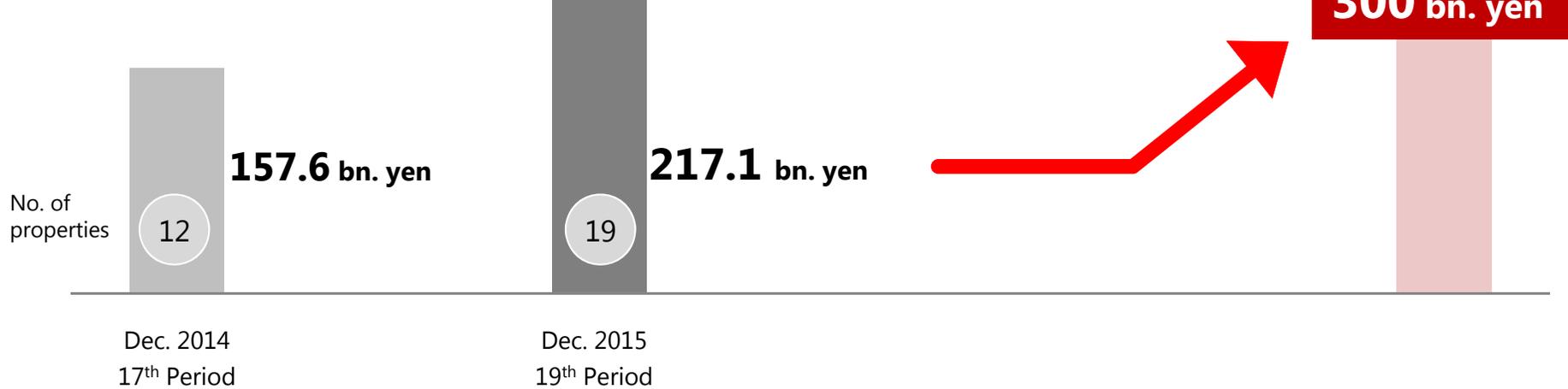
Asset growth to enhance portfolio diversification

Asset size and tenant composition

<Tenant composition (based on rent revenues)>



<Asset size (based on acquisition price)>





Selective acquisitions by leveraging Sponsor's expertise



Mitsubishi Corp UBS Realty

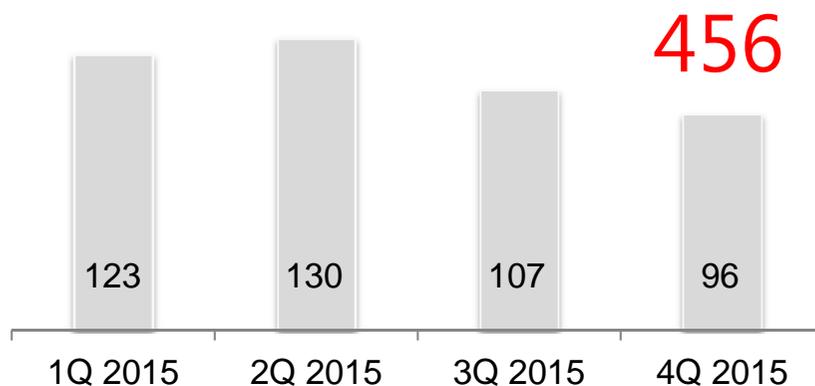
Make use of its supporting capacity in providing properties information, making CRE proposals, etc.



MID 都市開発
MID Urban Development

Make use of its supporting capacity in providing properties information, warehousing and other services

Total No. of acquisitions considered in 2015



Major development properties and holding properties of MID Urban Development

Development property	Kyobashi MID Bldg. (Chuo-ku, Tokyo)
Holding properties	Yaesu MID Bldg. (Chuo-ku, Tokyo)
	Nishigin MID Bldg. (Chuo-ku, Tokyo)
	MID Nihonbashi Horidomecho Bldg. (Chuo-ku, Tokyo)
	HOTEL GRAND BACH KYOTO (Shimogyo-ku, Kyoto)

* The acquisitions of these properties by MCUBS MidCity have not been decided.

Note: Effective April 1, 2016, MID Urban Development Co., Ltd. is merged with Kanden-Fudosan Co., Ltd. and renamed to Kanden Realty & Development Co., Ltd.





Forecasts for June 2016 (20th) and Dec. 2016 (21st) fiscal periods

	Fiscal period ended June 30, 2016 (20 th Period) (Forecast)	Compared to the 19 th Period	Fiscal period ended Dec. 31, 2016 (21 st Period) (Forecast)	Compared to the 20 th Period
Operating revenue	6,855 mn. yen	+4.2%	6,881 mn. yen	+0.4%
Operating profit	2,430 mn. yen	-3.1%	2,430 mn. yen	0.0%
Net income	1,835 mn. yen	-5.2%	1,835 mn. yen	0.0%
Distribution	6,900 yen	-5.2%	6,900 yen	0.0%





Memo





Disclaimer

- This material is not prepared as an inducement or invitation for the acquisition of investment securities of MCUBS MidCity Investment Corporation (MCUBS MidCity) nor inducement or invitation for the execution of other financial transaction contracts. Investment decisions are made at the investors' sole discretion and responsibility and are made at their own risk.
- The market prices of investment securities issued by real estate investment trusts (REITs) fluctuate in line with changes in: (1) real estate prices; (2) markets for REIT-issued and other marketable securities; (3) interest rates; and (4) the prices and appraisal values of securitized real estate. Fluctuations in market prices may cause investor losses. In addition, changes in the business conditions and asset status of MCUBS MidCity and MCUBS MidCity Inc., MCUBS MidCity's asset management company, may result in fluctuations in the market prices of investment securities issued by MCUBS MidCity. In such cases, investors may incur losses.
- This material is not a disclosure document or an asset management report based on the Financial Instruments and Exchange Law or the Law Concerning Investment Trusts and Investment Corporations ("Investment Trust Law"), or government and ministerial ordinances, Cabinet Office orders, TSE listing rules, or any other relevant rules or regulations pertaining thereto.
- This material has been prepared, with due care, based on information that was available to MCUBS MidCity as of the date of preparation. Therefore, MCUBS MidCity does not guarantee that the data herein is accurate, complete, reliable, appropriate or fair. Furthermore, any item of data may be changed or removed without prior notice.
- This material contains various forward-looking statements which are based on current projections of the future with assumptions drawn on currently available information. Such statements may be affected by unknown risks, uncertainties, assumptions or other factors. Accordingly, these statements shall not be construed to guarantee the projected performance of MCUBS MidCity.
- Unauthorized redistribution or reproduction of this material or its contents is strictly prohibited.
- Inquiries regarding this document should be directed to the following contacts:

(Asset Management Company)

MCUBS MidCity Inc.

2-7-3, Marunouchi, Chiyoda-ku, Tokyo

100-6421

TEL: +81-3-5293-4150 (main) / FAX: +81-3-5293-9310

