

Investor Presentation

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

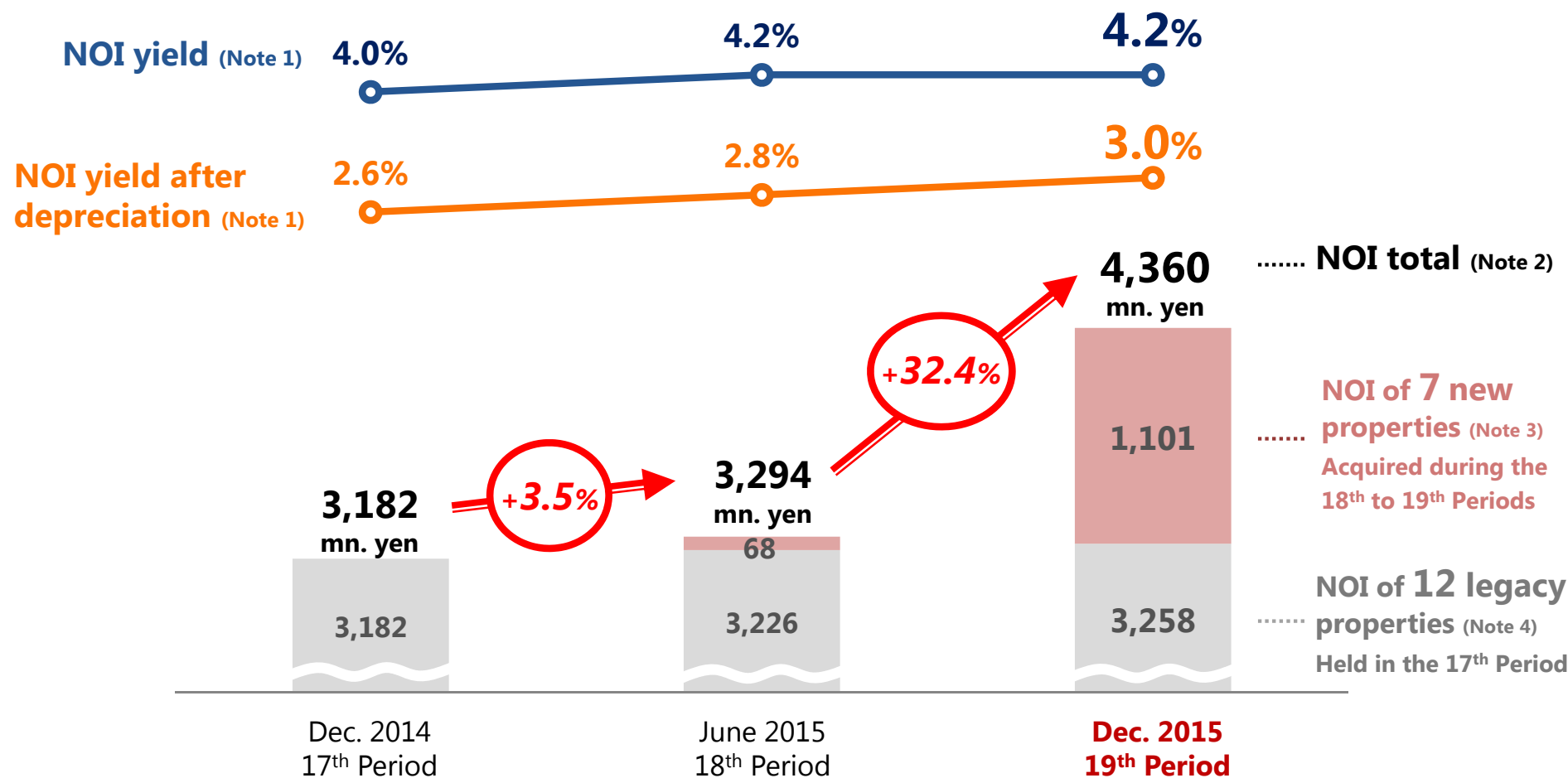


The 19th fiscal period overview

	Fiscal Period ended June 30, 2015 (18 th Period)	Compared to the 17 th Period	Fiscal Period ended Dec. 31, 2015 (19 th 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



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










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.



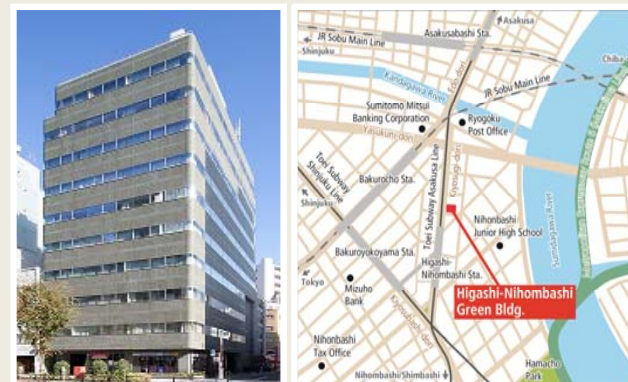
Selective acquisitions of prime properties

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



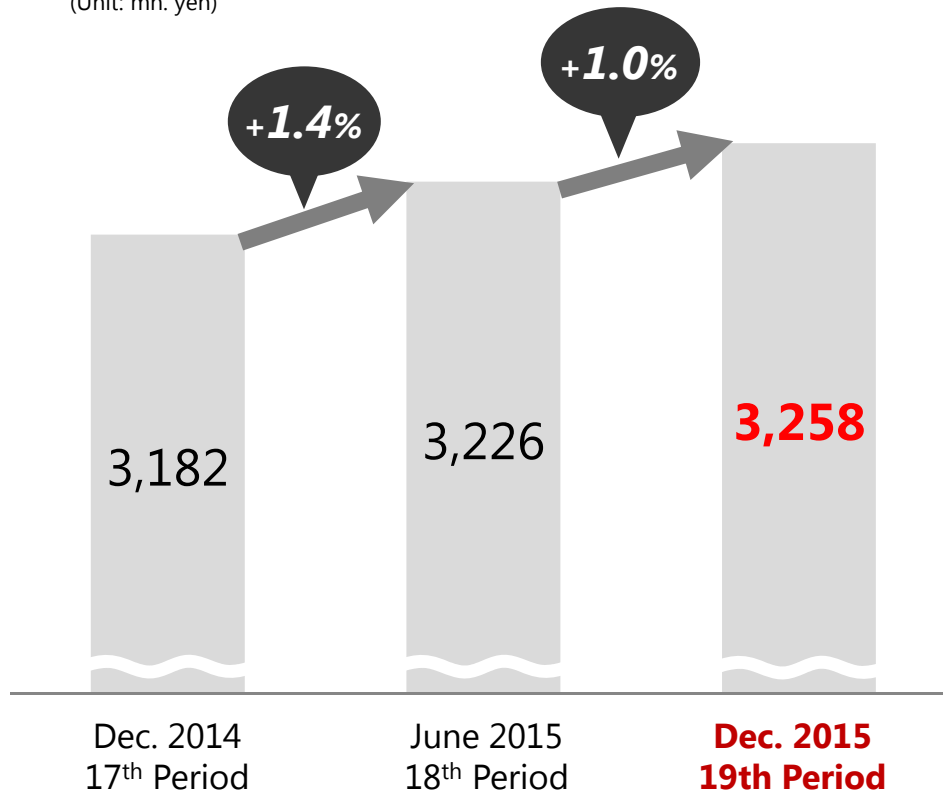
Location	Higashi-Nihombashi 2-8-3, Chuo-ku, Tokyo
Site area	599.07m ²
Total floor area	4,210.72m ²
Structure/Floors	SRC/10F
Completion date	March 1988
Total tenants	8

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

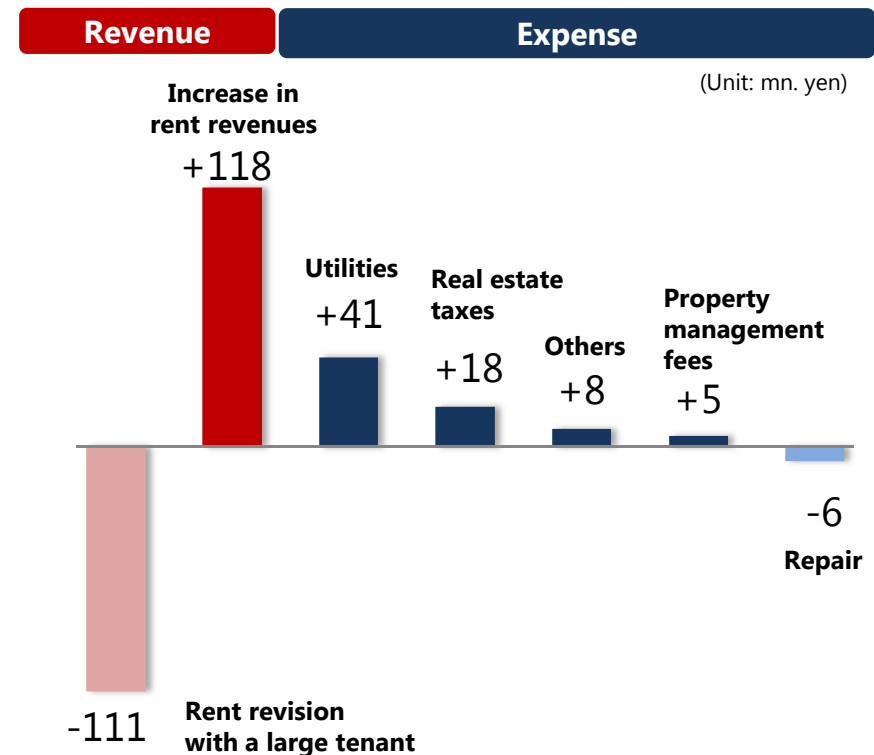
Legacy properties' NOI_(Note)

(Unit: mn. yen)



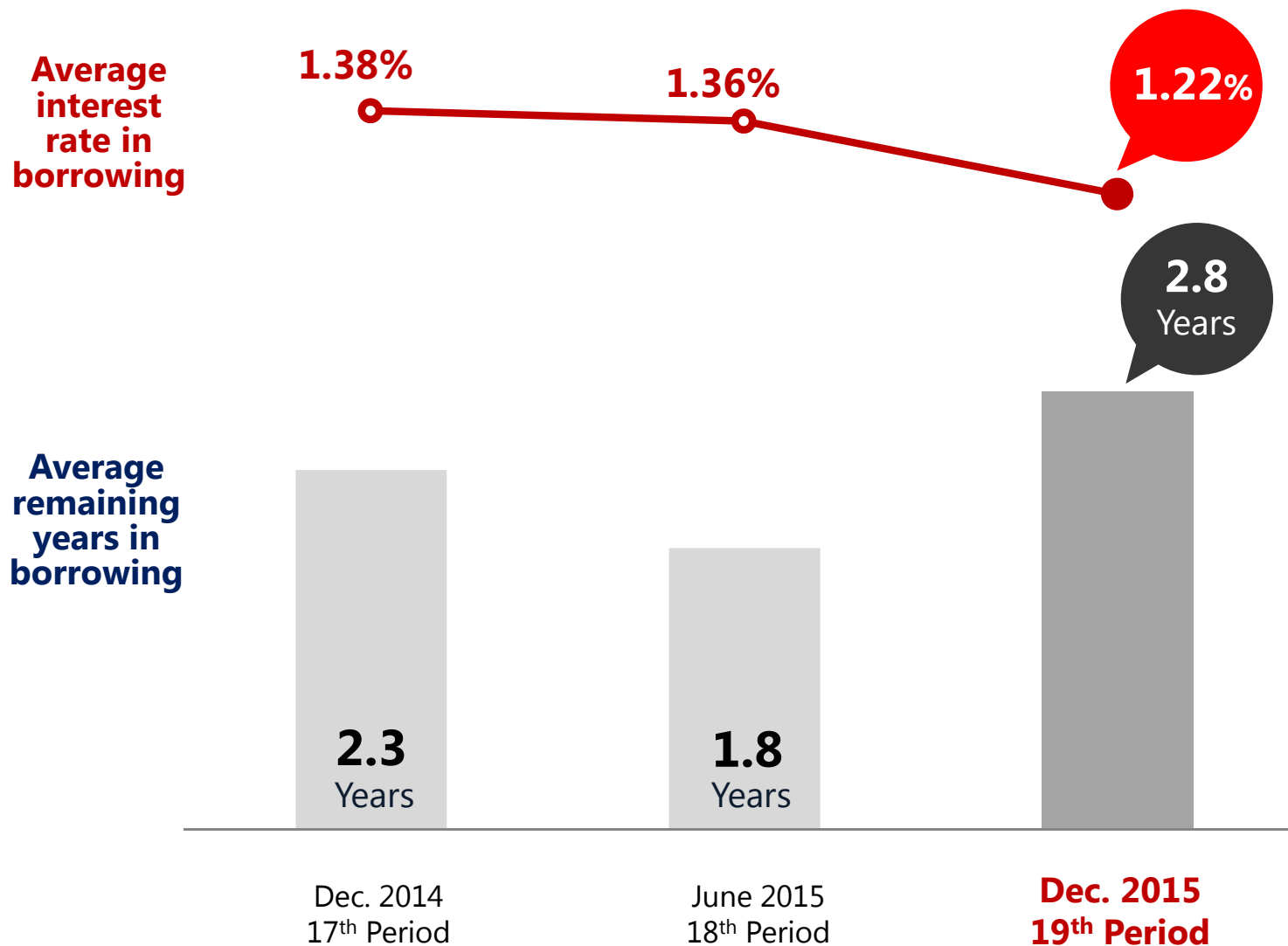
NOI growth breakdown from 17th to 19th Periods

+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

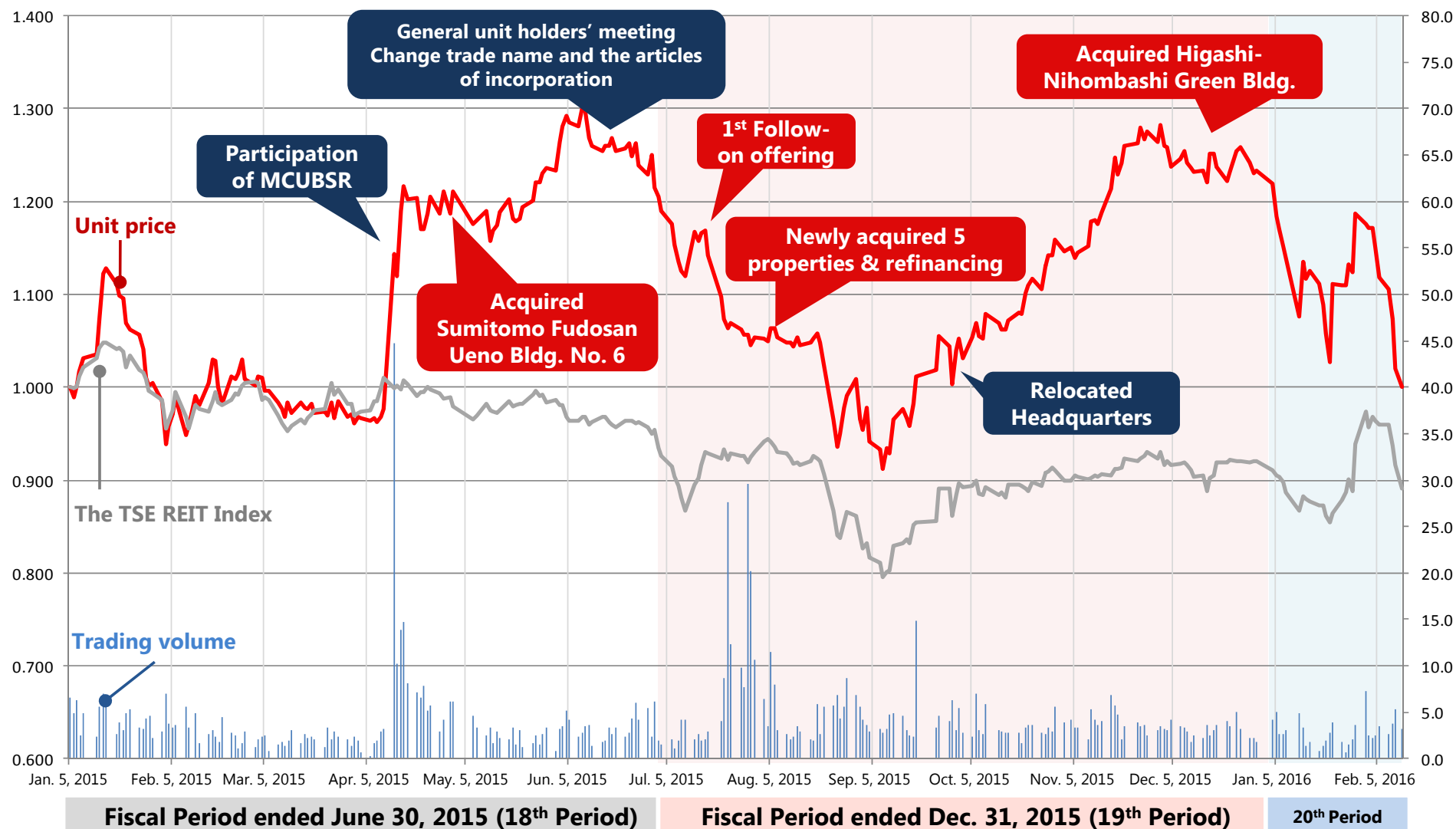


Future Growth Strategy



Continuous growth strategy implemented after MCUBSR's participation

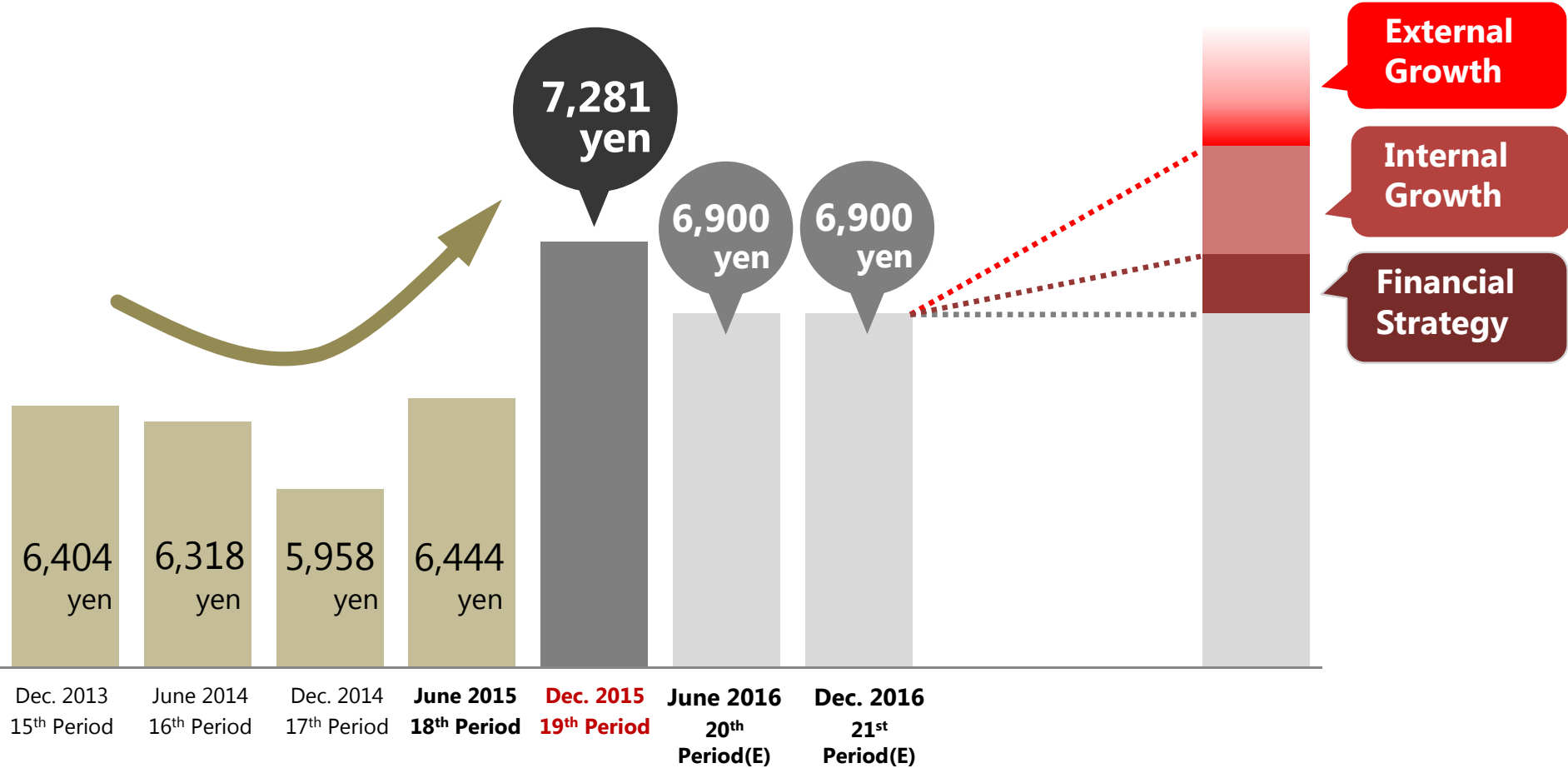
Unit price, The TSE REIT Index (Indexation of Jan. 1, 2015 as 1.000)



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

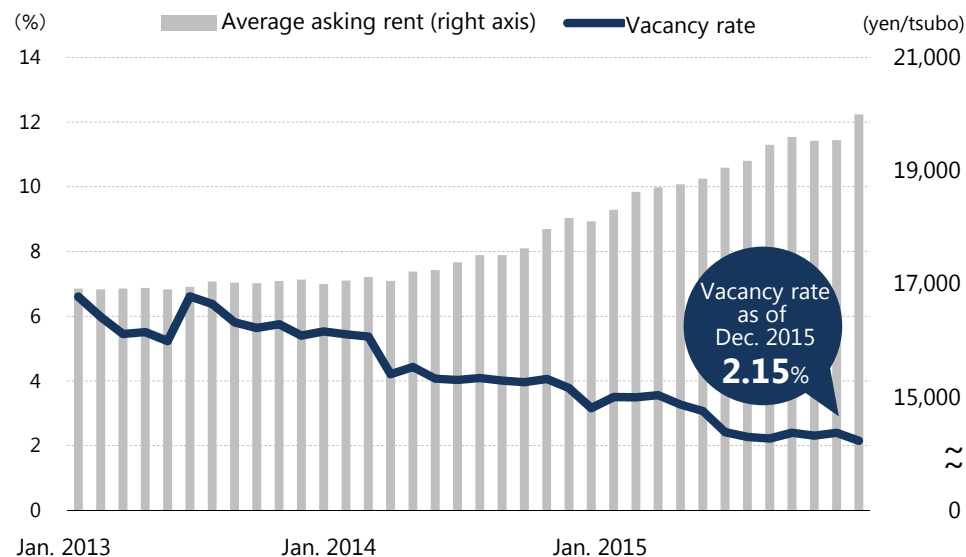
When acquired: 70.2%
19th Period:
80.1%

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

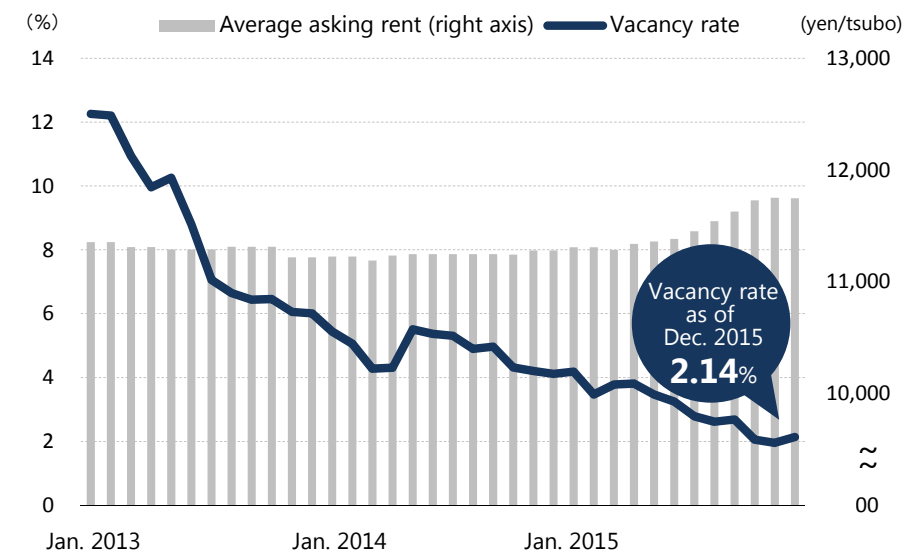
When acquired: 100.0%
19th Period:
94.7%

Features of Kawasaki

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

Market outlook of Kawasaki

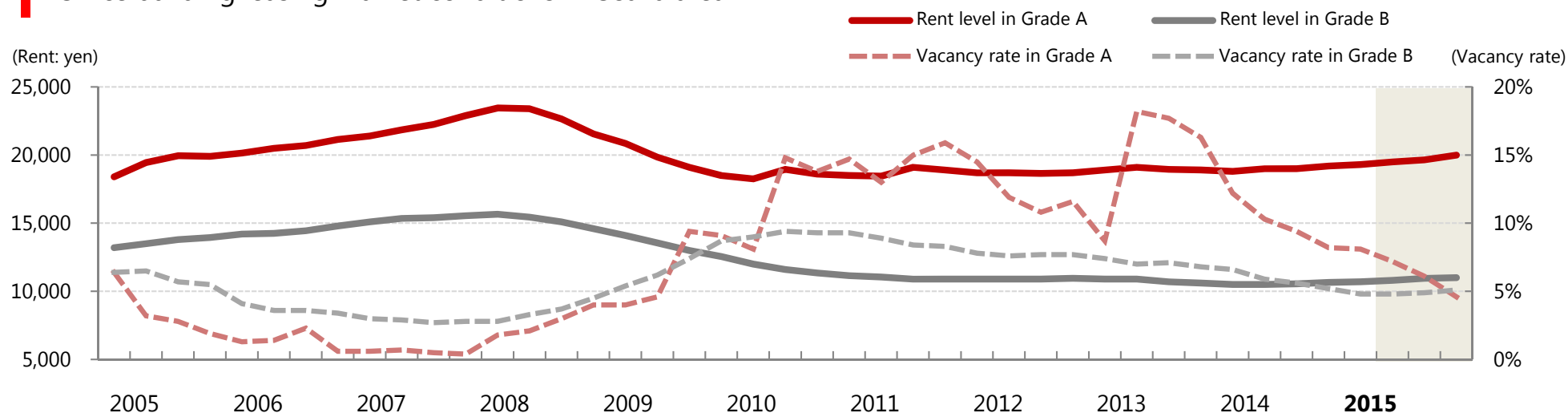
Vacancy continues to drop
Rent is increasing



Source: Compiled by MCUBS MidCity using data by Miki Shoji

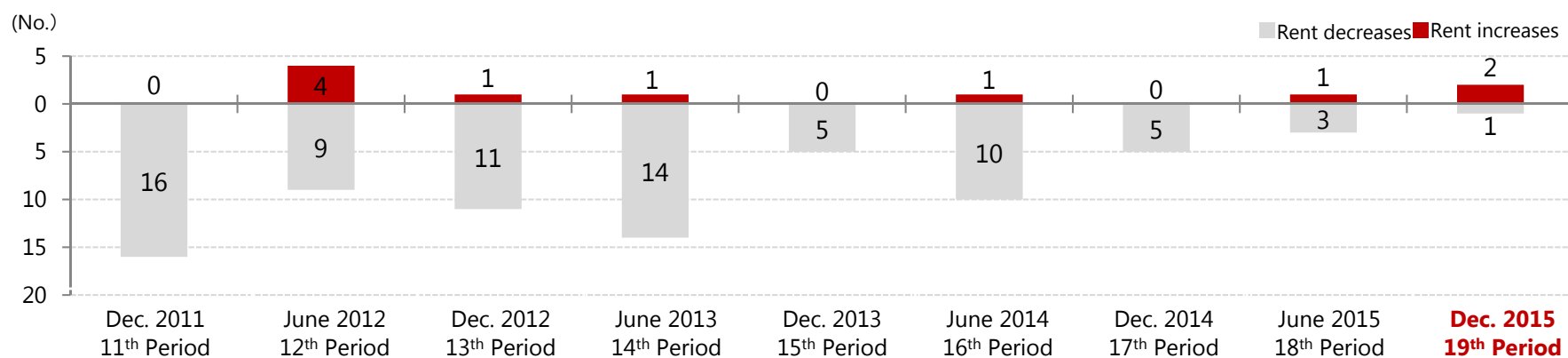
Osaka area; Rent market has bottomed out

Office building leasing market conditions in Osaka area



Source: Compiled by MCUBS MidCity using data by CBRE

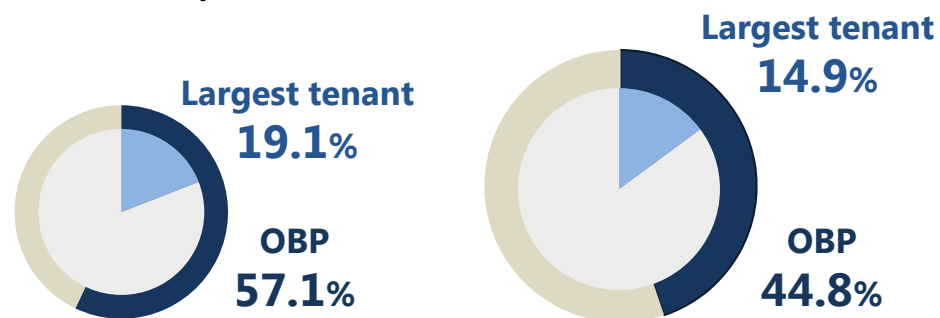
No. of legacy properties with revised rents



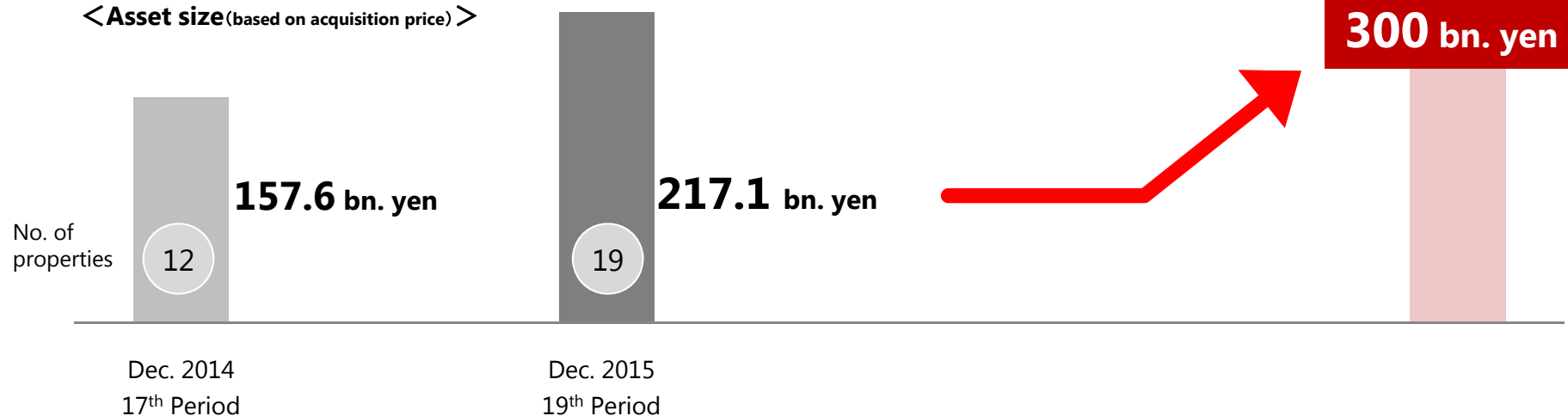
Asset growth to enhance portfolio diversification

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

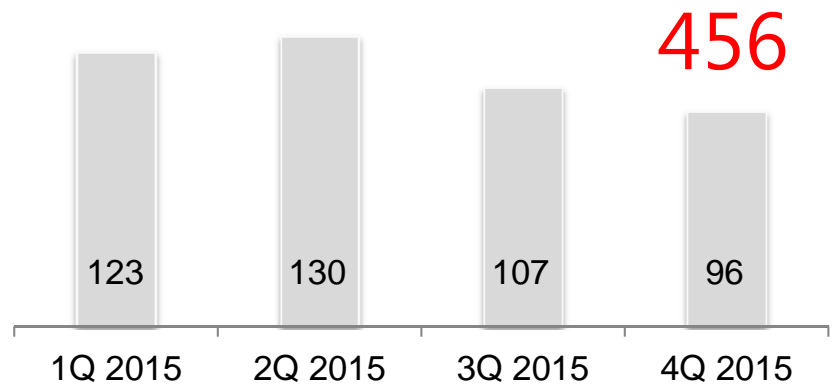
Make use of its supporting capacity in providing properties information, making CRE proposals, etc.



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





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