

Think bold today for a brighter tomorrow.



22 nd Period

Fiscal Period ended June 30, 2017

<http://www.midcity-reit.com/en/>

INVESTOR PRESENTATION

—Appendix—

Securities Code **3227**

MCUBS MidCity Investment Corporation

Index

* Fractions of the stated amounts are cut off and those of the ratios and years are rounded off unless otherwise indicated. Therefore, the aggregation of the figures stated hereupon are not necessarily identical to the total.

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1. FINANCIAL HIGHLIGHTS



Overview of financial results for the fiscal period ended June 30, 2017 (22nd Period)

	Fiscal period ended Dec. 31, 2016 (21st Period) (184 Days)	Fiscal period ended Jun. 30, 2017 (22nd Period) (181 Days)	Compared to the 21st Period
Distribution per unit	7,431 yen	7,900 yen	+469 yen
Occupancy rate	97.7%	97.5%	-0.2pt
No. of properties under management	19	20	+1
Asset size ^(Note 1)	217,104 mn. yen	238,144 mn. yen	+21,040 mn. yen
NOI ^(Note 2)	4,406 mn. yen	4,715 mn. yen	+309 mn. yen
Average NOI yield ^(Note 2) (Annual base)	4.1%	4.2%	+0.1pt
Interest-bearing debt	94,100 mn. yen	104,975 mn. yen	+10,875 mn. yen
LTV ^(Note 3)	41.7%	42.2%	+0.5pt
Market value LTV ^(Note 4)	44.6%	43.0%	-1.6pt
Average remaining years of debt	3.2 years	3.1 years	-0.1 years
Issuer rating	A (Stable)	A (Stable)	—
NAV per unit ^(Note 5)	376,599 yen	405,439 yen	+28,840 yen

Note 1: "Asset size" is based on acquisition price.

Note 2: "NOI" and "Average NOI yield" do not include dividends receivable of Nagoya Lucent Tower's silent partnership interest (hereinafter referred to as TK interest).

Note 3: LTV=Term-end debt/term-end total assets

Note 4: Market value LTV=term-end debt/(term-end total assets±unrealized gain/loss. Unrealized gain/loss means gap between book value and appraisal value).

Note 5: NAV per unit: [Total interest + (Term-end appraisal value - term-end book value)]/term-end outstanding # of units

22nd Period financial results – Comparison to previous period

	(Unit: mn. yen)		
	Fiscal period ended Dec. 31, 2016 (21st Period)	Fiscal period ended Jun. 30, 2017 (22nd Period)	Difference
Operating revenue	7,005	8,025	+1,020
Operating expenses	4,453	4,875	+421
Operating income	2,551	3,150	+598
Ordinary income	1,977	2,527	+550
Income before income taxes	1,977	2,527	+550
Net income	1,976	2,527	+550
Reserve for reduction entry	—	183	+183
Total distributions	1,976	2,343	+366
Distribution per unit (yen)	7,431	7,900	+469
Gain/loss on real estate lease business	3,116	3,436	+319
NOI	4,406	4,715	+309
Occupancy rate at end of period	97.7%	97.5%	-0.2pt

	(Unit: mn. yen)
Operating revenue	1,020
Rent revenue	437
Newly acquired four properties	592
Disposed two properties	-159
Office in Tokyo Area	0
Office in Osaka Area	3
Others	0
Other lease business revenue	26
Utilities revenue	-6
Other rent revenue	4
Other operating revenue	28
Gain on distribution of TK interest (Nagoya Lucent Tower)	-1
Gains on sales of property	557
Operating expenses	421
Expenses related to rent business (excl. depreciation and loss on retirement)	154
Breakdown by property type	
Newly acquired four properties	146
Disposed two properties	-39
Office in Tokyo Area	43
Office in Osaka Area	-10
Others	14
Breakdown by items	
Taxes on property, plant and equipment	-2
Utilities expenses	-56
Repair expenses	183
Others	30
Depreciation and loss on retirement	-10
Losses on sales of property	225
Asset management fees	25
Other operating expenses	26

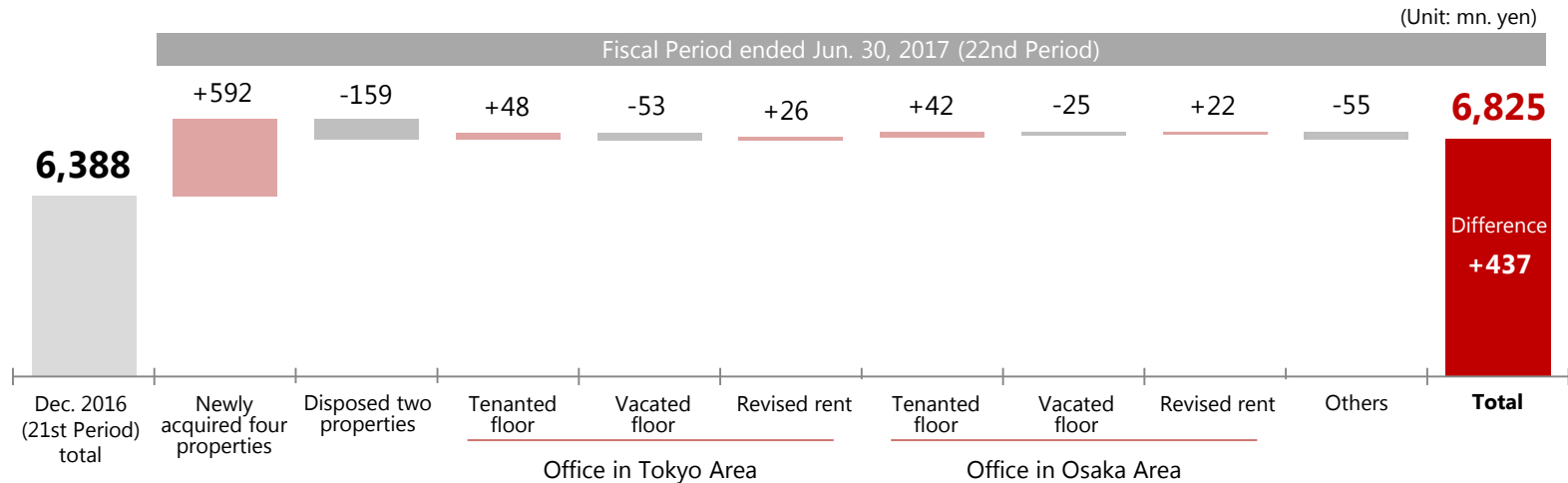
22nd Period financial results – Comparison to initial forecasts

(Unit: mn. yen)			
	Fiscal period ended Jun. 30, 2017 Forecast (as of Feb. 14, 2017)	Fiscal period ended Jun. 30, 2017 (22nd Period)	Difference
Operating revenue	8,054	8,025	-28
Operating expenses	4,877	4,875	-2
Operating income	3,176	3,150	-26
Ordinary income	2,590	2,527	-62
Income before income taxes	2,590	2,527	-62
Net income	2,589	2,527	-62
Reserve for reduction entry	246	183	-62
Total distributions	2,343	2,343	-0
Distribution per unit (yen)	7,900	7,900	—
Gain/loss on real estate lease business	3,409	3,436	+26
NOI	4,710	4,715	+4
Occupancy rate at end of period	96.8%	97.5%	+0.8pt

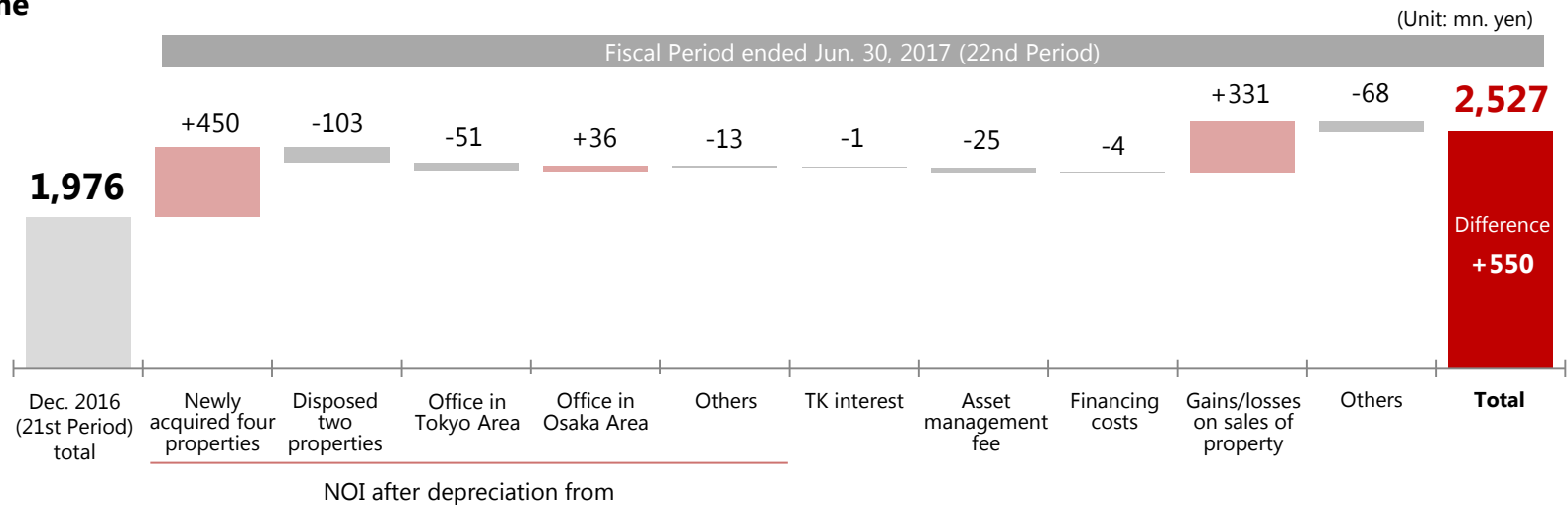
(Unit: mn. yen)	
Operating revenue	-28
Rent revenue	14
Newly acquired four properties	12
Disposed two properties	-0
Office in Tokyo Area	-2
Office in Osaka Area	3
Others	-0
Other lease business revenue	21
Utilities revenue	-12
Other rent revenue	-1
Other operating revenue	35
Gain on distribution of TK interest (Nagoya Lucent Tower)	4
Gains on sales of property	-68
Operating expenses	-2
Expenses related to rent business (excl. depreciation and loss on retirement)	30
Breakdown by property type	
Newly acquired four properties	-0
Disposed two properties	-1
Office in Tokyo Area	7
Office in Osaka Area	8
Others	16
Breakdown by items	
Taxes on property, plant and equipment	-0
Utilities expenses	1
Repair expenses	26
Others	2
Depreciation and loss on retirement	-22
Losses on sales of property	12
Asset management fees	-2
Other operating expenses	-20

22nd Period financial results – Breakdown of change from previous period

Rent revenue



Net income



Balance sheet

Description	Fiscal Period ended Dec 31, 2016 (21st Period)		Fiscal Period ended Jun 30, 2017 (22nd Period)		Difference	
	(as of Dec. 31, 2016)		(as of Jun. 30, 2017)			
	(mn. yen)	(%)	(mn. yen)	(%)	(mn. yen)	(%)
(Assets)						
I Total current assets	14,657	6.5	16,135	6.5	1,477	10.1
Cash and deposits	6,562		9,911		3,348	
Cash and deposits in trust	7,867		5,535		-2,332	
Operating accounts receivable	152		258		105	
Income taxes receivable	21		20		-0	
Consumption taxes receivable	-		333		333	
Prepaid expenses	45		47		1	
Deferred tax assets	0		0		-0	
Other	7		28		20	
II Total non-current assets	211,186	93.5	232,551	93.5	21,365	10.1
1. Property, plant and equipment						
Buildings in trust	73,954		77,291		3,371	
Accumulated depreciation	-20,640		-20,605		11	
Structures in trust	119		130		11	
Accumulated depreciation	-28		-28		-0	
Machinery and equipment in trust	7		7		-0	
Accumulated depreciation	-2		-2		-0	
Tools, furniture and fixtures in trust	567		556		-8	
Accumulated depreciation	-403		-401		2	
Land in trust	151,954		169,977		18,023	
Construction in progress in trust	4		5		1	
Total property, plant and equipment	205,532	91.0	226,930	91.2	21,397	10.4
2. Intangible assets						
Software	4		4		-0	
Trademark right	0		0		-0	
Total intangible assets	4	0.0	4	0.0	-0	-5.1
3. Investments and other assets						
Investment securities	5,085		5,085		-	
Lease and guarantee deposits	10		10		-	
Long-term prepaid expenses	554		522		-31	
Total investments and other assets	5,649	2.5	5,617	2.3	-31	-0.6
III Deferred assets	73	0.0	134	0.1	61	83.8
Total assets	225,916	100.0	248,821	100.0	22,904	10.1

Description	Fiscal Period ended Dec 31, 2016 (21st Period)		Fiscal Period ended Jun 30, 2017 (22nd Period)		Difference	
	(as of Dec. 31, 2016)		(as of Jun. 30, 2017)			
	(mn. yen)	(%)	(mn. yen)	(%)	(mn. yen)	(%)
(Liabilities)						
I Total current liabilities	16,904	7.5	17,188	6.9	283	1.7
Operating accounts payable	392		606		214	
Current portion of long-term loans payable	13,800		13,675		-125	
Accounts payable - other	930		1,051		121	
Accrued expenses	124		139		14	
Distribution payable	9		7		-1	
Income taxes payable	39		-		-39	
Advances received	986		1,092		105	
Other	621		615		-6	
II Total non-current liabilities	91,792	40.6	103,958	41.8	12,166	13.3
Investment corporation bonds	3,000		6,000		3,000	
Long-term loans payable	77,300		85,300		8,000	
Tenant leasehold and security deposits	8,245		12,299		4,053	
Tenant leasehold and security deposits in trust	3,246		358		-2,887	
Total liabilities	108,696	48.1	121,146	48.7	12,449	11.5
(Net assets)						
I Unitholders' equity	117,220		127,675	51.3	10,455	8.9
1. Unitholders' capital	115,243		125,148		9,905	
2. Surplus						
Unappropriated retained earnings (undisposed loss)	1,976		2,527		550	
Total surplus	1,976		2,527		550	
Total net assets	117,220	51.9	127,675	51.3	10,455	8.9
Total liabilities and net assets	225,916	100.0	248,821	100.0	22,904	10.1

CAPEX: 445mn. yen

Income statement

Description	Fiscal Period ended Dec. 31, 2016 (21st Period) (Jul. 1, 2016-Dec. 31, 2016)		Fiscal Period ended Jun. 30, 2017 (22nd Period) (Jan. 1, 2017-Jun. 30, 2017)		Difference	
	(mn. yen)	(%)	(mn. yen)	(%)	(mn. yen)	(%)
1. Operating revenue	7,005	100.0	8,025	100.0	1,020	14.6
Rent revenue - real estate		6,388		6,825		
Other lease business revenue		509		535		
Dividends income		108		107		
Gains on sales of property		-		557		
2. Operating expenses	4,453	63.6	4,875	60.7	421	9.5
Expenses related to rent business		3,780		3,924		
Loss on disposal of property				225		
Asset management fee		559		585		
Asset custody fee		5		5		
Administrative service fees		32		33		
Directors' compensations		5		6		
Other operating expenses		70		94		
Operating income	2,551	36.4	3,150	39.3	598	23.4
3. Non-operating income	0	0.0	1	0.0	0	202.1
Interest income		0		0		
Refund of unpaid distributions		0		1		
Interest on refund		0		0		
4. Non-operating expenses	574	8.2	623	7.8	48	8.5
Interest expenses		394		409		
Corporate bonds interest		8		10		
Borrowing related expenses		152		141		
Amortization of bond issuance costs		2		3		
Amortization of investment units issuance cost		14		20		
Other		1		39		
Ordinary income	1,977	28.2	2,527	31.5	550	27.8
Income before income taxes	1,977	28.2	2,527	31.5	550	27.8
Income taxes	0	0.0	0	0.0	-0	-2.2
Income taxes - current		0		0		
Income taxes - deferred		-0		0		
Net income	1,976	28.2	2,527	31.5	550	27.8
Retained earnings brought forward	0		0		0	143.6
Unappropriated retained earnings (undisposed loss)	1,976		2,527		550	27.8

(Unit: amount of money (mn. yen), ratio (%))

Details of rent revenue – real estate

Rent revenue	5,549
CAM revenue	1,070
Parking revenue	205

Details of expenses related to rent business

Property management fees	868
Utilities expenses	629
Real estate taxes	644
Insurance premiums	11
Repair expenses	418
Depreciation	1,279
Loss on retirement of non-current assets	-
Other lease business expenses	72

2. FORECASTS FOR THE 23RD AND 24TH FISCAL PERIOD



Forecasts for the 23rd and 24th fiscal period

(Unit: mn. yen)

	Fiscal period ended Jun. 30, 2017 (22nd Period)	Fiscal period ending Dec. 31, 2017 (23rd Period)	Fiscal period ending Jun. 30, 2018 (24th Period)	Difference 23rd Period – 22nd Period	Difference 24th Period – 23rd Period
Operating revenue	8,025	7,615	7,451	-409	-164
Operating expenses	4,875	4,642	4,481	-233	-160
Operating income	3,150	2,973	2,970	-176	-3
Ordinary income	2,527	2,388	2,403	-138	+14
Income before income taxes	2,527	2,388	2,403	-138	+14
Net income	2,527	2,387	2,402	-139	+14

Reserve for reduction entry	183	—	—	-183	—
Total distributions	2,343	2,387	2,402	+44	+14
Distribution per unit (yen)	7,900	8,050	8,100	+150	+50
Gain/loss on real estate lease business	3,436	3,615	3,620	+179	+4
NOI	4,715	4,876	4,909	+161	+32
Occupancy rate at end of period	97.5%	96.1%	95.7%	-1.4pt	-0.4pt

■ Breakdown of Change between 23rd and 22nd Periods

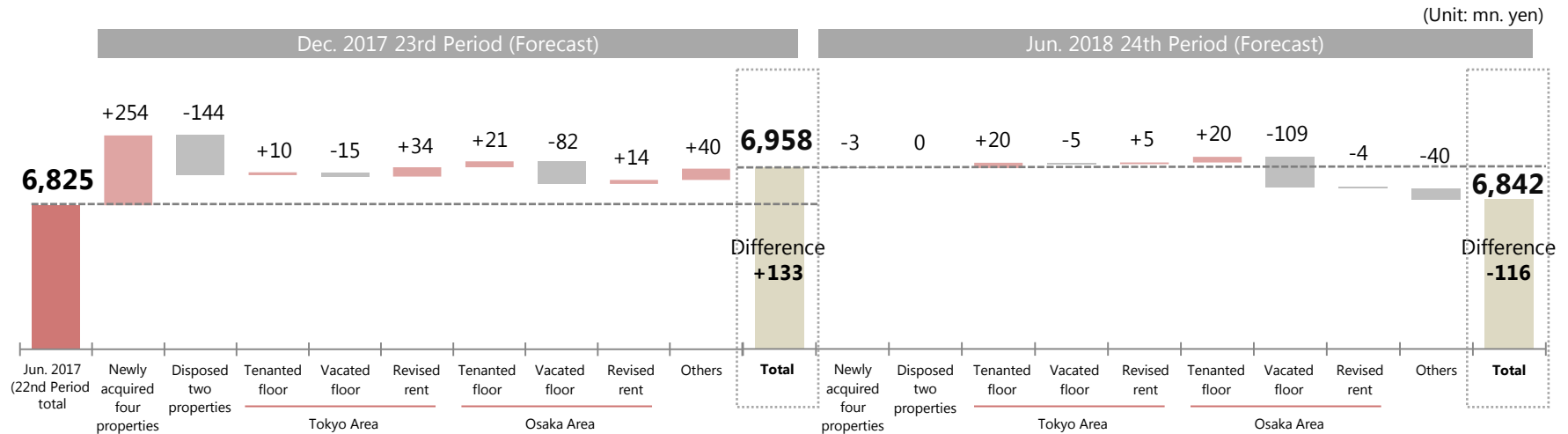
Operating revenue	-409
Rent revenue	133
Newly acquired four properties	254
Disposed two properties	-144
Office in Tokyo Area	52
Office in Osaka Area	-28
Others	0
Other lease business revenue	-7
Utilities revenue	23
Other rent revenue	2
Other operating revenue	-32
Gain on distribution of TK interest	21
Gains on sales of property	-557
Operating expenses	-233
Expenses related to rent business (excl. depreciation and loss on retirement)	-34
Real estate taxes, etc.	-49
Utilities expenses	91
Repair expenses	-62
Others	-14
Depreciation and loss on retirement	-18
Losses on sale of property	-225
Asset management fees	40
Others	6

■ Breakdown of Change between 24th and 23rd Periods

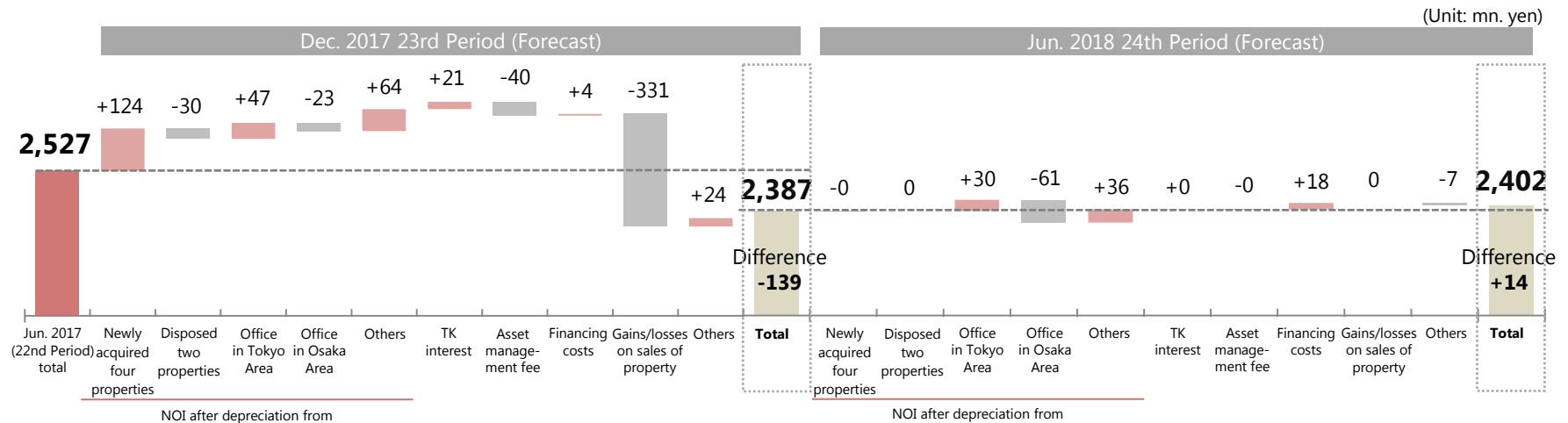
Operating revenue	-164
Rent revenue	-116
Newly acquired four properties	-3
Disposed two properties	—
Office in Tokyo Area	14
Office in Osaka Area	-127
Others	—
Other lease business revenue	-48
Utilities revenue	-40
Other rent revenue	9
Other operating revenue	-17
Gain on distribution of TK interest	0
Gains on sales of property	—
Operating expenses	-160
Expenses related to rent business (excl. depreciation and loss on retirement)	-197
Real estate taxes, etc.	40
Utilities expenses	-98
Repair expenses	-108
Others	-30
Depreciation and loss on retirement	27
Losses on sale of property	—
Asset management fees	0
Others	7

Breakdown of change from previous period

Rent revenue



Net income

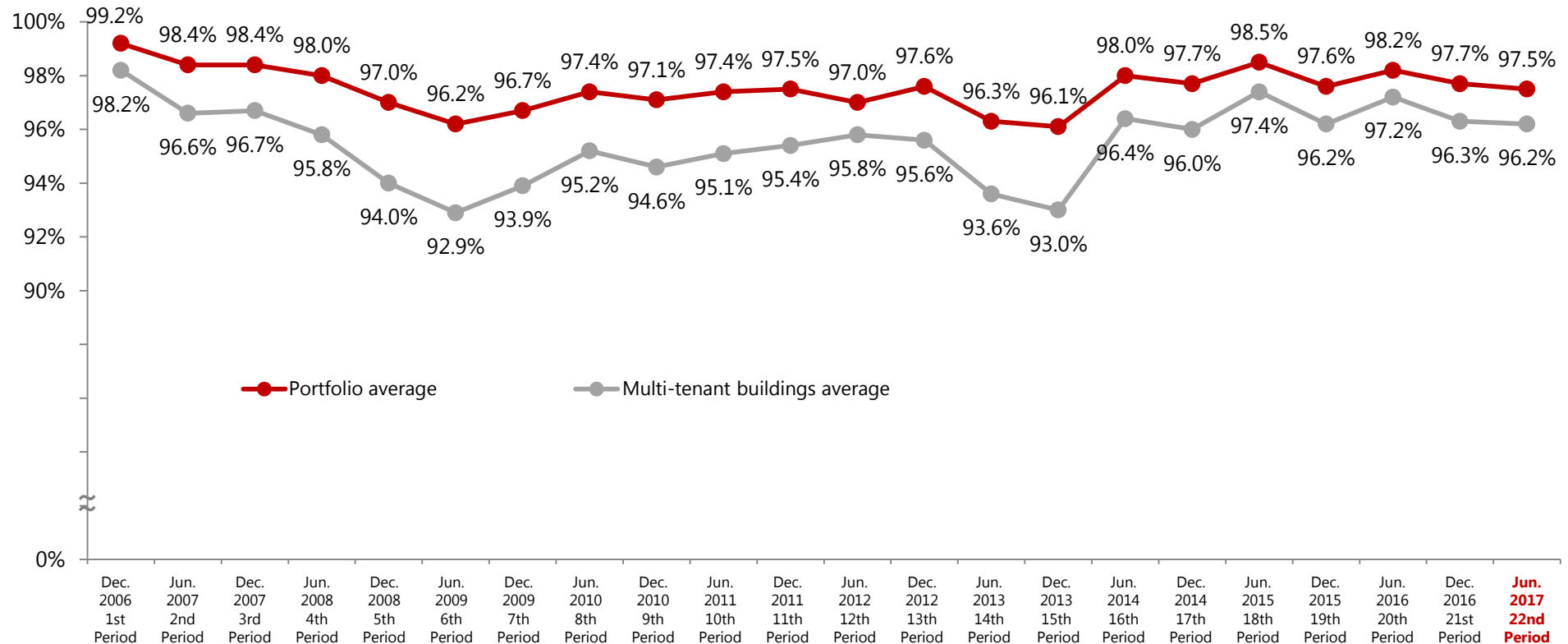


3. RESULTS FOR THE 22ND FISCAL PERIOD



Occupancy

Occupancy (1st Period End to 22nd Period End)

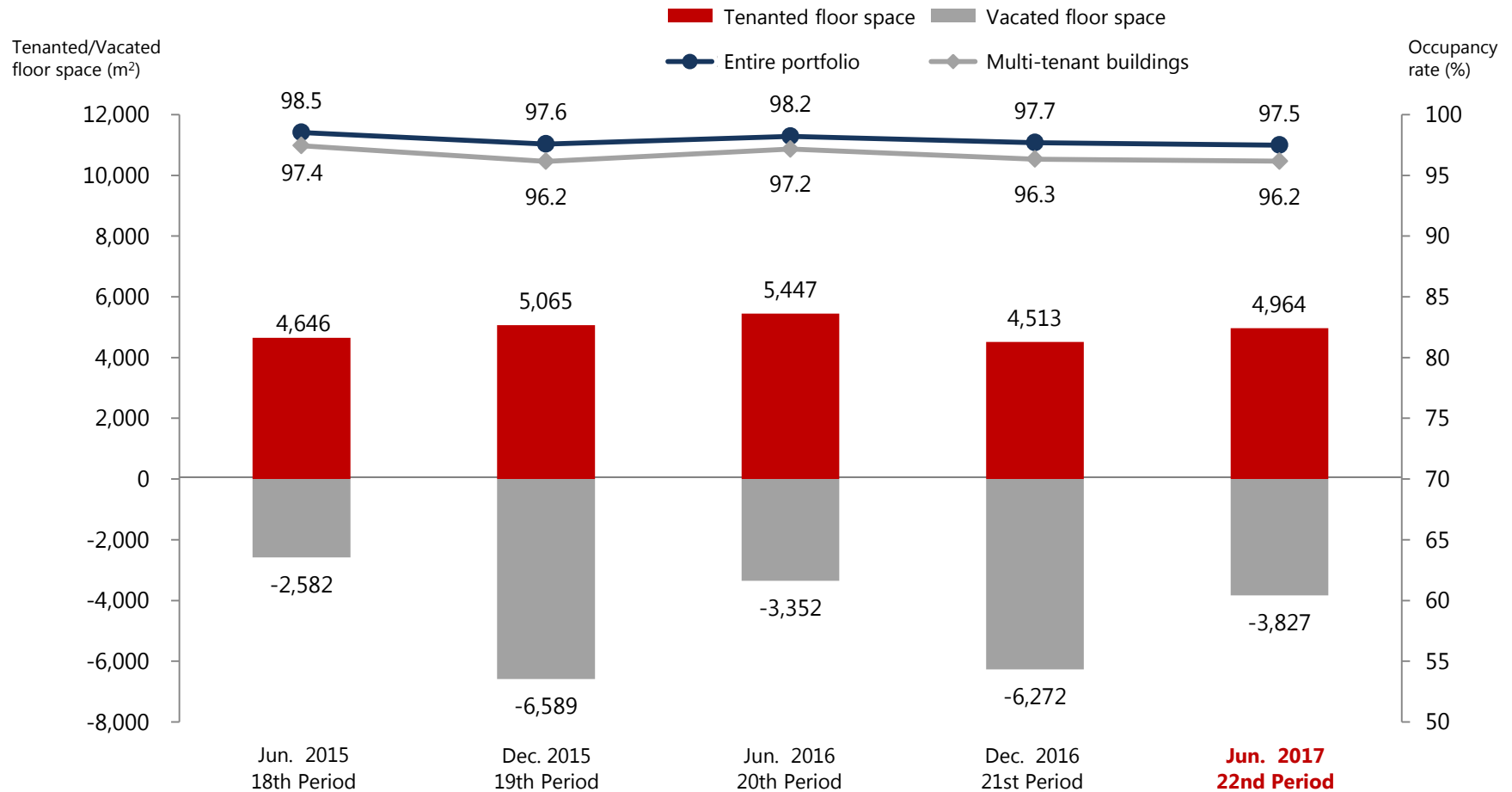


Note: Multi-tenant buildings at the end of 22nd Period include ;

Sumitomo Fudosan Ueno Bldg. No.6,G-Square Shibuya Dogenzaka, Shibuya Sakuragaoka Square, Yokohama Creation Square, Cube Kawasaki , Higashi-Nihombashi Green Bldg., Sasazuka Center Bldg., USC Bldg., Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Higobashi MID Bldg. and Sendai Capital Tower

Portfolio operation

Tenanted/Vacated floor space and occupancy



Occupancy by property

Type	Property Name	Leasable Space (㎡)	①Occupancy rate as of Dec. 31, 2016 (21st Period End) (%)	②Occupancy rate as of Jun. 30, 2017 (22nd Period End) (%)	Difference ② - ① (points)	Tenant movements during 22nd Period (Jan. 1, 2017 - Jun. 30, 2017)			
						New tenant occupancy (㎡)	Increase in leased space for existing tenants (㎡)	Cancellation (㎡)	Decrease in leased space for existing tenants (㎡)
Office	Sumitomo Fudosan Ueno Bldg. No.6	6,858.16	100.0	100.0	-	-	-	-	-
	G-Square Shibuya Dogenzaka	5,011.74	83.4	100.0	16.6	-	832.51	-	-
	Shibuya Sakuragaoka Square ^{Note}	6,379.66	100.0	100.0	-	-	-	-	-
	Yokohama Creation Square	12,728.59	94.2	88.1	-6.1	105.13	-	-501.24	-384.32
	Cube Kawasaki	24,462.29	91.1	91.1	-	-	-	-	-
	Higashi-Nihombashi Green Bldg.	3,254.77	100.0	100.0	-	732.78	-	-734.65	-
	Sasazuka Center Bldg. ^{Note}	8,221.34	-	73.4	-	403.89	345.54	-998.69	-
	USC Bldg. ^{Note}	5,781.98	-	100.0	-	-	-	-	-
	Twin 21	82,304.84	97.7	98.2	0.5	383.86	556.67	-133.66	-388.28
	Matsushita IMP Bldg.	37,406.94	98.9	98.3	-0.6	101.95	-	-326.43	-
	MID REIT Kyobashi Bldg.	4,833.88	100.0	100.0	-	-	-	-	-
	MID Imabashi Bldg.	4,277.64	94.2	95.2	1.0	249.48	-	-203.82	-
	Kitahama MID Bldg.	10,189.49	98.7	98.7	-	-	-	-	-
	MID Nishihommachi Bldg.	3,877.38	93.7	97.0	3.3	126.40	-	-	-
	Higobashi MID Bldg.	4,655.57	91.5	96.5	5.0	232.89	-	-	-
Others	Sendai Capital Tower ^{Note}	12,999.51	-	98.8	-	810.95	82.66	-156.34	-
	AEON MALL Tsudanuma	101,210.44	100.0	100.0	-	-	-	-	-
	Konami Sports Club Kyobashi	9,586.26	100.0	100.0	-	-	-	-	-
	Dormy Inn Hakata Gion	5,554.91	100.0	100.0	-	-	-	-	-
Occupancy rate by type	Office Occupancy rate	233,243.78	96.4	96.2	-0.2	3,147.33	1,817.38	-3,054.83	-772.60
	Non-Office Occupancy rate	116,351.61	100.0	100.0	-	-	-	-	-
Total		349,595.39	97.7	97.5	-0.2	3,147.33	1,817.38	-3,054.83	-772.60

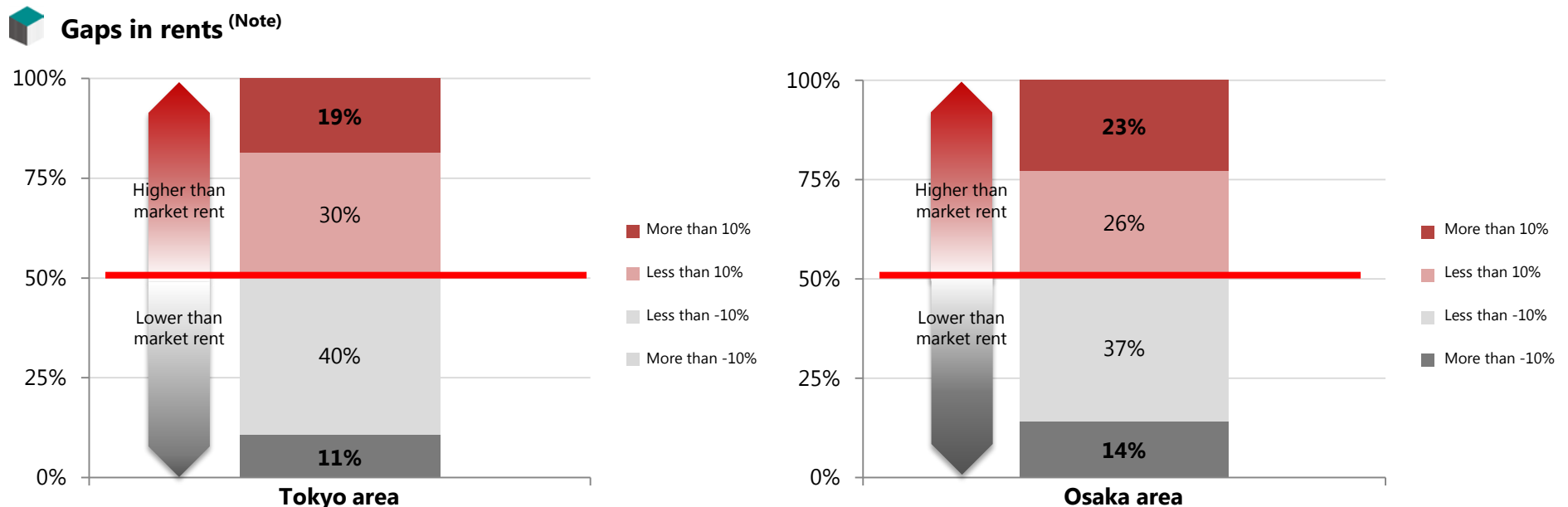
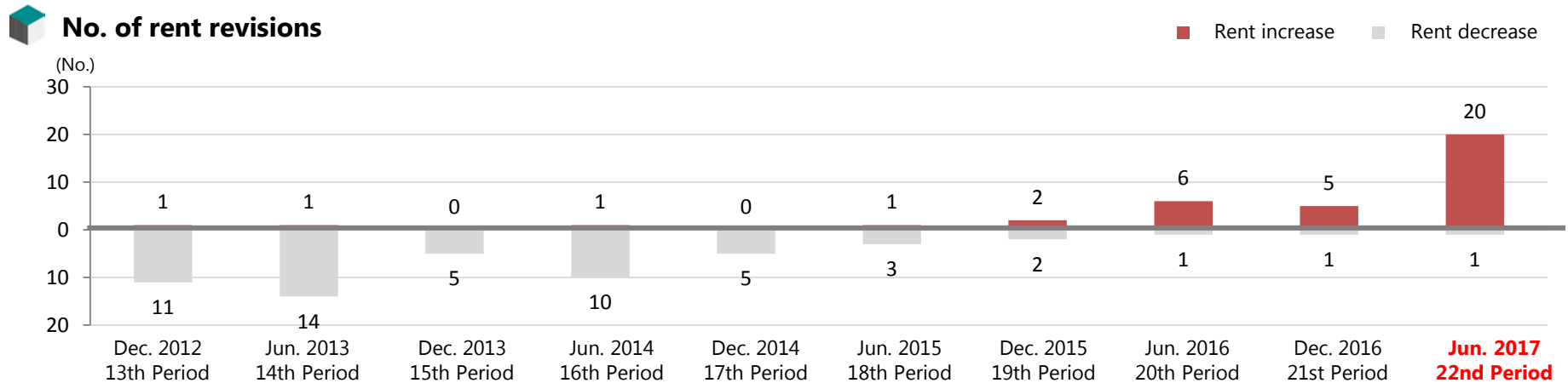
Increased by
4,964.71㎡

Decreased by
-3,827.43㎡

Net Increase +1,137.28㎡

Note: Properties acquired in 22nd period
Shibuya Sakuragaoka Square (additional acquisition): Feb 1, 2017, Sasazuka Center Bldg.: Mar 22, 2017,
USC Bldg.: Apr 6, 2017, Sendai Capital Tower: Feb 1, 2017

Revisions and gaps in rents



Note: Market rent refers to market's estimated concluded rent (standard floor) of each property appraised as of Dec. 2016 by CBRE. The rents identical with market rent are included in "within 10%".

Surveys on tenants' satisfaction

Targeted buildings: 4 properties in Tokyo (G-Square Shibuya Dogenzaka, Yokohama Creation Square, Cube Kawasaki and Higashi-Nihombashi Green Bldg.)
8 properties in Osaka (Twin 21 (MID Tower), Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg., MID Midosujikawaramachi Bldg. and Higobashi MID Bldg.)

Survey period: Nov. 14, 2016 to Nov. 30, 2016

Sample: 227 tenants

Survey conducted by: Kanden CS Forum Inc.

▶ Survey findings – Level of CSI (Note 1)

Factors	2012	2013	2014	2015	2016		
					Total	(Tokyo Area)	(Osaka Area)
Surrounding environment	81.0	79.7	82.3	73.7	72.4	67.0	75.1
Behavior of MF (property management firm)	76.8	76.9	78.4	78.4	78.8	75.0	79.7
Comforts of building	57.8	57.2	58.6	55.3	54.5	53.4	55.1
Manner of management firm's staff	75.5	74.2	75.2	75.1	74.7	75.4	74.4
Behavior of PM	71.4	71.6	72.5	72.8	73.0	70.5	73.7
Measures for safety	69.1	69.7	70.4	69.2	66.3	60.8	69.0
Quality of common area	66.1	66.8	67.4	65.7	64.3	61.5	65.8
Usability of building facilities & equipment	67.1	67.4	67.9	66.5	67.5	64.7	68.2
Cleanliness of building	72.8	72.0	71.3	70.3	69.6	66.9	70.9

Note 1: CSI: Abbreviation of Customer Satisfaction Index. We had building facilities, services and others evaluated by customers, and gap between each item's needs (expectations) and satisfaction was weighted to adjust before calculating each item's evaluation with the full score of 100.

Note 2: Properties targeted in the survey:

2010~: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg., MID Midosujikawaramachi Bldg.

2013~: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg., MID Midosujikawaramachi Bldg., Higobashi MID Bldg.

2015~: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg., MID Midosujikawaramachi Bldg., Higobashi MID Bldg., G-Square Shibuya Dogenzaka, Yokohama Creation Square, Cube Kawasaki

2016~: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg., MID Midosujikawaramachi Bldg., Higobashi MID Bldg., G-Square Shibuya Dogenzaka, Yokohama Creation Square, Cube Kawasaki, Higashi-Nihombashi Green Bldg.

Initiatives in Properties in the Portfolio

Events held for the purpose of improve an office environment

▶ G-Square Shibuya Dogenzaka

G-Square Uchimizu Daisakusen (Watering Project) 2017 to bring temperature down in midsummer

Watering campaign as an eco-friendly building in response to the Tokyo Metropolitan Government by use of recycled water, participated by tenants



▶ Twin 21 / Matsushita IMP Bldg.

Flower Event

Arrangement of seasonal flowers under the theme of flower-viewing (April) and early-bird summer (June), favorably accepted as seen in feedback saying "I feel relaxed thanks to flowers" and "Flowers nurtured fondness for the building"



▶ Yokohama Creation Square

YCS CLASSIC SUMMER Concert 2017 Let's swing by musical events!

Classic concerts held at the makeshift stage at the atrium at the 1st floor for tenants' enjoyment, with refreshments and alcohol drinks sold at the café



▶ Twin 21 / Matsushita IMP Bldg.

Summer 2017 Live Show

Mini live concerts and flair bartending shows to entertain workers and visitors with a summerlike atmosphere



4. PORTFOLIO



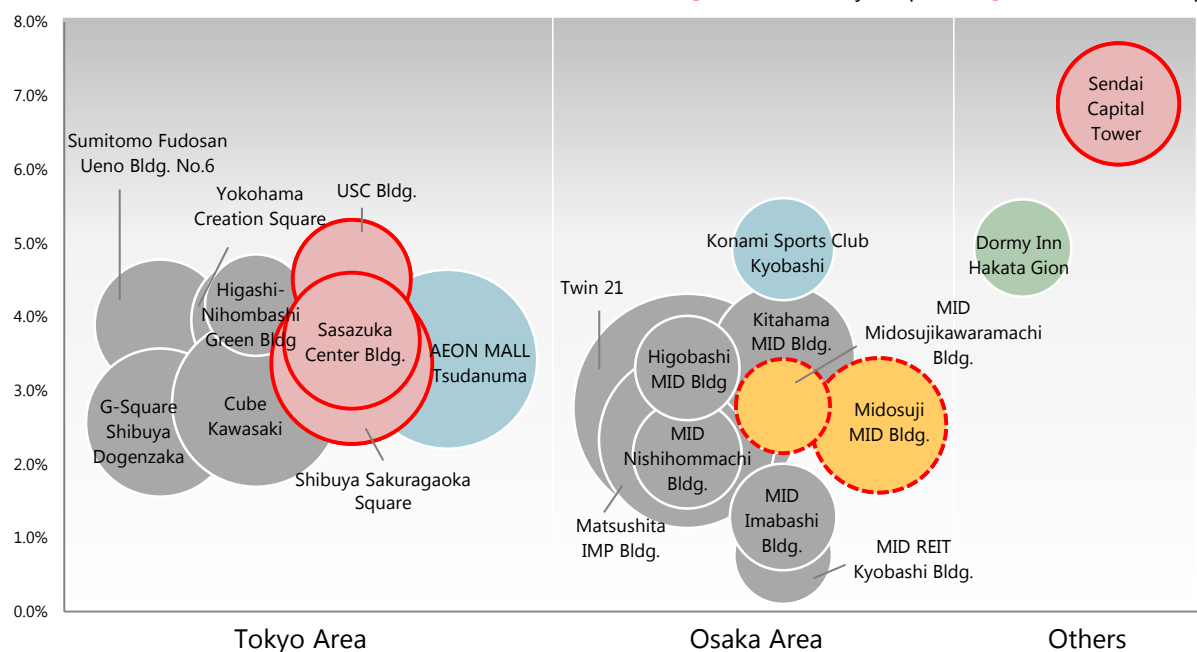
Portfolio profitability

	As of end of Jun. 2016	As of end of Dec. 2016	As of end of Jun. 2017
Average NOI yield (Note 1)	4.1%	4.1%	4.2%
Average NOI yield after depreciation (Note 1)	2.9%	2.9%	3.1%

NOI yield after depreciation of each property by Area (Note 2)

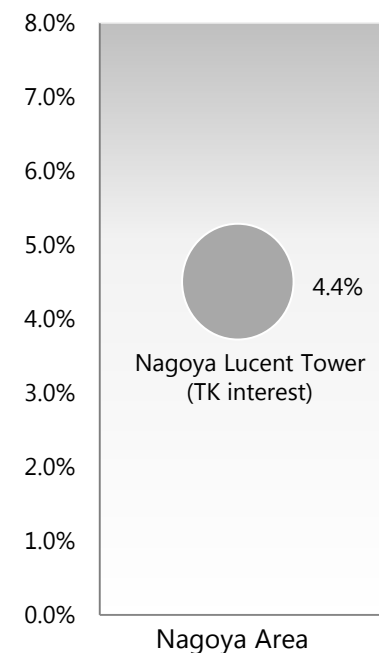
NOI yield after depreciation

● Office
 ● Retail facilities
 ● Hotel
 ● Assets Newly Acquired
 ● Assets to be disposed



Dividend yield of TK interest

Dividend yield



Note 1: TK interest of Nagoya Lucent Tower is not included.

Note 2: Size of each bubble is proportionate to the acquisition price of each asset.

Portfolio overview (as of end of Jun. 2017)

Area	Property No.	Property name	Location	Completion date	Acquisition date	Acquisition price (mn. yen)	Appraisal value (mn. yen)	NOI yield (Note 1) (%)	NOI yield after depreciation (Note 1) (%)	Leasable Space (Note 2) (m)	Occupancy rate (%)	
Office												
Three major metropolitan areas	Tokyo metropolitan area	OT-1	Sumitomo Fudosan Ueno Bldg. No.1	Taito-ku, Tokyo	Nov. 1993	May 2015	7,460	8,230	4.88%	3.89%	6,858.16	100.0%
		OT-2	G-Square Shibuya Dogenzaka	Shibuya-ku, Tokyo	Oct. 2009	Aug. 2015	12,220	14,500	3.08%	2.57%	5,011.74	100.0%
		OT-3	Shibuya Sakuragaoka Square	Shibuya-ku, Tokyo	Mar. 2010	Aug. 2015 Feb. 2017	5,000 12,130	19,600	4.01%	3.37%	6,379.66	100.0%
		OT-4	Yokohama Creation Square	Kanagawa-ku, Yokohama	Mar. 1994	Aug. 2015	7,080	7,800	4.65%	3.95%	12,728.59	88.1%
		OT-5	Cube Kawasaki	Kawasaki-ku, Kawasaki	May 1982	Aug. 2015	20,050	22,200	3.26%	2.83%	24,462.29	91.1%
		OT-6	Higashi-Nihombashi Green Bldg.	Chuo-Ku, Tokyo	Mar. 1988	Dec. 2015	2,705	3,030	4.71%	4.16%	3,254.77	100.0%
		OT-7	Sasazuka Center Bldg.	Shibuya-ku, Tokyo	Mar. 1995	Mar. 2017	8,700	9,290	4.25%	3.68%	8,221.34	73.4%
		OT-8	USC Bldg. (Quasi Co-ownership: approx. 46%)	Koto-ku, Tokyo	Jan. 1990 added on to in Jan. 2007	Apr. 2017	5,000	5,230	5.13%	4.51%	5,781.98	100.0%
	Osaka metropolitan area	OO-1	Twin 21	Chuo-ku, Osaka	Mar. 1986	Aug. 2006	68,700	51,700	4.14%	2.77%	82,304.84	98.2%
		OO-2	Matsushita IMP Bldg.	Chuo-ku, Osaka	Feb. 1990 added on to in Nov. 2003	Aug. 2006	24,600	21,200	4.60%	2.33%	37,406.94	98.3%
		OO-4	MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	Feb. 2000	Aug. 2006	2,300	1,440	2.08%	0.77%	4,833.88	100.0%
		OO-5	MID Imabashi Bldg.	Chuo-ku, Osaka	Oct. 1990	Apr. 2007	3,270	2,260	2.76%	1.28%	4,277.64	95.2%
		OO-7	Kitahama MID Bldg.	Chuo-ku, Osaka	Feb. 2008	Apr. 2008	10,800	9,050	4.19%	3.46%	10,189.49	98.7%
		OO-8	MID Nishihommachi Bldg.	Nishi-ku, Osaka	Mar. 1989	Oct. 2008	3,550	2,180	3.24%	2.14%	3,877.38	97.0%
		OO-9	Higobashi MID Bldg.	Nishi-ku, Osaka	Jan. 2010	June 2013	3,000	3,520	4.80%	3.31%	4,655.57	96.5%
Others	Other major cities	OR-1	Sendai Capital Tower	Aoba-ku, Sendai	Mar. 1974	Feb. 2017	5,500	6,350	7.67%	6.89%	12,999.51	98.8%
Subtotal (Office)						202,065	187,580	4.16%	3.04%	233,243.78	96.2%	
Other than Office Bldg.												
Three major metropolitan areas	Tokyo metropolitan area	RT-1	AEON MALL Tsudanuma	Narashino-shi, Chiba	Sep. 2003 added on to in Dec. 2007	Aug. 2006	26,100	27,800	4.31%	3.42%	101,210.44	100.0%
	Osaka metropolitan area	RO-1	Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	June 1999	Aug. 2006	2,780	3,300	6.26%	4.92%	9,586.26	100.0%
Others	Other major cities	HR-1	Dormy Inn Hakata Gion	Hakata-ku, Fukuoka	Jan. 2009	Sep. 2013	2,280	3,360	6.65%	4.93%	5,554.91	100.0%
Subtotal (Other than Office)						31,160	34,460	4.66%	3.67%	116,351.61	100.0%	
Total						233,225	222,040	4.23%	3.13%	349,595.39	97.5%	
TK Interest for Office												
Three major metropolitan areas	Nagoya metropolitan area	TK-1	Nagoya Lucent Tower (TK interest)	Nishi-ku, Nagoya	—	Aug. 2015	4,919	—	—	—	—	
Total						238,144	—	—	—	—	—	

Note 1: NOI yield and NOI yield after depreciation are based on annualized NOI in the 22nd period.

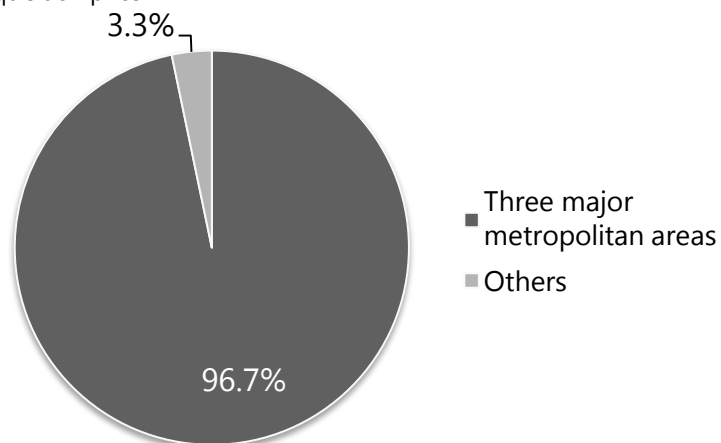
Note 2: Leasable space is based on data as of Jun. 30, 2017 which only includes the area of leasable room, and excludes those for warehouses, halls and parking lots.

However, the leasable spaces of Konami Sports Club Kyobashi and AEON Mall Tsudanuma, the entire buildings of which are leased, include the common area and parking lot area, and those of MID REIT Kyobashi Bldg. and Dormy Inn Hakata include common area, respectively.

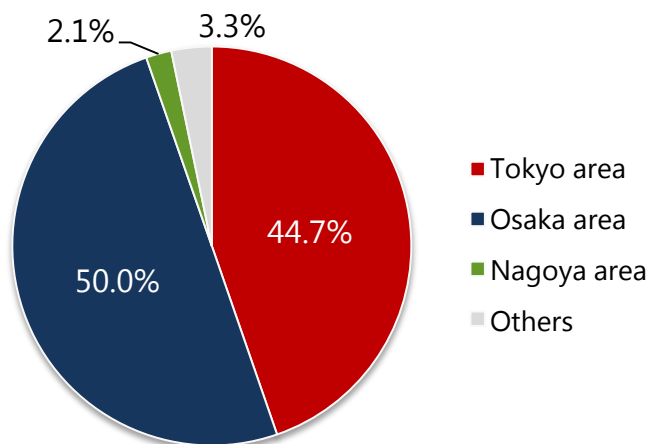
Portfolio data 1 (as of end of Jun. 2017)

By area

<Based on acquisition price>



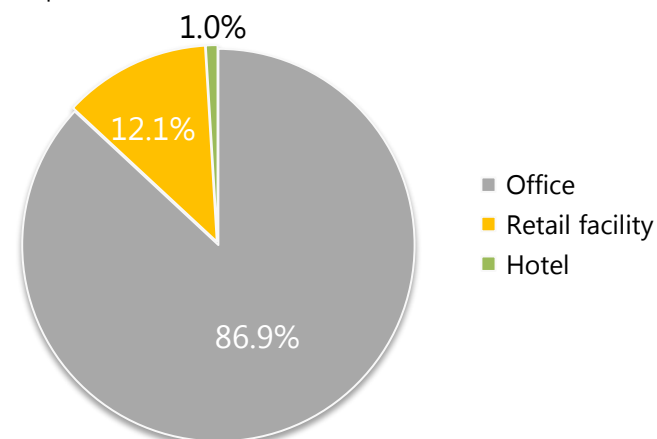
<Based on acquisition price>



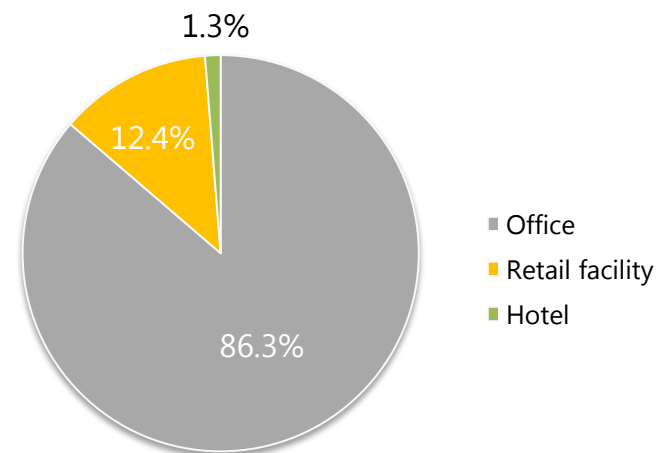
Note: TK interest of Nagoya Lucent Tower is not included.

By asset type

<Based on acquisition price>



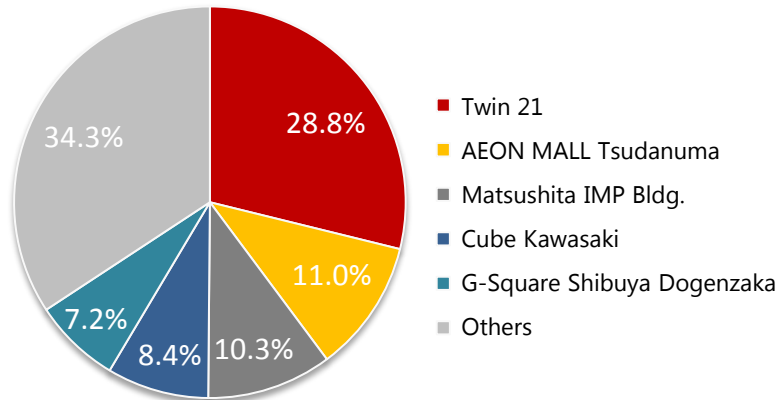
<Based on rent and CAM revenues> (Note)



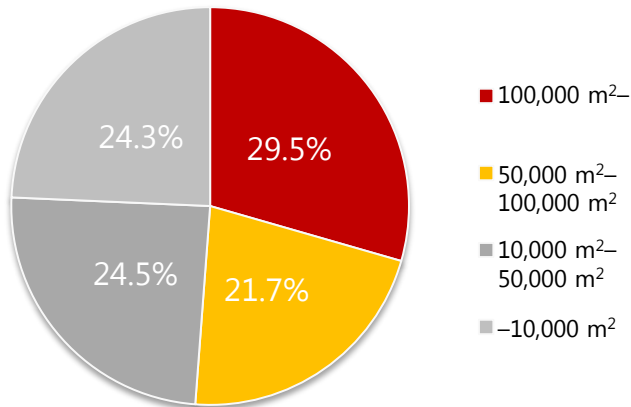
Portfolio data 2 (as of end of Jun. 2017)

By asset size

<Based on acquisition price>

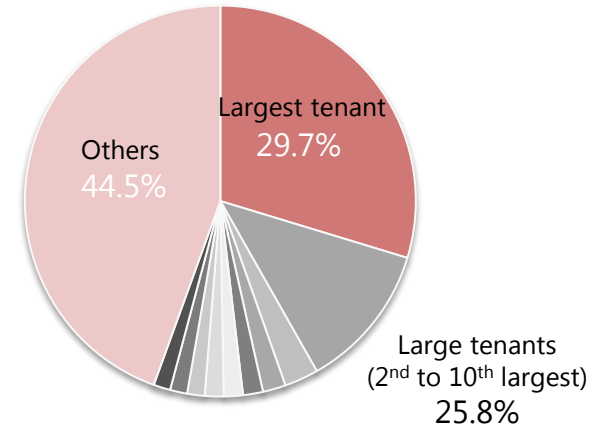


<Based on acquisition price (Note 1, 2)>

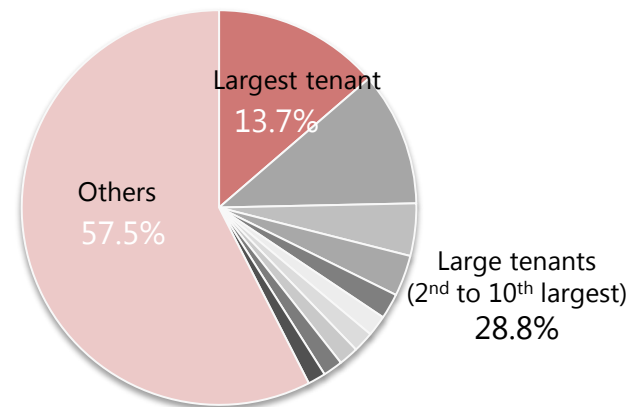


By tenant

<Based on leased area (Note 1)>



<Based on rent and CAM revenues (Note 1, 2)>



Note 1: TK interest of Nagoya Lucent Tower is not included.

Note 2: USC Bldg. (Quasi Co-ownership: approx. 46%) play as a full building in these charts.

Revenue and expenses by property 1 (fiscal period ended Jun. 30, 2017)

(Unit: mn. yen)

	Sumitomo Fudosan Ueno Bldg. No.6	G-Square Shibuya Dogenzaka	Shibuya Sakuragaoka Square (Note 1)	Yokohama Creation Square	Cube Kawasaki	Higashi- Nihombashi Green Bldg.	Sasazuka Center Bldg. (Note 2)	USC Bldg. (Note 2)	Twin 21	Matsushita IMP Bldg.	Midosuji MID Bldg. (Note 3)
Operating days	181	181	181	181	181	181	101	86	181	181	85
Rent revenue	—	199	255	177	490	49	82	42	1,616	789	108
CAM revenue	—	29	43	102	77	25	23	19	433	112	6
Parking revenue	—	3	3	14	2	3	3	2	67	54	1
Rent revenue - real estate	—	231	302	294	570	77	110	64	2,117	956	116
Utilities revenue	—	19	18	11	44	4	4	4	153	86	12
Early-withdrawal penalties received	—	—	—	—	—	—	—	—	—	—	—
Other revenue	—	6	2	9	4	3	14	1	9	4	0
Other lease business revenue	—	25	20	20	48	8	18	6	162	91	13
① Property leasing revenue	Not Disclosed	257	322	314	619	86	128	71	2,280	1,048	129
Property management fees	—	16	10	79	65	8	12	5	324	181	16
Utilities expenses	—	14	19	29	68	6	6	5	241	126	12
Real estate taxes	—	22	6	26	62	5	—	—	196	122	43
Insurance premiums	—	0	0	1	0	0	0	0	3	2	0
Repair expenses	—	16	3	—	87	1	0	0	83	43	1
Other lease business expenses	—	0	0	15	10	0	7	0	22	11	0
② Expenses related to rent business	—	70	40	151	294	23	26	10	870	486	74
③ NOI(①—②)	180	186	282	163	324	63	102	60	1,409	561	54
④ Depreciation	36	31	45	24	42	7	13	7	467	277	29
⑤ Loss on retirement of non-current assets	—	—	—	—	—	—	—	—	—	—	—
⑥ Property leasing income (③—④—⑤)	143	155	237	138	281	55	88	53	942	284	25
CAPEX	4	6	—	—	91	7	—	—	246	53	1

Note 1: Additional acquisition of 60% Quasi Co-ownership of land and building were taken on Feb 1, 2017 (40% Quasi Co-ownership of land is already acquired)

Note 2: Sasazuka Center Bldg. and USC Bldg. were acquired on Mar 22, 2017 and Apr 6, 2017

Note 3: Midosuji MID Bldg. was disposed on Mar 27, 2017

Revenue and expenses by property 2 (fiscal period ended Jun. 30, 2017)

(Unit: mn. yen)

	MID REIT Kyobashi Bldg.	MID Imabashi Bldg.	MID Midosuji- kawaramachi Bldg. (Note 1)	Kitahama MID Bldg.	MID Nishi- hommachi Bldg.	Higobashi MID Bldg.	Sendai Capital Tower (Note 2)	AEON MALL Tsudanuma	Konami Sports Club Kyobashi	Dormy Inn Hakata Gion	Total
Operating days	181	181	85	181	181	181	150	181	181	181	
Rent revenue	—	73	25	221	69	78	147	726	—	—	5,549
CAM revenue	—	4	2	49	9	19	43	—	—	—	1,070
Parking revenue	—	7	0	7	3	2	14	—	—	—	205
Rent revenue - real estate	—	85	28	278	81	101	205	726	—	—	6,825
Utilities revenue	—	6	3	36	8	10	13	—	—	—	446
Early-withdrawal penalties received	—	—	—	—	—	—	—	—	—	—	—
Other revenue	—	0	0	1	1	0	29	—	—	—	89
Other lease business revenue	—	6	3	38	9	11	43	—	—	—	535
① Property leasing revenue	—	92	31	316	91	112	249	726	—	—	7,360
Property management fees	—	14	4	33	11	12	28	4	—	—	868
Utilities expenses	—	8	2	28	9	10	28	—	—	—	629
Real estate taxes	—	12	5	22	8	12	—	61	—	—	644
Insurance premiums	—	0	0	0	0	0	0	0	—	—	11
Repair expenses	—	12	6	6	4	4	15	100	—	—	418
Other lease business expenses	—	0	0	1	0	1	2	—	—	—	72
② Expenses related to rent business	—	47	19	92	34	40	75	167	—	—	2,645
③ NOI(①—②)	23	44	12	224	56	71	173	558	86	75	4,715
④ Depreciation	14	23	6	39	19	22	17	115	18	19	1,279
⑤ Loss on retirement of non-current assets	—	—	—	—	—	—	—	—	—	—	—
⑥ Property leasing income (③—④—⑤)	8	20	5	185	37	49	155	443	67	55	3,436
CAPEX	—	5	2	0	19	0	2	2	—	—	445

Note 1: MID Midosuji kawaramachi Bldg. was disposed as of Mar 27, 2017

Note 2: Sendai Capital Tower was acquired as of Feb 1, 2017

Appraisal values by property

Type	Region	Property name	Acquisition price (Note1) (mn yen)	Appraisal value as of Dec. 31, 2016 (21st Period End) (Note2) (mn. yen)	Book value as of Jun. 30, 2017 (22nd Period End) (Note3) (mn. yen)	Appraisal value as of Jun. 30, 2017 (22nd Period End) (Note2) (mn. yen)	Difference from previous period end (%)	Difference from book value (%)	Appraisal company	21st Period appraisal value rate (Note4) (%)	22nd Period appraisal value rate (Note4) (%)
Office	Three major metropolitan areas (Tokyo / Osaka / Nagoya)	Sumitomo Fudosan Ueno Bldg. No.6	7,460	7,970	7,678	8,230	3.3%	7.2%	Tanizawa Sogo Appraisal Co., Ltd.	4.0%	3.9%
		G-Square Shibuya Dogenzaka	12,220	14,100	12,275	14,500	2.8%	18.1%	Japan Real Estate Institute	3.4%	3.3%
		Shibuya Sakuragaoka Square ^(Note5)	17,130	5,320	17,558	19,600	—	11.6%	Daiwa Real Estate Appraisal Co., Ltd.	—	3.1%
		Yokohama Creation Square	7,080	7,750	7,095	7,800	0.6%	9.9%	Tanizawa Sogo Appraisal Co., Ltd.	4.5%	4.4%
		Cube Kawasaki	20,050	21,800	20,440	22,200	1.8%	8.6%	Daiwa Real Estate Appraisal Co., Ltd.	4.1%	4.0%
		Higashi-Nihombashi Green Bldg.	2,705	2,930	2,815	3,030	3.4%	7.6%	Japan Real Estate Institute	4.4%	4.3%
		Sasazuka Center Bldg.	8,700	—	9,111	9,290	—	2.0%	Daiwa Real Estate Appraisal Co., Ltd.	—	4.0%
		USC Bldg. ^(Note6)	5,000	—	5,190	5,230	—	0.8%	Tanizawa Sogo Appraisal Co., Ltd.	—	4.1%
		Twin 21	68,700	49,500	66,248	51,700	4.4%	-22.0%	Morii Appraisal & Investment Consulting, Inc.	4.5%	4.4%
		Matsushita IMP Bldg.	24,600	19,900	22,525	21,200	6.5%	-5.9%	Tanizawa Sogo Appraisal Co., Ltd.	4.6%	4.5%
		MID REIT Kyobashi Bldg.	2,300	1,420	2,091	1,440	1.4%	-31.1%	Tanizawa Sogo Appraisal Co., Ltd.	5.2%	5.1%
		MID Imabashi Bldg.	3,270	2,210	3,119	2,260	2.3%	-27.6%	Tanizawa Sogo Appraisal Co., Ltd.	4.7%	4.6%
		Kitahama MID Bldg.	10,800	8,760	10,402	9,050	3.3%	-13.0%	Japan Real Estate Institute	4.4%	4.3%
		MID Nishihommachi Bldg.	3,550	2,160	3,375	2,180	0.9%	-35.4%	Japan Real Estate Institute	4.6%	4.5%
		Higobashi MID Bldg.	3,000	3,450	2,861	3,520	2.0%	23.0%	Japan Real Estate Institute	4.3%	4.2%
	Other metropolitan area	Sendai Capital Tower	5,500	—	5,607	6,350	—	13.2%	Tanizawa Sogo Appraisal Co., Ltd.	—	4.7%
Subtotal			202,065	147,270	198,397	187,580	—	-5.5%	—	—	—
Others	Three major metropolitan areas	AEON MALL Tsudanuma	26,100	27,800	23,954	27,800	0.0%	16.1%	Daiwa Real Estate Appraisal Co., Ltd.	4.6%	4.6%
		Konami Sports Club Kyobashi	2,780	3,300	2,413	3,300	0.0%	36.8%	Daiwa Real Estate Appraisal Co., Ltd.	5.1%	5.1%
	Other metropolitan area	Dormy Inn Hakata Gion	2,280	3,300	2,159	3,360	1.8%	55.6%	Tanizawa Sogo Appraisal Co., Ltd.	4.4%	4.3%
Subtotal			31,160	34,400	28,527	34,460	0.2%	20.8%	—	—	—
Total			233,225	181,670	226,924	222,040	—	-2.2%	—	—	—

Note 1: "Acquisition price" is the transaction price which is stated in the contract for respective trust beneficiary interest, etc. (excluding acquisition-related expenses, property taxes and consumption taxes, etc.).

Note 2: "Appraisal value" is as of the end of the fiscal period based on the appraisal report with the market value as of Jun. 30, 2017 prepared by Morii Appraisal & Investment Consulting, Inc., Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. or Japan Real Estate Institute pursuant to the Regulations Concerning Accounting of Investment Corporations, methods and criteria for asset valuation defined in MCUBS MidCity's Articles of Incorporation and rules of The Investment Trusts Association, Japan.

Note 3: "Book value" is the applicable asset's acquisition price (including various acquisition expenses) less accumulated depreciation.

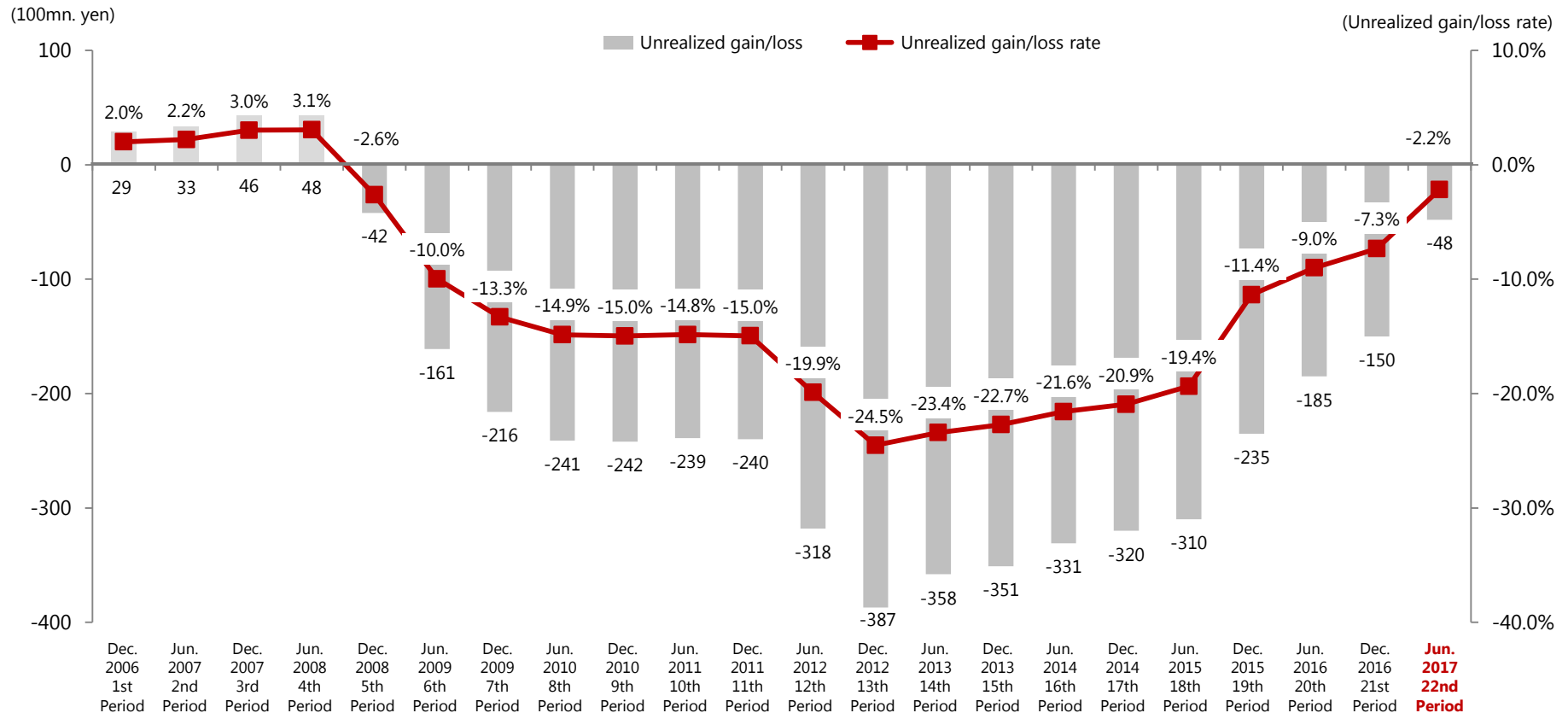
Note 4: "Appraisal value rate" is the cap rate based on the direct capitalization method.

Note 5: Appraisal value as of the end of Dec. 2016 is consisted of the land (40% Share), Appraisal value as of the end of Jun. 2017 is consisted of the land and building because of the additional acquisition as of Feb 1, 2017

Note 6: Appraisal value as of the end of Jun. 2017 is consisted of the share (50/108)

Unrealized gain/loss

Unrealized gain/loss and unrealized gain/loss rate (Dec. 2006 (1st Period) – Jun. 2017 (22nd Period))



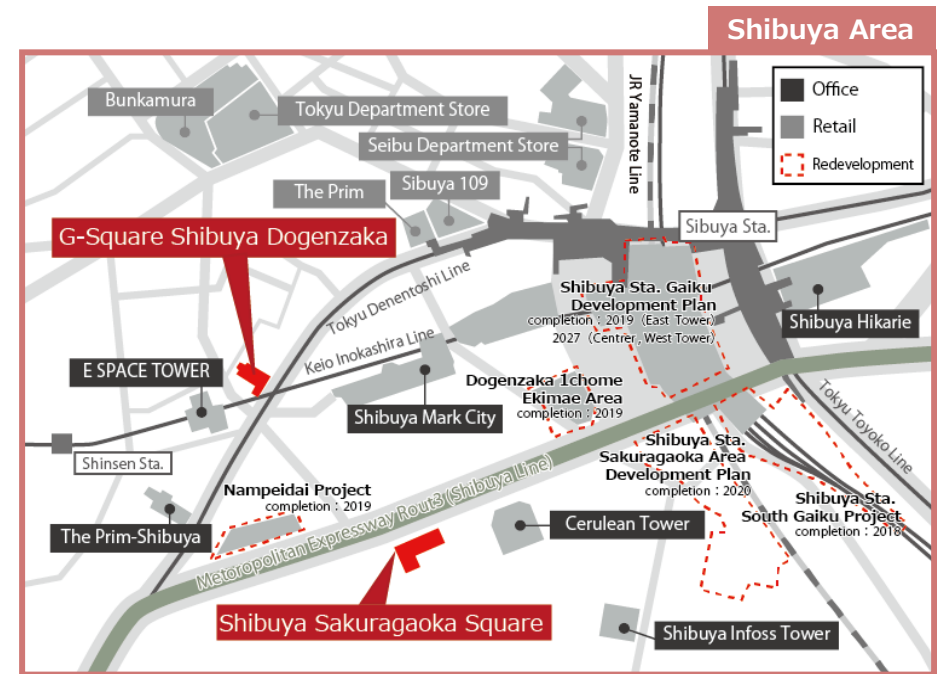
As of 22nd Period End (ended Jun. 2017)

Book value : 226.9 bn. yen

Appraisal value : 222.0 bn. yen

Unrealized gain/loss : -4.8 bn. yen

Portfolio overview – Tokyo area

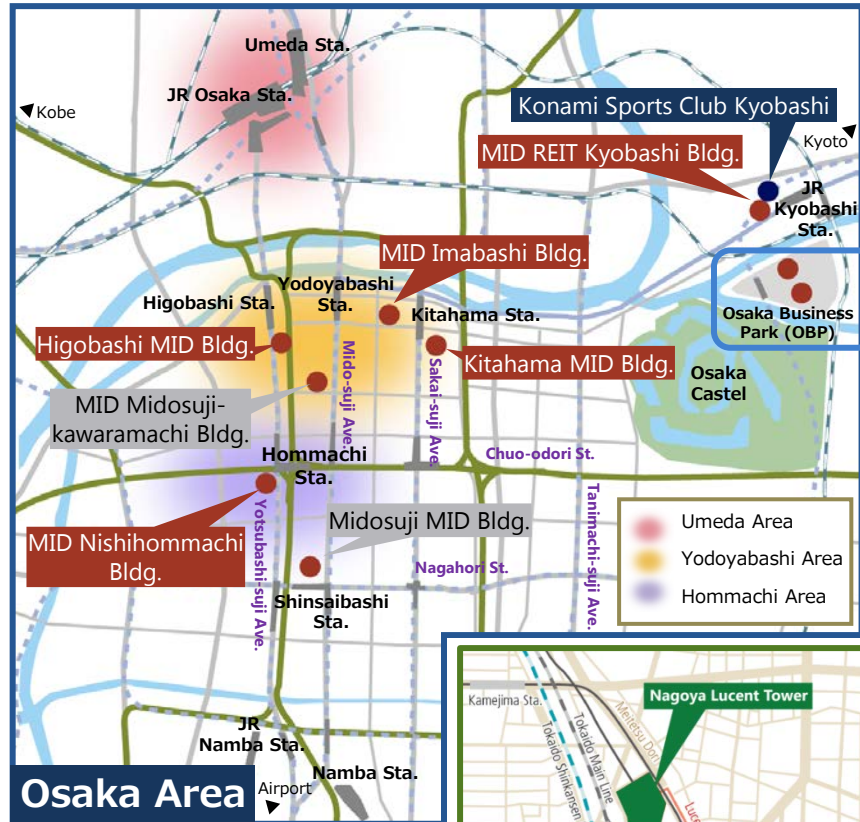


<As of Jun. 30, 2017>

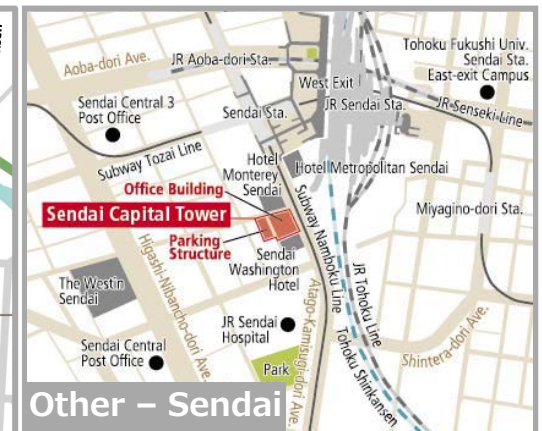
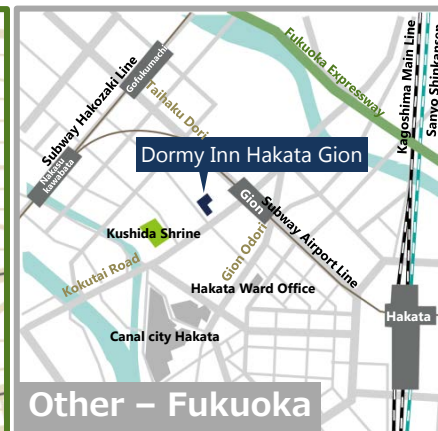
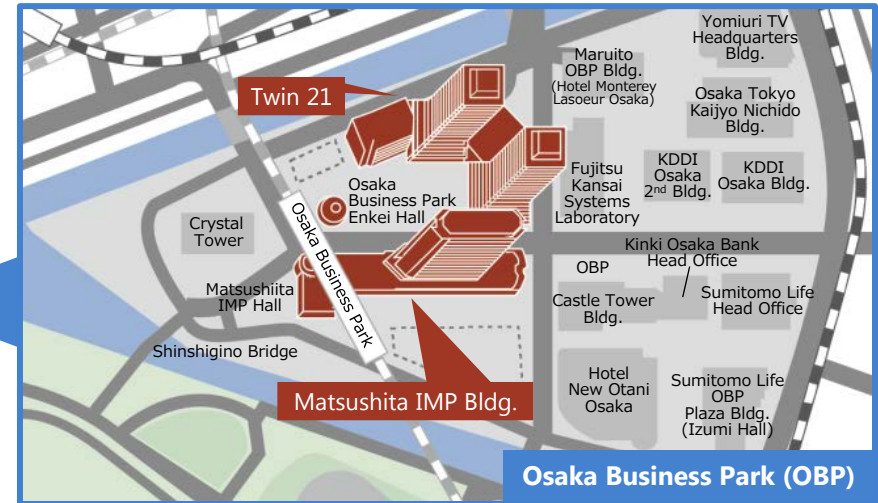
Tokyo Area	No. of assets	9	% of portfolio	44.7%	Nagoya Area	No. of assets	1	% of portfolio	2.1%
Osaka Area	No. of assets	8	% of portfolio	50.0%	Other Major Cities	No. of assets	2	% of portfolio	3.3%

Note: Based on acquisition price. TK interest of Nagoya Lucent Tower is included in the acquisition price.

Portfolio overview – Osaka area, Nagoya area and others



*Midosuji MID Bldg. and MID Midosujikawaramachi Bldg. were disposed on Mar. 27, 2017.



Portfolio overview - Office in Tokyo area 1



Sumitomo Fudosan Ueno Bldg.

- ✓ Office building with the standard floor area of over 200 tsubo, with high scarcity value in Ueno Area
- ✓ Stable occupancy by leasing the entire building to a major manufacturer group

Location	Taito-ku, Tokyo
Total land space	1,323.78m ²
Total floor space	9,631.83m ²
Structure/scale	SRC/B2F-11F
Completion date	Nov. 1993
Acquisition price	7,460 mn.yen
Acquisition Date	May 2015



G-Square Shibuya Dogenzaka

- ✓ Located in Shibuya/Ebisu, an area with one of the lowest vacancy rates in Tokyo
- ✓ Recently built high-grade office building, which is rare in Shibuya area
- ✓ Two-minute walk from Shibuya Mark City, and three-minute walk from Shibuya Station on the Tokyo Metro lines

Location	Shibuya-ku, Tokyo
Total land space	918.49m ²
Total floor space	6,565.87m ²
Structure/scale	S•SRC/B2F-9F
Completion date	Oct. 2009
Acquisition price	12,220 mn.yen
Acquisition Date	Aug. 2015



Shibuya Sakuragaoka Square

Additional acquisition

- ✓ Located in Shibuya/Ebisu, an area with one of the lowest vacancy rates in Tokyo
- ✓ Located in the area with a lot of office buildings facing National Route 246
- ✓ Four-minutes walk from Shibuya Station. Newly-built mid-sized office building with a standard floor area pf approx. 190 tsubo

Location	Shibuya-ku, Tokyo
Total land space	1,200.08m ²
Total floor space	8,655.61m ²
Structure/scale	S•RC/B1F-10F
Completion date	Mar. 2010
Acquisition price	17,130 mn.yen (Additional acquisition: 12,130 mn.yen)
Acquisition Date	Aug. 2015, Feb.2017

Portfolio overview - Office in Tokyo area 2



Yokohama Creation Square

- ✓ Located in the vicinity of the east exit of Yokohama Station, where large office buildings concentrate
- ✓ An office building with a large floor allowing a variety of layouts ranging from approximately 20 to 230 tsubo

* Sectional ownership

Location	Kanagawa-ku, Yokohama
Total land space	5,244.81㎡ (ratio of right of site 75.4%)
Total floor space	21,054.60㎡ (ratio of exclusive area: 96.5%)
Structure/scale	SRC・S/B1F-20F
Completion date	Mar. 1994
Acquisition price	7,080 mn.yen
Acquisition Date	Aug. 2015



Cube Kawasaki

- ✓ Closely located to JR Kawasaki Station that offers a good transportation access
- ✓ A rare property with a standard floor area of approx. 780 tsubo that addresses demand for large office spaces

Location	Kawasaki-ku, Kawasaki
Total land space	6,247.94㎡
Total floor space	41,290.91㎡
Structure/scale	SRC/B2F-10F
Completion date	May 1982
Acquisition price	20,050 mn.yen
Acquisition Date	Aug. 2015



Higashi-Nihombashi Green Bldg.

- ✓ Highly convenient location for transport with easy access to four stations of four railway lines
- ✓ Highly-visible and well-lit office building located at the corner of Kiyosugi-dori, an arterial road

Location	Chuo-Ku, Tokyo
Total land space	599.07㎡
Total floor space	4,210.72㎡
Structure/scale	SRC/10F
Completion date	Mar. 1988
Acquisition price	2,705 mn.yen
Acquisition Date	Dec. 2015

Portfolio overview - Office in Osaka area 1



Twin 21

- ✓ 38-storied sky-scraper office towers as a symbol of Osaka Business Park (OBP)
- ✓ Directly connected to Kyobashi Station, one of the biggest terminal stations in Osaka
- ✓ Mainly consisted of two buildings: OBP Panasonic Tower which is leased to Panasonic and MID Tower to leading corporations and consulates

Location	Chuo-ku, Osaka
Total land space	28,163.07m ²
Total floor space	146,034.98m ²
Structure/scale	SRC/B1F-38F
Completion date	Mar. 1986
Acquisition price	68,700 mn.yen
Acquisition Date	Aug. 2006



Matsushita IMP Bldg.

- ✓ 26-storied high-rise complex building consisted of large office space, commercial facilities and event halls
- ✓ Directly connected to Osaka Business Park Station of the Osaka Municipal Subway Nagahori-Tsurumi Line
- ✓ Operated together with Twin 21, with which the building is connected through Skyway

Location	Chuo-ku, Osaka
Total land space	14,968.25m ²
Total floor space	84,952.57m ²
Structure/scale	S•SRC/B2F-26F
Completion date	Feb. 1990, added on to in Nov. 2003
Acquisition price	24,600 mn.yen
Acquisition Date	Aug. 2006



Midosuji MID Bldg.

- ✓ Located about 100m north of Shinsaibashi station of the Osaka Municipal Subway Midosuji Line, in a commercial area with a lot of mid- and high-rise buildings and office properties along with Midosuji Boulevard
- ✓ Attractive building for tenants for its visibility, location in the downtown and convenient access

Location	Chuo-ku, Osaka
Total land space	1,893.62m ²
Total floor space	16,342.99m ²
Structure/scale	S•RC/B2F-12F
Completion date	Oct. 1980, added on to in Dec. 2009
Acquisition price	8,290 mn.yen
Acquisition Date	Aug. 2006, Oct. 2007

**To be disposed on
Mar. 27, 2017**

Portfolio overview - Office in Osaka area 2



MID REIT Kyobashi Bldg.

- ✓ Located near Kyobashi Station of the Osaka Municipal Subway Nagahori-Tsurumi Line, and within walking distance from Kyobashi Station of the JR Kanjo Line and the Keihan Main Line

Location	Miyakojima-ku, Osaka
Total land space	1,062.53m ²
Total floor space	4,833.88m ²
Structure/scale	S/9F
Completion date	Feb. 2000
Acquisition price	2,300 mn.yen
Acquisition Date	Aug. 2006



MID Imabashi Bldg.

- ✓ Located in the Yodoyabashi and Kitahama business district
- ✓ Three-minute walk from Kitahama Station of the Osaka Municipal Subway Sakaisuji Line and the Keihan Main Line, and five-minute walk from Yodoyabashi Station of the Osaka Municipal Subway Midosuji Line and the Keihan Main Line
- ✓ High-grade office building with sophisticated appearance with the granite-covered outer wall

Location	Chuo-ku, Osaka
Total land space	1,187.43m ²
Total floor space	7,482.53m ²
Structure/scale	S•RC/B2F-11F
Completion date	Oct. 1990
Acquisition price	3,270 mn.yen
Acquisition Date	Apr. 2007



MID Midosujikawaramachi Bldg.

- ✓ Located in the Yodoyabashi and Hommachi business district
- ✓ Five-minute walk from Hommachi Station of the Osaka Municipal Subway Midosuji Line
- ✓ Office building with elaborate and sophisticated design, represented by the highly-visible glass curtain exterior wall

Location	Chuo-ku, Osaka
Total land space	934.79m ²
Total floor space	3,945.88m ²
Structure/scale	SRC/6F
Completion date	Mar. 1998
Acquisition price	2,000 mn.yen
Acquisition Date	May. 2007

To be disposed on
Mar. 27, 2017

Portfolio overview - Office in Osaka area 3



Kitahama MID Bldg.

- ✓ Located close to Sakaisuji, one of the artery roads in Osaka, and nearby Kitahama Station of the Osaka Municipal Subway Sakaisuji Line and the Keihan Main Line
- ✓ Vibration controlled-building to reduce potential earthquake damages
- ✓ High-spec building with a floor with pillarless space of 176 tsubo, which addresses various layout/space needs

Location	Chuo-ku, Osaka
Total land space	1,802.49m ²
Total floor space	14,648.13m ²
Structure/scale	S•SRC/B1F-18F
Completion date	Feb. 2008
Acquisition price	10,800 mn.yen
Acquisition Date	Apr. 2008



MID Nishihommachi Bldg.

- ✓ Favorable location facing Yotsubashisuji Boulevard and Chuo-Odori Street, with one-minute walk from Hommachi Station of the Osaka Municipal Subway
- ✓ High-quality office building supporting tenants' business activities with its comfortableness and traffic convenience, partly thanks to the vicinity to the Awaza Ramp on Hanshin Expressway

Location	Nishi-ku, Osaka
Total land space	659.86m ²
Total floor space	6,260.16m ²
Structure/scale	S•RC/B3F-9F
Completion date	Mar. 1989
Acquisition price	3,550 mn.yen
Acquisition Date	Oct. 2008



Higobashi MID Bldg.

- ✓ Located in the Higobashi business district
- ✓ Located along Yotsubashisuji Boulevard, with one-minute walk from Higobashi Station of the Osaka Municipal Subway Yotsuboashi Line and six-minute walk from Yodoyabashi Station of the Osaka Municipal Subway Midosuji Line and Watanabebashi Station of the Keihan Nakanoshima Line
- ✓ Quake-resistant building with its vibration control structure, obtaining environmental certification

Location	Nishi-ku, Osaka
Total land space	797.86m ²
Total floor space	6,519.63m ²
Structure/scale	S/B1F-11F
Completion date	Jan. 2010
Acquisition price	3,000 mn.yen
Acquisition Date	Jun. 2013

Portfolio overview – TK interest and others



Nagoya Lucent Tower

- ✓ Favorable location close to Nagoya Station, an area in which the strongest demand from tenants is expected within Nagoya City
- ✓ Highly visible 42-storied building (with 3 basement floors) for its arch-shaped characteristic appearance
*TK interest

Location	Nishi-ku, Nagoya
Completion date	Nov. 2006
Acquisition price	4,919 mn.yen
Acquisition Date	Aug. 2015

*1 MCUBS MidCity owns the TK interest with R40 GK as the operator (TK interest B: equity interest of 40%) backed by real estate in trust for the trust beneficiary interests with 33.9% co-ownership interest (and 29.5% right of site) of the sectional ownership of this asset (sections of the building excluding the special high voltage substation building and part of the extra high voltage substation building)

*2 The property overview as above represents that of the underlying asset of such TK interest



Dormy Inn Hakata Gion

- ✓ Favorable location with two-minute walk from Gion Station of the Fukuoka City Subway Kuko Line, the next station of Hakata Station
- ✓ Hotel with expected demand from both business people and tourists for its good access to Fukuoka Airport, Hakata Station and Tenjin Area

Location	Hakata-ku, Fukuoka
Total land space	1,002.19m ²
Total floor space	5,633.28m ²
Structure/scale	RC/10F
Completion date	Jan. 2009
Acquisition price	2,280 mn.yen
Acquisition Date	Sep. 2013



AEON Mall Tsudanuma

- ✓ Large commercial facility directly connected to Shin Tsudanuma Station of the Shin-Keisei Line
- ✓ Three-minute walk from Tsudanuma Station of the JR Sobu Line
- ✓ Urban-type shopping center with AEON Mall as a core store

Location	Narashino-shi, Chiba
Total land space	29,397.03m ²
Total floor space	96,033.49m ²
Structure/scale	S/B1F-5F
Completion date	Sep. 2003, added on to in Dec. 2007
Acquisition price	26,100 mn.yen
Acquisition Date	Aug. 2006, Dec. 2007



Konami Sport Club Kyobashi

- ✓ Located nearby Kyobashi Station of the Osaka Municipal Subway Nagahori-Tsurumi Line, and two-minute walk from Kyobashi Station of the JR Kanjo Line and the Keihan Main Line
- ✓ Located in an area where a sports club may have strong potential of attracting clients

Location	Miyakojima-ku, Osaka
Total land space	2,339.35m ²
Total floor space	9,433.34m ²
Structure/scale	S/7F
Completion date	Jun. 1999
Acquisition price	2,780 mn.yen
Acquisition Date	Aug. 2006

Newly acquired assets – Sendai Capital Tower

Acquisition of property at favorable location near Sendai Station, the largest terminal station in Tohoku Region, through negotiation transaction



■ Key reasons for acquisition

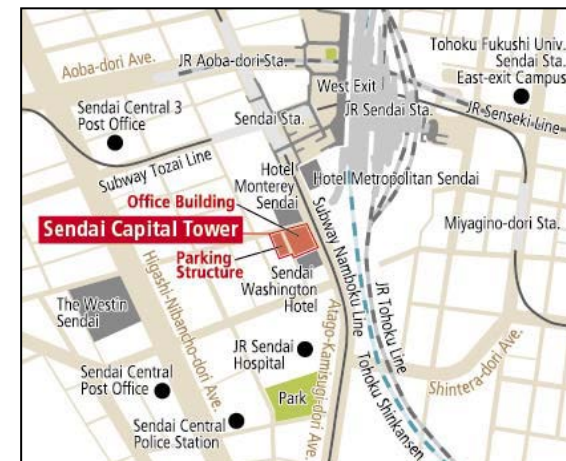
- Location within four-minute walking distance from JR Sendai Station and two-minute from Sendai Station of the Sendai Subway Namboku Line and the Tozai Line, providing traffic convenience with good access to Tohoku prefectures as well as Tokyo
- Scarcity for its size in the area with many small to medium-sized buildings, with a total floor area of approximately 7,200 tsubo and a standard floor area of approximately 240 tsubo, and the parking lots for more than 100 vehicles
- Excellent visibility and natural lighting provided by its location on a corner lot along Atago-Kamisugi-dori Avenue, and regularly-shaped office floors with a pillar-less structure offering higher usage efficiency in spaces and flexible layout options

Negotiation transaction

Sponsor network

Location	4-10-3, Chuo, Aoba-ku, Sendai-shi, Miyagi
Access	4 min by walk from JR Sendai Station
Total land space	3,420.02㎡
Total floor space	23,702.00㎡ (including Parking Space)
Structure / Floor	Office building: SRC/B2F-19F Parking structure: RC/B1F-6F
Construction Completion	Mar. 1974
Acquisition Price	5,500 mn. Yen
Acquisition Date	Feb 1. 2017

■ MAP



Newly acquired assets — Shibuya Sakuragaoka Square

(Additional acquisition of building and 60% quasi co-ownership interest of trust beneficiary interest of land)

Additional acquisition of the remaining 60% land with leasehold interest and building using the bridge functions

Negotiation transaction

Sponsor network

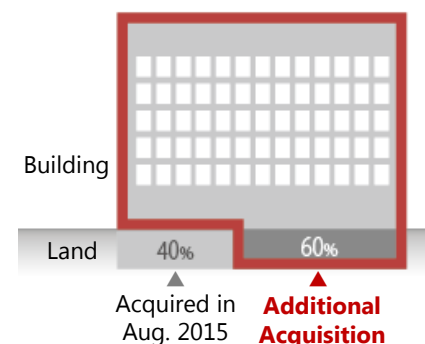
Additional acquisition from bridge fund



■ Key reasons for acquisition

- Located in Shibuya Area, which keeps on evolving as a hub of and a source to send information about commercial and business activities, within 4-minute walk from Shibuya Station
- Newly-built mid-sized office building equipped with basic specifications which enable advanced and diversified office needs to be fully addressed

■ Additional acquisition flow



Location	31-15, Sakuragaokacho, Shibuya-ku, Tokyo
Access	4 min by walk from JR Shibuya Station
Total land space	1,200.08m ²
Total floor space	8,655.61m ²
Structure / Floor	S•SRC/B1F-10F
Construction Completion	Mar. 2010
Acquisition Price	17,130 mn. yen (5,000 mn. yen+12,130 mn. yen)
Acquisition Date	Aug. 3, 2015 Feb 1, 2017

■ MAP



Newly acquired assets – Sasazuka Center Bldg.

Acquisition of property with internal growth potential through negotiation transaction by using the sponsor's network



Negotiation transaction

Sponsor network

■ Key reasons for acquisition

- Location with traffic convenience, within five-minute walk from Sasazuka Station of the Keio Line, which is one station or about five minutes away from Shinjuku Station
- Good access by car, as it faces a boulevard and is located near the Hatagaya Ramp of the Metropolitan Expressway
- Outstanding building in the area for its size, as it is an eight-story building with two stories underground, with the total floor area of approximately 3,600 tsubo and the standard floor area of approximately 300 tsubo

Location	2-1-6, Sasazuka, Shibuya-ku, Tokyo
Access	5 min by walk from Keio Sasazuka Station
Total land space	3,032.26㎡
Total floor space	11,973.11㎡
Structure / Floor	SRC/B2F-8F
Construction Completion	Mar. 1995
Acquisition Price	8,700 mn. yen
Acquisition Date	Mar 22. 2017

■ MAP



Newly acquired assets – USC Bldg.

(Approx. 46% quasi co-ownership interest of trust beneficiary interest)

Acquisition of 46% quasi co-ownership of interest to create pipeline for future full acquisition

Negotiation transaction

Sponsor network

Future pipeline



■ Key reasons for acquisition

- Location within seven-minute walk from Toyochi Station of the Tokyo Metro Tozai Line, the line connecting several business districts and providing good access to the Tokyo Metropolitan area
- Building differentiated from other buildings in the area with many mid and small-sized buildings, for its size with the total floor area of approximately 5,600 tsubo and the standard floor area of approximately 600 tsubo, and also featuring high visibility because of its location along the Yotsume-Dori street
- Convenience in vehicle use with more than 100 parking lots, attracting vehicle-user tenants

■ Pipeline for acquisition

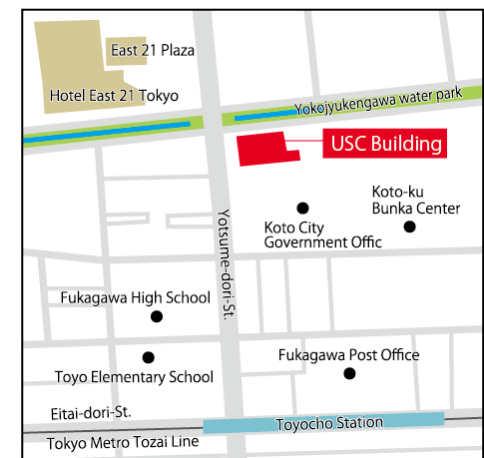
Acquisition of approximately 46% of quasi co-ownership of interest in April 2017



A preferential negotiation right over the remaining 54% of quasi co-ownership of interest

Location	4-11-38, Toyo, Koto-ku, Tokyo
Access	7 min by walk from Tokyo Metro Tozai Line Toyocho Station
Total land space	4,565.21m ²
Total floor space	18,475.98m ²
Structure / Floor	Main Building: S-SRC/B1F-8F Annex: RC with galvanized steel sheet roof, single-storied
Construction Completion	Jan. 1990 Jan. 2007 (Extension)
Acquisition Price	5,000 mn. yen
Acquisition Date	Apr. 6, 2017

■ MAP



Disposed assets

Disposition Highlight

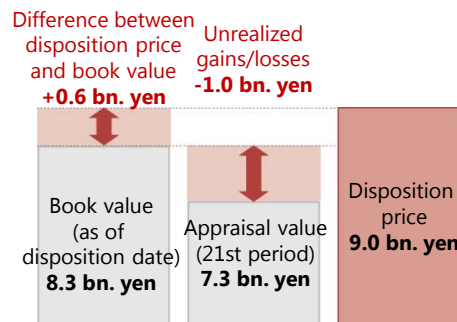
Reducing unrealized losses, improving profitability and portfolio diversification through disposition of assets with unrealized losses

	Midosuji MID Bldg.	MID Midosujikawaramachi Bldg.
Disposition price (A)	9,000 mn. yen	1,700 mn. yen
Appraisal value (B)	7,310 mn. yen	1,490 mn. yen
Estimated book value (C)	8,351 mn. yen	1,905 mn. yen
Unrealized losses (B—C)	-1,041 mn. yen	-415 mn. Yen
Difference between disposition price and book value (A—C)	648 mn. yen	-205 mn. yen
Gains/losses on disposal	557 mn. yen	-225 mn. yen
NOI yield (21st Period)	4.0%	4.1%
NOI yield after depreciation (21st Period)	2.5%	2.8%
Disposition date	Mar. 27, 2017	Mar. 27, 2017

■ Backdrop of the Disposition

- ✓ Attractive re-development value because of easing of floor-area ratio restrictions
- ✓ A large amount of capital expenditure and repair costs is expected
- ✓ Good opportunities to dispose properties

⇒ **Disposition to a domestic corporation as a land for development**



Midosuji MID Bldg.
(Chuo-ku, Osaka)



MID Midosujikawaramachi Bldg.
(Chuo-ku, Osaka)

5. FINANCING STRATEGY



Major financing-related figures and investment corporation bonds

Changes in financing-related figures

	As of end of Dec. 2016	As of end of Jun. 2017
LTV (based on appraisal value)	44.6 %	43.0 %
Ratio of long-term debts	100.0 %	100.0 %
Ratio of fixed interest rate	74.8 %	77.4 %
Average remaining years of debts	3.2 years	3.1 years
Average interest rate on debts	1.17 %	1.09 %
Issuer rating	R&I: A (stable) (Oct. 26, 2016)	R&I: A (stable) (Oct. 26, 2016)



As of end of Jul. 2017
43.0 % (Note 1)
100.0 %
77.4 %
4.0 years
1.06 % (Note 2)
Aim for further improvement

Investment corporation bonds

Issuance of non-secured bonds for the second consecutive year

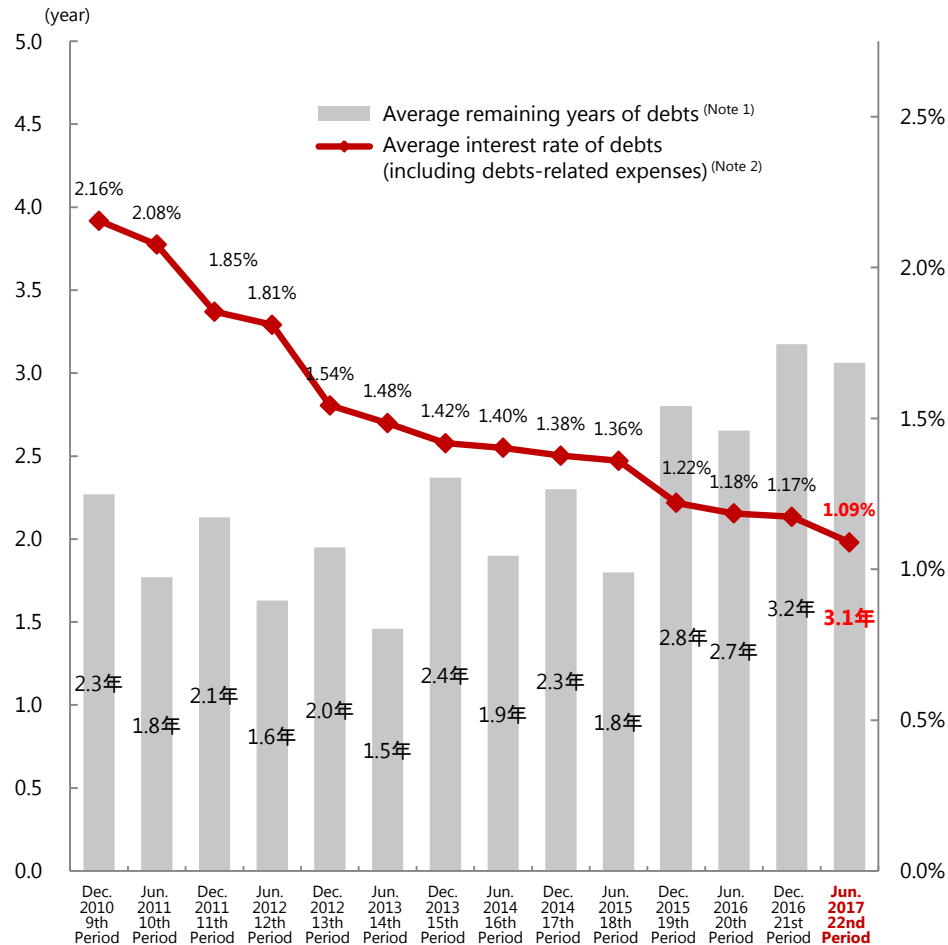
	3rd Unsecured Investment Corporation Bond	4th Unsecured Investment Corporation Bond
Term	5 years	10 years
Nominal coupon	0.260 %	0.670%
Amount issued	1.0 bn. yen	2.0 bn. yen

Note 1: Calculated by figures as of the end of Jun 2017

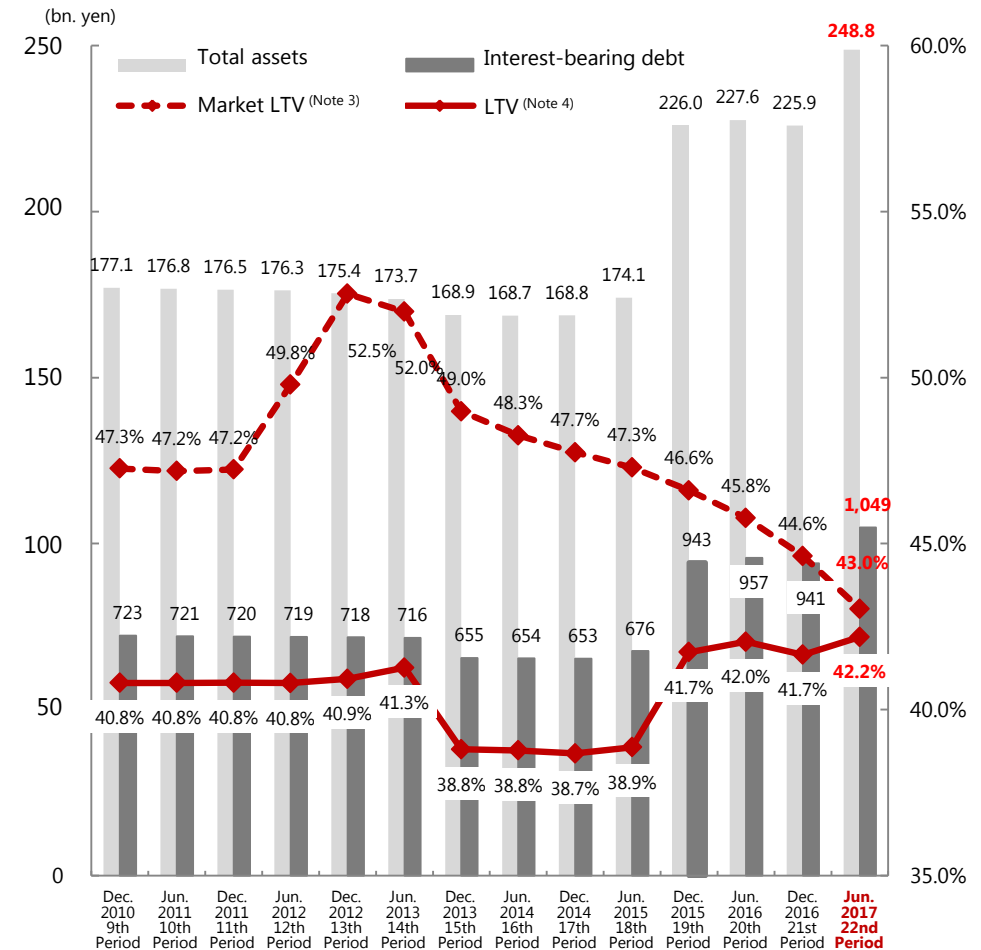
Note 2: Estimates as of the end of Dec, 2017

Financial status

Average remaining years and average interest rate of debts



Total assets and debts



Note1: Average remaining years of debts is using the weighted average of remaining years of debts until maturity based on the respective balance of debts.

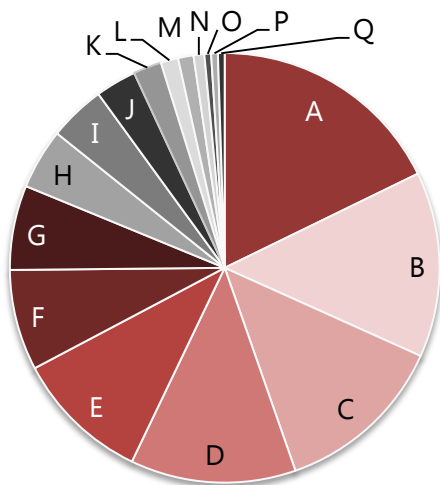
Note2: Average interest rate on debts (including borrowing-related expenses) = Financing costs in each fiscal period / Average debt balance in the fiscal period.

Note3: Market LTV (based on appraisal value) = Term-end debts / (Term-end total assets ± Unrealized gain/loss). Unrealized gain/loss is the difference between book value and appraisal value

Note4: LTV = Term-end debts / Term-end total assets

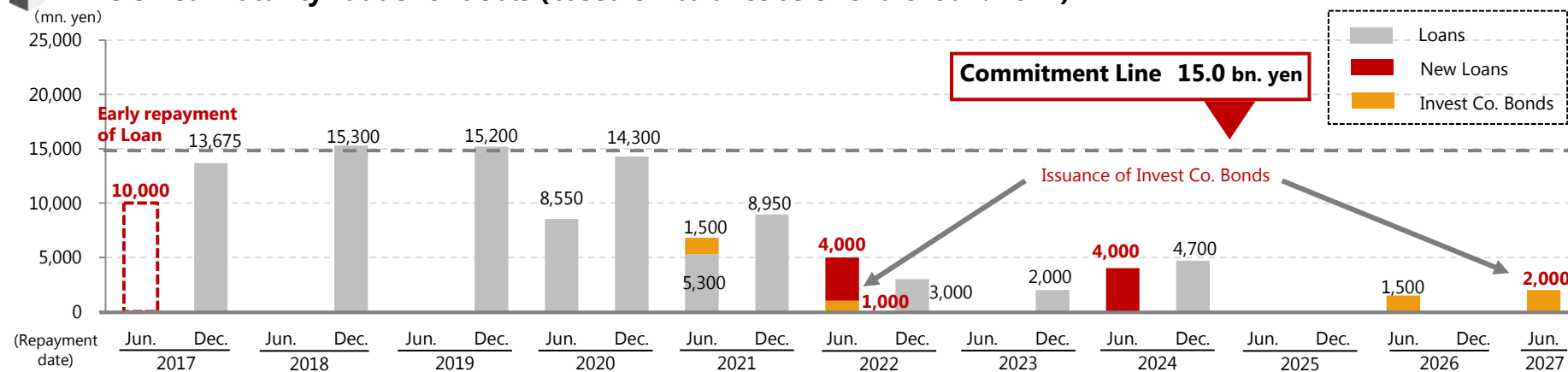
Lender composition and maturity ladder (as of end of Jun. 2017)

Lenders composition (Loans as of the end of Jun. 2017)



	Lender	Balance (mn. yen)	Share
A	Mizuho Bank, Ltd.	17,600	17.8%
B	Sumitomo Mitsui Trust Bank, Limited	13,800	13.9%
C	Sumitomo Mitsui Banking Corporation	12,800	12.9%
D	Development Bank of Japan, Inc.	12,325	12.5%
E	Aozora Bank, Ltd.	10,050	10.2%
F	Resona Bank, Limited	7,500	7.6%
G	Mitsubishi UFJ Trust and Banking Corporation	6,300	6.4%
H	The Bank of Tokyo-Mitsubishi UFJ, Ltd	4,500	4.5%
I	Shinkin Central Bank	4,200	4.2%
J	The Senshu Ikeda Bank, Ltd.	3,050	3.1%
K	The Nishi-Nippon City Bank, Ltd.	2,100	2.1%
L	Mizuho Trust & Banking Co., Ltd.	1,300	1.3%
M	The Hyakugo Bank, Ltd.	1,150	1.2%
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	98,975	100.0%

Diversified Maturity Ladder of debts (based on balance as of end of Jun. 2017)



Outstanding borrowings (as of end of Jun. 2017)

Type	Loan Term	Lenders	Balance (mn. Yen)	Floating/ Fixed	Interest rate (Note 2)	Drawdown date	Repayment date (Note 4)	Repayment method
Long term loans payable (Note 1)	6years and 11months	Development Bank of Japan	3,375	Fixed	1.79507%	2010/8/31	2017/7/31	(Note 5)
	5years	Sumitomo Mitsui Trust Bank, Aozora Bank	4,300	Fixed (Note 2)	1.14100%	2012/7/31	2017/7/31	Bullet payment
	7years	Development Bank of Japan	1,700	Fixed	1.52375%	2012/7/31	2019/7/31	Bullet payment
	5years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank	4,800	Fixed (Note 2)	1.29700%	2013/7/31	2018/7/31	Bullet payment
	7years	Development Bank of Japan, Minato Bank	1,800	Fixed	1.70875%	2013/7/31	2020/7/31	Bullet payment
	3years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Shinkin Central Bank, Senshu Ikeda Bank	6,000	Fixed (Note 2)	0.70700%	2014/7/31	2017/7/31	Bullet payment
	5years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Resona Bank	4,000	Fixed (Note 2)	0.96200%	2014/7/31	2019/7/31	Bullet payment
	6years	Mizuho Bank, The Hiroshima Bank, Sony Bank	2,000	Fixed (Note 2)	1.24000%	2014/7/31	2020/7/31	Bullet payment
	7years	Mizuho Bank, Aozora Bank	1,800	Fixed	1.47806%	2014/7/31	2021/7/31	Bullet payment
	3years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank, The Bank of Tokyo-Mitsubishi UFJ, Nishi-Nippon City Bank, Mizuho Trust & Banking, Hyakugo Bank	10,500	Floating	0.45727%	2015/7/31	2018/7/31	Bullet payment
	4years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Mitsubishi UFJ Trust and Banking, Shinkin Central Bank, Senshu Ikeda Bank, Nanto Bank	9,500	Floating	0.55727%	2015/7/31	2019/7/31	Bullet payment
	5years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Mitsubishi UFJ Trust and Banking, The Bank of Tokyo-Mitsubishi UFJ, Mizuho Trust & Banking	9,300	Fixed (Note 2)	0.86545%	2015/7/31	2020/7/31	Bullet payment
	5years	Development Bank of Japan	1,200	Fixed	0.90750%	2015/7/31	2020/7/31	Bullet payment
	6years	Mizuho Bank, Sumitomo Mitsui Banking, Resona Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	4,500	Fixed (Note 2)	1.03350%	2015/7/31	2021/7/31	Bullet payment
	7years	Mizuho Bank, Aozora Bank, The Bank of Tokyo-Mitsubishi UFJ, Mizuho Trust & Banking	2,200	Fixed (Note 2)	1.20235%	2015/7/31	2022/7/31	Bullet payment
	7years	Development Bank of Japan	800	Fixed	1.23250%	2015/7/31	2022/7/31	Bullet payment
	8years	Mizuho Bank	1,000	Fixed (Note 2)	1.38430%	2015/7/31	2023/7/31	Bullet payment
	8years	Mizuho Bank	500	Fixed (Note 2)	1.38430%	2015/7/31	2023/7/31	Bullet payment
	8years	Development Bank of Japan	500	Fixed	1.40000%	2015/7/31	2023/7/31	Bullet payment
	5years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking	2,800	Fixed (Note 2)	0.49795%	2016/4/28	2021/4/30	Bullet payment
	3.5years	Sumitomo Mitsui Banking, Shinkin Central Bank	3,700	Floating	0.36727%	2016/7/29	2020/1/31	Bullet payment
	3.5years	Nishi-Nippon City Bank, Hyakugo Bank	2,250	Fixed	0.37315%	2016/7/29	2020/1/31	Bullet payment
	3.5years	Sumitomo Mitsui Trust Bank	2,600	Fixed	0.37315%	2016/7/29	2020/1/31	Bullet payment
	4.5years	Mizuho Bank, Development Bank of Japan, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	2,500	Fixed	0.45065%	2016/7/29	2021/1/31	Bullet payment
	5years	Development Bank of Japan, Aozora Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	2,650	Fixed	0.49380%	2016/7/29	2021/7/31	Bullet payment
	8years	Mizuho Bank, Development Bank of Japan, Aozora Bank, Mitsubishi UFJ Trust and Banking	4,700	Fixed	0.73500%	2016/7/29	2024/7/31	Bullet payment
NEW	5years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Development Bank of Japan, The Bank of Tokyo-Mitsubishi UFJ	4,000	Fixed	0.64691%	2017/1/31	2022/1/31	Bullet payment
NEW	7years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Development Bank of Japan, The Bank of Tokyo-Mitsubishi UFJ	4,000	Fixed	0.80938%	2017/1/31	2024/1/31	Bullet payment
Total			98,975					

Note 1: Syndicated loans by the indicated financial institutions.

Note 2: Interest rate swaps are concluded to fix the interest rates.

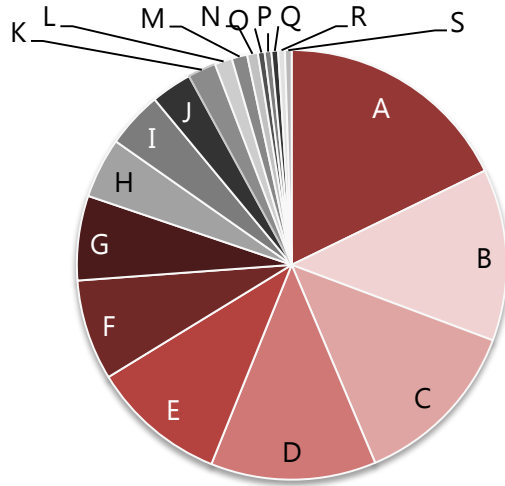
Note 3: Interest rate is applied as of end of Jun. 2017.

Note 4: If such date does not fall on any business day, the next business day shall be applied. If such next business day is included in the next month, the business day immediately preceding the initial repayment date shall be applied.

Note 5: For this loan, 125 mn. yen is reimbursed semiannually at the end of Jan. and Jul., and 3,375 mn. yen is reimbursed on the final principal repayment date.

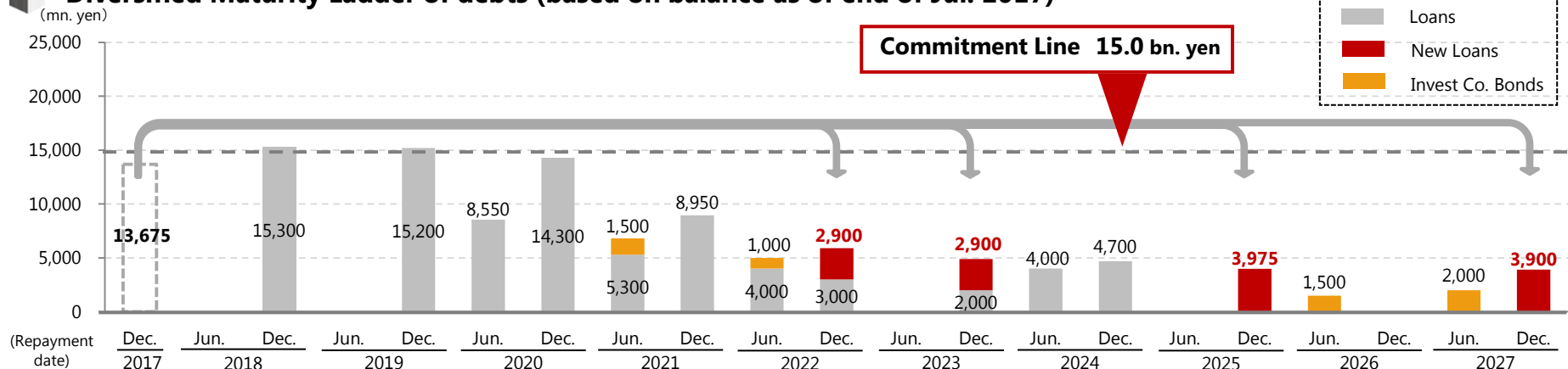
Lender composition and maturity ladder (as of end of Jul. 2017)

Lenders composition (Loans as of the end of Jul. 2017)



	Lender	Balance (mn. yen)	Share
A	Mizuho Bank, Ltd.	17,600	17.8%
B	Sumitomo Mitsui Trust Bank, Limited	12,800	12.9%
C	Sumitomo Mitsui Banking Corporation	12,800	12.9%
D	Development Bank of Japan, Inc.	12,325	12.5%
E	Aozora Bank, Ltd.	10,050	10.2%
F	Resona Bank, Limited	7,500	7.6%
G	Mitsubishi UFJ Trust and Banking Corporation	6,300	6.4%
H	The Bank of Tokyo-Mitsubishi UFJ, Ltd	4,500	4.5%
I	Shinkin Central Bank	4,200	4.2%
J	The Senshu Ikeda Bank, Ltd.	3,050	3.1%
K	The Nishi-Nippon City Bank, Ltd.	2,100	2.1%
L	Mizuho Trust & Banking Co., Ltd.	1,300	1.3%
M	The Hyakugo Bank, Ltd.	1,150	1.2%
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%
NEW R	Tokio Marine & Nichido Fire Insurance Co., Ltd.	500	0.5%
NEW S	Nippon Life Insurance Company	500	0.5%
	Total	98,975	100.0%

Diversified Maturity Ladder of debts (based on balance as of end of Jul. 2017)



Outstanding borrowings (as of end of Jul. 2017)

Type	Loan Term	Lenders	Balance (mn. Yen)	Floating/ Fixed	Interest rate (Note 2)	Drawdown date	Repayment date (Note 4)	Repayment method
Long term loans payable (Note 1)	7 years	Development Bank of Japan	1,700	Fixed	1.52375%	2012/7/31	2019/7/31	Bullet payment
	5 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank	4,800	Fixed (Note 2)	1.29700%	2013/7/31	2018/7/31	Bullet payment
	7 years	Development Bank of Japan, Minato Bank	1,800	Fixed	1.70875%	2013/7/31	2020/7/31	Bullet payment
	5 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Resona Bank	4,000	Fixed (Note 2)	0.96200%	2014/7/31	2019/7/31	Bullet payment
	6 years	Mizuho Bank, The Hiroshima Bank, Sony Bank	2,000	Fixed (Note 2)	1.24000%	2014/7/31	2020/7/31	Bullet payment
	7 years	Mizuho Bank, Aozora Bank	1,800	Fixed	1.47806%	2014/7/31	2021/7/31	Bullet payment
	3 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank, The Bank of Tokyo-Mitsubishi UFJ, Nishi-Nippon City Bank, Mizuho Trust & Banking, Hyakugo Bank	10,500	Floating	0.45727%	2015/7/31	2018/7/31	Bullet payment
	4 year	Mizuho Bank, Sumitomo Mitsui Banking, Resona Bank, Mitsubishi UFJ Trust and Banking, Shinkin Central Bank, Senshu Ikeda Bank, Nanto Bank	9,500	Floating	0.55727%	2015/7/31	2019/7/31	Bullet payment
	5 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Mitsubishi UFJ Trust and Banking, The Bank of Tokyo-Mitsubishi UFJ, Mizuho Trust & Banking	9,300	Fixed (Note 2)	0.86545%	2015/7/31	2020/7/31	Bullet payment
	5 years	Development Bank of Japan	1,200	Fixed	0.90750%	2015/7/31	2020/7/31	Bullet payment
	6 years	Mizuho Bank, Sumitomo Mitsui Banking, Resona Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	4,500	Fixed (Note 2)	1.03350%	2015/7/31	2021/7/31	Bullet payment
	7 years	Mizuho Bank, Aozora Bank, The Bank of Tokyo-Mitsubishi UFJ, Mizuho Trust & Banking	2,200	Fixed (Note 2)	1.20235%	2015/7/31	2022/7/31	Bullet payment
	7 years	Development Bank of Japan	800	Fixed	1.23250%	2015/7/31	2022/7/31	Bullet payment
	8 years	Mizuho Bank	1,000	Fixed (Note 2)	1.38430%	2015/7/31	2023/7/31	Bullet payment
	8 years	Mizuho Bank	500	Fixed (Note 2)	1.38430%	2015/7/31	2023/7/31	Bullet payment
	8 years	Development Bank of Japan	500	Fixed	1.40000%	2015/7/31	2023/7/31	Bullet payment
	5 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking	2,800	Fixed (Note 2)	0.49795%	2016/4/28	2021/4/30	Bullet payment
	3.5 years	Sumitomo Mitsui Banking, Shinkin Central Bank	3,700	Floating	0.36727%	2016/7/29	2020/1/31	Bullet payment
	3.5 years	Nishi-Nippon City Bank, Hyakugo Bank	2,250	Fixed	0.37315%	2016/7/29	2020/1/31	Bullet payment
	3.5 years	Sumitomo Mitsui Trust Bank	2,600	Fixed	0.37315%	2016/7/29	2020/1/31	Bullet payment
	4.5 years	Mizuho Bank, Development Bank of Japan, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	2,500	Fixed	0.45065%	2016/7/29	2021/1/31	Bullet payment
	5 years	Development Bank of Japan, Aozora Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	2,650	Fixed	0.49380%	2016/7/29	2021/7/31	Bullet payment
	8 years	Mizuho Bank, Development Bank of Japan, Aozora Bank, Mitsubishi UFJ Trust and Banking	4,700	Fixed	0.73500%	2016/7/29	2024/7/31	Bullet payment
	5 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Development Bank of Japan, Mitsubishi UFJ Trust and Banking	4,000	Fixed	0.64691%	2017/1/31	2022/1/31	Bullet payment
	7 years	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Development Bank of Japan, Mitsubishi UFJ Trust and Banking	4,000	Fixed	0.80938%	2017/1/31	2024/1/31	Bullet payment
	5 years	Sumitomo Mitsui Trust Bank, Tokio Marine & Nichido Fire Insurance, Nippon Life Insurance	2,900	Fixed	0.52420%	2017/7/31	2022/7/29	Bullet payment
	6 years	Shinkin Central Bank, Senshu Ikeda Bank	1,900	Fixed	0.68000%	2017/7/31	2023/7/31	Bullet payment
	6 years	Sumitomo Mitsui Banking	1,000	Fixed	0.68792%	2017/7/31	2023/7/31	Bullet payment
	8 years	Mizuho Bank, Development Bank of Japan	3,975	Fixed	0.85630%	2017/7/31	2025/7/31	Bullet payment
	10 years	Mizuho Bank, Development Bank of Japan, Aozora Bank	3,900	Fixed	1.04000%	2017/7/31	2027/7/31	Bullet payment
Total			98,975					

Note 1: Syndicated loans by the indicated financial institutions.

Note 2: Interest rate is applied as of end of Jul. 2017.

Note 3: Interest rate swaps are concluded to fix the interest rates.

Note 4: If such date does not fall on any business day, the next business day shall be applied. If such next business day is included in the next month, the business day immediately preceding the initial repayment date shall be applied.

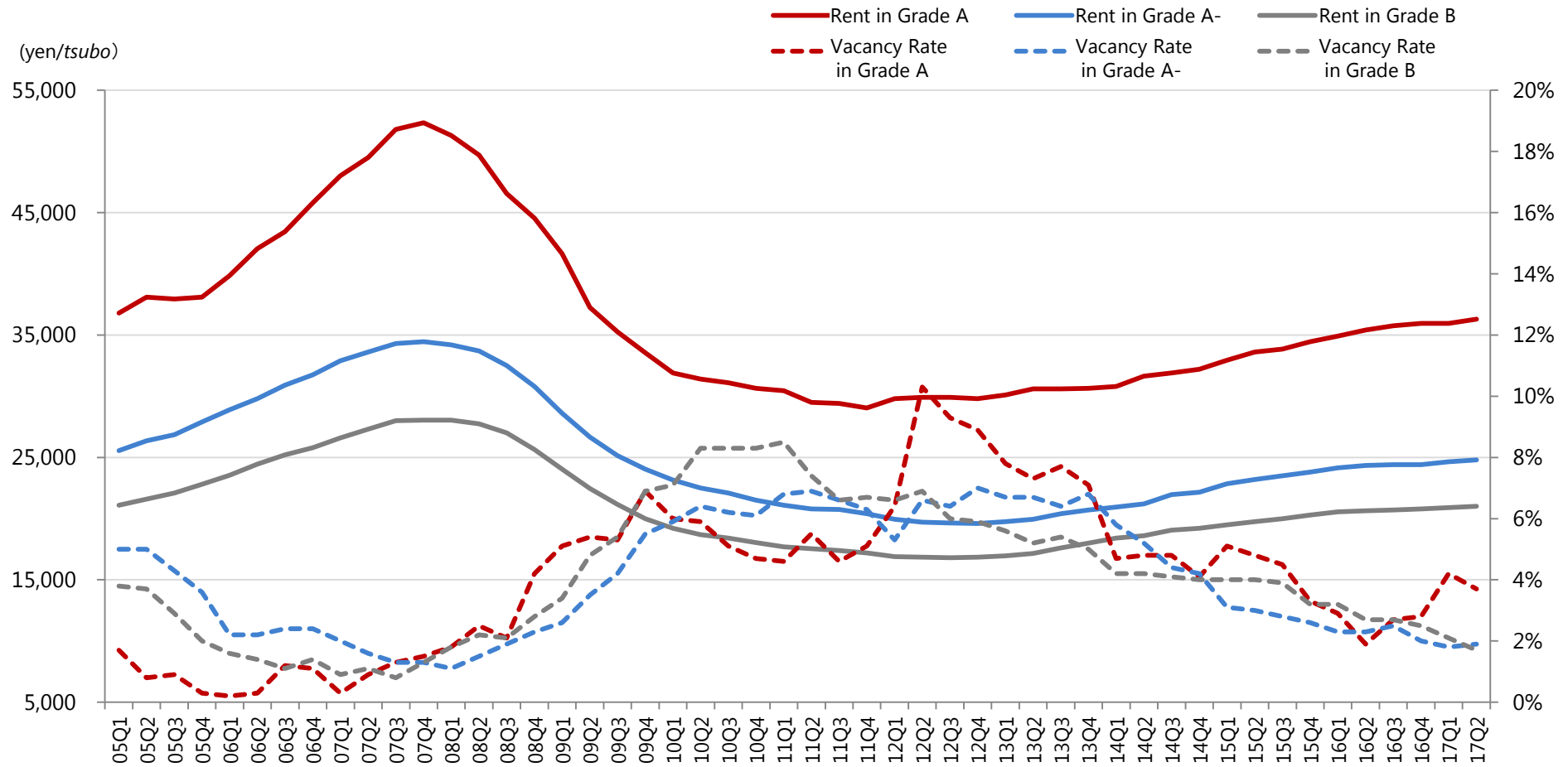
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6. MARKET ENVIRONMENT



Office market data 1 (Tokyo 23 districts)

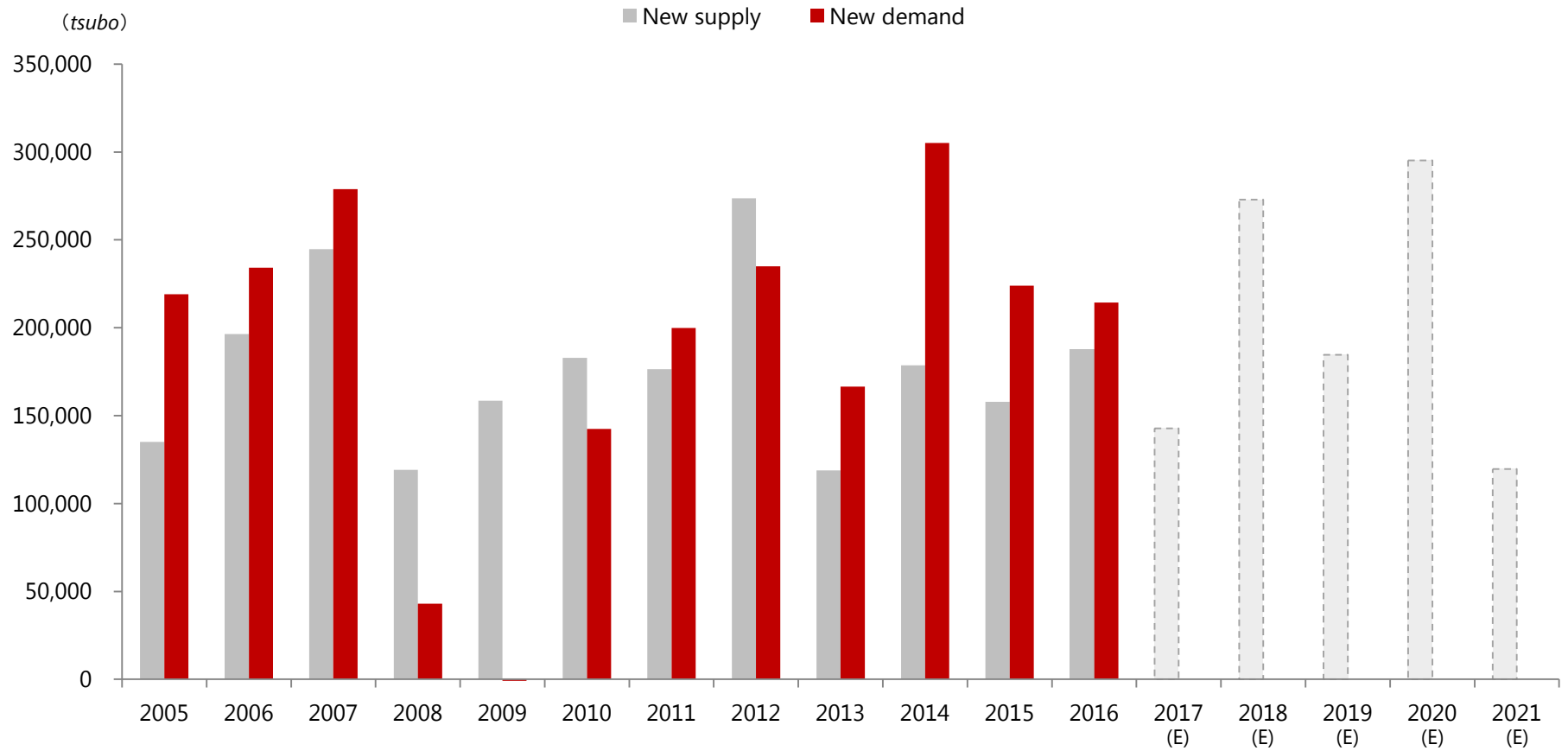
Average rent and vacancy rate of Tokyo



Source: CBRE

Office market data 2 (Tokyo 23 districts)

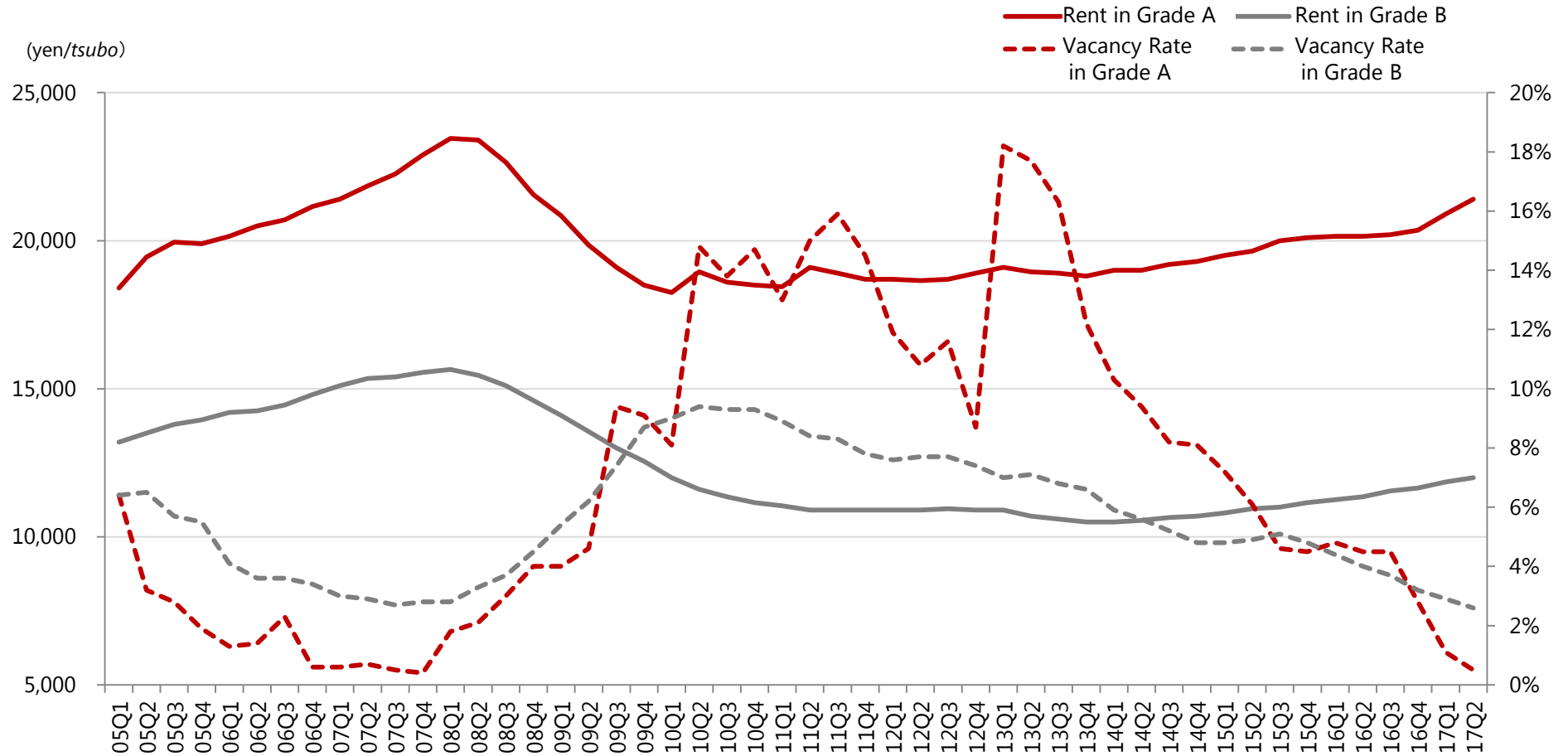
Supply and demand of Tokyo



Source: CBRE

Office market data 3 (Osaka)

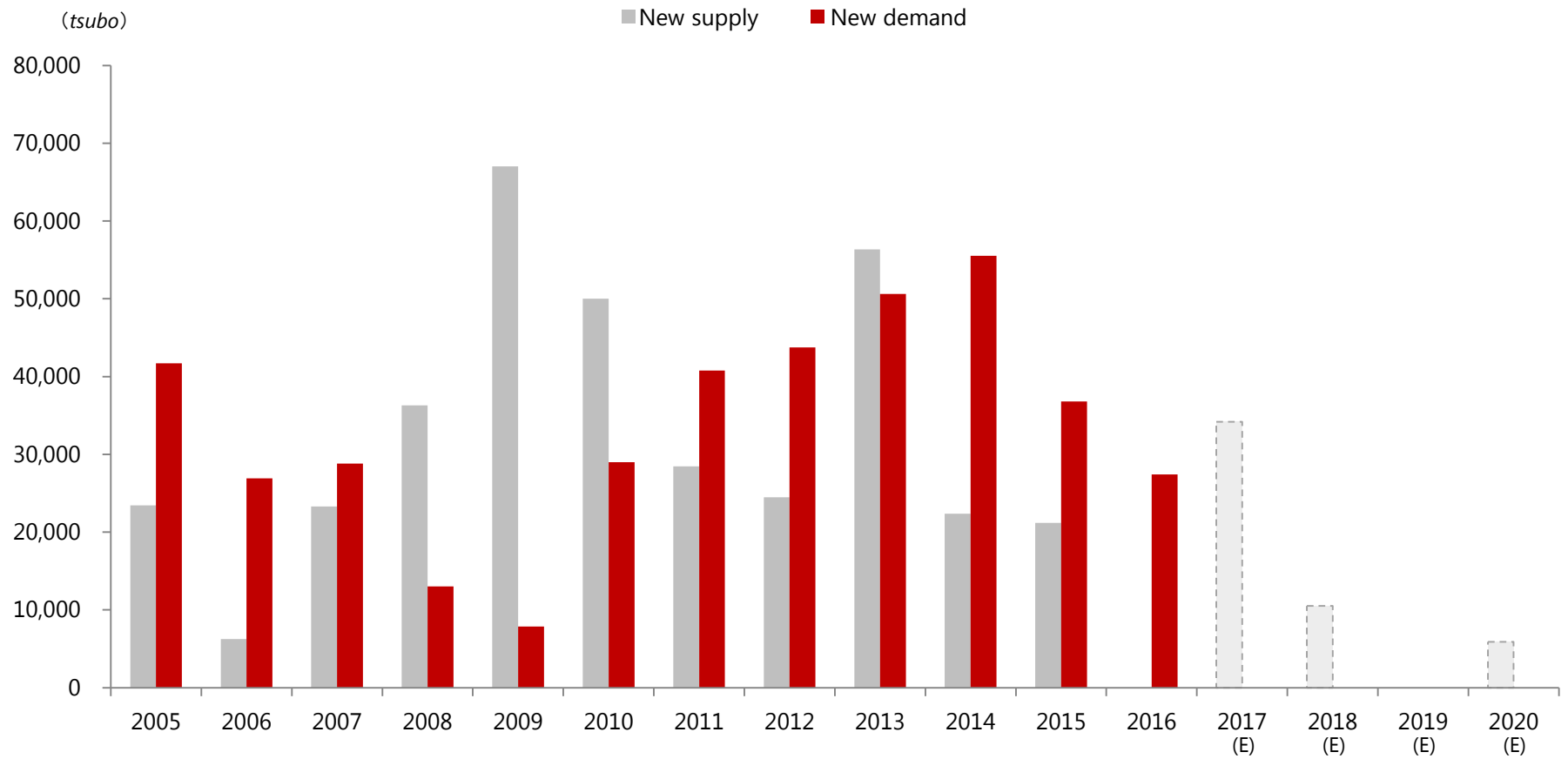
Average rent and vacancy rate of Osaka business districts



Source: CBRE

Office market data 4 (Osaka)

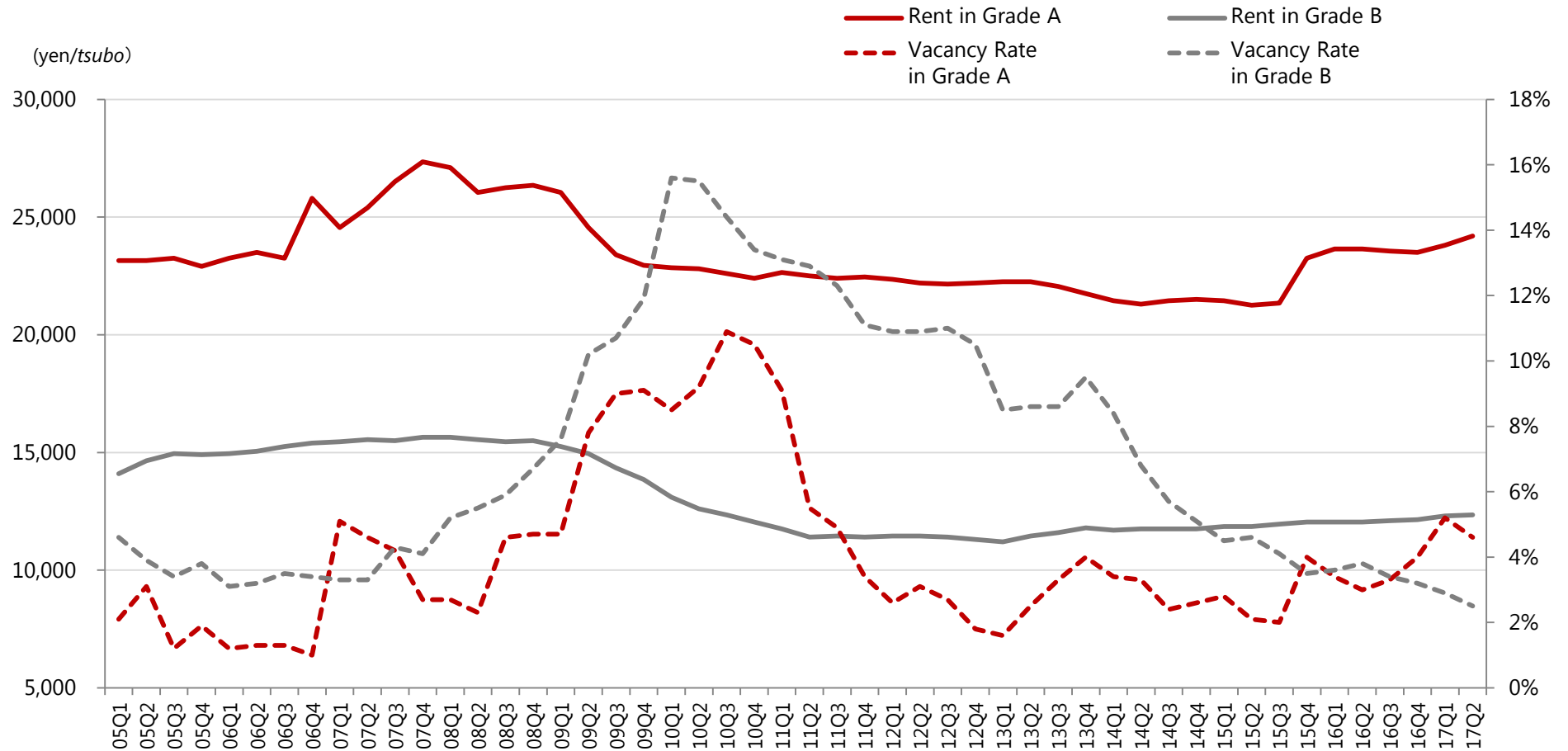
Supply and demand of Osaka business districts



Source: CBRE

Office market data 5 (Nagoya)

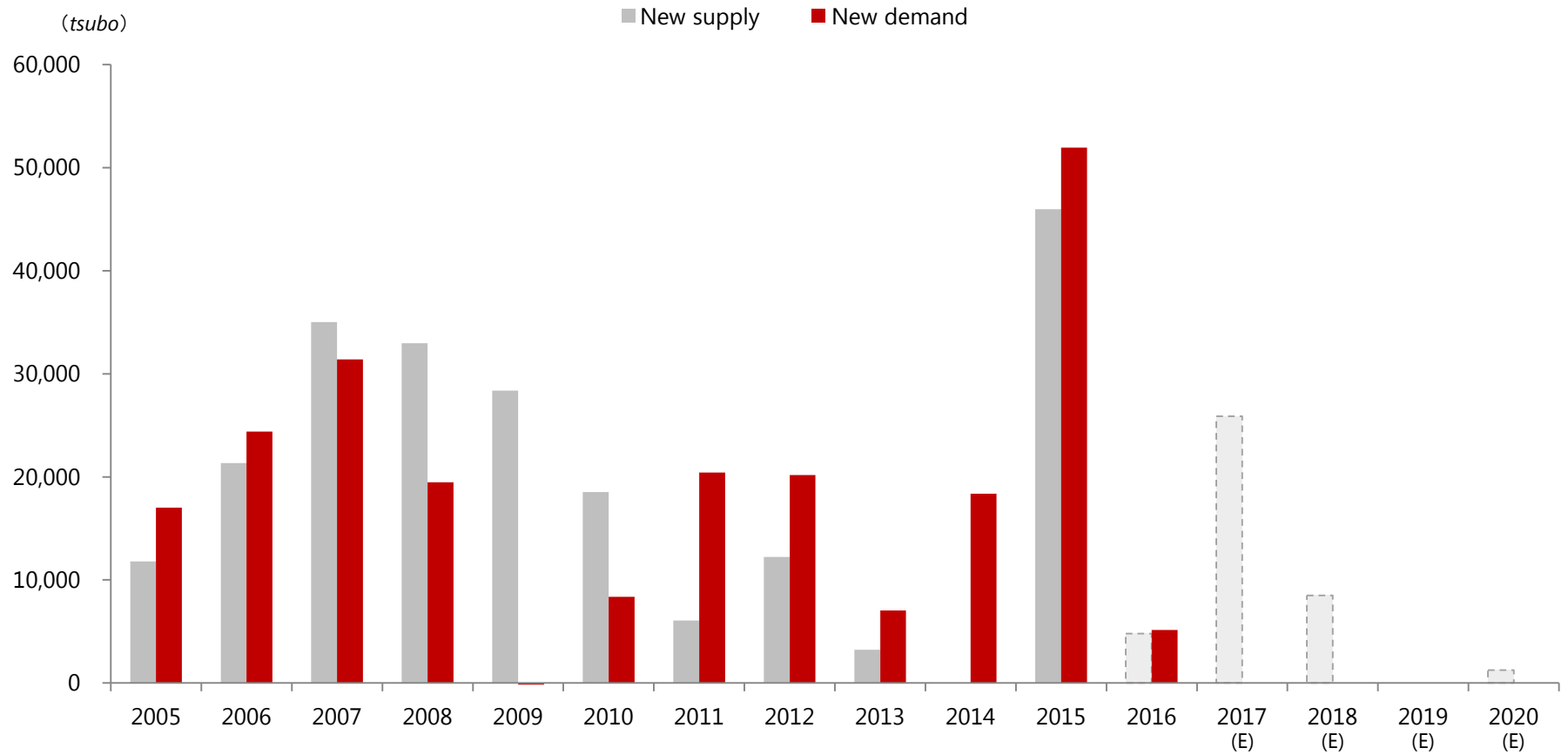
Average rent and vacancy rate of Nagoya business districts



Source: CBRE

Office market data 6 (Nagoya)

Supply and demand of Nagoya business districts

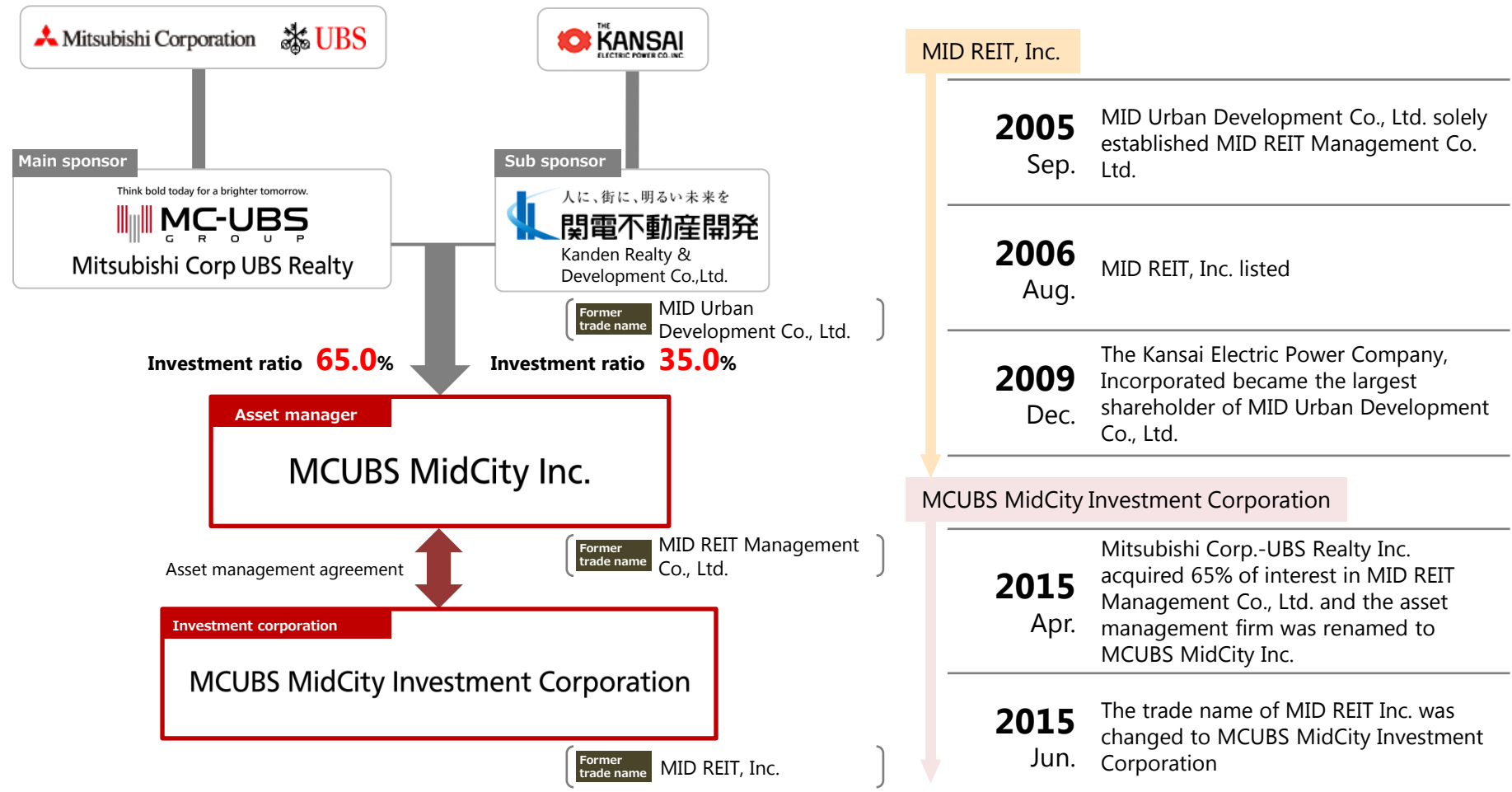


Source: CBRE

7. OVERVIEW OF MCUBS MIDCITY



Overview of MCUBS MidCity Investment Corporation



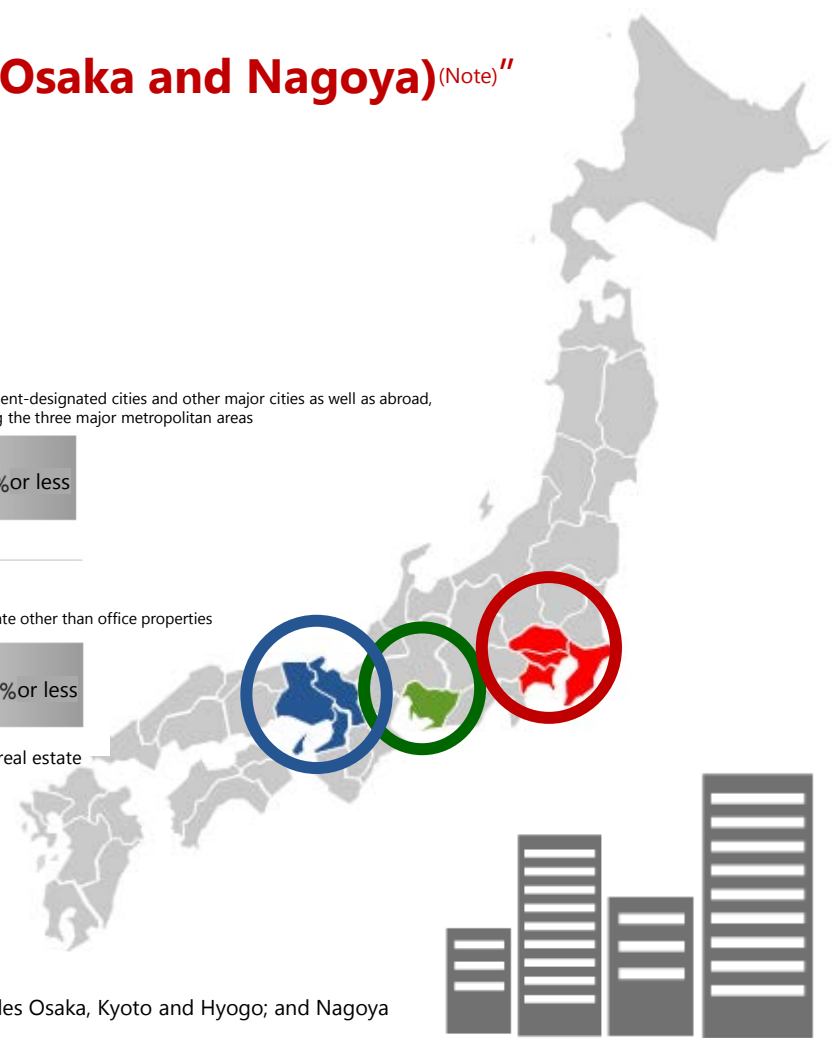
Characteristics of MCUBS MidCity Investment Corporation

- ◆ Target areas: Expand from “Osaka area” to **“three major metropolitan areas (Tokyo, Osaka and Nagoya)^(Note)”**
- ◆ Target properties (asset type): focus on **“Office Buildings”**
- ◆ Consider **investing in overseas properties**

Targeted investment regions



Type

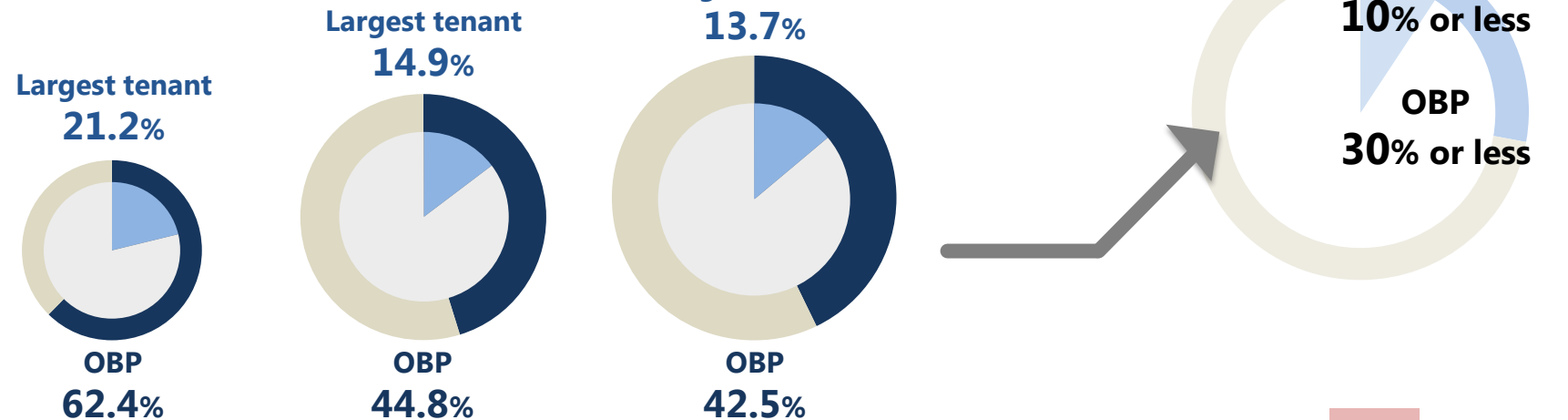


Note: Tokyo metropolitan area includes Tokyo, Kanagawa, Chiba and Saitama; Osaka metropolitan includes Osaka, Kyoto and Hyogo; and Nagoya metropolitan includes Aichi.

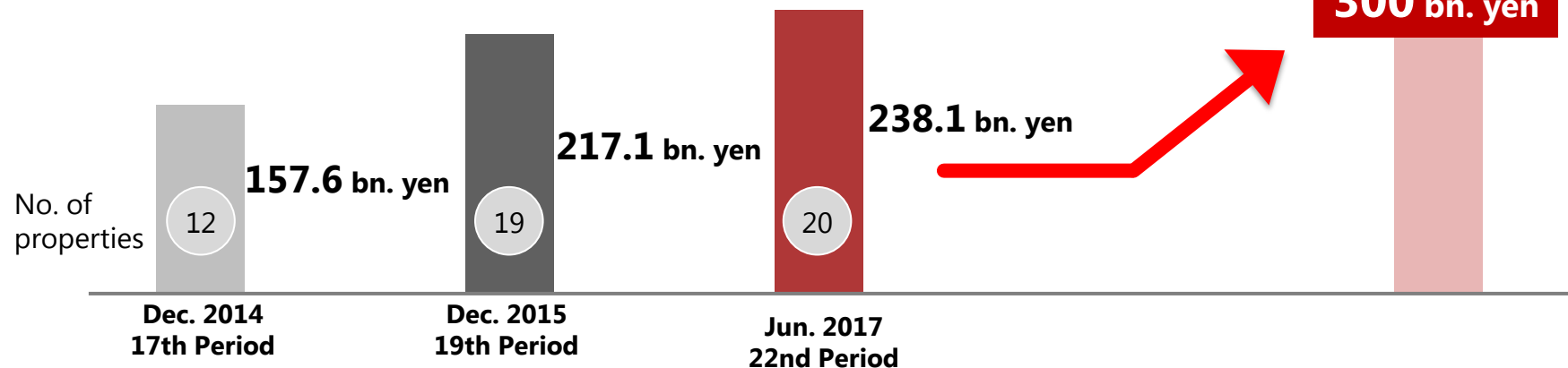
Medium-term portfolio strategy

Asset size and tenant composition














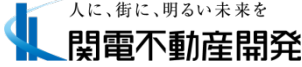
< Tenant composition (based on rent and CAM revenues) >

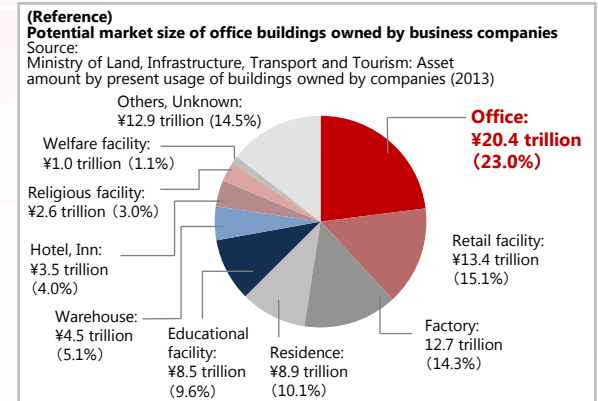


< Asset size (based on acquisition price) >



Advantage of various property information networks

Property acquisition route		Property acquisition method		
		Ownership / development (Seller: sponsor)	Market transaction (Seller: third party/sponsor)	Negotiated transaction / CRE proposal (Seller: third party)
Main Sponsor Group	 Think bold today for a brighter tomorrow. Mitsubishi Corp UBS Realty		 Sumitomo Fudosan Ueno Bldg. No.6  Cube Kawasaki  Higashi-Nihombashi Green Bldg.	 Nagoya Lucent Tower (TK interest)  Sendai Capital Tower  USC Bldg.  Sasazuka Center Bldg.  Shibuya Sakuragaoka Square <div>New</div>
			 Yokohama Creation Square  G-Square Shibuya Dogenzaka	
				
Sub Sponsor	 人に、街に、明るい未来を 関電不動産開発 Kanden Realty & Development Co., Ltd.			



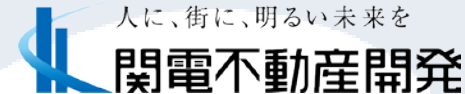
Selective acquisitions by leveraging sponsor's expertise

Think bold today for a brighter tomorrow.



Mitsubishi Corp UBS Realty

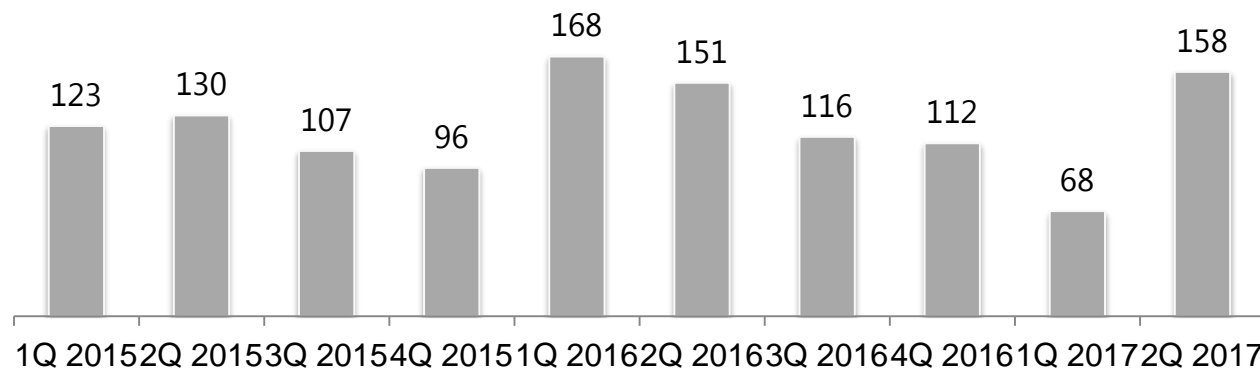
Make use of its supporting capacity in providing properties information, making CRE proposals, etc.



Kanden Realty & Development Co.,Ltd.

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

Total No. of acquisitions considered **1,229**



Initiatives for sustainability

Policy for sustainability

MCUBS MidCity, together with its asset management company, MCUBS MidCity Inc., continues to make consideration to ESG (Environment, Social, Governance)



Signatory of:



The following actions are implemented by Asset Management Company

- ◆ Set up "Environmental Charter"
- ◆ Set up "Basic Policy for Responsible Property Investment"
- ◆ Sign on "Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)"

Actions implemented by the main sponsor, Mitsubishi Corp.-UBS Realty

- ◆ Sign on the Principles for Responsible Investment (PRI)
- ◆ Sign on the Montreal Carbon Pledge
- ◆ Sign on the UNEP Finance Initiative (UNEP FI)
- ◆ Sign on the UN Global Compact (UN GC)

Evaluation and certification by external organizations

GRESB

Green Star

MCUBS MidCity was designated by GRESB Real Estate Assessment in 2016 as "Green Star," the highest ranking for the first time participation, and received four stars in GRESB ratings



DBJ Green Building Certification

Four Star Certification

Four properties were certified as four stars as properties with high environmental and social awareness

- ★★★★
- Twin 21
- Matsushita IMP Bldg.
- Kitahama MID Bldg.
- Higobashi MID Bldg.



BELS認証

Three Star Certification

MCUBS MidCity received the certification for the first time in December 2016, with three stars given to one of the portfolio properties

- ★★★ • Kitahama MID Bldg.
- ★★ • G-Square Shibuya Dogenzaka
- Higobashi MID Bldg.



CASBEE Property Appraisal

Appraisal of Rank A

Two properties were certified for their environmental performances

- G-Square Shibuya Dogenzaka
- Higobashi MID Bldg.



Overseas Property Investment



Decided NOT to invest in overseas properties

What we Did

- Detailed examination in potential investments in office properties outside Japan
- Verification of a potential investment scheme from legal, tax and accounting perspectives
- Identification of potential investment targets and their economics

What we Found

- Confirmation on that a scheme of investments would be available
- Confirmation on that it would be possible to make investments to improve portfolio profitability with increasing distributions
- Opinion saying that such investments would not contribute to MCUBS MidCity's growth as additional premiums would be required to address risks related to currencies, regulations and markets

Overseas Property Investment Policy

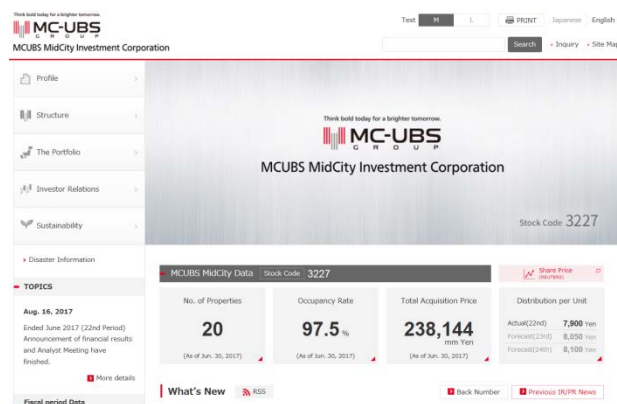
- Decided NOT to invest in overseas properties in the foreseeable future
- Took account of a potential risk that additional risk premiums with overseas investment may hinder the growth of unitholders' value
- MCUBS MidCity is to focus on unitholders' value creation through domestic property portfolio management
- May reconsider the option in the future based on discussions with investors when the risk tolerance get higher after the asset size expansion

Establishment of Disclosure Regime

Renewal of website

The company website was completely renewed in Jun. 2016 to make it user-friendly.

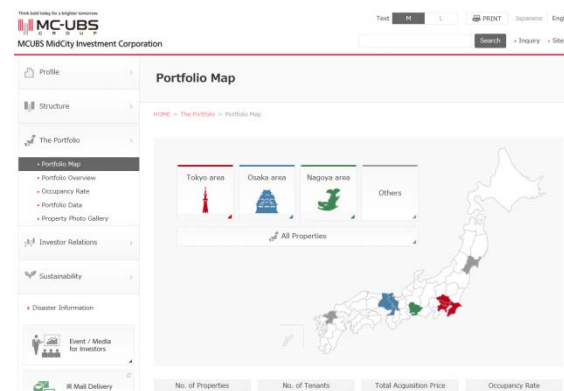
<http://www.midcity-reit.com/>



Top Page



Mobile site



Portfolio Map

Awards

Internet IR Award 2016

Conducted by Daiwa Investor Relations Co., Ltd.
Candidates: 3,698 listed companies

★ **Commendation Award (65th place overall)**



Website Quality Ranking Survey among All Listed Companies in Japan

Conducted by Nikko Investor Relations Co., Ltd.
Candidates: 3,688 listed companies

★ **Grade AA (156th place overall)**

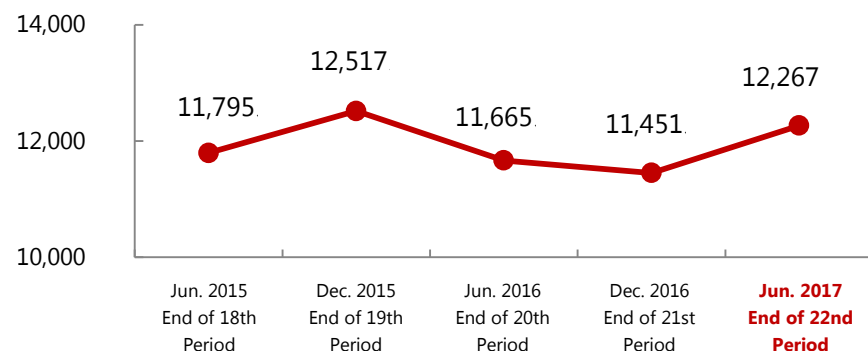
★ **Grade AA (5th place REIT)**



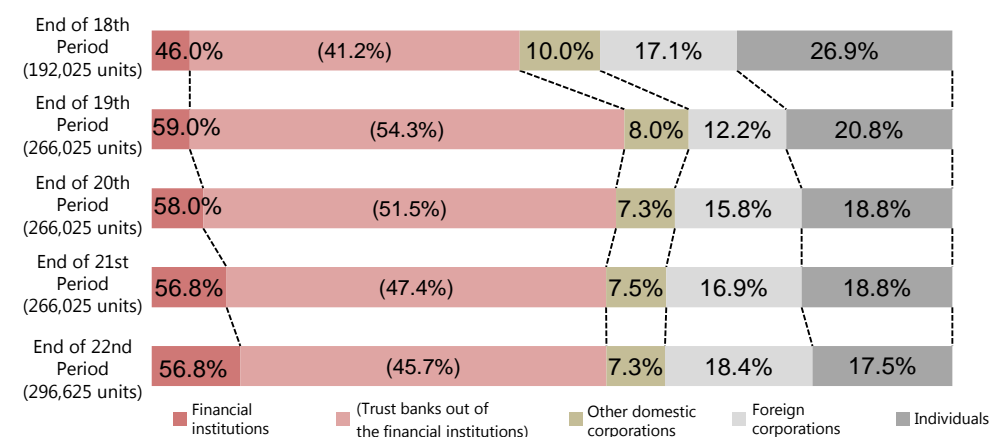
Unitholder details

No. of unitholders

(No. of unitholders)



Breakdown by unitholder type (based on no. of units held)



Major unitholders

Rank	Name	Jun. 2017 End of 22nd Period		Difference from 21st Period End
		No. of units held	Share (%)	
1	Japan Trustee Services Bank, Ltd. (Trust Account)	57,536	19.39%	+ 465
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	34,896	11.76%	+ 1,423
3	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	26,172	8.82%	+ 5,413
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	12,093	4.07%	+ 820
5	Kanden Realty & Development Co., Ltd.	9,200	3.10%	0
6	SIX SIS LTD.	8,845	2.98%	+ 844
7	Mitsubishi Corporation	4,200	1.41%	0
8	STATE STREET BANK AND TRUST COMPANY 505223	4,162	1.40%	+ 367
9	THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	4,112	1.38%	+ 3,145
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,667	1.23%	+ 887
	Total	164,883	55.58%	-

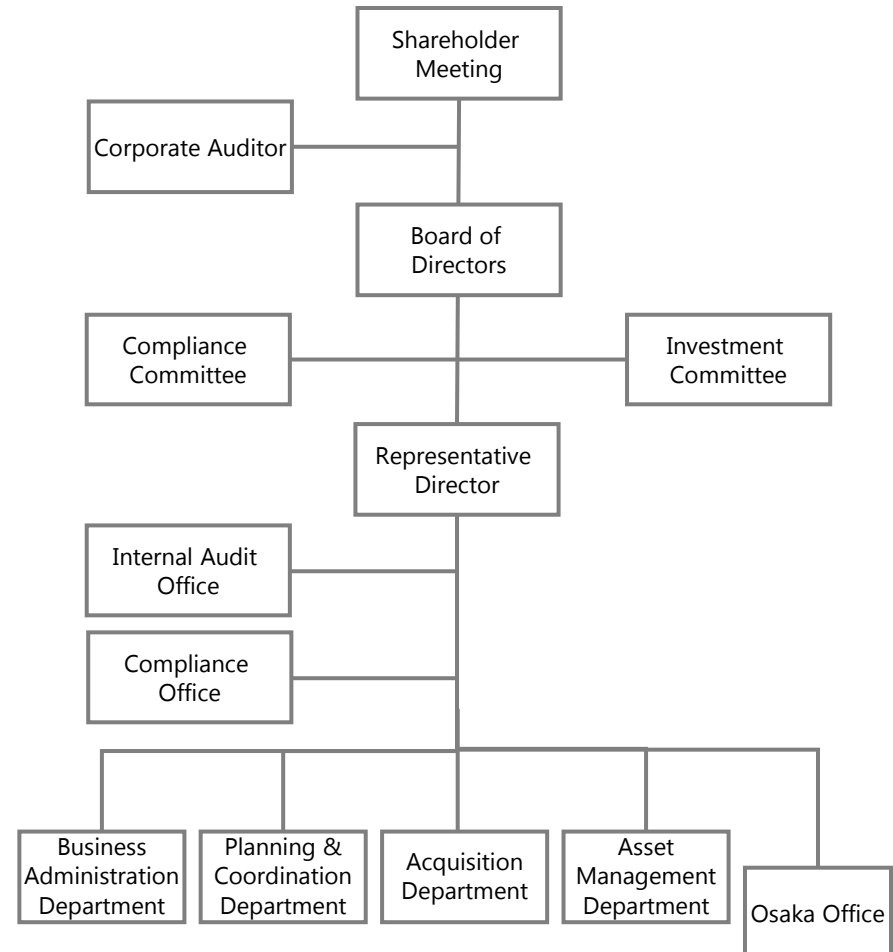
Note: Ratio of number of units owned to total number of units issued is calculated by rounding to the nearest second decimal place.

Overview of asset management company

Company overview (as of Aug. 16, 2017)

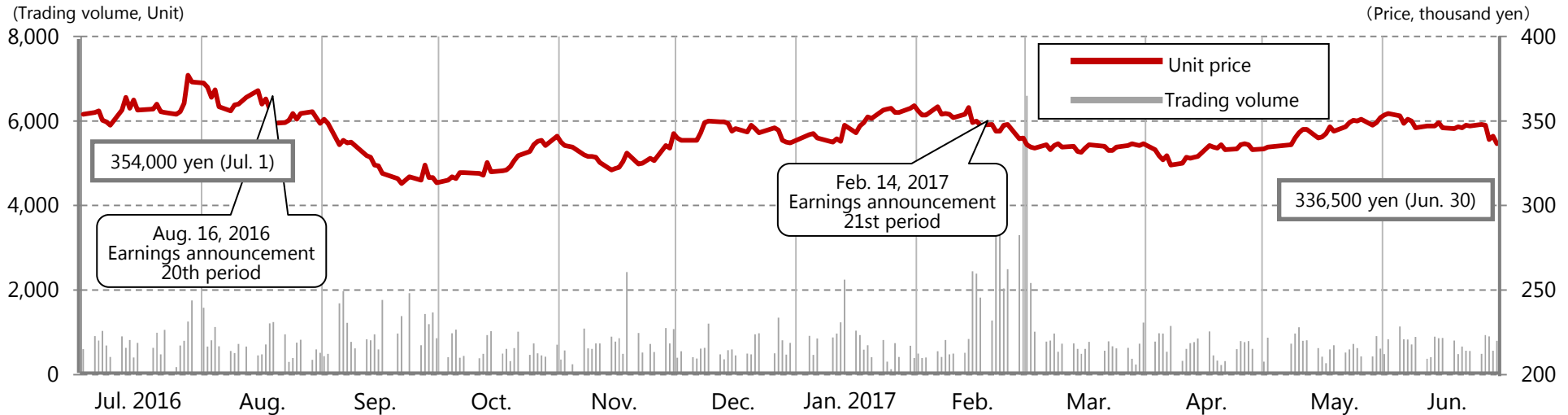
Name	MCUBS MidCity Inc.	
Location	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	
Establishment	Sep. 1, 2005	
Capital	210 mn. yen	
Shareholders	Mitsubishi Corp. - UBS Realty Inc. : 65% Kanden Realty & Development Co.,Ltd. : 35%	
No. of employees	29名	
Officers	President & CEO & Representative Director	Toyota Watanabe
	Deputy President & Representative Director	Naoki Suzuki
	Managing Director General Manager, Asset Management Department	Noriyuki Iijima
	Director (part time)	Toru Tsuji (President & CEO & Representative Director of Mitsubishi Corp.-UBS Realty Inc.)
	Director (part time)	Takanobu Yoshimoto (Deputy President & Representative Director of Mitsubishi Corp.-UBS Realty Inc.)
	Corporate Auditor (part time)	Yushi Kamatani (Executive Director, Mitsubishi Corp.-UBS Realty Inc.)
	Corporate Auditor (part time)	Shuji Isono (Corporate Auditor (full time), Mitsubishi Corp.-UBS Realty Inc.)

Structure (as of Aug. 16, 2017)



Historical unit price

Unit price and trading volume



Indexed unit price after listing (Aug. 29, 2006 to Jun. 30, 2017)



Note: TSE REIT Index, JGB 10yr yield and MCUBS MidCity's unit price are indexed to 100, as at the price on Aug. 29, 2006, the listed date of MCUBS MidCity

Source: Thomson Reuters

Think bold today for a brighter tomorrow.



MCUBS MidCity Investment Corporation

Disclaimer

- This material may contain forward-looking statements regarding results, plans, managerial targets and strategies. These forward-looking statements are based on current assumptions and preconditions for future events and trends of business circumstances, which are not necessarily correct. Actual results may vary widely from such statements according to various factors
- This material is prepared subject to the accounting principles generally accepted in Japan, unless otherwise stated
- This material is about analyses of financial results of MCUBS MidCity Investment Corporation (the "Investment Corporation"), and is not prepared for the purpose of inducement or invitation for any acquisition of investment securities of the Investment Corporation nor any execution of other financial transaction contracts. Investment decisions are to be made at investors' sole discretion and responsibility
- The Investment Corporation is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of the Investment Corporation and other reasons. For detail, please see "Investment Risk" stated in the Securities Registration Statement (offering circular) and the Securities Report of the Investment Corporation.

Asset Management Company: MCUBS MidCity Inc.

(Certified Financial Instruments Business Operator: Director of Kanto Local Financial Bureau (Kinsho) Registration No. 2888, and Member of The Investment Trusts Association, Japan)