Think bold today for a brighter tomorrow.

MC-UBS GROUP

MCUBS MidCity

23rd Period

Fiscal Period ended December, 2017

INVESTOR PRESENTATION

—Appendix—

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

Securities Code 3227

MCUBS MidCity Investment Corporation

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* 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 December 31, 2017 (23rd Period)

	Fiscal Period ended Jun. 30, 2017 (22nd Period)(181 days)	Fiscal Period ended Dec. 31, 2017 (23rd Period) (184 days)	Compared to the 22nd Period
Distribution per unit	7,900 yen	8,110 yen	+210 yen
Occupancy rate	97.5%	97.0%	-0.5pt
No. of properties under management	20	20	–
Asset size(Note 1)	238,144 mn. yen	238,144 mn. yen	–
NOI(Note 2)	4,715 mn. yen	4,850 mn. yen	+134 mn. yen
Average NOI yield(Note 2) (Annual base)	4.2%	4.1%	-0.1pt
Interest-bearing debt	104,975 mn. yen	104,975 mn. yen	–
LTV (Book value base)(Note 3)	42.2%	42.2%	–
LTV (Appraisal value base)(Note 4)	43.0%	42.1%	-0.9pt
Average remaining years of debt	3.1 years	3.5 years	+0.4 years
Issuer rating	A (Stable)	A (Stable)	–
NAV per unit(Note 5)	405,439 yen	423,305 yen	+17,866 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 (Book value base)=Term-end debt/term-end total assets
Note 4: LTV (Appraisal value base)=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

23rd Period financial results – Comparison to previous period

	Fiscal period ended Jun. 30, 2017 (22nd Period)	Fiscal period ended Dec. 31, 2017 (23rd Period)	Difference
Operating revenue (mn. yen)	8,025	7,610	-414
Operating expenses (mn. yen)	4,875	4,627	-247
Operating income (mn. yen)	3,150	2,983	-167
Ordinary income (mn. yen)	2,527	2,400	-126
Income before income taxes (mn. yen)	2,527	2,406	-121
Net income (mn. yen)	2,527	2,405	-121
Reserve for reduction entry (mn. yen)	183	–	-183
Total distributions (mn. yen)	2,343	2,405	+62
Distribution per unit (yen)	7,900	8,110	+210
Gain/loss on real estate lease business (mn. yen)	3,436	3,593	+157
NOI (mn. yen)	4,715	4,850	+134
Occupancy rate at end of period	97.5%	97.0%	-0.5pt

(Unit: mn. yen)

Operating revenue	**-414**
Rent revenue	137
Four properties acquired in 22nd Period	261
Two properties disposed in 22nd Period	-144
Office in Tokyo Area	49
Office in Osaka Area	-28
Others	0
Other lease business revenue	-25
Utilities revenue	8
Other rent revenue	2
Other operating revenue	-35
Gain on distribution of TK interest (Nagoya Lucent Tower)	31
Gains on sales of property	-557
Operating expenses	**-247**
Expenses related to rent business (excl. depreciation and loss on retirement)	-22
Breakdown by property type	
Four properties acquired in 22nd Period	91
Two properties disposed in 22nd Period	-94
Office in Tokyo Area	-1
Office in Osaka Area	47
Others	-66
Breakdown by items	
Taxes on property, plant and equipment	-49
Utilities expenses	90
Repair expenses	-51
Others	-11
Depreciation and loss on retirement	-22
Losses on sales of property	-225
Asset management fees	39
Other operating expenses	-15

23rd Period financial results – Comparison to initial forecasts

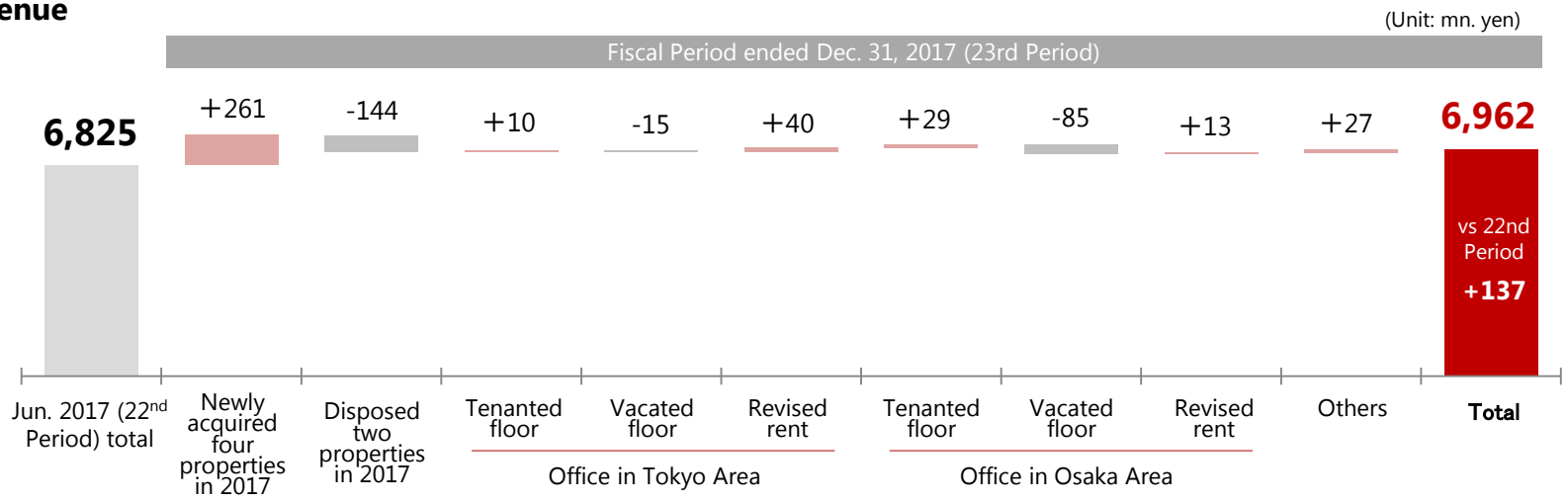
	Fiscal period ended Dec. 31, 2017 (23rd Period) 8/15 Forecast	Fiscal period ended Dec. 31, 2017 (23rd Period)	Difference
Operating revenue (mn. yen)	7,615	7,610	-4
Operating expenses (mn. yen)	4,642	4,627	-14
Operating income (mn. yen)	2,973	2,983	+9
Ordinary income (mn. yen)	2,388	2,400	+11
Income before income taxes (mn. yen)	2,388	2,406	+17
Net income (mn. yen)	2,387	2,405	+17
Total distributions (mn. yen)	2,387	2,405	+17
Distribution per unit (yen)	8,050	8,110	+60
Gain/loss on real estate lease business (mn. yen)	3,615	3,593	-22
NOI (mn. yen)	4,876	4,850	-26
Occupancy rate at end of period	96.1%	97.0%	+0.9pt

(Unit: mn. yen)

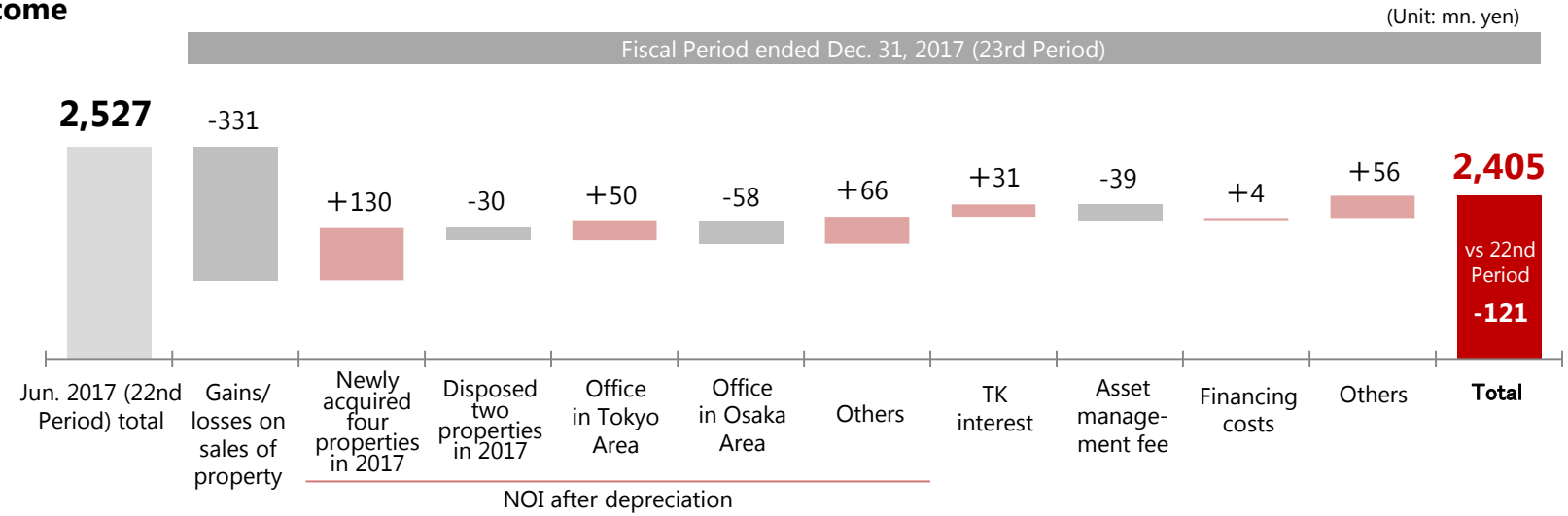
Operating revenue	**-4**
Rent revenue	3
Four properties acquired in 22nd Period	7
Two properties disposed in 22nd Period	-
Office in Tokyo Area	-2
Office in Osaka Area	-0
Others	-0
Other lease business revenue	-18
Utilities revenue	-15
Other rent revenue	0
Other operating revenue	-3
Gain on distribution of TK interest (Nagoya Lucent Tower)	9
Operating expenses	**-14**
Expenses related to rent business (excl. depreciation and loss on retirement)	12
Breakdown by property type	
Four properties acquired in 22nd Period	0
Two properties disposed in 22nd Period	-
Office in Tokyo Area	-3
Office in Osaka Area	16
Others	-1
Breakdown by items	
Taxes on property, plant and equipment	-0
Utilities expenses	-1
Repair expenses	10
Others	2
Depreciation and loss on retirement	-4
Asset management fees	-0
Other operating expenses	-21

23rd Period financial results – Breakdown of change from previous period

Rent revenue



Net income



Balance sheet

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

Description	Fiscal Period ended Jun 30, 2017 (22nd Period) (as of Jun. 30, 2017)		Fiscal Period ended Dec 31, 2017 (23rd Period) (as of Dec. 31, 2017)		Difference	
	(mn. yen)	(%)	(mn. yen)	(%)	(mn. yen)	(%)
(Assets)						
Ⅰ Total current assets	16,135	6.5	16,569	6.7	433	2.7
Cash and deposits	9,911		11,031		1,119	
Cash and deposits in trust	5,535		5,246		-288	
Operating accounts receivable	258		164		-93	
Income taxes receivable	20		27		6	
Consumption taxes receivable	333		-		-333	
Prepaid expenses	47		42		-4	
Deferred tax assets	0		0		-0	
Other	28		55		27	
Ⅱ Total non-current assets	232,551	93.5	232,161	93.3	-390	-0.2
1. Property, plant and equipment						
Buildings in trust	77,291		78,072		-450	
Accumulated depreciation	-20,605		-21,837			
Structures in trust	130		137		4	
Accumulated depreciation	-28		-31			
Machinery and equipment in trust	7		7		-0	
Accumulated depreciation	-2		-3			
Tools, furniture and fixtures in trust	556		585		7	
Accumulated depreciation	-401		-422			
Land in trust	169,977		169,977		-0	
Construction in progress in trust	5		4		-1	
Total property, plant and quipment	226,930	91.2	226,489	91.0	-441	-0.2
2. Intangible assets						
Software	4		3		-0	
Trademark right	0		0		-0	
Total intangible assets	4	0.0	3	0.0	-0	-13.6
3. Investments and other assets						
Investment securities	5,085		5,085		-	
Lease and guarantee deposits	10		10		-	
Long-term prepaid expenses	522		573		51	
Total investments and other assets	5,617	2.3	5,668	2.3	51	0.9
Ⅲ Deferred assets	134	0.1	106	0.0	-27	-20.7
Total assets	248,821	100.0	248,837	100.0	15	0.0

Description	Fiscal Period ended Jun 30, 2017 (22nd Period) (as of Jun. 30, 2017)		Fiscal Period ended Dec 31, 2017 (23rd Period) (as of Dec. 31, 2017)		Difference	
	(mn. yen)	(%)	(mn. yen)	(%)	(mn. yen)	(%)
(Liabilities)						
Ⅰ Total current liabilities	17,188	6.9	18,533	7.4	1,345	7.8
Operating accounts payable	606		508		-97	
Current portion of long-term loans payable	13,675		15,300		1,625	
Accounts payable - other	1,051		815		-235	
Accrued expenses	139		132		-6	
Distribution payable	7		8		1	
Income taxes payable	-		305		305	
Advances received	1,092		1,084		-7	
Other	615		376		-238	
Ⅱ Total non-current liabilities	103,958	41.8	102,565	41.2	-1,392	-1.3
Investment corporation bonds	6,000		6,000		-	
Long-term loans payable	85,300		83,675		-1,625	
Tenant leasehold and security deposits	12,299		12,726		427	
Tenant leasehold and security deposits in trust	358		164		-194	
Total liabilities	121,146	48.7	121,099	48.7	-47	-0.0
(Net assets)						
Ⅰ Unitholders' equity	127,675	51.3	127,737	51.3	62	0.0
1. Unitholders' capital	125,148		125,148		-	
2. Surplus						
Voluntary reserve	-		183		183	
Unappropriated retained earnings (undisposed loss)	2,527		2,405		-121	
Total surplus	2,527		2,589		62	
Total net assets	127,675	51.3	127,737	51.3	62	0.0
Total liabilities and net assets	248,821	100.0	248,837	100.0	15	0.0

CAPEX during the period: 817 mn. yen

Income statement

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

Description	Fiscal Period ended Jun. 30, 2017 (22nd Period) (Jan. 1, 2017-Jun. 30, 2017)			Fiscal Period ended Dec. 31, 2017 (23rd Period) (Jul. 1, 2017-Dec. 31, 2017)			Difference	
	(mn. yen)		(%)	(mn. yen)		(%)	(mn. yen)	(%)
1. Operating revenue	8,025		100.0	7,610		100.0	-414	-5.2
Rent revenue - real estate		6,825			6,962			
Other lease business revenue		535			510			
Dividends income		107			138			
Loss on disposal of property		557			-			
2. Operating expenses	4,875		60.7	4,627		60.8	-247	-5.1
Expenses related to rent business		3,924			3,879			
Loss on disposal of property		225			-			
Asset management fee		585			624			
Asset custody fee		5			5			
Administrative service fees		33			33			
Directors' compensations		6			8			
Other operating expenses		94			76			
Operating income	3,150		39.3	2,983		39.2	-167	-5.3
3. Non-operating income	1		0.0	2		0.0	1	94.9
Interest income		0			0			
Reversal of distribution payable		1			1			
Interest on refund		0			1			
Other		-			0			
4. Non-operating expenses	623		7.8	584		7.7	-38	-6.3
Interest expenses		409			399			
Corporate bonds interest		10			16			
Borrowing related expenses		141			139			
Amortization of bond issuance costs		3			4			
Amortization of investment units issuance cost		20			23			
Other		39			0			
Ordinary income	2,527		31.5	2,400		31.5	-126	-5.0
Extraordinary income	-			5		0.1	5	-
Gain on donation of fixed assets		-			5			
Income before income taxes	2,527		31.5	2,406		31.6	-121	-4.8
Income taxes	0		0.0	0		0.0	0	-2.5
Income taxes - current		0			0			
Income taxes - deferred		0			0			
Net income	2,527		31.5	2,405		31.6	-121	-4.8
Retained earnings brought forward	0			0			0	26.1
Unappropriated retained earnings (undisposed loss)	2,527			2,405			-121	-4.8

Details of rent revenue

Rent revenue	5,630
CAM revenue	1,124
Parking revenue	207

Details of expenses related to rent business

Property management fees	851
Utilities expenses	719
Real Estate taxes	594
Insurance premiums	11
Repair expenses	367
Depreciation	1,256
Other lease business expenses	77

2. FORECASTS FOR THE 24TH AND 25TH FISCAL PERIOD

Forecasts for the 24th and 25th fiscal period

	Fiscal period ended Dec. 2017 (23rd Period)	Fiscal period ending Jun. 2018 (24th Period)	Fiscal period ending Dec. 2018 (25th Period)	Difference 24th－23rd	Difference 25th－24th
Operating revenue (mn. yen)	7,610	7,888	8,365	＋278	＋476
Operating expenses (mn. yen)	4,627	4,548	4,874	-79	＋325
Operating income (mn. yen)	2,983	3,340	3,491	＋357	＋150
Ordinary income (mn. yen)	2,400	2,738	2,876	＋337	＋138
Income before income taxes (mn. yen)	2,406	2,738	2,876	＋331	＋138
Net income (mn. yen)	2,405	2,737	2,875	＋331	＋138
Total distributions (mn. yen)	2,405	2,735	2,875	＋330	＋139
Distribution per unit (yen)(Note)	1,622 (8,110)	1,665	1,750	＋43	＋85
Gain/loss on real estate lease business (mn. yen)	3,593	4,016	4,202	＋422	＋186
NOI (mn. yen)	4,850	5,344	5,562	＋494	＋217
Occupancy rate at end of period	97.0%	97.3%	97.3%	+0.3pt	-

(Unit: mn. yen)

■Breakdown of Change between 24th and 23rd Periods

Operating revenue	**278**
Rent revenue	285
Four properties newly acquired in 2018	382
Office in Tokyo Area	6
Office in Osaka Area	-99
Others	-3
Other lease business revenue	8
Utilities revenue	1
Other rent revenue	14
Other operating revenue	-7
Gain on distribution	-15
Operating expenses	**-79**
Expenses related to rent business (Excl. depreciation and loss on retirement)	-201
Taxes on property, plant and equipment	46
Utilities expenses	-78
Repair expenses	-177
Others	8
Depreciation and loss on retirement	71
Asset management fees	17
Others	32

■Breakdown of Change between 25th and 24th Periods

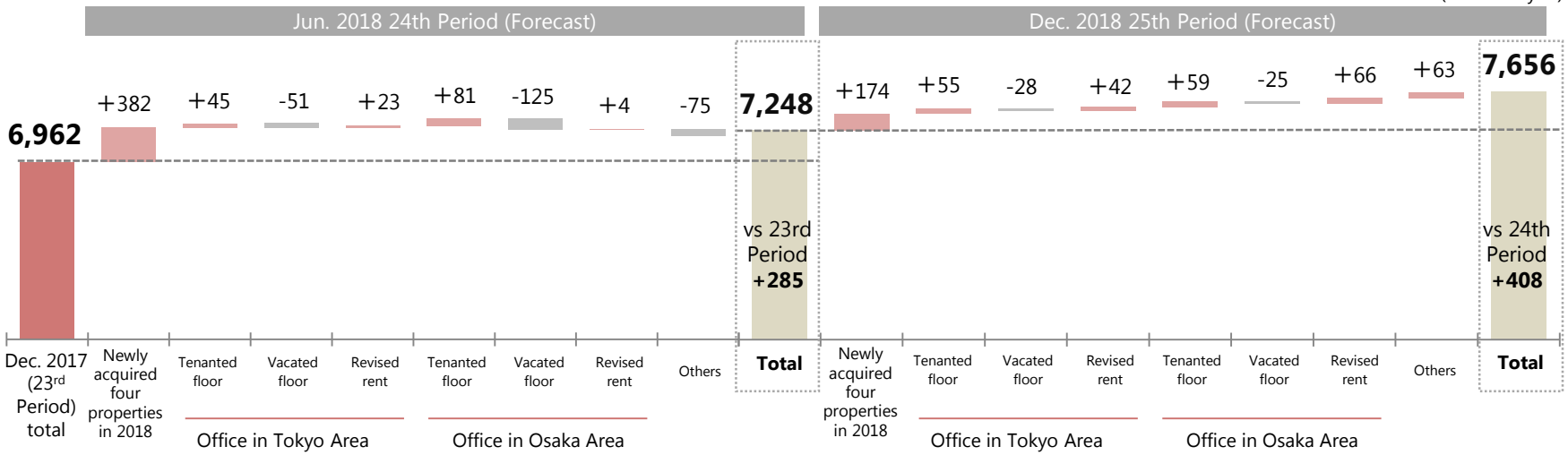
Operating revenue	**476**
Rent revenue	408
Four properties newly acquired in 2018	174
Office in Tokyo Area	77
Office in Osaka Area	155
Others	1
Other lease business revenue	44
Utilities revenue	47
Other rent revenue	1
Other operating revenue	-5
Gain on distribution	23
Operating expenses	**325**
Expenses related to rent business (Excl. depreciation and loss on retirement)	235
Taxes on property, plant and equipment	45
Utilities expenses	90
Repair expenses	74
Others	24
Depreciation and loss on retirement	30
Asset management fees	55
Others	3

Note: Based on the investment unit split with the effective date on January 1, 2018, one-fifths of the actual amount of distributions per unit for the Fiscal Period ended Dec. 31, 2017 (23rd Period) is indicated, witih the actual amount of distributions before the investment unit split indicated in parentheses

Breakdown of change from previous period

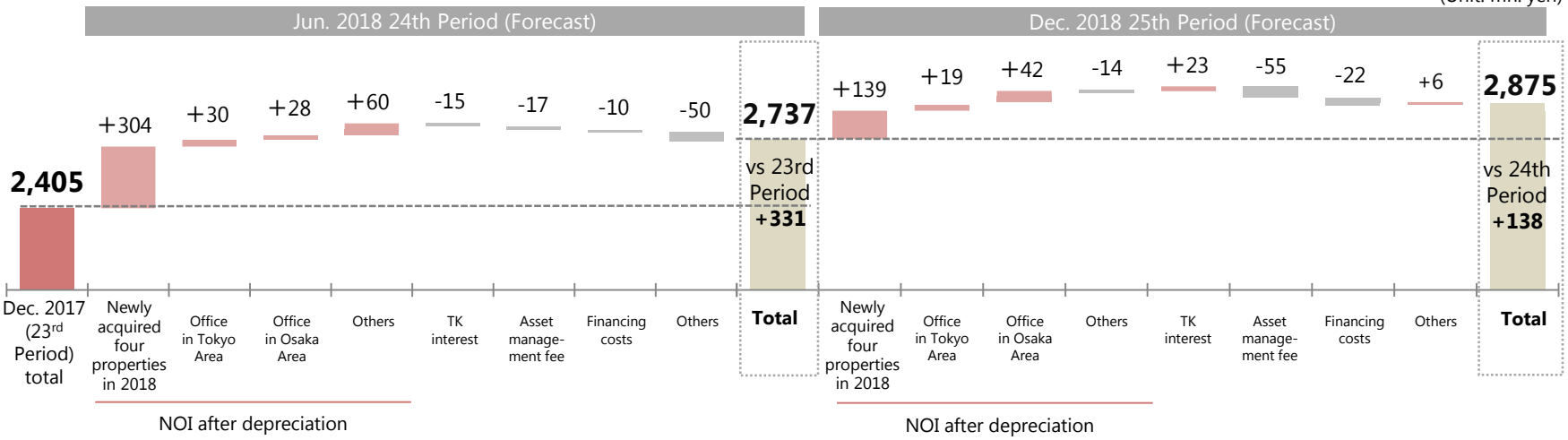
Rent revenue

(Unit: mn. yen)



Net income

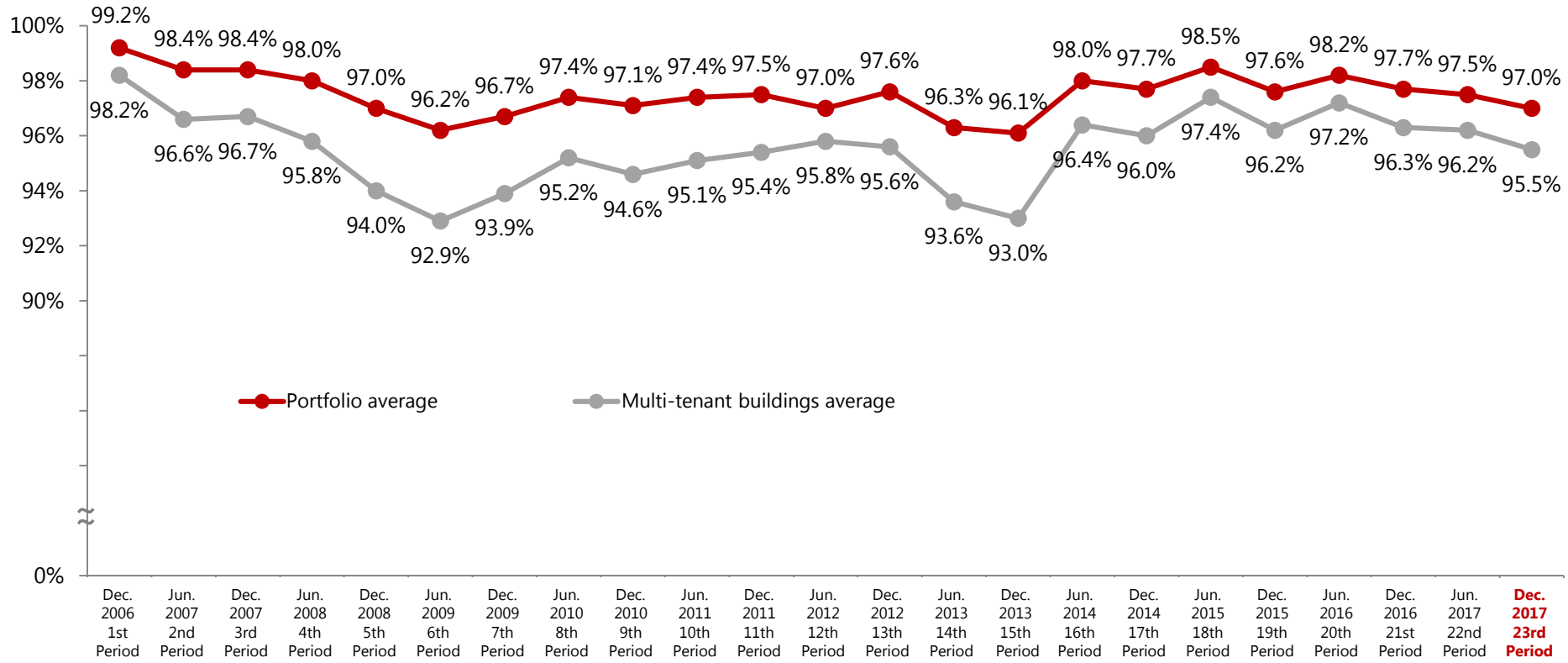
(Unit: mn. yen)



3. RESULTS FOR THE 23RD FISCAL PERIOD

Occupancy

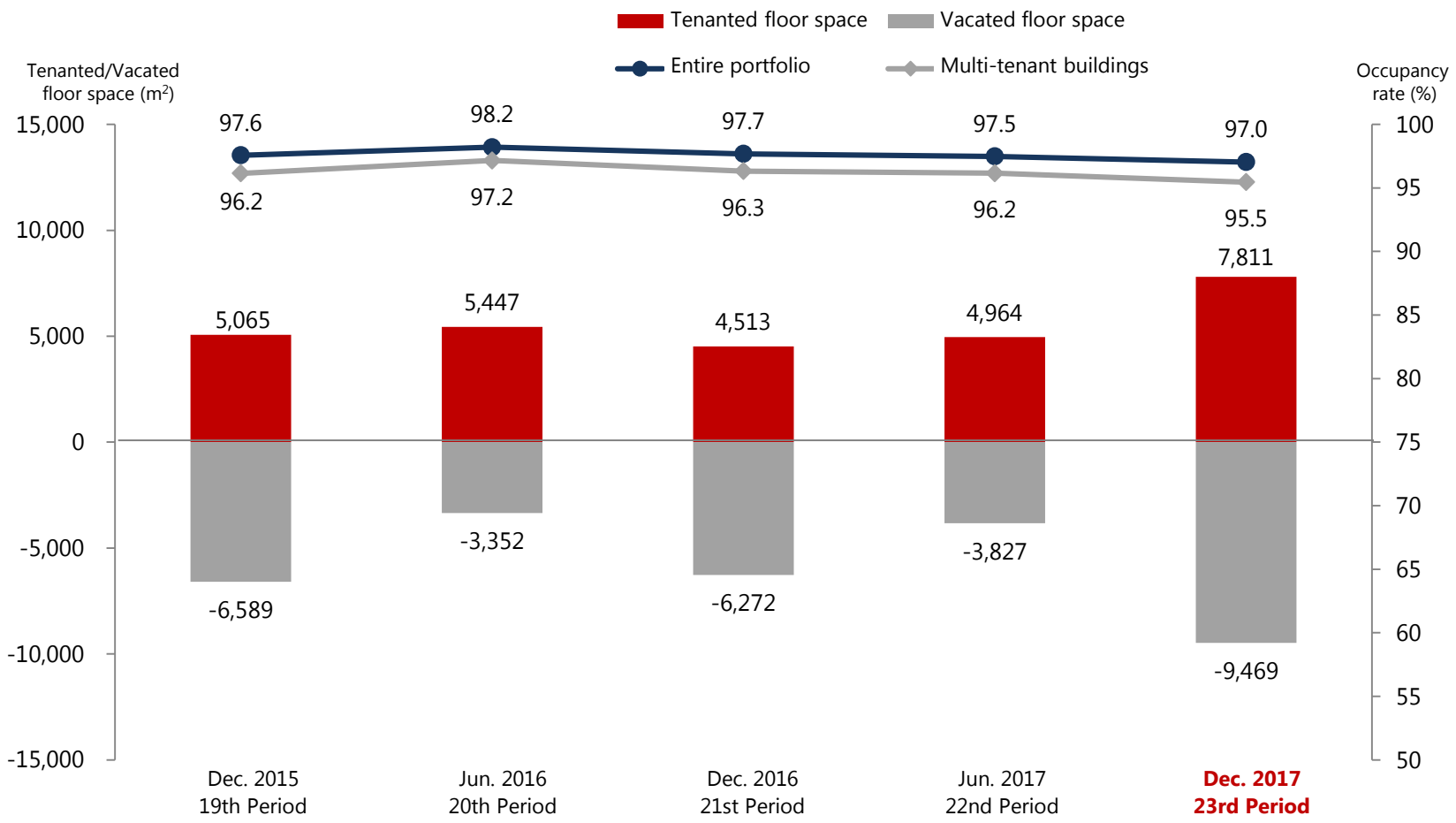
Occupancy (1st Period End to 23rd Period End)



Note: Multi-tenant buildings at the end of 23rd 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 Jun. 30, 2017 (22nd Period End)(%)	②Occupancy rate as of Dec. 31, 2017 (23rd Period End)(%)	Difference ② - ① (points)	Tenant movements during 23rd Period (Jul. 1, 2017 - Dec. 31, 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	100.0	100.0	-	-	-	-	-
	Shibuya Sakuragaoka Square	6,379.66	100.0	100.0	-	-	-	-	-
	Yokohama Creation Square	12,720.94	88.1	87.4	-0.7	562.48	-	-659.43	-
	Cube Kawasaki	24,494.06	91.1	100.0	8.9	2,207.87	-	-	-
	Higashi-Nihombashi Green Bldg.	3,254.77	100.0	100.0	-	-	-	-	-
	Sasazuka Center Bldg.	8,219.90	73.4	85.6	12.2	998.69	-	-	-
	USC Bldg.	5,781.98	100.0	100.0	-	-	-	-	-
	Twin 21	82,304.84	98.2	97.8	-0.4	609.95	41.76	-951.51	-41.76
	Matsushita IMP Bldg.	37,299.95	98.3	86.7	-11.5	1,646.97	84.24	-6,142.09	-
	MID REIT Kyobashi Bldg.	4,833.88	100.0	100.0	-	-	-	-	-
	MID Imabashi Bldg.	4,277.63	95.2	100.0	4.8	333.99	-	-	-130.18
	Kitahama MID Bldg.	10,189.49	98.7	100.0	1.3	132.12	262.57	-	-262.57
	MID Nishihommachi Bldg.	3,881.74	97.0	100.0	3.0	528.48	-	-407.02	-
	Higobashi MID Bldg.	4,655.57	96.5	96.5	-	-	-	-	-
	Sendai Capital Tower	12,999.51	98.8	95.2	-3.6	87.72	314.23	-874.51	-
Other	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	233,163.82	96.2	95.6	-0.7	7,108.27	702.80	-9,034.56	-434.51
	Non-Office Occupancy rate	116,351.61	100.0	100.0	-	—	—	—	—
Total		349,515.43	97.5	97.0	-0.5	7,108.27	702.80	-9,034.56	-434.51

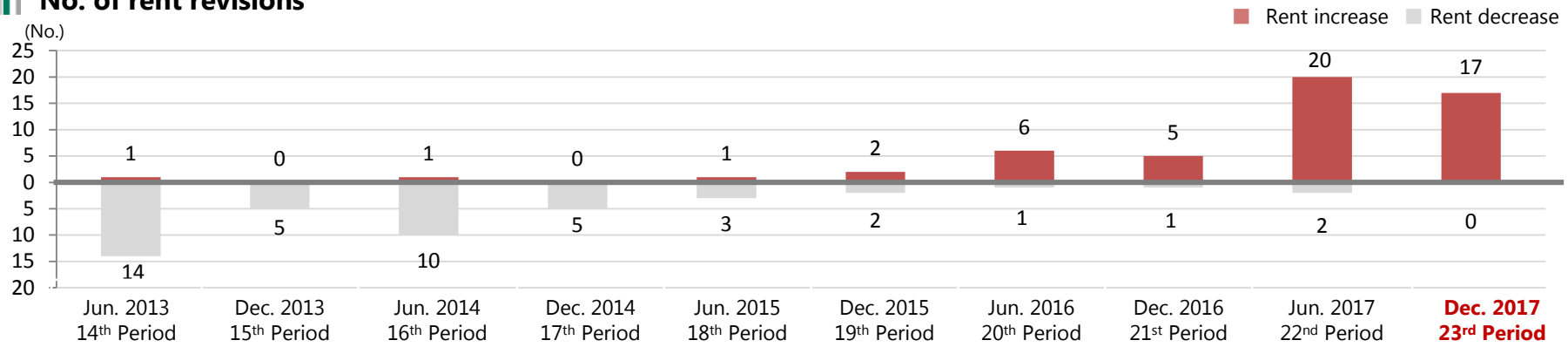
Increased by **7,811.07㎡**

Decreased by **-9,469.07㎡**

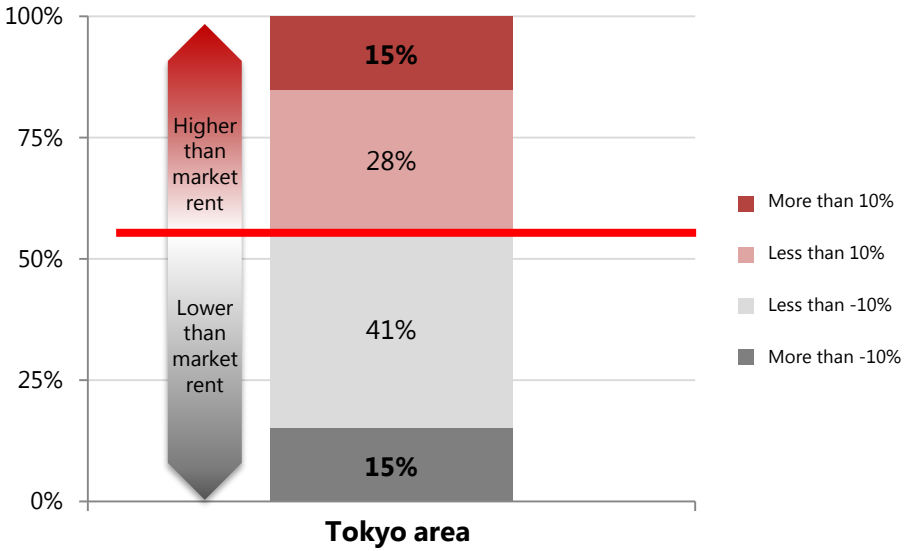
Net decrease -1,658.00㎡

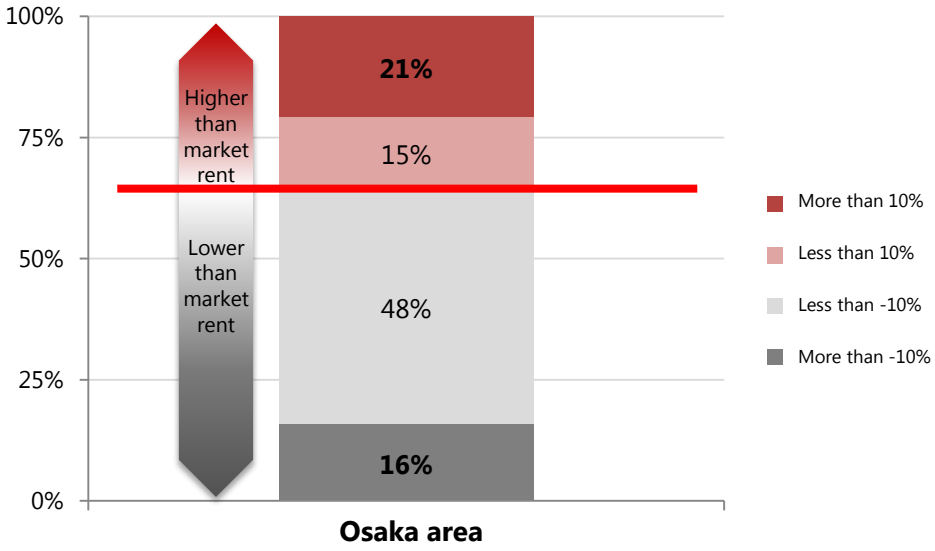
Revisions and gaps in rents

No. of rent revisions



Gap in rents(Note)





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: 7 properties in East Japan (G-Square Shibuya Dogenzaka, Shibuya Sakuragaoka Square, Yokohama Creation Square, Cube Kawasaki, Higashi-Nihombashi Green Bldg., Sasazuka Center Bldg. and Sendai Capital Tower)
6 properties in Osaka (Twin 21 (MID Tower), Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg. and Higobashi MID Bldg.)

Survey period: Oct. 18, 2017 to Nov. 13, 2017

Sample: 349 tenants

Survey conducted by: Kanden CS Forum Inc.

Survey findings – Level of CSI (Note 1)

Factors	2013	2014	2015	2016	2017		
					Total	(East Japan)	(Osaka)
Surrounding environment	79.7	82.3	73.7	72.4	71.9	69.1	74.7
Behavior of MF (property management firm)	76.9	78.4	78.4	78.8	79.5	76.8	81.5
Comforts of building	57.2	58.6	55.3	54.5	56.8	54.8	58.8
Manner of management firm's staff	74.2	75.2	75.1	74.7	74.8	74.3	75.3
Behavior of PM	71.6	72.5	72.8	73.0	72.4	68.9	74.9
Measures for safety	69.7	70.4	69.2	66.3	68.3	65.4	71.2
Quality of common area	66.8	67.4	65.7	64.3	64.5	63.2	65.9
Usability of building facilities & equipment	67.4	67.9	66.5	67.5	65.4	63.0	67.1
Cleanliness of building	72.0	71.3	70.3	69.6	69.9	68.3	71.4

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:
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.
2017~: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Higobashi MID Bldg., G-Square Shibuya Dogenzaka, Shibuya Sakuragaoka Square, Yokohama Creation Square, Cube Kawasaki, Higashi-Nihombashi Green Bldg., Sasazuka Center Bldg., Sendai Capital Tower

Initiatives in Properties in the Portfolio

Events for better office environment

Renovation of common use space

Renovations of the facilities and renewals of the interior have provided comfortable office environment and improved property's competitive strength. The renovation of the 2nd floor's common space of Cube Kawasaki was conducted in the 23rd Period.

【Before】 【After】

Cube Kawasaki Dec. 2017

Event and decoration

"Christmas Event" for 8 days including a concert and a flash mob held in OBP earned a good reputation. And Christmas trees colored with Christmas flowers set in the entrances of the below office assets had provided a sense of the season.

Matsushita IMP Bldg.

Twin 21

G-Square Shibuya Dogenzaka

Cube Kawasaki

Higobashi MID Bldg.

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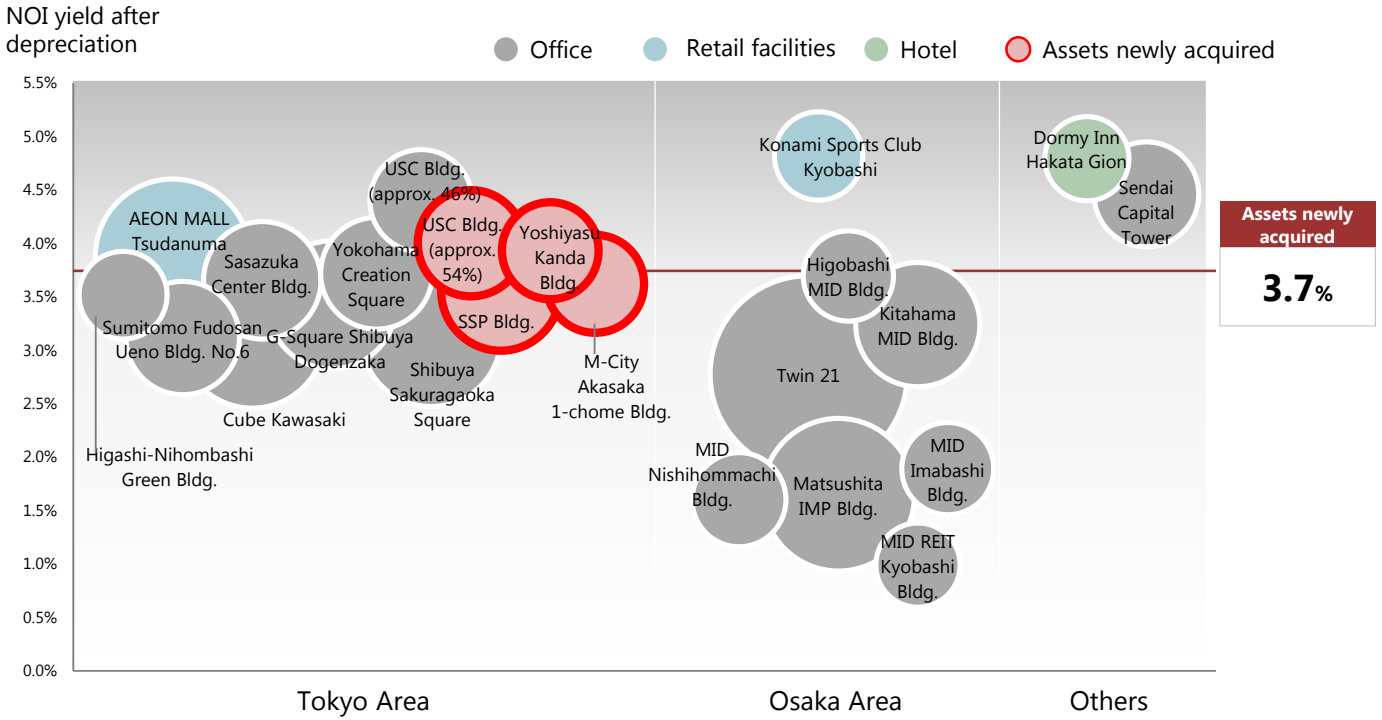
4. PORTFOLIO

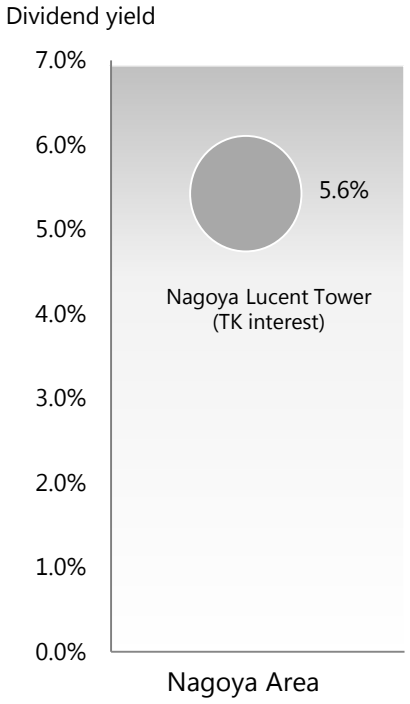
Portfolio profitability

	As of end of Jun. 2017	As of end of Dec. 2017	As of end of Mar. 2018(Note 2)
Average NOI yield(Note 1)	4.2%	**4.1%**	**4.1%**
Average NOI yield after depreciation(Note 1)	3.1%	**3.1%**	**3.1%**

NOI yield after depreciation of each property by area(Note 3)



Dividend yield of TK interest



Note 1: TK interest of Nagoya Lucent Tower is not included.
Note 2: Properties held as of the end of December 2017 are based on the actual NOI yield at the same point , while four properties newly acquired are based on figures stated in the respective appraisal reports
Note 3: Size of each bubble is proportionate to the acquisition price of each asset.

Portfolio overview (as of end of Dec. 2017 / 20 properties base)

Area		Property No.	Property name	Location	Completion date	Acquisition date	Acquisition price (mn. yen)	Appraisal value (mn. yen)	NOI yield (Note1) (%)	NOI yield after depreciation (Note1) (%)	Leasable Space (Note2) (㎡)	Occupancy rate (%)
Office												
Three major metropolitan areas	Tokyo metropolitan area	OT-1	Sumitomo Fudosan Ueno Bldg. No.6	Taito-ku, Tokyo	Nov. 1993	May 2015	7,460	8,300	4.1%	3.1%	6,858.16	100.0%
		OT-2	G-Square Shibuya Dogenzaka	Shibuya-ku, Tokyo	Oct. 2009	Aug. 2015	12,220	14,500	3.9%	3.4%	5,011.74	100.0%
		OT-3	Shibuya Sakuragaoka Square	Shibuya-ku, Tokyo	Mar. 2010	Aug. 2015 Feb. 2017	5,000 12,130	19,500	3.8%	3.1%	6,379.66	100.0%
		OT-4	Yokohama Creation Square	Kanagawa-ku, Yokohama	Mar. 1994	Aug. 2015	7,080	7,960	4.4%	3.7%	12,720.94	87.4%
		OT-5	Cube Kawasaki	Kawasaki-ku, Kawasaki	May 1982	Aug. 2015	20,050	22,300	3.6%	3.1%	24,494.06	100.0%
		OT-6	Higashi-Nihombashi Green Bldg.	Chuo-Ku, Tokyo	Mar. 1988	Dec. 2015	2,705	3,030	4.1%	3.5%	3,254.77	100.0%
		OT-7	Sasazuka Center Bldg.	Shibuya-ku, Tokyo	Mar. 1995	Mar. 2017	8,700	9,290	4.1%	3.7%	8,219.90	85.6%
		OT-8	USC Bldg.（Quasi Co-ownership: 46%）	Koto-ku, Tokyo	Jan. 1990 added on to in Jan. 2007	Apr. 2017	5,000	5,230	5.0%	4.4%	5,781.98	100.0%
	Osaka metropolitan area	OO-1	Twin 21	Chuo-ku, Osaka	Mar. 1986	Aug. 2006	68,700	54,500	4.0%	2.8%	82,304.84	97.8%
		OO-2	Matsushita IMP Bldg.	Chuo-ku, Osaka	Feb. 1990 added on to in Nov. 2003	Aug. 2006	24,600	21,700	3.9%	1.6%	37,299.95	86.7%
		OO-4	MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	Feb. 2000	Aug. 2006	2,300	1,460	2.3%	1.0%	4,833.88	100.0%
		OO-5	MID Imabashi Bldg.	Chuo-ku, Osaka	Oct. 1990	Apr. 2007	3,270	2,330	3.4%	1.9%	4,277.63	100.0%
		OO-7	Kitahama MID Bldg.	Chuo-ku, Osaka	Feb. 2008	Apr. 2008	10,800	9,290	4.0%	3.2%	10,189.49	100.0%
		OO-8	MID Nishihommachi Bldg.	Nishi-ku, Osaka	Mar. 1989	Oct. 2008	3,550	2,180	2.7%	1.6%	3,881.74	100.0%
		OO-9	Higobashi MID Bldg.	Nishi-ku, Osaka	Jan. 2010	June 2013	3,000	3,620	5.2%	3.7%	4,655.57	96.5%
Other	Other major cities	OR-1	Sendai Capital Tower	Aoba-ku, Sendai	Mar. 1974	Feb. 2017	5,500	6,510	5.2%	4.5%	12,999.51	95.2%
Subtotal (Office)							202,065	191,700	4.0%	2.9%	233,163.82	95.6%
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	28,400	4.8%	3.9%	101,210.44	100.0%
	Osaka metropolitan area	RO-1	Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	June 1999	Aug. 2006	2,780	3,380	6.1%	4.8%	9,586.26	100.0%
Other	Other major cities	HR-1	Dormy Inn Hakata Gion	Hakata-ku, Fukuoka	Jan. 2009	Sep. 2013	2,280	3,420	6.5%	4.8%	5,554.91	100.0%
Subtotal (Other than Office)							31,160	35,200	5.0%	4.0%	116,351.61	100.0%
Total							233,225	226,900	4.1%	3.1%	349,515.43	97.0%
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 23rd period.
Note 2: Leasable space is based on data as of Dec. 31, 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. For quasi co-owned properties, the leasable area is calculated by multiplying total space of the property by quasi co-ownership ratio of the trust beneficiary interest.

Portfolio overview (after acquisitions of new assets / 23 properties base)

Area		Property No.	Property name	Location	Completion date	Acquisition date	Acquisition price (mn. yen)	Appraisal value (Note1) (mn. yen)	NOI yield (Note2) (%)	NOI yield after depreciation (Note2) (%)	Leasable Space (Note3) (㎡)	Occupancy rate (Note4) (%)
Office												
Three major metropolitan areas	Tokyo metropolitan area	OT-1	Sumitomo Fudosan Ueno Bldg. No.6	Taito-ku, Tokyo	Nov. 1993	May 2015	7,460	8,300	4.1%	3.1%	6,858.16	100.0%
		OT-2	G-Square Shibuya Dogenzaka	Shibuya-ku, Tokyo	Oct. 2009	Aug. 2015	12,220	14,500	3.9%	3.4%	5,011.74	100.0%
		OT-3	Shibuya Sakuragaoka Square	Shibuya-ku, Tokyo	Mar. 2010	Aug. 2015 Feb. 2017	5,000 12,130	19,500	3.8%	3.1%	6,379.66	100.0%
		OT-4	Yokohama Creation Square	Kanagawa-ku, Yokohama	Mar. 1994	Aug. 2015	7,080	7,960	4.4%	3.7%	12,720.94	87.4%
		OT-5	Cube Kawasaki	Kawasaki-ku, Kawasaki	May 1982	Aug. 2015	20,050	22,300	3.6%	3.1%	24,494.06	100.0%
		OT-6	Higashi-Nihombashi Green Bldg.	Chuo-Ku, Tokyo	Mar. 1988	Dec. 2015	2,705	3,030	4.1%	3.5%	3,254.77	100.0%
		OT-7	Sasazuka Center Bldg.	Shibuya-ku, Tokyo	Mar. 1995	Mar. 2017	8,700	9,290	4.1%	3.7%	8,219.90	85.6%
		OT-8	USC Bldg.	Koto-ku, Tokyo	Jan. 1990 added on to in Jan. 2007	Apr. 2017 Feb. 2018	5,000 5,800	5,230 6,070	5.0% 4.6%	4.4% 4.0%	12,489.08	100.0%
		OT-9	Yoshiyasu Kanda Bldg.	Chiyoda-ku, Tokyo	May. 1989 Partial demolition of building: Aug. 2008	Feb. 2018	4,000	4,260	4.2%	3.9%	3,149.30	100.0%
		OT-10	SSP Bldg.	Chuo-ku, Tokyo	Jan. 2008	Mar. 2018	9,200	10,200	4.4%	3.6%	6,123.81	100.0%
		OT-11	M-City Akasaka 1-chome Bldg.	Minato-ku, Tokyo	Mar. 1985	Mar. 2018	4,205	4,280	3.8%	3.6%	2,636.62	100.0%
	Osaka metropolitan area	OO-1	Twin 21	Chuo-ku, Osaka	Mar. 1986	Aug. 2006	68,700	54,500	4.0%	2.8%	82,304.84	97.8%
		OO-2	Matsushita IMP Bldg.	Chuo-ku, Osaka	Feb. 1990 added on to in Nov. 2003	Aug. 2006	24,600	21,700	3.9%	1.6%	37,299.95	86.7%
		OO-4	MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	Feb. 2000	Aug. 2006	2,300	1,460	2.3%	1.0%	4,833.88	100.0%
		OO-5	MID Imabashi Bldg.	Chuo-ku, Osaka	Oct. 1990	Apr. 2007	3,270	2,330	3.4%	1.9%	4,277.63	100.0%
		OO-7	Kitahama MID Bldg.	Chuo-ku, Osaka	Feb. 2008	Apr. 2008	10,800	9,290	4.0%	3.2%	10,189.49	100.0%
		OO-8	MID Nishihommachi Bldg.	Nishi-ku, Osaka	Mar. 1989	Oct. 2008	3,550	2,180	2.7%	1.6%	3,881.74	100.0%
		OO-9	Higobashi MID Bldg.	Nishi-ku, Osaka	Jan. 2010	June 2013	3,000	3,620	5.2%	3.7%	4,655.57	96.5%
Other	Other major cities	OR-1	Sendai Capital Tower	Aoba-ku, Sendai	Mar. 1974	Feb. 2017	5,500	6,510	5.2%	4.5%	12,999.51	95.2%
				Subtotal (Office)			225,270	216,510	4.0%	3.0%	251,780.65	95.9%
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	28,400	4.8%	3.9%	101,210.44	100.0%
	Osaka metropolitan area	RO-1	Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	June 1999	Aug. 2006	2,780	3,380	6.1%	4.8%	9,586.26	100.0%
Other	Other major cities	HR-1	Dormy Inn Hakata Gion	Hakata-ku, Fukuoka	Jan. 2009	Sep. 2013	2,280	3,420	6.5%	4.8%	5,554.91	100.0%
				Subtotal (Other than Office)			31,160	35,200	5.0%	4.0%	116,351.61	100.0%
				Total			256,430	251,710	4.1%	3.1%	368,132.26	97.2%
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			261,349	–	–	–	–	–

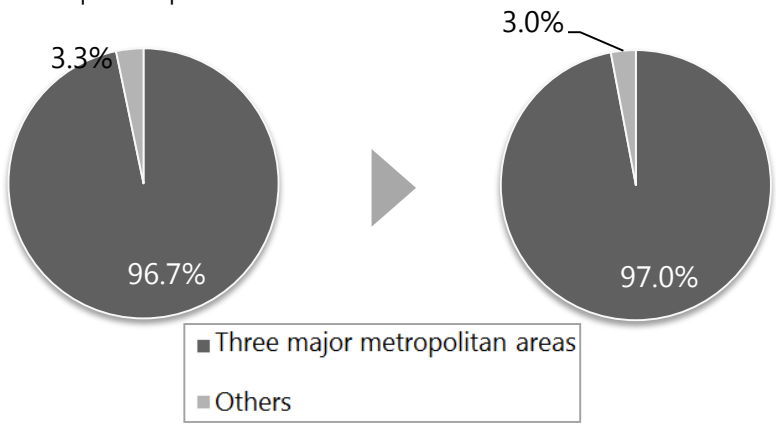
Note 1: Appraisal value is as of Dec. 31, 2017 (for Assets newly acquired, Dec. 1, 2017)
Note 2: With regard to NOI yield and NOI yield after depreciation, legacy properties are based on annualized actual NOI for the 23rd Period, while Assets newly acquired are based on NOI according to a direct income method stated in the respective appraisal reports
Note 3: Leasable space is based on data as of Dec. 31, 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.
Note 4: Occupancy rate is represented by rates as of the end of Dec. 2017

Portfolio data 1

Left: as of End of Dec. 2017 / 20 properties base
Right: as of Mar. 2018 / 23 properties base

By area

<Based on acquisition price>



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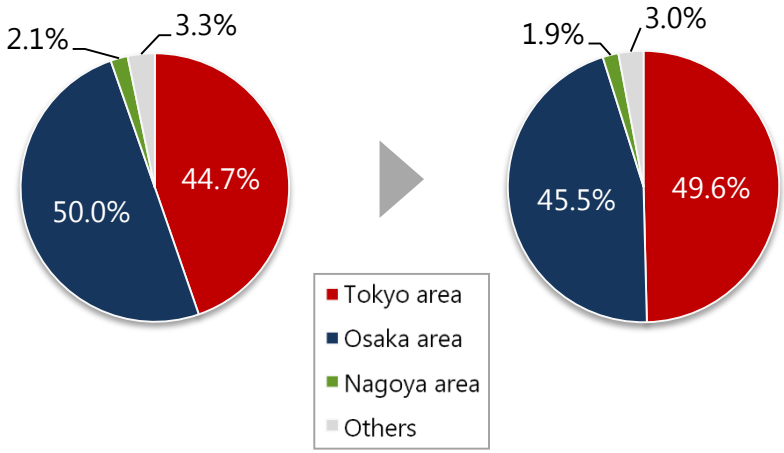
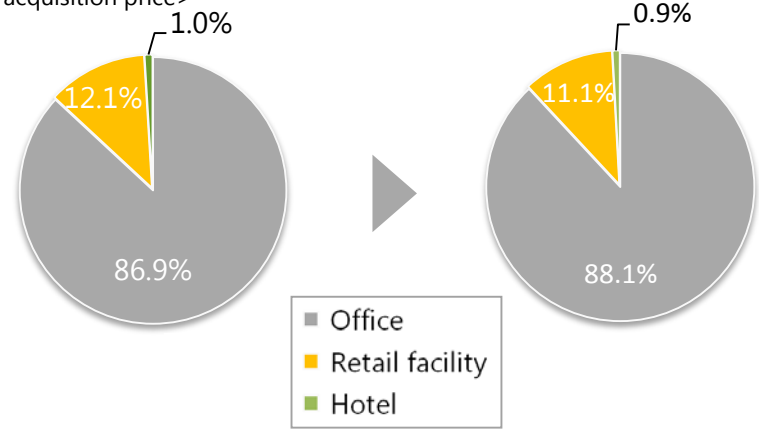
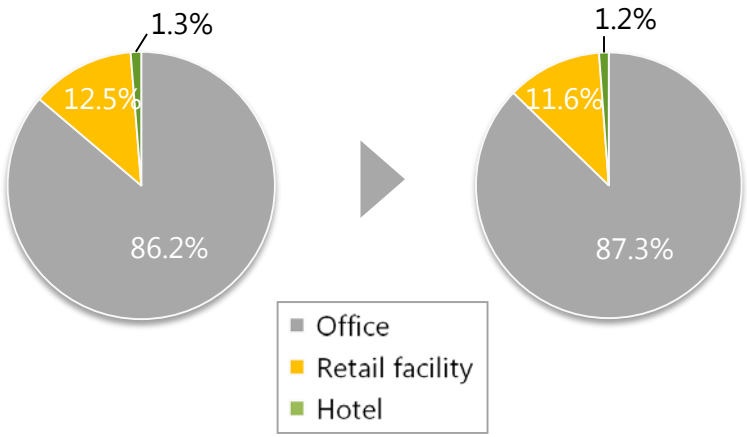


By asset type

<Based on acquisition price>



<Based on rent and CAM revenues(Note)>



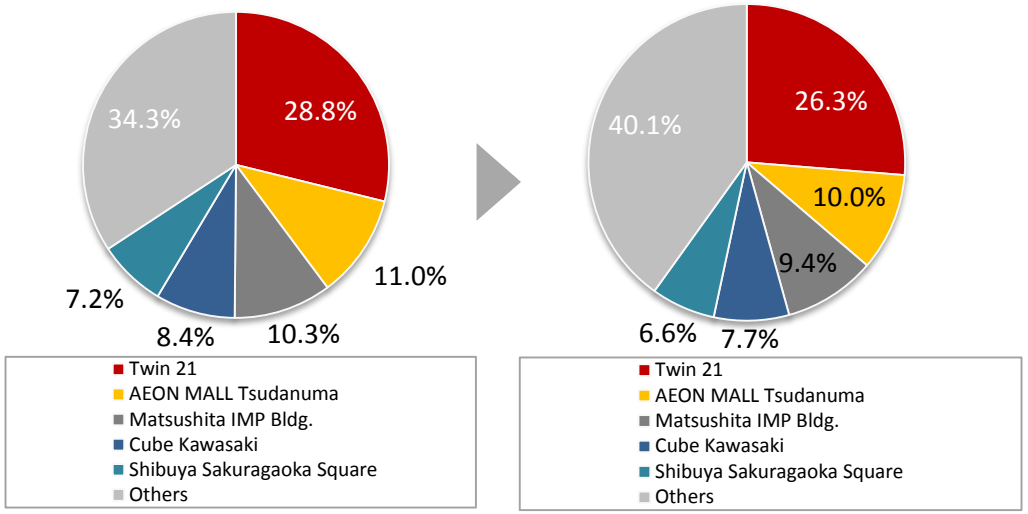
Note: TK interest of Nagoya Lucent Tower is not included.

Portfolio data 2

Left: as of End of Dec. 2017 / 20 properties base
Right: as of Mar. 2018 / 23 properties base

By asset size

<Based on acquisition price>



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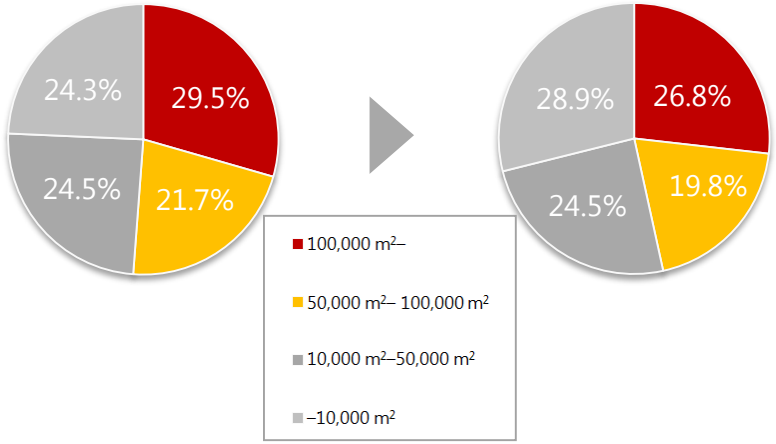
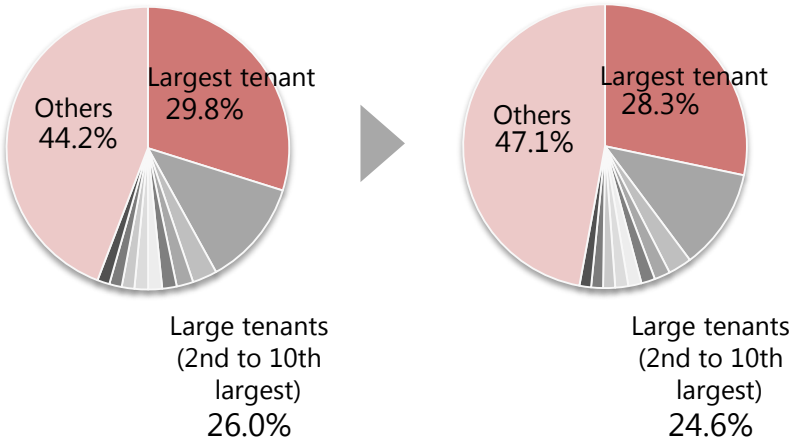
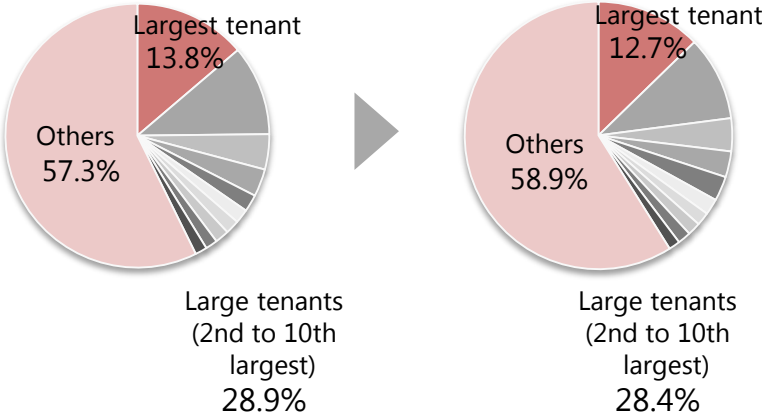


By tenant

<Based on leased area(Note)>



<Based on rent and CAM revenues(Note)>



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

Revenue and expenses by property 1 (fiscal period ended Dec. 31, 2017)

(Unit: mn. yen)

		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.
Operating days		184	184	184	184	184	184	184	184	184	184
	Rent revenue	—	246	286	176	492	42	165	90	1,630	756
	CAM revenue	—	31	52	102	79	25	45	41	438	110
	Parking revenue	—	3	4	15	2	3	7	5	62	50
Rent revenue - real estate		—	280	343	294	573	71	218	138	2,130	917
	Utilities revenue	—	20	26	11	47	4	7	12	147	81
	Early-withdrawal penalties received	—	—	—	5	—	—	—	—	4	—
	Other revenue	—	0	2	9	2	3	2	3	11	4
Other lease business revenue		—	21	28	26	50	8	10	15	163	86
① Property leasing revenue		—	301	372	320	624	80	228	153	2,293	1,003
Property management fees		—	15	13	81	55	7	20	11	321	175
Utilities expenses		—	16	26	34	77	7	16	15	281	133
Real estate taxes		—	22	6	26	62	5	0	0	196	122
Insurance premiums		—	0	0	0	0	0	0	0	3	2
Repair expenses		—	3	0	0	63	3	9	0	67	54
Other lease business expenses		—	0	0	18	0	0	0	0	21	26
② Expenses related to rent business		—	59	48	163	260	24	47	28	891	515
③ NOI(①−②)		153	242	323	157	363	55	180	125	1,402	488
④ Depreciation		36	31	54	24	46	7	20	14	440	284
⑤ Loss on retirement of non-current assets		—	—	—	—	—	—	—	—	—	—
⑥ Property leasing income (③−④−⑤)		117	210	269	132	316	47	160	110	961	204

Not Disclosed

CAPEX	5	2	1	4	80	30	5	—	323	331

Revenue and expenses by property 2 (fiscal period ended Dec. 31, 2017)

(Unit: mn. yen)

		MID REIT Kyobashi Bldg.	MID Imabashi Bldg.	Kitahama MID Bldg.	MID Nishi-hommachi Bldg.	Higobashi MID Bldg.	Sendai Capital Tower	AEON MALL Tsudanuma	Konami Sports Club Kyobashi	Dormy Inn Hakata Gion	Total
Operating days		184	184	184	184	184	184	184	184	184	
	Rent revenue	—	76	218	64	83	177	726	—	—	5,630
	CAM revenue	—	4	48	6	19	48	—	—	—	1,124
	Parking revenue	—	7	7	3	2	19	—	—	—	207
Rent revenue - real estate		—	89	274	74	105	245	726	—	—	6,962
	Utilities revenue	—	7	38	9	11	17	—	—	—	454
	Early-withdrawal penalties received	—	—	—	—	—	—	—	—	—	9
	Other revenue	—	0	1	1	0	2	—	—	—	46
Other lease business revenue		—	7	40	10	11	20	—	—	—	510
① Property leasing revenue		—	96	314	85	117	265	726	—	—	7,472
Property management fees		—	14	31	11	12	37	2	—	—	851
Utilities expenses		—	8	30	9	10	38	—	—	—	719
Real estate taxes		—	11	22	8	12	0	61	—	—	594
Insurance premiums		—	0	0	0	0	0	0	—	—	11
Repair expenses		—	4	14	5	2	42	35	—	—	367
Other lease business expenses		—	1	0	1	1	1	—	—	—	77
② Expenses related to rent business		—	40	99	36	39	120	100	—	—	2,622
③ NOI(①−②)		26	55	215	48	78	145	625	86	74	4,850
④ Depreciation		14	24	39	20	22	21	115	18	19	1,256
⑤ Loss on retirement of non-current assets		—	—	—	—	—	—	—	—	—	—
⑥ Property leasing income (③−④−⑤)		11	31	176	28	55	123	510	67	55	3,593
CAPEX		—	18	2	1	—	8	—	—	—	817

Not Disclosed

Not Disclosed

Not Disclosed

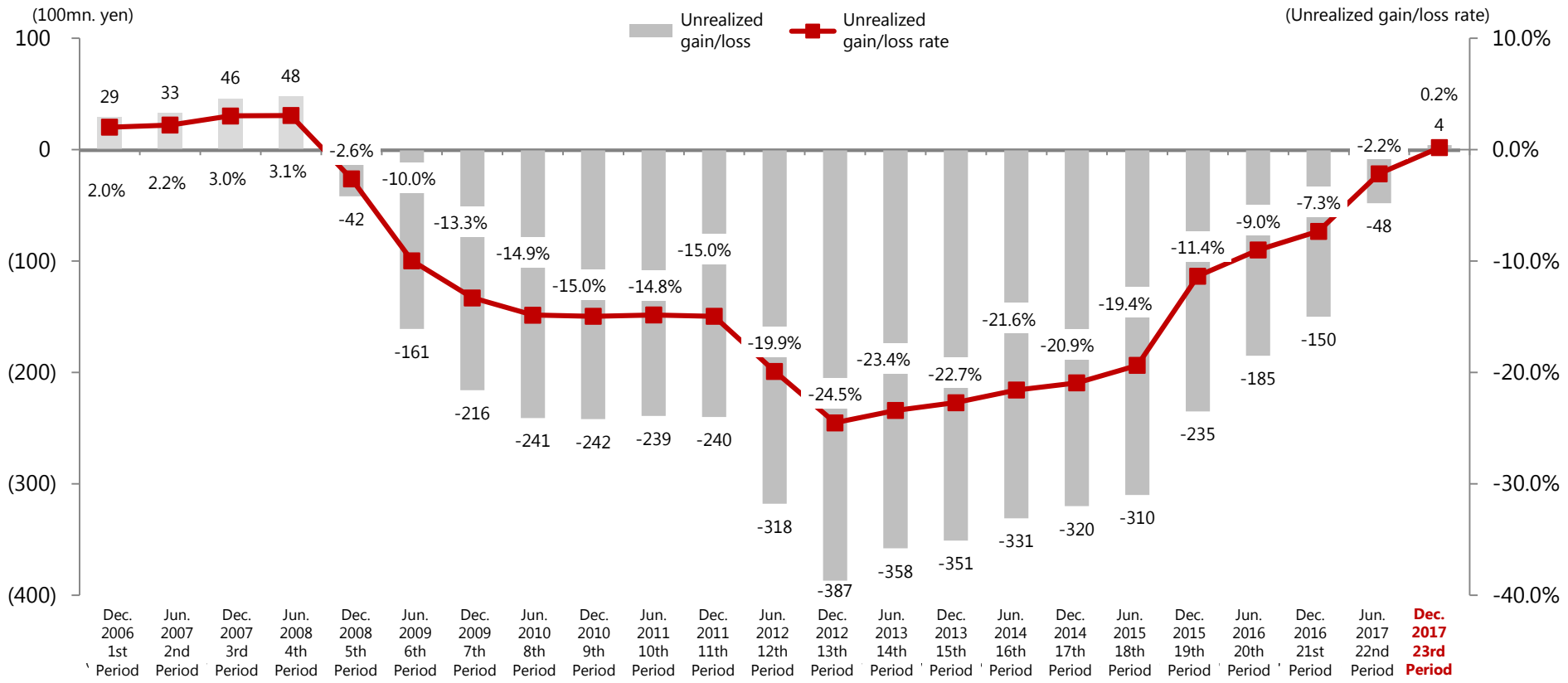
Appraisal values by property

Type	Region	Property name	Acquisition price (Note1) (mn yen)	Appraisal value as of Jun. 30, 2017 (22nd Period End) (mn. yen)	Book value as of Dec. 31, 2017 (23rd Period End) (Note2) (mn. yen)	Appraisal value as of Dec. 31, 2017 (23rd Period End) (Note3) (mn. yen)	Difference from previous period end (%)	Difference from book value (%)	Appraisal company	22nd Period appraisal value rate (Note4) (%)	23rd Period appraisal value rate (Note4) (%)
Office	Three major metropolitan areas (Tokyo / Osaka / Nagoya)	Sumitomo Fudosan Ueno Bldg. No.6	7,460	8,230	7,647	8,300	0.9%	8.5%	Tanizawa Sogo Appraisal Co., Ltd.	3.9%	3.9%
		G-Square Shibuya Dogenzaka	12,220	14,500	12,246	14,500	-	18.4%	Japan Real Estate Institute	3.3%	3.3%
		Shibuya Sakuragaoka Square	17,130	19,600	17,506	19,500	-0.5%	11.4%	Daiwa Real Estate Appraisal Co., Ltd.	3.1%	3.1%
		Yokohama Creation Square	7,080	7,800	7,075	7,960	2.1%	12.5%	Tanizawa Sogo Appraisal Co., Ltd.	4.4%	4.3%
		Cube Kawasaki	20,050	22,200	20,474	22,300	0.5%	8.9%	Daiwa Real Estate Appraisal Co., Ltd.	4.0%	4.0%
		Higashi-Nihombashi Green Bldg.	2,705	3,030	2,838	3,030	-	6.8%	Japan Real Estate Institute	4.3%	4.3%
		Sasazuka Center Bldg.	8,700	9,290	9,095	9,290	-	2.1%	Daiwa Real Estate Appraisal Co., Ltd.	4.0%	4.0%
		USC Bldg.(Note5)	5,000	5,230	5,175	5,230	-	1.1%	Tanizawa Sogo Appraisal Co., Ltd.	4.1%	4.1%
		Twin 21	68,700	51,700	66,131	54,500	5.4%	-17.6%	Morii Appraisal & Investment Consulting, Inc.	4.4%	4.4%
		Matsushita IMP Bldg.	24,600	21,200	22,573	21,700	2.4%	-3.9%	Tanizawa Sogo Appraisal Co., Ltd.	4.5%	4.4%
		MID REIT Kyobashi Bldg.	2,300	1,440	2,076	1,460	1.4%	-29.7%	Tanizawa Sogo Appraisal Co., Ltd.	5.1%	5.0%
		MID Imabashi Bldg.	3,270	2,260	3,114	2,330	3.1%	-25.2%	Tanizawa Sogo Appraisal Co., Ltd.	4.6%	4.5%
		Kitahama MID Bldg.	10,800	9,050	10,365	9,290	2.7%	-10.4%	Japan Real Estate Institute	4.3%	4.2%
		MID Nishihommachi Bldg.	3,550	2,180	3,356	2,180	-	-35.1%	Japan Real Estate Institute	4.5%	4.5%
		Higobashi MID Bldg.	3,000	3,520	2,839	3,620	2.8%	27.5%	Japan Real Estate Institute	4.2%	4.1%
	Other metropolitan area	Sendai Capital Tower	5,500	6,350	5,595	6,510	2.5%	16.3%	Tanizawa Sogo Appraisal Co., Ltd.	4.7%	4.6%
Subtotal			202,065	187,580	198,111	191,700	2.2%	-3.2%	–	–	–
Other	Three major metropolitan areas	AEON MALL Tsudanuma	26,100	27,800	23,839	28,400	2.2%	19.1%	Daiwa Real Estate Appraisal Co., Ltd.	4.6%	4.5%
		Konami Sports Club Kyobashi	2,780	3,300	2,394	3,380	2.4%	41.2%	Daiwa Real Estate Appraisal Co., Ltd.	5.1%	5.0%
	Other metropolitan area	Dormy Inn Hakata Gion	2,280	3,360	2,139	3,420	1.8%	59.8%	Tanizawa Sogo Appraisal Co., Ltd.	4.3%	4.2%
Subtotal			31,160	34,460	28,373	35,200	2.1%	24.1%	–	–	–
Total			233,225	222,040	226,485	226,900	2.2%	0.2%	–	–	–

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: "Book value" is the applicable asset's acquisition price (including various acquisition expenses) less accumulated depreciation.
Note 3: "Appraisal value" is as of the end of the fiscal period based on the appraisal report with the market value as of Dec. 31, 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 4: "Appraisal value rate" is the cap rate based on the direct capitalization method.
Note 5: Appraisal value of USC bldg. is consisted of the share (50/108)

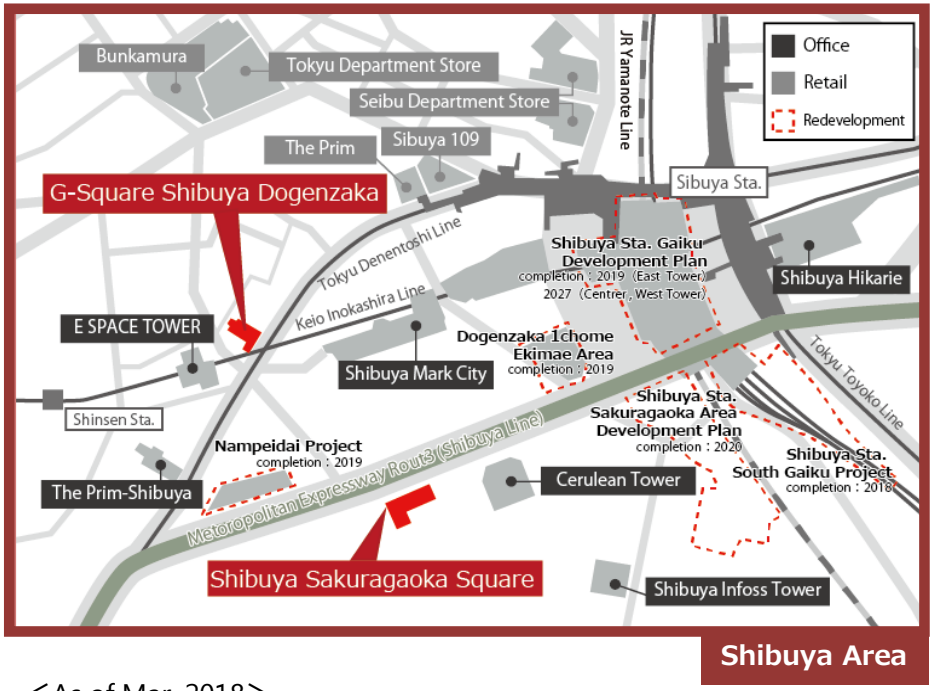
Unrealized gain/loss

Unrealized gain/loss and unrealized gain/loss rate (Dec. 2006 (1st Period) – Dec. 2017 (23rd Period))



As of 23rd Period End (ended Dec. 2017)	
Book value:	226.4 bn. yen
Appraisal value:	226.9 bn. yen
Unrealized gain:	0.4 bn. yen

Portfolio overview - Tokyo area

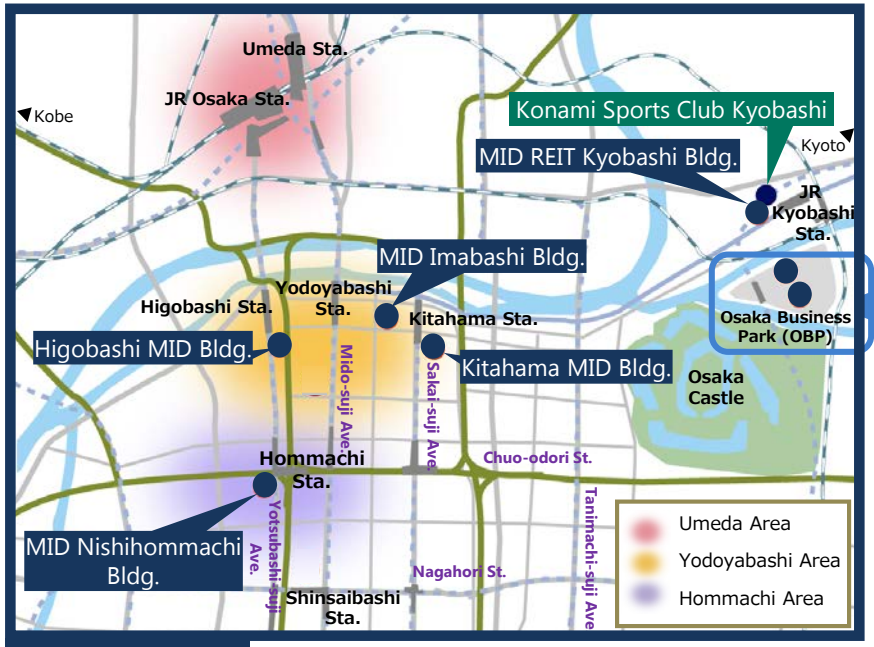


<As of Mar, 2018>

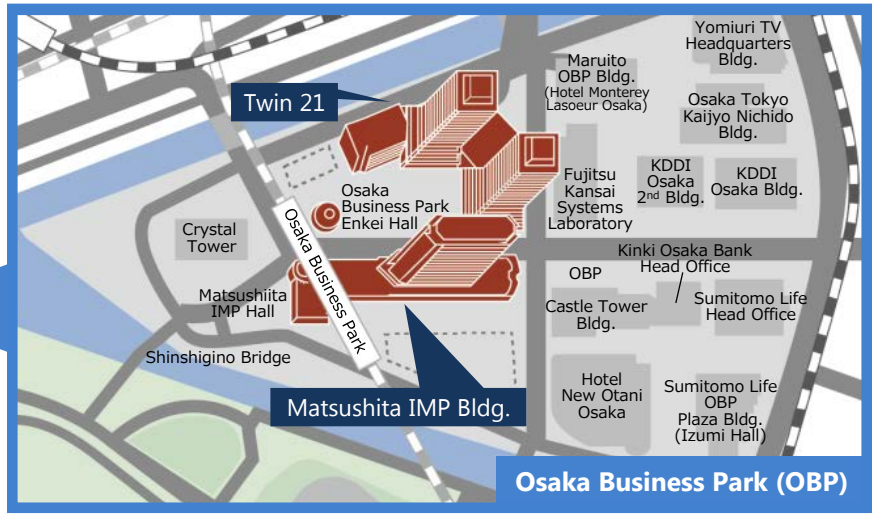
Tokyo Area	No. of assets	12	% of portfolio	49.6%
Osaka Area	No. of assets	8	% of portfolio	45.5%
Nagoya Area	No. of assets	1	% of portfolio	1.9%
Other Major Cities	No. of assets	2	% of portfolio	3.0%

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

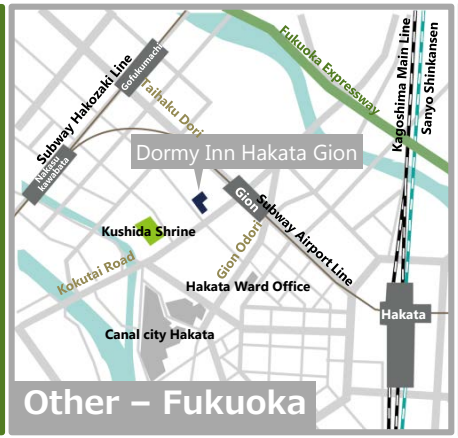


Osaka Area

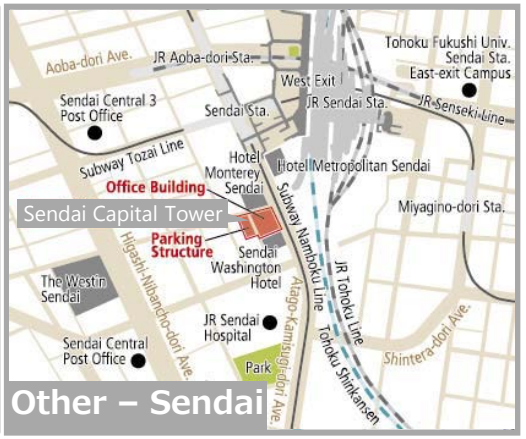


Osaka Business Park (OBP)

Nagoya Area



Other – Fukuoka



Other – Sendai

Portfolio overview - Office in Tokyo area 1

Sumitomo Fudosan Ueno Bldg. No.6

- ✓ 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	1,323.78㎡
Total floor space	9,631.83㎡
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	918.49㎡
Total floor space	6,565.87㎡
Structure/scale	S・SRC/B2F-9F
Completion date	Oct. 2009
Acquisition price	12,220 mn.yen
Acquisition Date	Aug. 2015

Shibuya Sakuragaoka Square

- ✓ 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	1,200.08㎡
Total floor space	8,655.61㎡
Structure/scale	S・RC/B1F-10F
Completion date	Mar. 2010
Acquisition price	17,130 mn.yen (Incl. 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 site75.4%)
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 Tokyo area 3

Sasazuka Center Bldg.

- ✓ 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
- ✓ Building differentiated from other buildings in the area with the standard floor area of approximately 300 tsubo

Location	Shibuya-ku, Tokyo
Total land space	3,032.26㎡
Total floor space	11,973.11㎡
Structure/scale	SRC/B2F-8F
Completion date	Mar. 1995
Acquisition price	8,700 mn. yen
Acquisition Date	Mar. 2017

USC Bldg.

Additional acquisition

- ✓ Location within seven-minute walk from Toyocho Station of the Tokyo Metro Tozai Line
- ✓ 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
- ✓ Convenience in vehicle use with more than 100 parking lots, attracting vehicle-user tenants

Location	Koto-ku, Tokyo
Total land space	4,565.21㎡
Total floor space	18,506.16㎡
Structure/scale	Main Building：S・SRC/B1F-8F Annex：RC/1F
Completion date	Jan. 1990 and other
Acquisition price	10,800 mn.yen
Acquisition Date	Apr. 2017, Feb. 2018

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	28,163.07㎡
Total floor space	146,034.98㎡
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	14,968.25㎡
Total floor space	84,952.57㎡
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

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

Portfolio overview - Office in Osaka area 2

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

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

Portfolio overview - Office in Osaka, others and TK interest

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

Sendai Capital Tower

- ✓ 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
- ✓ 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

Location	Aoba-ku, Sendai-shi, Miyagi
Total land space	3,420.02㎡
Total floor space	23,702.00㎡（including Parking Space）
Structure/scale	Office building：SRC/B2F-19F Parking structure：RC/B1F-6F
Completion date	Mar. 1974
Acquisition price	5,500 mn. Yen
Acquisition Date	Feb. 2017

*TK interest

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

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

Portfolio overview - Other than the office

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

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

Newly acquired assets - SSP Bldg.

Property acquired through an exclusive negotiation with a CRE proposal by utilizing the sponsor network

Negotiation transaction **Sponsor network**

■ Key reasons for acquisition

- ✓ Acquisition through an exclusive negotiation with a CRE proposal by utilizing the sponsor network, which is in consideration of secured profitability
- ✓ Property of younger age of ten years with its differentiated scale, its high usage efficiency of office space, and its high-grade feel
- ✓ Located in Chuo-ku,Tokyo and three minutes' walk from Hamacho Station

Property information／Surrounding environment

- Located at the corner of the Kiyosubashi-Dori and Kinza-Dori, accessible from six stations of five railway and subway lines
- Conveniently situated for office workers as surrounded by a number of restaurants and convenience stores
  - located near Tokyo City Air Terminal and easily accessible to airports
- Specifications represented by the exterior covered with glass curtain walls, a textured and well-lit entrance hall with a sophisticatedly-designed facade and flexible layout of office space boost the property's competitiveness in this area

Location	2-12-4, Nihombashi Hamacho, Chuo-ku, Tokyo
Access	Three minutes' walk from Hamacho Station on the Toei Subway Shinjuku Line、accessible from six stations of five railway and subway lines
Total land space	1,135.18m^2
Total floor space	8,123.17m^2
Structure / Floor	S/10F
Construction Completion	Jan, 2008
Acquisition Price	9,200 mn.yen
Acquisition Date	Mar. 1, 2018

■ MAP

Newly acquired assets - Yoshiyasu Kanda Bldg.

Property in Chiyoda-ku, maintaining a stable occupancy with long-residing tenants

Sponsor network

■ Key reasons for acquisition

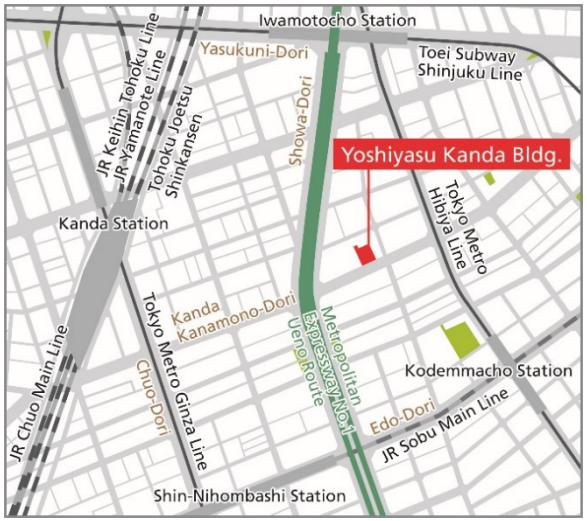
- ✓ Located in a convenient area, accessible from four stations of seven railway and subway lines
- ✓ Property maintaining a stable occupancy as majority of tenants have kept contracts for a long term (greater than 10 years)
- ✓ Located where relatively older mid-to-high-rise retail stores and office buildings line side-by-side in Chiyoda-ku, Tokyo

Property information／Surrounding environment

- High accessibility as located near the Showa-Dori and a four minutes' walk from Kodemmacho Station
- The building with the standard floor area of nearly 140 tsubo achieves higher usage efficiency of pillar-free spaces and enables flexible office layout
- Constituting a competitive advantage over other buildings of the similar age as some renovation works were already implemented including the repair work of the rooftop and parking lots in 2008 and renewal of the entrance and other common use spaces in 2012

Location	2-1-15, Iwamotocho, Chiyoda-ku, Tokyo
Access	a four minutes' walk from Kodemmacho Station on the Tokyo Metro Hibiya Line、accessible from four stations of seven railway and subway lines
Total land space	715.69m^2
Total floor space	4,554.00m^2
Structure / Floor	SRS・S/9F
Construction Completion	May, 1989. and other
Acquisition Price	4,000 mn. yen
Acquisition Date	Feb. 16, 2018

■ MAP



Newly acquired assets - M-City Akasaka 1-chome Bldg.

Property located in a one-minute walk from Tameike-Sanno Station, holding internal growth potential

Sponsor network

■ Key reasons for acquisition

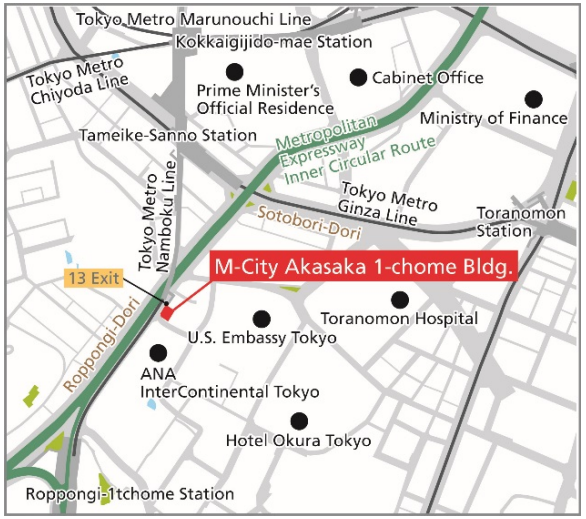
- ✓ Located in a convenient area, accessible from a one-minute walk from the Tameike-Sanno Station
- ✓ Property expected the office tenants' demand as located in an area suitable for offices
- ✓ Located in Akasaka area in Minato-ku where is expected to enhance its appealing power as an office district, as more offices concentrate in this area after the completion of the large-scale redevelopment projects

Property information／Surrounding environment

- Its location at a corner along the Roppongi-Dori gives high visibility
- Accessible from several stations of Tokyo Metro Lines including Tokyo Metro Ginza Line as the useful business lines offering convenience
- Located near government offices where the demands of variety companies including domestic and international are expected

Location	1-11-28, Akasaka, Minato-ku, Tokyo
Access	one-minute walk from the Tameike-Sanno Station on the Tokyo Metro Ginza Line and Namboku Line
Total land space	510.22m^2
Total floor space	3,308.20m^2
Structure / Floor	SRC/10F
Construction Completion	Mar, 1985
Acquisition Price	4,205 mn. yen
Acquisition Date	Mar. 1, 2018

■ MAP

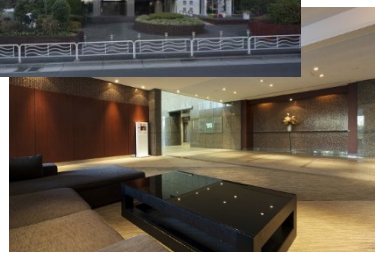


Newly acquired assets - USC Bldg.

(Approx. 54% quasi co-ownership interest of trust beneficiary interest)

Property acquired by exercise the preferential negotiation right. MCUBS MidCity gains ownership of the entire USC Bldg.

Negotiation transaction | **Sponsor network** | **Practical use of pipeline**



■ Key reasons for acquisition

- ✓ Potential tenants that attach importance to the convenience of vehicle use may also be attracted to this property since it secures 107 parking lots
- ✓ MCUBS MidCity gains ownership of the entire USC Bldg. through a pipeline property to be acquired
- ✓ MCUBS MidCity will enjoy the merit of asset value improvement and integrated management by gaining ownership of the entire USC Bldg.

Apr, 2017:
Acquisition of approx. 46% quasi co-ownership interest

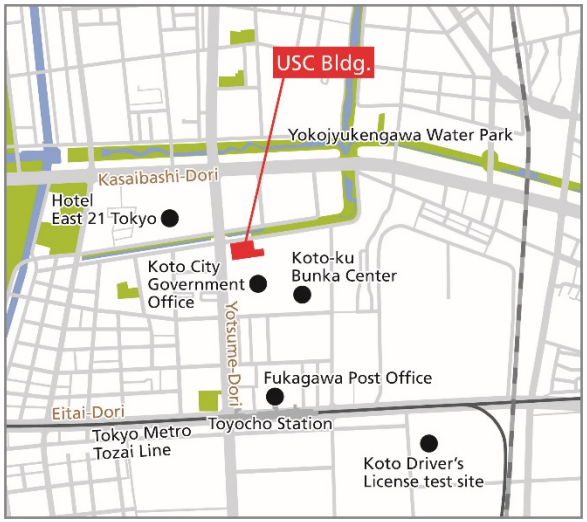
Feb, 2018:
Additional acquisition of approx. 54% by exercise the preferential negotiation right

Property information／Surrounding environment

- Located along the Yotsume-Dori and can be found easily
- High accessibility to a metropolitan area as located about seven minutes' walk from Toyocho Station
- Differentiated in terms of its size from other buildings in this area, many of which are mid- and small-sized buildings with the standard floor area of approximately 600 tsubo and characterized by the high-grade specifications

Location	4-11-38, Toyo, Koto-ku, Tokyo
Access	seven min by walk from Tokyo Metro Tozai Line Toyo-cho Station
Total land space	4,565.21m^2
Total floor space	18,506.16m^2 (including the annex building)
Structure / Floor	Main Building: S・SRC/B1F-8F Annex: RC/1F
Construction Completion	Jan, 1990. and other
Acquisition Price	5,800 mn. yen (Total 10,800 mn. yen including 5,000 mn. yen, acquired prior to this additional acquisition)
Acquisition Date	Feb. 16, 2018 (Apr. 6, 2017 (previous acquisition))

■ MAP



5. FINANCING STRATEGY

Major financing-related figures and investment corporation bonds

Changes in financing-related figures

	As of end of Jun. 2017	As of end of Dec. 2017	Forecast for Mar. 2018
LTV (based on appraisal value)	43.0%	**42.1**%	**42.3**%(Note 1)
Ratio of long-term debts	100.0%	**100.0**%	**100.0**%
Ratio of fixed interest rate	77.4%	**77.4**%	**75.8**%
Average remaining years of debts	3.1 years	**3.5** years	**3.6** years
Average interest rate on debts	1.09%	**1.06**%	**1.01**%(Note 2)
Issuer rating	R&I: A (stable) (Oct. 26, 2016)	R&I: A (stable) (Oct. 3, 2017)	**Aim for further improvement**

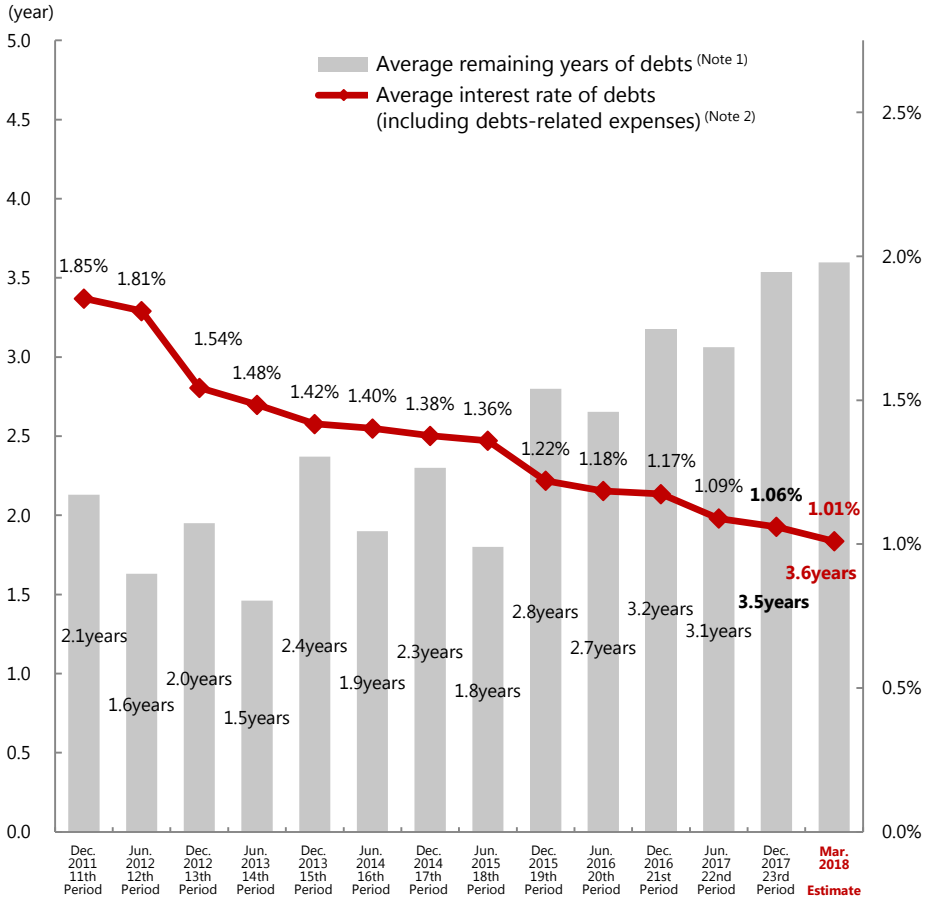
Investment corporation bonds

	Issuance	Term	Nominal Coupon	Amount issued
1st Unsecured Investment Corporation Bond	May 2016	5 years	0.340%	1.5 bn. yen
2nd Unsecured Investment Corporation Bond	May 2016	10 years	0.810%	1.5 bn. yen
3rd Unsecured Investment Corporation Bond	May 2017	5 years	0.260%	1.0 bn. yen
4th Unsecured Investment Corporation Bond	May 2017	10 years	0.670%	2.0 bn. yen
			Total	6.0 bn. yen

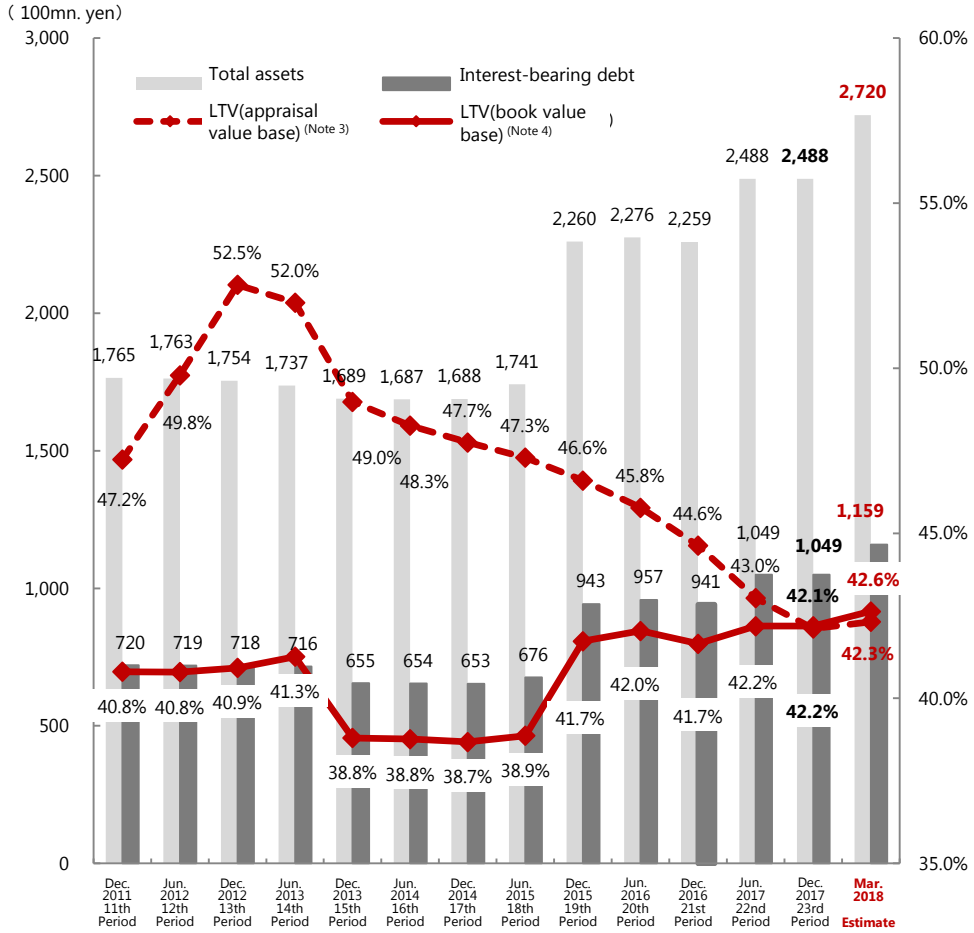
Note 1: Calculated in consideration of financing through the public offering, new borrowings and acquisition of four new properties, etc. since Jan. 2018, based on market capitalization as of the end of Dec. 31, 2017
Note 2: Calculated by dividing estimated financial costs for the fiscal period ending Jun. 2018 (24th Period) by estimated average debt balance for the same fiscal period

Financial status

Average remaining years and average interest rate of debts



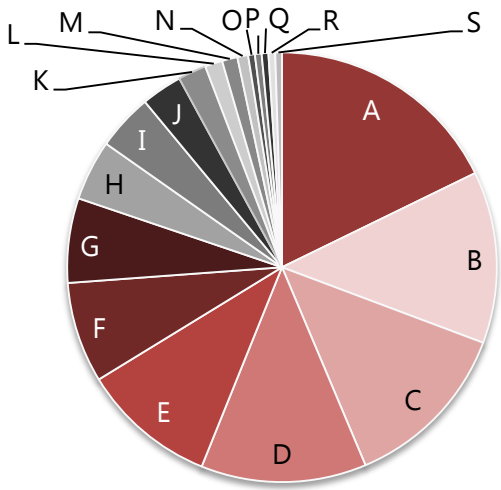
Total assets and debts



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 of debts (including borrowing-related expenses) = Financing costs in each fiscal period / Average debt balance in the fiscal period.
Note3: LTV (appraisal value base) = Term-end debts / (Term-end total assets ±Unrealized gain/loss). Unrealized gain/loss is the difference between book value and appraisal value
Note4: LTV (book value base) = Term-end debts / Term-end total assets

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

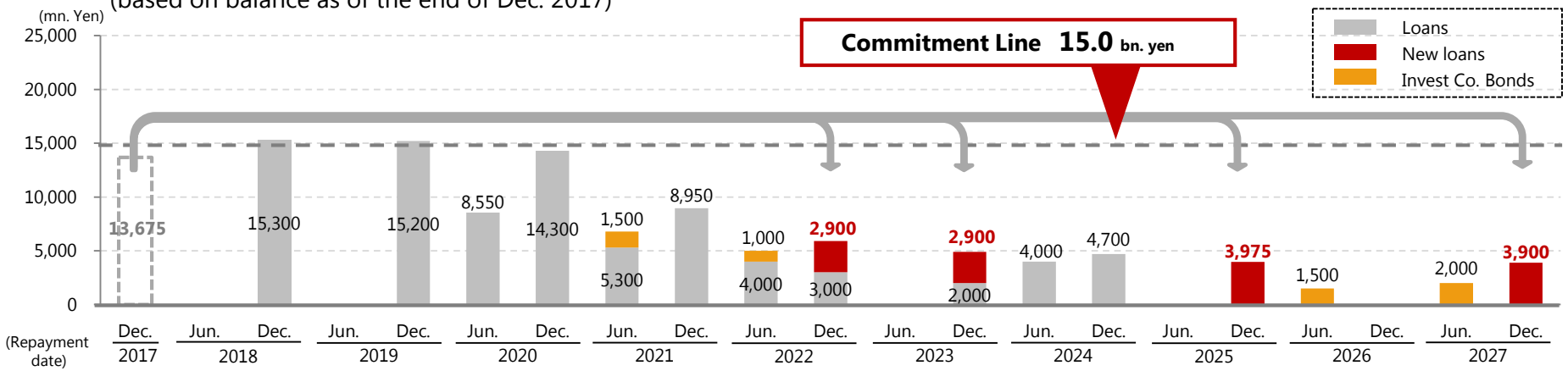
Lenders composition (Loans as of the end of Dec. 2017)



	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%
R	Tokio Marine & Nichido Fire Insurance Co., Ltd.	500	0.5%
S	Nippon Life Insurance Company	500	0.5%
	Total	98,975	100.0%

Diversified maturity ladder of debts

(based on balance as of the end of Dec. 2017)



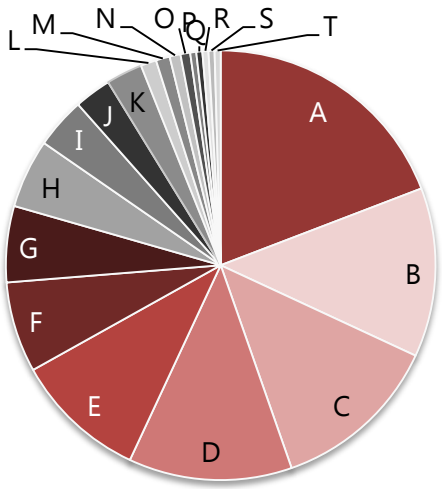
Outstanding borrowings (as of end of Dec. 2017)

Type	Loan Term	Lenders	Balance (mn. Yen)	Floating/ Fixed	Interest rate (Note 3)	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	0.46727%	2015/7/31	2018/7/31	Bullet payment
	4 years	Mizuho Bank, Sumitomo Mitsui Banking, Resona Bank, Mitsubishi UFJ Trust and Banking, Shinkin Central Bank, Senshu Ikeda Bank, The Nanto Bank	9,500	Floating	0.56727%	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	0.37727%	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, The Bank of Tokyo-Mitsubishi UFJ	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, The Bank of Tokyo-Mitsubishi UFJ	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 Company	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 swaps are concluded to fix the interest rates.
Note 3: Interest rate is applied as of end of Dec. 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.

Lender composition and maturity ladder (Estimate for Mar. 2018)

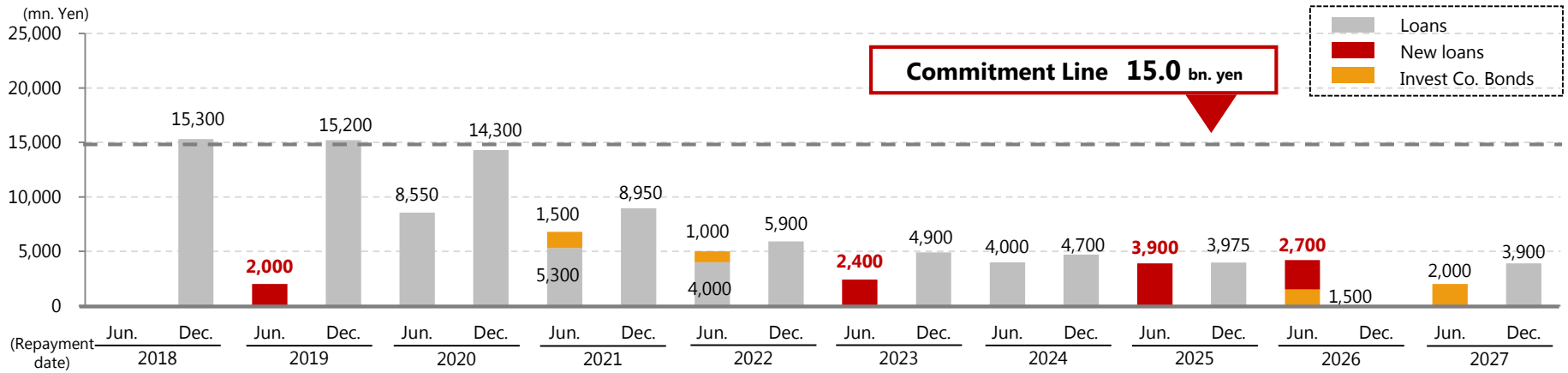
Lenders composition (Estimate for Mar. 2018)



NEW

	Lender	Balance (mn. Yen)	Share
A	Mizuho Bank, Ltd.	21,100	19.2%
B	Sumitomo Mitsui Trust Bank, Limited	14,000	12.7%
C	Sumitomo Mitsui Banking Corporation	14,000	12.7%
D	Development Bank of Japan, Inc.	13,525	12.3%
E	Aozora Bank, Ltd.	10,950	10.0%
F	Resona Bank, Limited	7,500	6.8%
G	Mitsubishi UFJ Trust and Banking Corporation	6,300	5.7%
H	The Bank of Tokyo-Mitsubishi UFJ, Ltd	5,700	5.2%
I	Shinkin Central Bank	4,200	3.8%
J	The Senshu Ikeda Bank, Ltd.	3,050	2.8%
K	The Nishi-Nippon City Bank, Ltd.	3,000	2.7%
L	Mizuho Trust & Banking Co., Ltd.	1,300	1.2%
M	The Hyakugo Bank, Ltd.	1,150	1.0%
N	The Bank of Fukuoka, Ltd.	900	0.8%
O	The Minato Bank, Limited	800	0.7%
P	The Nanto Bank, Ltd.	500	0.5%
Q	The Hiroshima Bank, Ltd.	500	0.5%
R	Sony Bank Incorporated	500	0.5%
S	Tokio Marine & Nichido Fire Insurance Co., Ltd.	500	0.5%
T	Nippon Life Insurance Company	500	0.5%
	Total	109,975	100.0%

Diversified Maturity Ladder of debts (Estimate for Mar. 2018)



Outstanding borrowings (Estimate for Mar. 2018)

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	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,	10,500	Floating	0.46727%	2015/7/31	2018/7/31	Bullet payment
	4 years	Mizuho Bank, Sumitomo Mitsui Banking, Resona Bank, Mitsubishi UFJ Trust and Banking, Shinkin Central Bank, Senshu Ikeda Bank, The Nanto Bank	9,500	Floating	0.56727%	2015/7/31	2019/7/31	Bullet payment
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	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
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	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	0.37727%	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, The Bank of Tokyo-Mitsubishi UFJ	4,000	Fixed	0.64691%	2017/1/31	2022/1/31	Bullet payment
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	5 years	Sumitomo Mitsui Trust Bank, Tokio Marine & Nichido Fire Insurance, Nippon Life Insurance Company	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
NEW	1 years	Mizuho Bank	2,000	Floating	Undecided (Note5)	2018/2/28	2019/2/28	Bullet payment
NEW	5 years	Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking	2,400	Floating	Undecided (Note5)	2018/2/28	2023/2/28	Bullet payment
NEW	7 years	The Bank of Tokyo-Mitsubishi UFJ	1,200	Fixed	Undecided (Note5)	2018/2/28	2025/2/28	Bullet payment
NEW	7 years	Aozora Bank, Nishi-Nippon City Bank, THE BANK OF FUKUOKA	2,700	Fixed	Undecided (Note5)	2018/2/28	2025/2/28	Bullet payment
NEW	8 years	Mizuho Bank, Development Bank of Japan	2,700	Fixed	Undecided (Note5)	2018/2/28	2026/2/27	Bullet payment
Total			**109,975**					

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 Jan. 2018.
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: Interest rates are determined before each loan is provided, based on the respective loan agreements executed on Jan. 29, 2018

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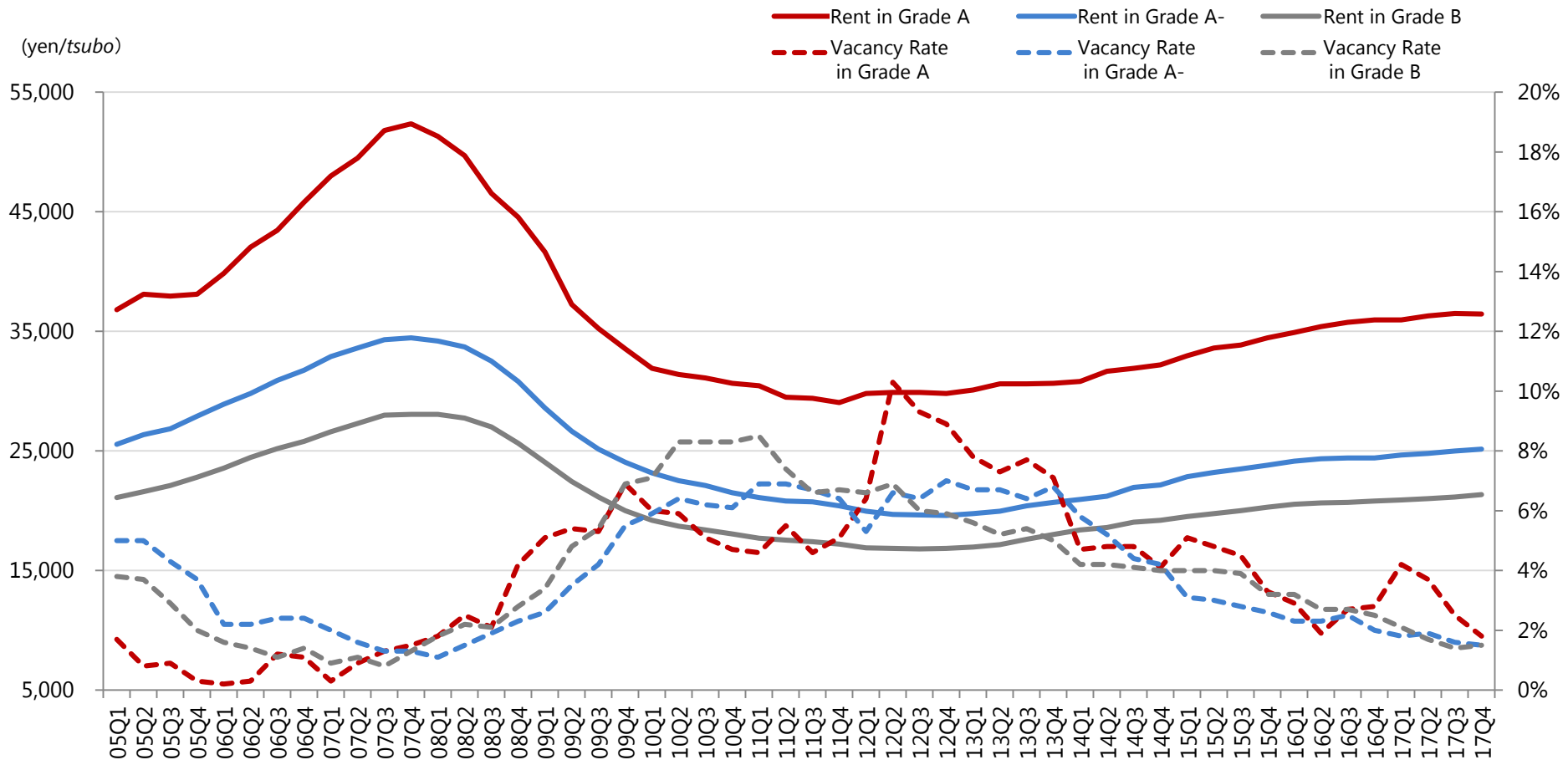
6. MARKET ENVIRONMENT

Office market data 1 (Tokyo 23 districts)

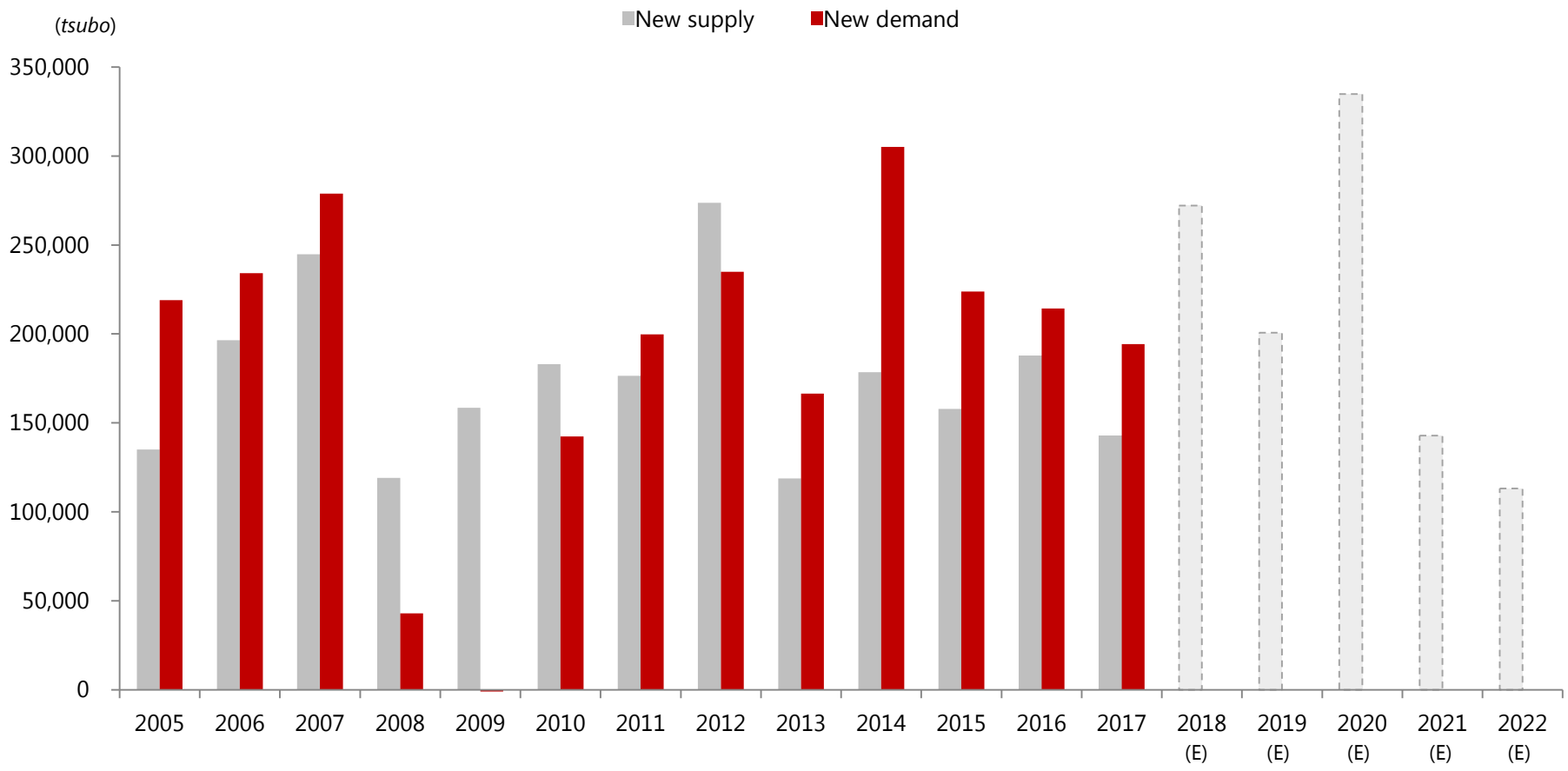
Average rent and vacancy rate of Tokyo



Source: Prepared by the Asset Manager based on the data obtained from CBRE K.K.

Office market data 2 (Tokyo 23 districts)

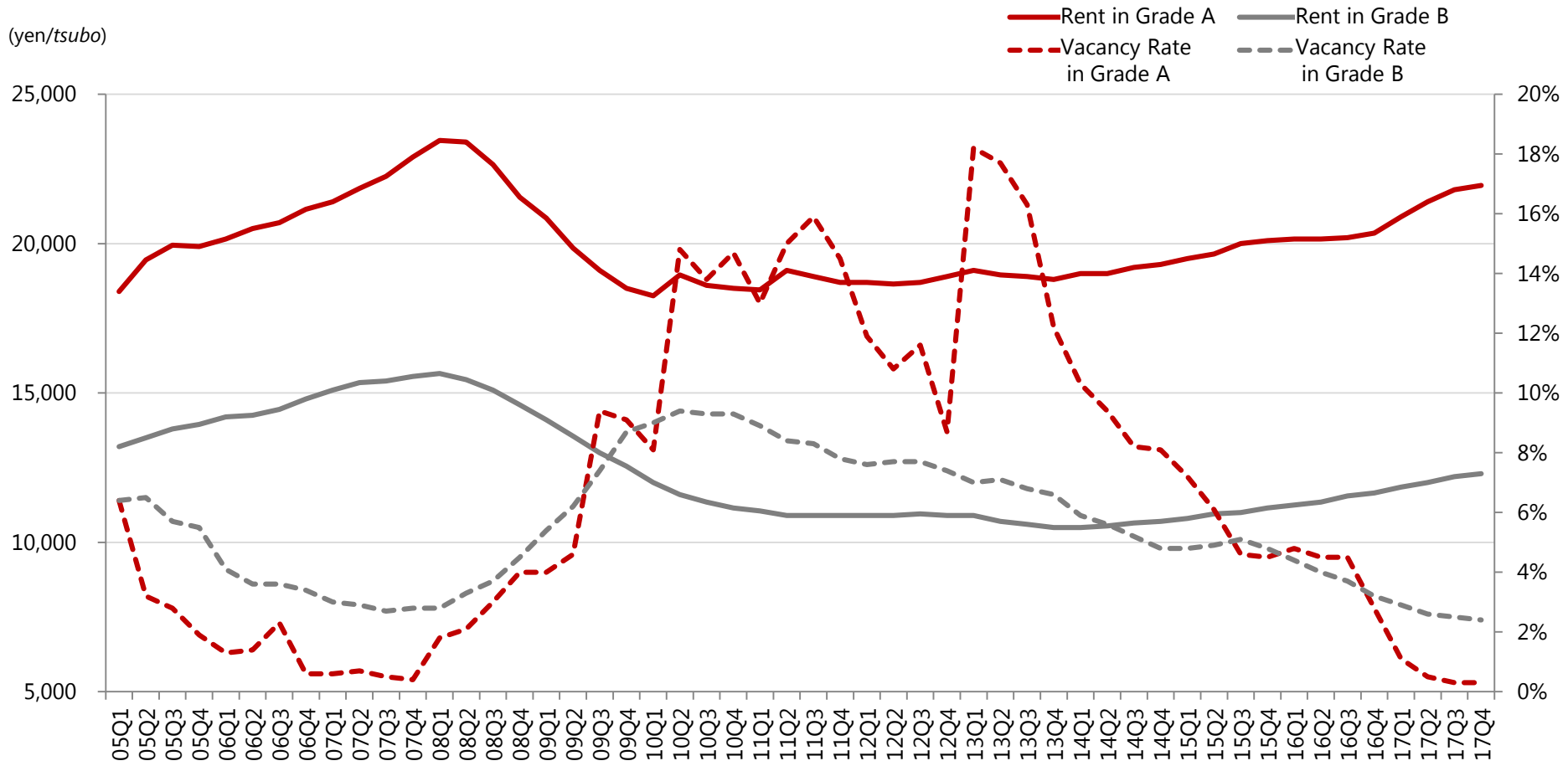
Supply and demand of Tokyo



Source: Prepared by the Asset Manager based on the data obtained from CBRE K.K.

Office market data 3 (Osaka)

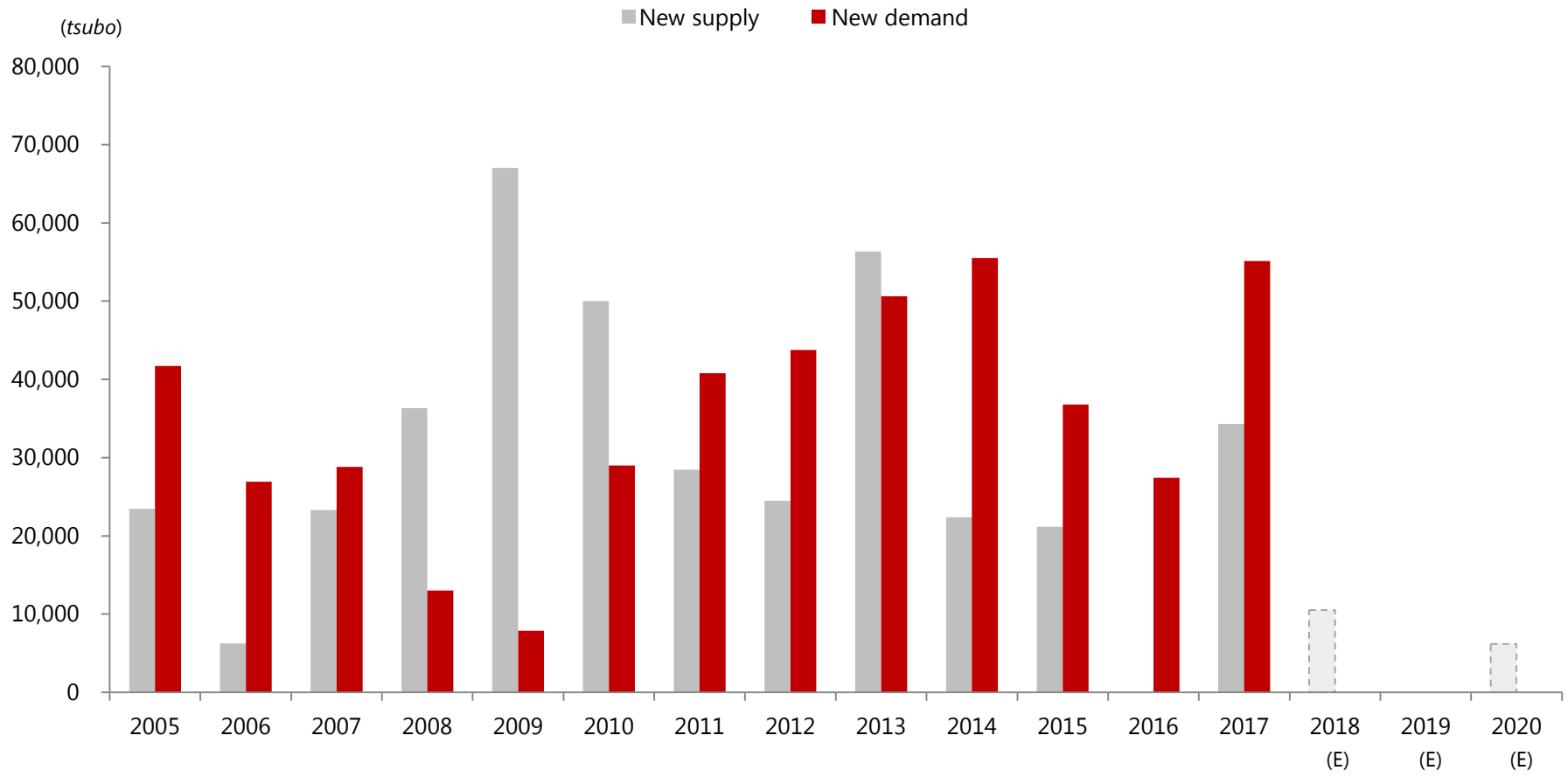
Average rent and vacancy rate of Osaka business districts



Source: Prepared by the Asset Manager based on the data obtained from CBRE K.K.

Office market data 4 (Osaka)

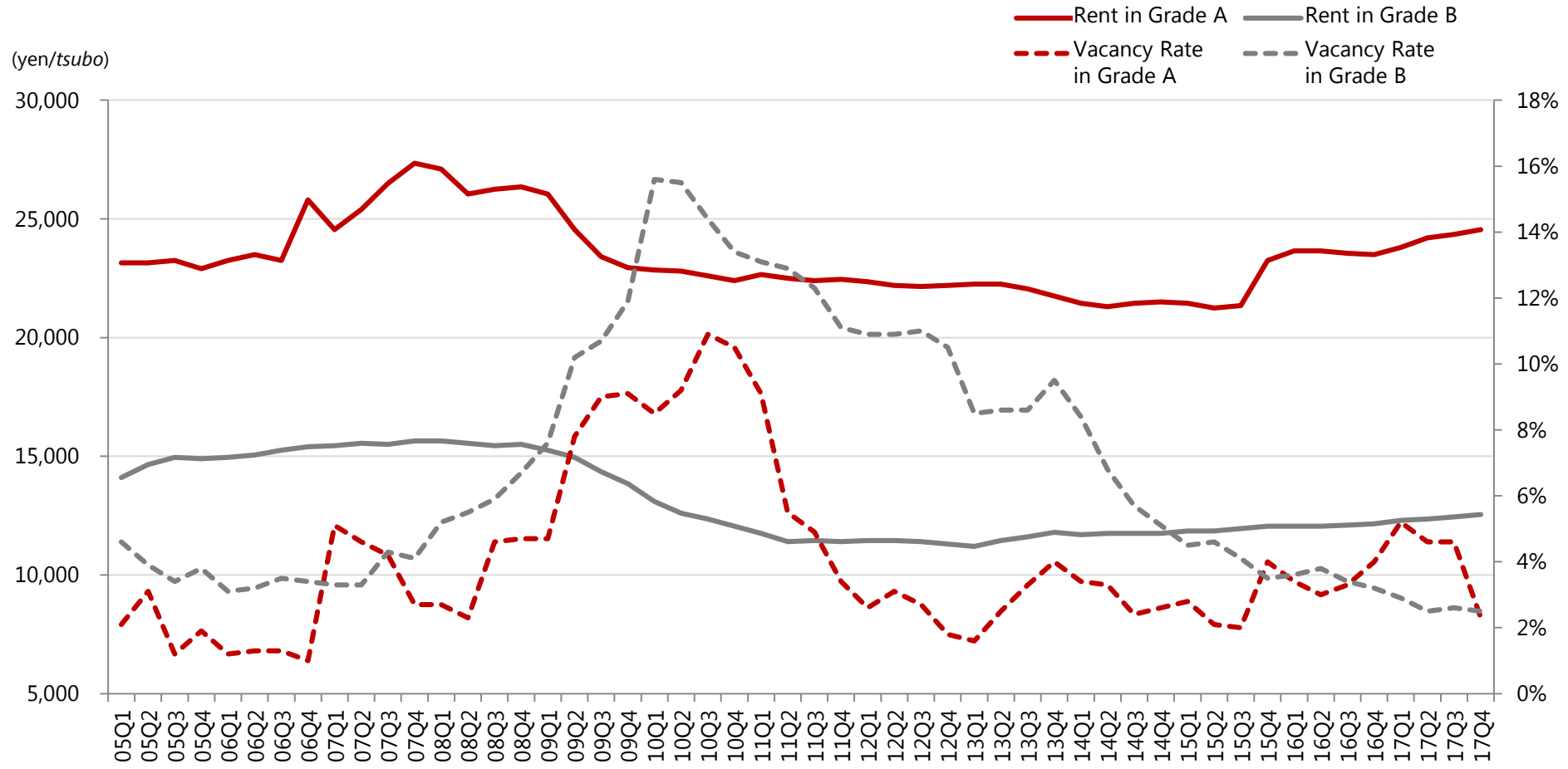
Supply and demand of Osaka business districts



Source: Prepared by the Asset Manager based on the data obtained from CBRE K.K.

Office market data 5 (Nagoya)

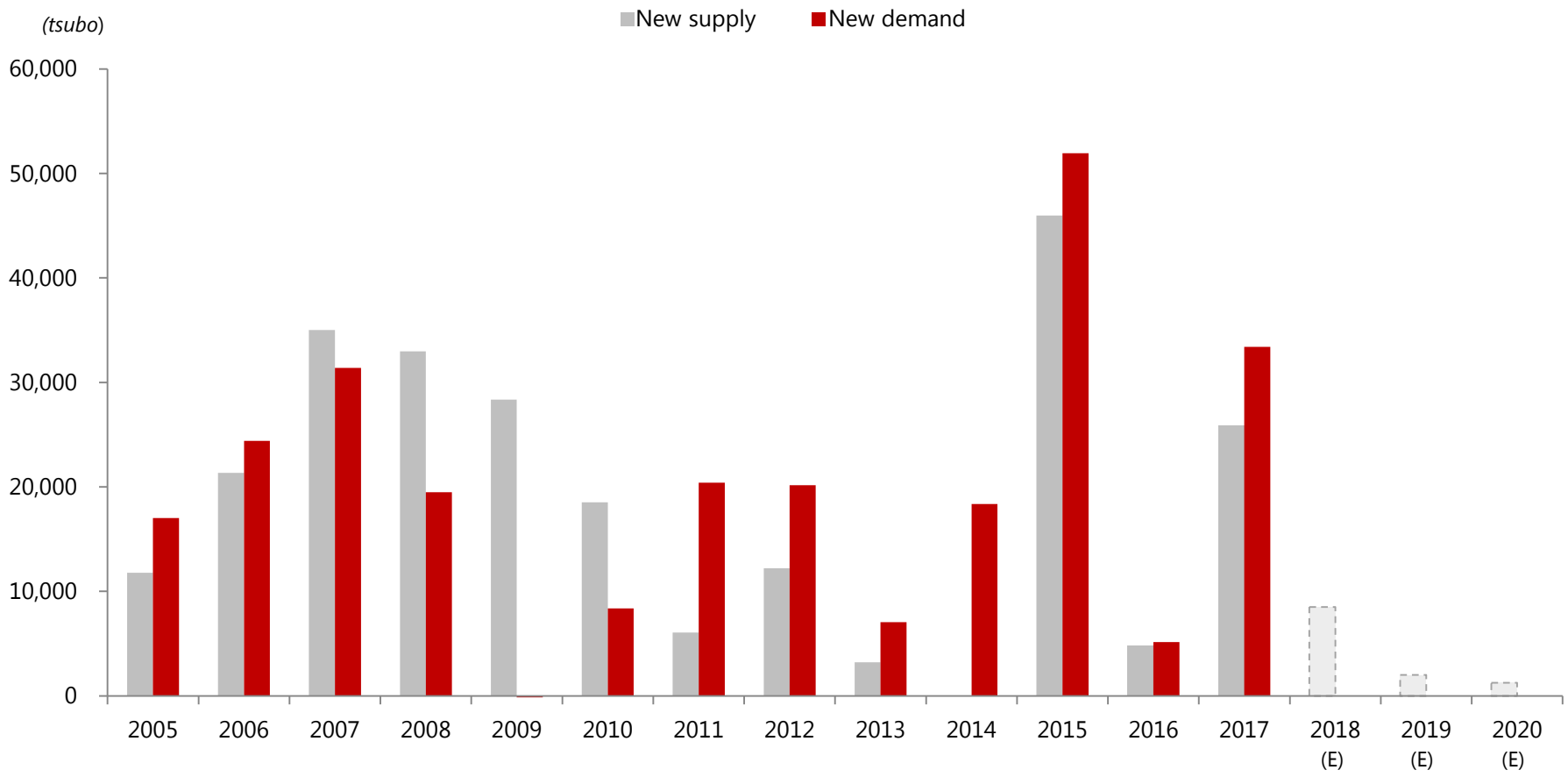
Average rent and vacancy rate of Tokyo



Source: Prepared by the Asset Manager based on the data obtained from CBRE K.K.

Office market data 6 (Nagoya)

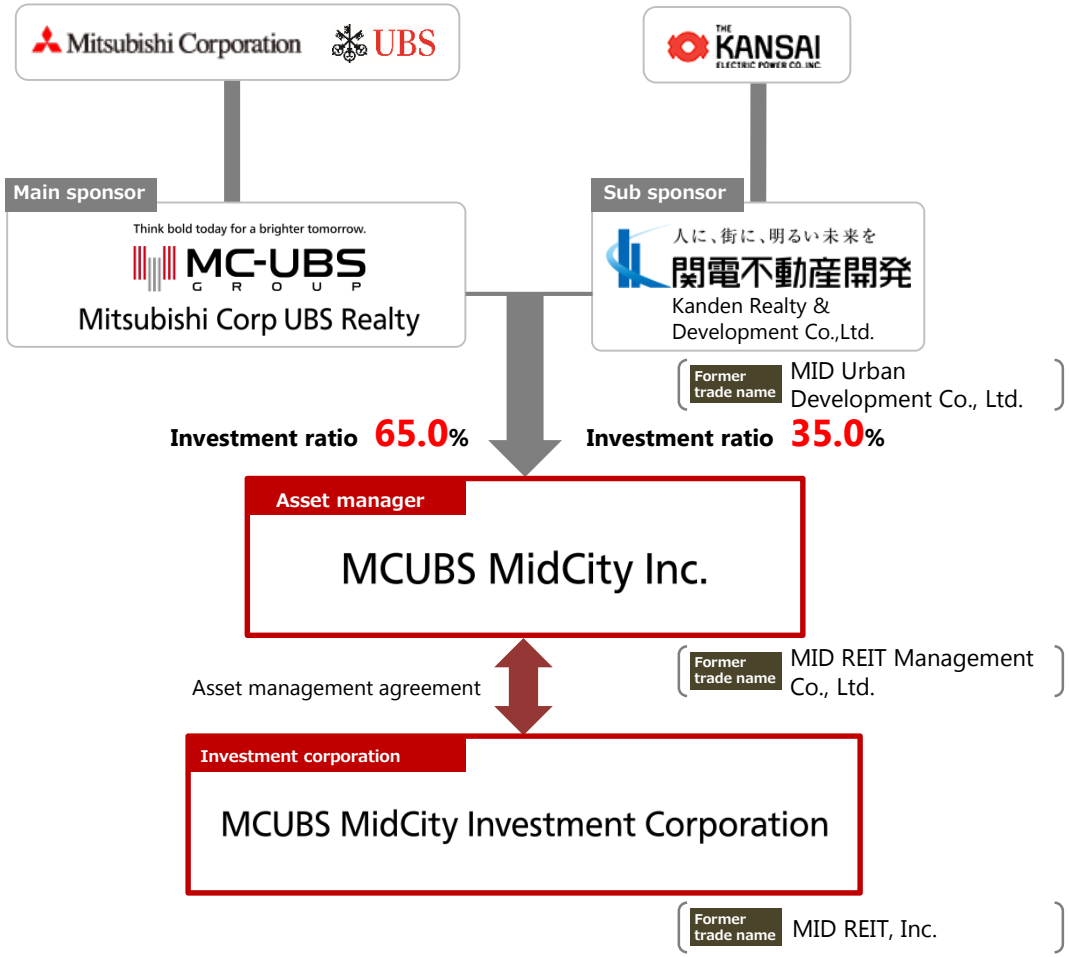
Supply and demand of Nagoya business districts



Source: Prepared by the Asset Manager based on the data obtained from CBRE K.K.

7. OVERVIEW OF MCUBS MIDCITY

Overview of MCUBS MidCity Investment Corporation



MID REIT, Inc.

2005 Sep.	MID Urban Development Co., Ltd. solely established MID REIT Management Co. Ltd.
2006 Aug.	MID REIT, Inc. listed
2009 Dec.	The Kansai Electric Power Company, Incorporated became the largest shareholder of MID Urban Development Co., Ltd.

MCUBS MidCity Investment Corporation

2015 Apr.	Mitsubishi Corp.-UBS Realty Inc. acquired 65% of interest in MID REIT Management Co., Ltd. and the asset management firm was renamed to MCUBS MidCity Inc.
2015 Jun.	The trade name of MID REIT Inc. was changed to 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

	Three major metropolitan areas	Government-designated cities and other major cities as well as abroad, excluding the three major metropolitan areas
Investment Rate	70%or more	30%or less

Type

	Office	Real estate other than office properties
Investment Rate	70%or more	30%or less

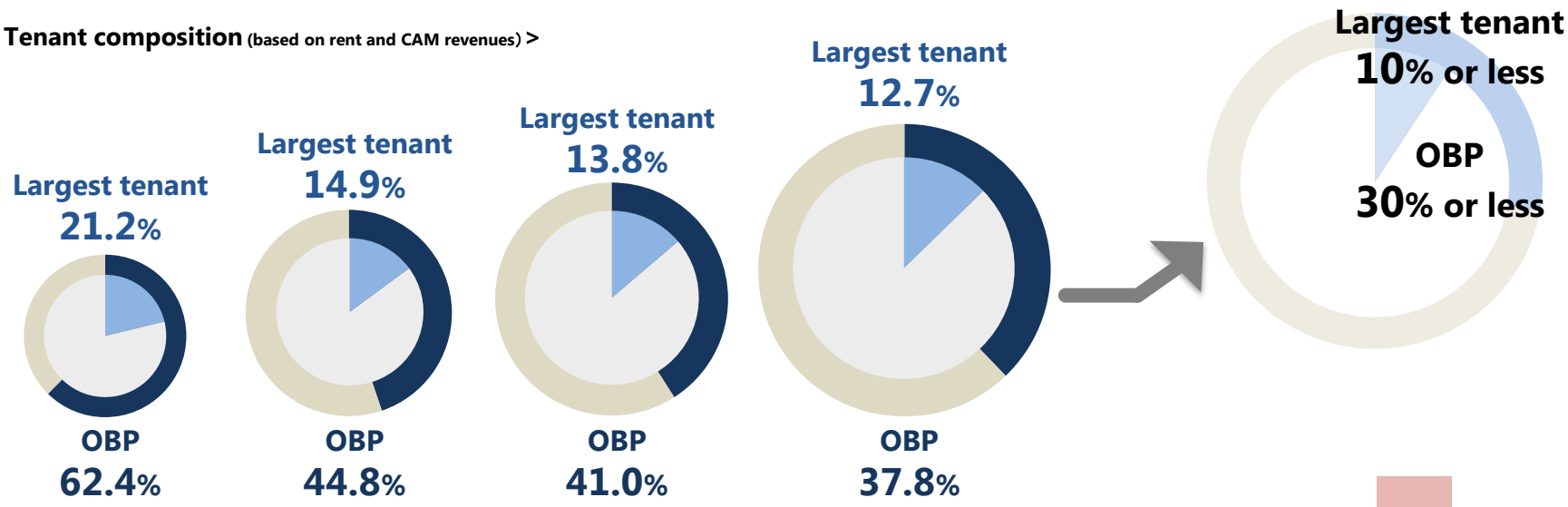
* ex. commercial facilities and industrial real estate

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

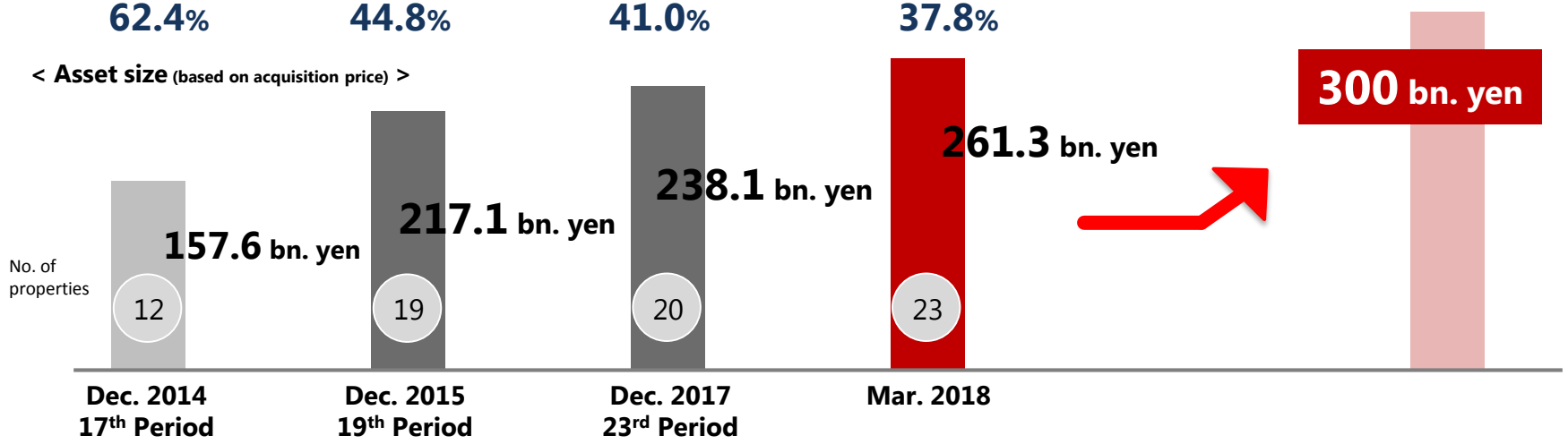
Medium-term portfolio strategy

Asset size and tenant composition

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

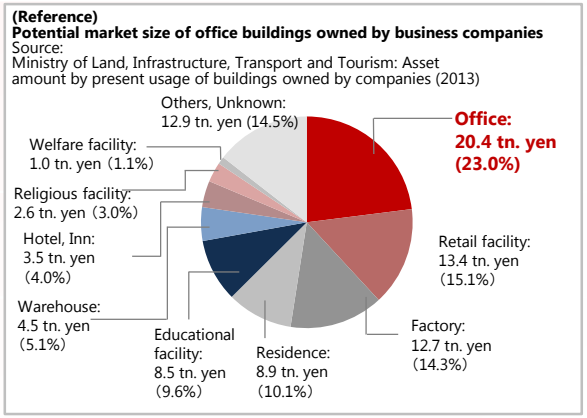


< Asset size (based on acquisition price) >



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	Mitsubishi Corp UBS Realty (Think bold today for a brighter tomorrow. MC-UBS GROUP)		Sumitomo Fudosan Ueno Bldg. No.6; Cube Kawasaki; Higashi-Nihombashi Green Building; Yoshiyasu Kanda Bldg.; M-City Akasaka 1-chome Bldg.	Nagoya Lucent Tower (Slient partnership interest); Sendai Capital Tower; Shibuya Sakuragaoka Square; Sasazuka Center Bldg.; SSP Bldg.; USC Bldg. New
	Mitsubishi Corporation		G-Square Shibuya Dogenzaka; Yokohama Creation Square	
	UBS			
Sub Sponsor	関電不動産開発 (人に、街に、明るい未来を) Kanden Realty & Development Co.,Ltd.			



Selective acquisitions by leveraging sponsor's expertise

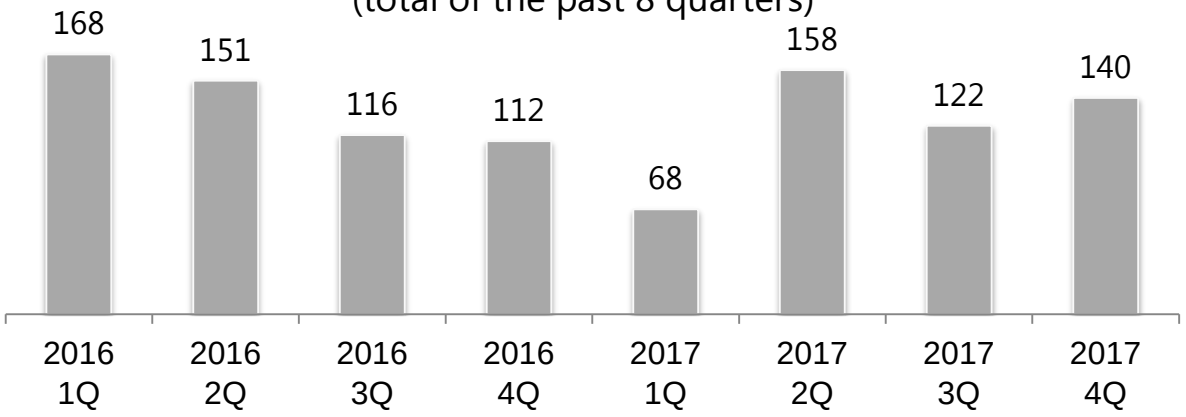
Think bold today for a brighter tomorrow.
MC-UBS GROUP
Mitsubishi Corp UBS Realty

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

人に、街に、明るい未来を
関電不動産開発
Kanden Realty & Development Co.,Ltd.

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

Total No. of properties the information of which was provided by sponsors: **1,035**
(total of the past 8 quarters)



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)

PFA21 Principles for Financial Action for the 21st Century

Signatory of: PRI Principles for Responsible Investment

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)"
- Support for UNHCR

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

MCUBS MidCity received the highest grade "Green Star" for two consecutive years in 2017, and was awarded Four Stars at GRESB Rating

GRESB ★★★★☆ 2017

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.

DBJ Green Building 2016

BELS Certification

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.

BELS この建物のエネルギー消費量 24 %削減 2016年12月27日交付 国土交通省告示に基づく第三者認証

CASBEE Property Appraisal

Appraisal of Rank A

Two properties were certified for their environmental performances

・G-Square Shibuya Dogenzaka
・Higobashi MID Bldg.

建築物総合環境性能評価認証票 ★★★★ CASBEE 既存 2013年7月 G SQUARE 株式会社ERIソリューション

Establishment of Disclosure Regime

Renewal of website

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

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

TOP page

Mobile site

Portfolio map

Awards

Website Quality Ranking Survey among All Listed Companies in Japan (Conducted by Nikko Investor Relations Co., Ltd.)

FY2016
Candidates: 3,688 listed companies

- ★ **AA Website(156th place overall)**
- ★ **AA Website (5th place REIT)**

FY2017
Candidates: 3,713 listed companies

- ★ **AAA Website (42th place overall)**
- ★ **AA Website (2nd place REIT)**

Overseas Property Investment

Decided NOT to invest in overseas properties

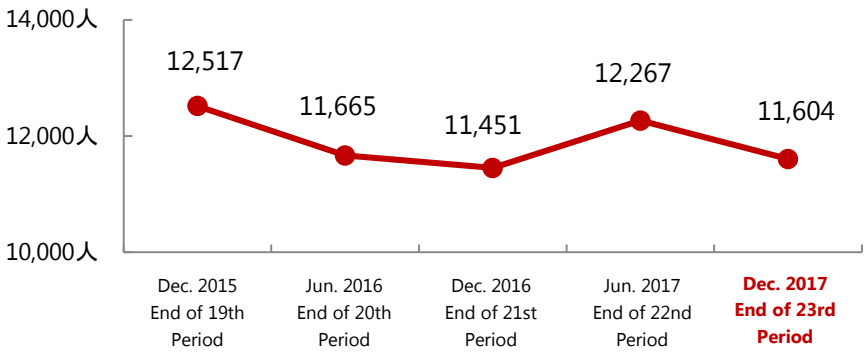
What we did
• Detailed examination in potential investments in office properties outside Japan • Verification of a potential investment scheme from legal, tax and accounting perspectives • Identification of potential investment targets and their economics

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

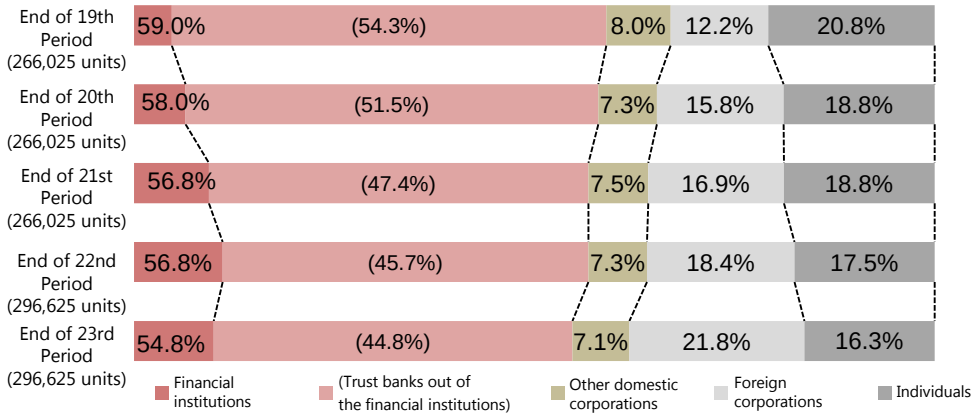
Overseas Property Investment Policy
• Decided NOT to invest in overseas properties in the foreseeable future • Took account of a potential risk that additional risk premiums with overseas investment may hinder the growth of unitholders' value • MCUBS MidCity is to focus on unitholders' value creation 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

Unitholder details

No. of unitholders



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



Major unitholders

Rank	Name	Dec. 2017 (End of 23rd Period)		Difference from 22nd Period End
		No. of units held	Share (%)	
1	Japan Trustee Services Bank, Ltd. (Trust Account)	55,856	18.83%	- 1,680
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	42,175	14.21%	+ 7,279
3	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	17,078	5.75%	- 9,094
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	12,892	4.34%	+ 799
5	Kanden Realty & Development Co.,Ltd.	9,200	3.10%	0
6	SIX SIS LTD.	8,255	2.78%	- 590
7	THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	6,624	2.23%	+ 2,512
8	STATE STREET BANK AND TRUST COMPANY 505012	5,321	1.79%	+ 2,690
9	Mitsubishi Corporation	4,200	1.41%	0
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,861	1.30%	+ 194
	Total	165,462	55.78%	-

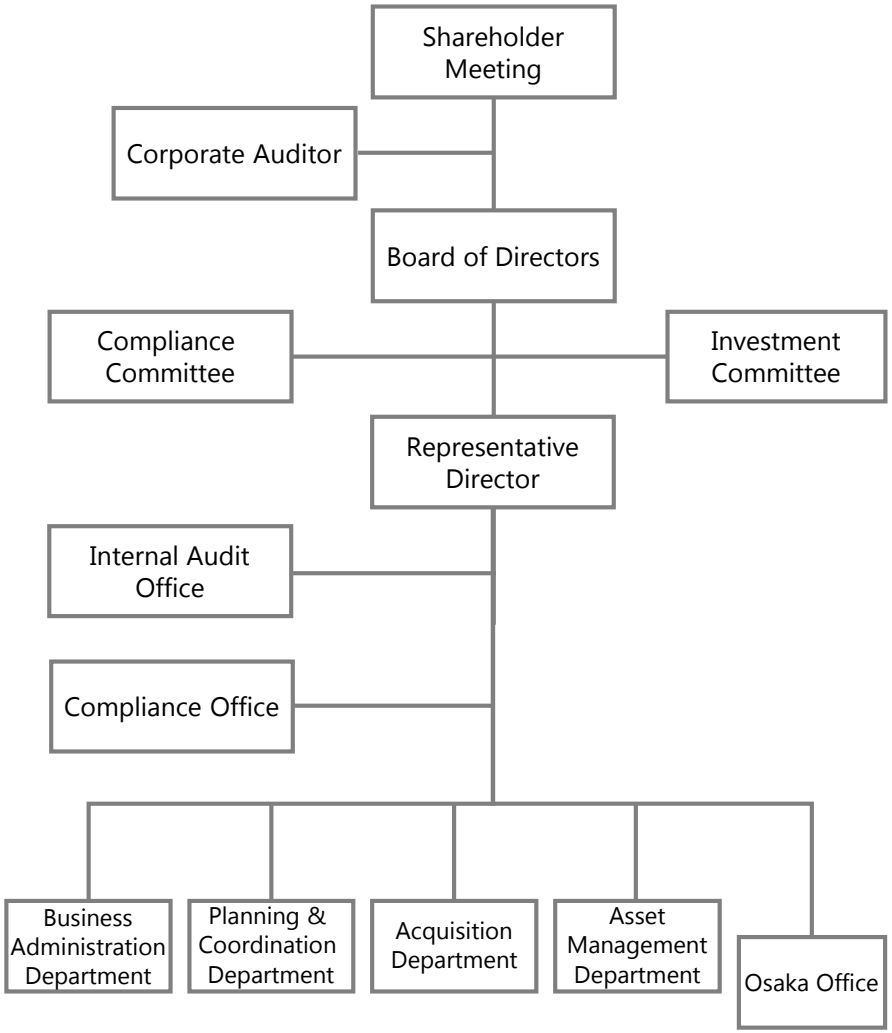
Note: Ratio of number of units owned to total number of units issued is calculated by rounding to the nearest second decimal place.

Overview of asset management company

Company overview (as of Feb. 21, 2018)

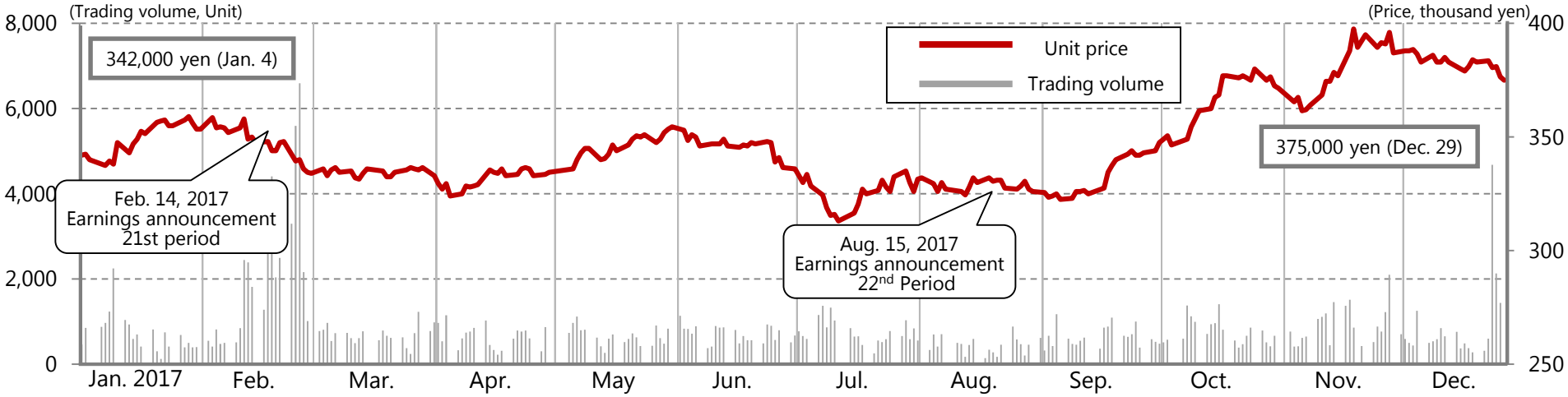
Name	MCUBS MidCity Inc.	
Location	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	
Establishment	Sep. 1, 2005	
Capital	210 mn. yen	
Shareholders	Mitsubishi Corp. - UBS Realty Inc. ：65% Kanden Realty & Development Co.,Ltd. ： 35%	
No. of employees	24	
Officers	President & CEO & Representative Director	Toyota Watanabe
	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 Isone (Corporate Auditor (full time), Mitsubishi Corp.-UBS Realty Inc.)

Structure (as of Feb. 21, 2018)

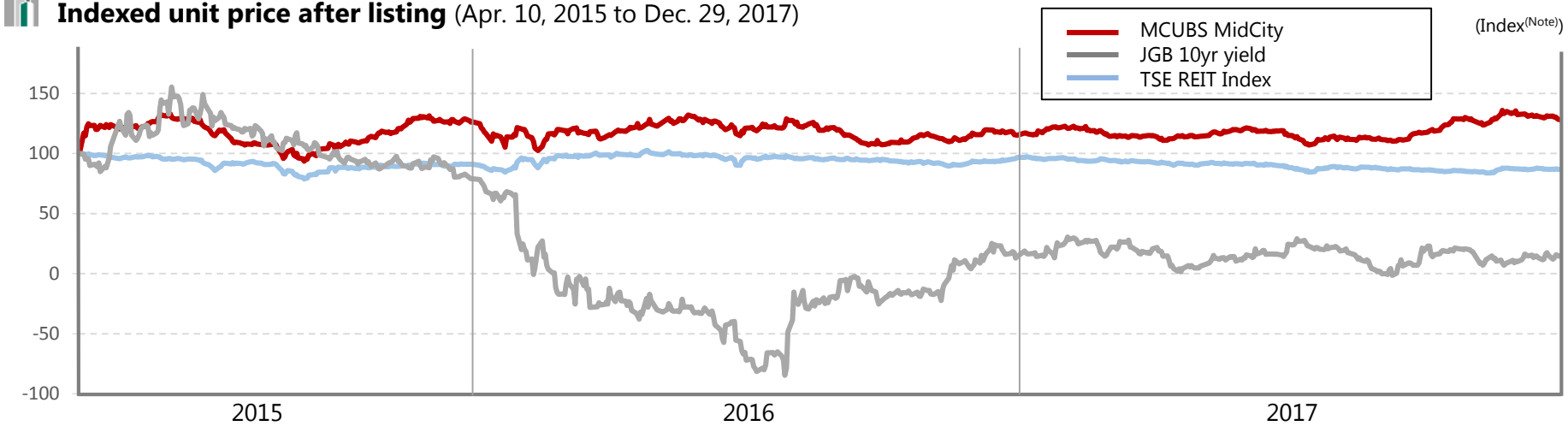


Historical unit price

Unit price and trading volume for the past year



Indexed unit price after listing (Apr. 10, 2015 to Dec. 29, 2017)



Note: TSE REIT Index, JGB 10yr yield and MCUBS MidCity's unit price are indexed to 100, as at the price on Apr. 10 2015

Source: Thomson Reuters

Think bold today for a brighter tomorrow.

MC-UBS GROUP

MCUBS MidCity Investment Corporation

Disclaimer

- This material main 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)