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For Translation Purpose Only

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Notice Regarding Revision of Business Results and Distributions Forecast for the 19th Period Ending December 31, 2015

MCUBS MidCity Investment Corporation (hereafter “MCUBS MidCity”) announces that it has revised its business results and distributions forecast for the fiscal period ending December 31, 2015 (19th Fiscal Period: July 1, 2015 to December 31, 2015) announced on August 18, 2015.

1. Revised Business Results and Distributions Forecast for Fiscal Period Ending December 31, 2015 (19th Fiscal Period: July 1, 2015 to December 31, 2015)

	Operating revenue (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Previous forecast (A)	6,612	2,373	1,797	1,795	6,750	0
Revised forecast (B)	6,627	2,471	1,904	1,902	7,150	0
Difference (B – A)	15	97	106	106	400	—
Percentage change	0.2%	4.1%	5.9%	5.9%	5.9%	—

Notes:

- Number of investment units issued and outstanding at the end of the 19th fiscal period is 266,025 units.
- The aforementioned forecasts are current as of the date of this release. Accordingly, actual distribution per unit is subject to change. On this basis, MCUBS MidCity does not guarantee payment of the forecast distribution per unit.
- MCUBS MidCity reserves the right to revise the aforementioned forecasts in the event that a significant discrepancy between actual results and forecasts is anticipated.
- Amounts below the specified unit are rounded down. Percentage figures are rounded to the nearest first decimal place.

2. Reason for the Revision

MCUBS MidCity has determined to revise the business results and distribution forecast because the estimated distribution per unit for the fiscal period, ending December 31, 2015 (19th period) is likely to show a difference of 5% or more from the distribution forecast that was announced on August 18, 2015.

The main factors for the revision are that utility expenses under operating expenses are expected to decrease by 102 million yen compared to the assumptions used for the previously announced forecast and operating income increased by 22 million yen due to the increase in rent revenue under operating revenue.

There is no change, as of today, to the business results and distributions forecast for the 20th fiscal period ending June 2016 announced on August 18, 2015.

<Attachment>

Attachment: Assumptions Regarding Business Results Forecast for the 19th Fiscal Period (July 1, 2015 to December 31, 2015)

Assumptions Regarding Business Results Forecast
for the 19th Fiscal Period (July 1, 2015 to December 31, 2015)

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> • Assumes there will be no changes (new property acquisition, sale of existing property, etc.) in MCUBS MidCity's assets under management until the end of the 19th fiscal period from a total of 18 properties (including acquisition of silent partnership interests) it owns as at October 29, 2015. • The actual assets under management may vary due to changes in the property portfolio and other factors.
Operating revenue	<ul style="list-style-type: none"> • Rent revenue (rent revenue – real estate) is calculated based on lease agreements effective as at October 29, 2015 with due consideration given to such factors as the market environment, the characteristics and market competitiveness of individual properties, status of individual tenants. • Operating revenue is calculated assuming there are no tenant defaults or non-payments of rent by tenants.
Operating expenses	<ul style="list-style-type: none"> • Of the expenses related to rent business, which constitute a principal component of operating expenses, expenses other than depreciation are calculated based on historical data and reflecting seasonal and other factors that may cause fluctuations in expenses. • Property management fees in the amount of ¥777 million are expected for the 19th fiscal period. • Utilities expenses in the amount of ¥730 million are expected for the 19th fiscal period. • Property taxes, etc. in the amount of ¥509 million are expected for the 19th fiscal period. • The amount expected to be necessary for building repair expenses in the respective fiscal period is recorded as expenses. MCUBS MidCity expects repair expenses for the 19th fiscal period will be ¥196 million. Furthermore, please note that actual repair expenses may differ significantly from the forecasted amounts due to various reasons, including repair expenses possibly arising from damages, etc. to buildings due to unexpected causes. • Depreciation is calculated based on the straight-line method inclusive of associated costs and future additional capital expenditures. MCUBS MidCity estimates ¥1,250 million for the 19th fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> • Interest expenses of ¥441 million are expected for the 19th fiscal period. • Borrowing related expenses of ¥115 million are expected for the 19th fiscal period.
Interest-bearing liabilities	<ul style="list-style-type: none"> • Assumes the balance of interest-bearing liabilities outstanding will be ¥94,350 million at the end of the 19th fiscal period.
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> • Assume the number of investment units will be 266,025 units of investment units issued and outstanding in total as at October 29, 2015, and no additional investment units will be issued after October 29, 2015 through to December 31, 2015.
Distribution per unit	<ul style="list-style-type: none"> • Distribution per unit is calculated assuming the cash distribution policy set forth in the Articles of Incorporation of MCUBS MidCity. • Distribution per unit could change due to various factors, including changes in assets under management, fluctuations in rent income associated with tenant changes, etc., incurrence of unexpected repairs, fluctuations in interest rates, and the issuance of additional investment units.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> • Assumes there will be no cash distributions in excess of earnings (distributions in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • Assumes no changes will be made to laws, the tax system, accounting standards, listing regulations, rules of The Investment Trusts Association, Japan, etc. affecting the aforementioned forecasts. • Assumes there will be no major and unforeseen changes in general economic trends, real estate market conditions, etc.