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For Translation Purpose Only

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Notice Concerning Changes in Major Shareholders and Specified Affiliated Companies at Asset Management Company

MCUBS MidCity Investment Corporation (hereafter “MCUBS MidCity”) announces that, with regard to its asset management company, MCUBS MidCity Inc. (hereafter “the Asset Management Company”), there will be changes in the major shareholders and specified affiliated companies of the Asset Management Company, effective on April 1, 2016, as described below.

1. Background of the Changes

We have received notice from MID Urban Development Co., Ltd., one of the shareholders of the Asset Management Company, that alongside the restructuring of the real estate business of the Kansai Electric Power Company Group, the parent company of MID Urban Development Co., Ltd., an absorption-type merger is scheduled to be implemented with Kanden Fudosan Co., Ltd. as the surviving company and MID Urban Development Co., Ltd. as the absorbed company and that the trade name is scheduled to be changed to Kanden Realty & Development Co., Ltd. The assets and liabilities owned by MID Urban Development Co., Ltd. will be passed on to Kanden Realty & Development Co., Ltd. through the merger.

Although this does not impact the Asset Management Company’s operational structure and the ratio of owned stocks in the total outstanding stocks (35%), MID Urban Development Co., Ltd. which is a major shareholder and a specified affiliated company will change to Kanden Realty & Development Co., Ltd.

2. Scheduled Date of the Change

April 1, 2016

3. Overview of the Major Shareholders and Specified Affiliated Companies after the Changes

Name	Kanden Realty & Development Co., Ltd. (merger and trade name change scheduled to be implemented on April 1, 2016)	
Location	6-2-27 Nakanoshima, Kita-ku, Osaka (Relocation scheduled for May 2016)	
Representative	Tomoaki Nakamori, Representative Director and President (planned)	
Main business	Housing sales business, real estate leasing business, investment and development business, etc.	
Capital	¥810 million	
Establishment	May 1957	
Sales	¥63.2 billion (Note)	
Major shareholders and stock holding ratio	The Kansai Electric Power Company, Incorporated 100.0%	
Relationship with MID REIT or the Asset Management Company	Capital ties	The company is a major shareholder of the Asset Management Company, owning 35.0% of outstanding stocks as well as 3.46% of MCUBS MidCity’s total investment units issued and outstanding.
	Personnel ties	Seven of the Asset Management Company’s officers and employees are seconded persons from the company (as of today).
	Business ties	The company has concluded a warehouse lease agreement and an associated agreement with MCUBS MidCity. Also, in the past three years since the last day of the 18th fiscal period ended June 2015, the company has made acquisition and sales transactions with MCUBS MidCity for

		trust beneficiary interest in entrusted real estate, etc., and the total amount of compensation paid and received for these transactions amounts to 20% or more of the total amount of compensation that MCUBS MidCity paid and received for acquisition and sale of real estate and trust beneficiary interest in entrusted real estate during the period.
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(Note) The figure is the simple sum of sales of MID Urban Development Co., Ltd. and Kanden Fudosan Co., Ltd. as of the end of March 2015.

4. Future Outlook

- (1) Changes to the asset management agreement concluded by MCUBS MidCity
No changes are planned as of today.
- (2) Changes to the business structure of the Asset Management Company
No changes are planned as of today.
- (3) Changes to the decision-making mechanism for investment management
No changes are planned as of today.
- (4) Changes to the rules on compliance and interested parties, etc.
No changes are planned as of today.
- (5) Changes to investment policy
No changes are planned as of today.
- (6) Changes to agreements with the sponsors, etc.
No changes are planned as of today.
- (7) Prospect of MCUBS MidCity continuing to be listed
No changes are planned as of today.
- (8) Future policy, etc.
No changes are planned with regards to MCUBS MidCity's and the Asset Management Company's trade name, management policy, etc. as a result of this change.