

Think bold today for a brighter tomorrow.



Investment Corporation

MCUBS MidCity Investment Corporation

(Tokyo Stock Exchange Company Code: 3227)

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Asset Management Company

MCUBS MidCity Inc.

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MCUBS MidCity

Business Update

(Update on Leasing Status, Enhancement of Unitholder Values)

October 26, 2017

Securities Code **3227**

MCUBS MidCity Investment Corporation

Update on Leasing Status

Lease Agreement with Panasonic (Twin21)

- Concluded a memorandum to change lease agreement prior to current contract expiry
- Achieved **upward rent revision** and **extension of agreement period**
 - Revenue growth contribution equivalent to **+ 225 yen per unit** (+45yen after unit split) after July 1, 2018
- Separately concluded a 5 year Green lease agreement in July 2017

Main details of the Memorandum

	Before	After
Agreement Period	April 1, 2015 to March 31, 2018	October 18, 2017 to March 31, 2022
	3 years	▶ approximately 4.5 years
Annual Rent*	1,791 million yen	1,924 million yen
		▶ approximately +7.4%
Remarks	—	Non-cancellable during the agreement period The rent will be revised on July 1, 2018

* Rounded down the fraction of less than one million yen

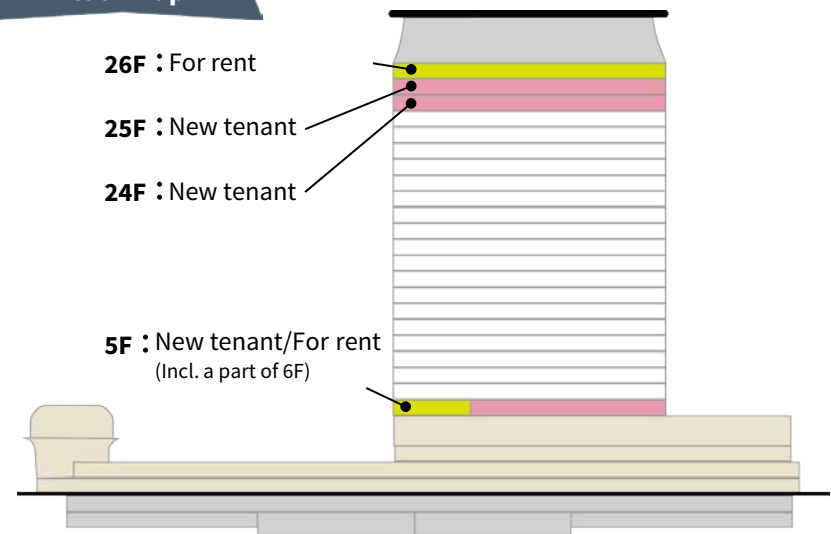
cf. "Notice Concerning Conclusion of Memorandum to Change Lease Agreement on Leased Units with Panasonic Corporation" released on October 18, 2017

"Notice Concerning Conclusion of Green Lease Agreement with Panasonic Corporation and Reception of Notice of Determination to Grant Subsidy" released on August 15, 2017

Leasing Update (Matsushita IMP Building)

- Asahi Group is to vacate 4 floors in September and October
- Signed leasing contracts with **3 new tenants to refill approximately 2.5 floors** of the vacated 4 floors
 - New contracts' revenue contribution equivalent to **+ 290 yen per unit** (+58yen after unit split)

Floor Map



cf. "Notice Concerning Change in Tenants" released on September 2, 2016

Enhancement of Unitholder Values



Investment Unit Split

Purpose

Broaden MCUBS MidCity’s investor base and increase the liquidity of the investment units, making an environment which enables investors to handle their investment more easily after this split

Summary

Record date	December 31, 2017
Method	5 for 1
Effective date	January 1, 2018
Number of investment units	Before: 296,625 units After: 1,483,125 units

- December 14, 2017 Publication of record date (scheduled)
- December 31, 2017 Record date
(The final trading day with rights at the Tokyo Stock Exchange is December 26, 2017.)
- January 1, 2018 Effective date

cf. “Notice concerning Investment Unit Split and Revision of Forecast Distribution per Unit”



Discussion on Unitholder Return Enhancement

Discussion with Investors

During investor meetings, we recognized that many institutional investors prefer “repurchase of own investment units” to “surplus cash distribution”

Unitholder return enhancement

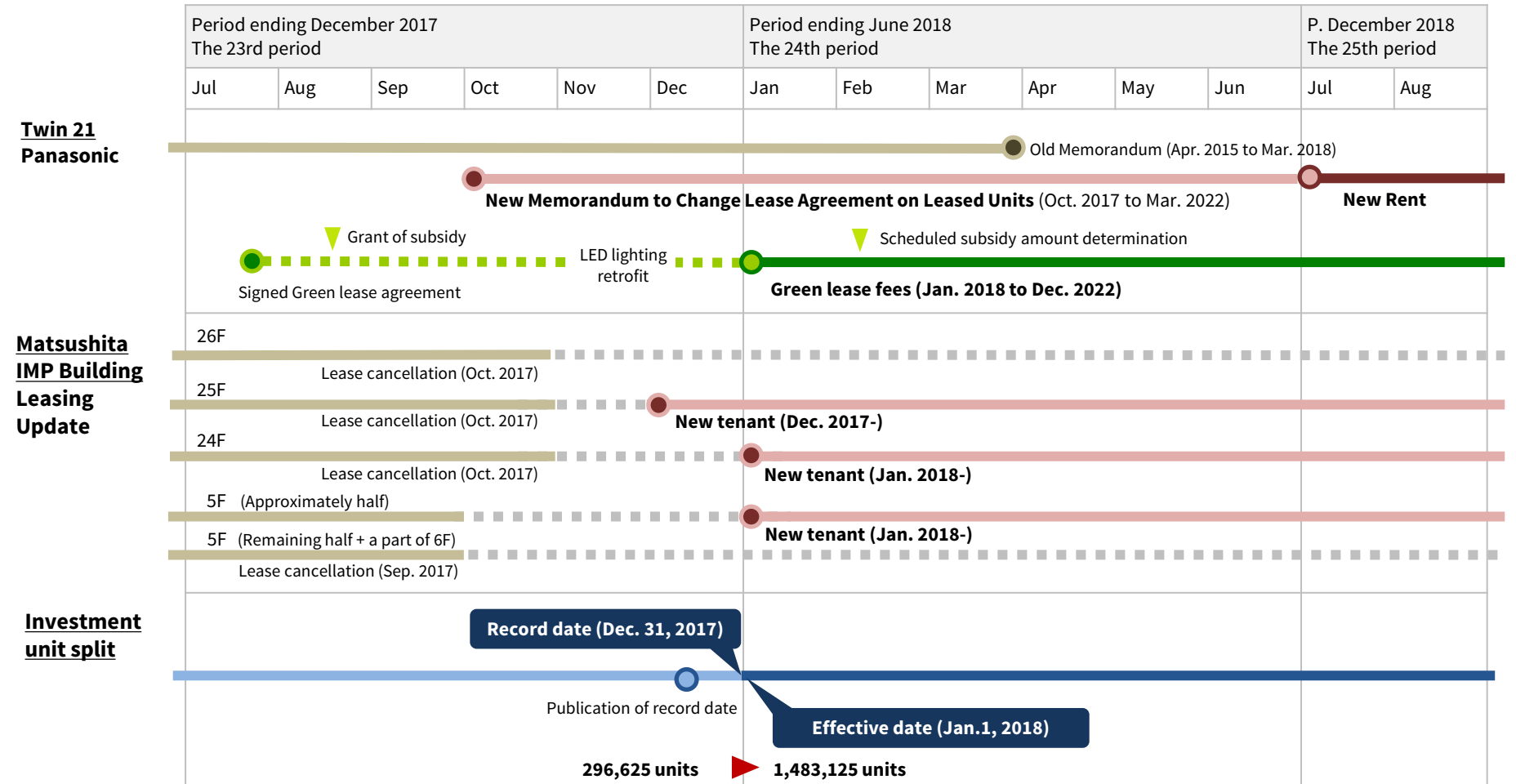
MCUBS MidCity is to consider enhancing unitholder returns through seeking further capital efficiency with considering the following conditions surrounding our investment corporation

1. Investment opportunities in high quality properties which will enhance portfolio quality
2. Financial stability and excess cash level
3. Price of investment unit
4. Compliance with legal/ regulatory requirements

Schedule



Events from 23rd to 25th period



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Disclaimer

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

Asset Management Company: MCUBS MidCity Inc.

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