MC-UBS GROUP

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MCUBS MidCity
Investment Corporation

July 26, 2018

To all concerned parties:

Investment Corporation
MCUBS MidCity Investment Corporation
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Notice Concerning Debt Financing

MCUBS MidCity Investment Corporation (hereafter "MCUBS MidCity") announced today that it has decided to obtain ¥15,300 million debt financing (hereafter "Borrowings") as described below.

１．Details of Borrowings

	Lender(s)	Amount outstanding	Debt term	Interest rate (Note 1, 2)		Execution date	Anticipated borrowing date	Method of borrowing, repayment of principal	Maturity date
Loan 1	Mizuho Bank, Ltd.	¥3,400 million	10 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.50%	July 26, 2018	July 31, 2018	Unsecured and unguaranteed, lump sum repayment	July 31, 2028
Loan 2	Aozora Bank, Ltd., Mizuho Trust & Banking Co., Ltd.	¥1,500 million	10 years	Fixed	To be determined				
Loan 3	Sumitomo Mitsui Trust Bank, Limited	¥2,900 million	8 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.45%				July 31, 2026
Loan 4	MUFG Bank, Ltd.	¥2,000 million	8 years	Fixed	To be determined				
Loan 5	Resona Bank, Limited	¥800 million	8 years	Fixed	To be determined				
Loan 6	The Senshu Ikeda Bank, Ltd., The Nishi-Nippon City Bank, Ltd., The Hyakugo Bank, Ltd.	¥1,800 million	7 years	Fixed	To be determined				July 31, 2025
Loan 7	Sumitomo Mitsui Banking Corporation	¥2,900 million	4.5 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.275%				Jan 31, 2023
	Total / Average remaining borrowing period	¥15,300 million	7.9 years (Note 3)						

Notes:
1. For Loan 1 and 3, although borrowing contracts are based on variable interest rates, we intend to enter into interest rate swap agreements to fix the interest rates on or before the anticipated borrowing dates. The base interest rate applied to the calculation period of Loan 1, 3 and 7 interests to be paid on the interest payment date will be the 3-month Japanese yen TIBOR on a day two business days prior to such interest payment date. If such calculation period is less than three months, the base interest rate will be calculated using the methodology stipulated in the loan agreement. For JBA Japanese yen TIBOR, please check the website of JBATA (http://www.jbatibor.or.jp/). Interest rates applied to Loan 1 to 6 will be notified later upon determination.
2. Interest payment dates are the last business days of January, April, July and October of every year and the principal repayment date (the next business day if the corresponding date falls on a non-business day, and the preceding business day if such next business day is included in the next month).
3. Average remaining borrowing period is calculated using the weighted average of the borrowing amounts.

2. Reason for Borrowings

The fund will be used for the repayment of ¥15,300 million borrowings which will be due on July 31, 2018. MCUBS MidCity will strive to improve the stability of its financial base by extending borrowing periods.

(Reference: Details of borrowings to be repaid)

	Lender(s)	Amount outstanding	Debt term	Interest rate (Note 1, 2)		Borrowing date	Method of borrowing, repayment of principal	Maturity date
Loan A	Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd.	¥4,800 million	5 years	Fixed	1.297% (Note 1)	July 31, 2013	Unsecured and unguaranteed, lump sum repayment	July 31, 2018
Loan B (Note 2)	Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Aozora Bank, Ltd. Resona Bank, Limited, The Senshu Ikeda Bank, Ltd., The Nishi-Nippon City Bank, Ltd., Mizuho Trust & Banking Co., Ltd., The Hyakugo Bank, Ltd.	¥10,500 million	3 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.40%	July 31, 2015		
	Total / Average remaining borrowing period	¥15,300 million	3.6 years (Note 3)					

Notes:
1. The loan agreement provides for a floating interest rate. We concluded an interest-rate swap agreement to fix the interest rate.
2. Mitsubishi UFJ Trust and Banking Corporation transferred its domestic corporate loan-related businesses to MUFG Bank, Ltd. through the absorption-type corporate split on April 16, 2018, and MUFG Bank, Ltd. has succeeded the position of Mitsubishi UFJ Trust and Banking Corporation as the lender to domestic corporate loans.
3. Average remaining borrowing period is calculated using the weighted average of the borrowing amounts.
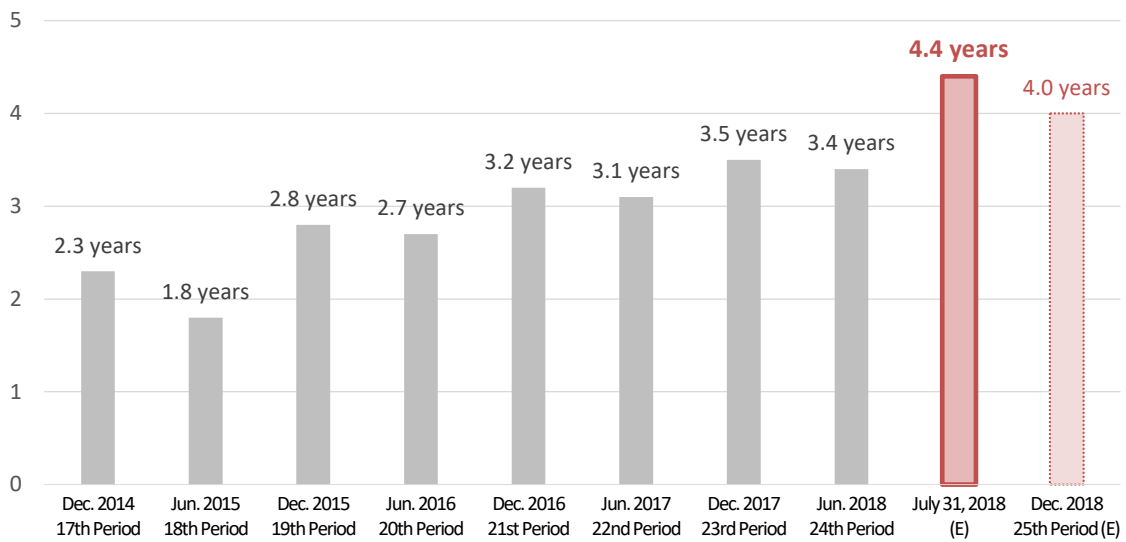
3. Status of interest-bearing debt after the Borrowings (As of July 31, 2018)

(Millions of yen)

		Before	After	Change
	Short-term borrowings	0	0	—
	Long-term borrowings	107,975	107,975	—
Total borrowings		107,975	107,975	—
Investment corporation bonds		8,000	8,000	—
Total interest- bearing debt		115,975	115,975	—

<Reference>

Average remaining years of the interest-bearing debt [Note 1]

Notes:
1. Average remaining years of the interest-bearing debt is using the weighted average of remaining years of the interest-bearing debts until maturity based on the respective balance of the interest-bearing debts.
2. As of today, the remaining years of the interest-bearing debt of July 31, 2018 and Dec. 2018 (25th period) are calculated assuming that there is no new borrowing, refinancing and prepayment after the Borrowings to December 31, 2018. A difference may be created between the assumptions and actual conditions according to changes in situation of debt financing etc., and as a result, the actual remaining years of the interest-bearing debt may differ from the above forecast.

This English language release is for informational purposes only, and the Japanese language release should be referred to as the original.