

July 27, 2018

To all concerned parties:

Investment Corporation

MCUBS MidCity Investment Corporation

Representative: Katsuhiko Tsuchiya, Executive Director

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Asset Management Company

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Notice Concerning Debt Financing (Determination of Interest Rates)
and Conclusion of Interest-Rate Swap Agreements

Regarding new debt financing in the press release “Notice Concerning Debt Financing” dated July 26, 2018, MCUBS MidCity Investment Corporation announced that the applicable interest rates for the borrowings have been determined as described below.

Additionally, it also announced that it has concluded interest-rate swap agreements in connection with the new borrowings which were planned to enter into on July 31, 2018, as described below.

1. Determination of interest rate

Loan	Lender(s)	Amount outstanding	Debt term	Interest rate		Anticipated borrowing date	Method of borrowing, repayment of principal	Maturity date
					(Note)			
Loan 2	Aozora Bank, Ltd., Mizuho Trust & Banking Co., Ltd.	¥1,500 million	10 years	Fixed	<u>1.01880%</u>	July 31, 2018	Unsecured and unguaranteed, lump sum repayment	July 31, 2028
Loan 4	MUFG Bank, Ltd.	¥2,000 million	8 years	Fixed	<u>0.77000%</u>			July 31, 2026
Loan 5	Resona Bank, Limited	¥800 million	8 years	Fixed	<u>0.83380%</u>			July 31, 2025
Loan 6	The Senshu Ikeda Bank, Ltd., The Nishi-Nippon City Bank, Ltd., The Hyakugo Bank, Ltd.	¥1,800 million	7 years	Fixed	<u>0.74250%</u>			

Note:

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).

2. New borrowings in connection with the interest-rate swap agreements

Loan	Lender(s)	Amount outstanding	Debt term	Interest rate		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 31, 2018	Unsecured and unguaranteed, lump sum repayment	July 31, 2028
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

3. Details of the interest-rate swap agreements

		Loan 1	Loan 3
1. Guarantor		Nomura Securities Co.,Ltd.	Mizuho Bank, Ltd.
2. Estimated principal		¥3,400 million	¥2,900 million
3. Interest rate	Fixed interest payment	0.92250%	0.77700%
	Variable interest receipt	Base interest rate (JBA 3-month yen TIBOR) +0.50%	Base interest rate (JBA 3-month yen TIBOR) +0.45%
4. Contract start date		July 31, 2018	July 31, 2018
5. Contract end date		July 31, 2028	July 31, 2026
6. Interest payment dates		Fixed interest payment and variable receipt are due on the end of January, April, July and October of every year and on 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). The first payment date is October 31, 2018.	

Note:

The variable interest rate will be fixed at 0.92250% for Loan 1 and 0.77700% for Loan 3 with the interest-rate swap agreements.