

March 22, 2019

To all concerned parties:

Investment Corporation

MCUBS MidCity Investment Corporation

Representative: Katsuhiko Tsuchiya, Executive Director

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Asset Management Company

MCUBS MidCity Inc.

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Notice Concerning Conclusion of MOU on Merger by Asset Manager with
Mitsubishi Corp.-UBS Realty Inc.

MCUBS MidCity Investment Corporation (“MMI”) hereby announces that MCUBS MidCity Inc., MMI’s asset manager (“Asset Manager”), decided today to enter into a Memorandum of Understanding (the “MOU”) regarding an absorption-type merger in which Mitsubishi Corp.-UBS Realty Inc. (“MCUBSR”), the asset manager of Japan Retail Fund Investment Corporation (“JRF”) and Industrial & Infrastructure Fund Investment Corporation (“IIF”), will be the surviving company and Asset Manager will be the dissolving company (the “Merger”; the post-merger MCUBSR is referred to as “New MCUBSR”) as set forth below.

The Merger is with regards to Asset Manager and MCUBSR, and MMI does not plan to merge with any other investment corporations.

(Note) A merger agreement concerning the Merger (the “Merger Agreement”) will be executed only if the transfer of all Asset Manager’s shares held by Kanden Realty & Development Co., Ltd. to MCUBSR (the “Share Transfer”) is effectively implemented pursuant to the Share Transfer Agreement concluded by MCUBSR and Kanden Realty & Development Co., Ltd. on January 30, 2019. For details of the Share Transfer, please refer to “Notice Concerning Change in Major Shareholder of Asset Management Company” dated January 30, 2019.

1. Objective of the Merger

Asset Manager and MCUBSR decided to execute the MOU in order to integrate their respective know-how, experience, human resources, and so on through the Merger, stabilize operational foundations, and provide high-quality asset management services so that they can raise unitholder value for the investment corporations that entrust the management of assets to them and enhance their competitiveness.

2. Systems for Preventing Conflicts of Interest

As a result of the Merger, New MCUBSR will manage the assets of JRF, IIF, and MMI, and New MCUBSR plans to prevent conflicts of interest by distributing property information in accordance with rules on preferential consideration rights pertaining to investment information, which will be similar to those currently stipulated by MCUBSR.

Even after the Merger, New MCUBSR will continue to properly and strictly comply with applicable laws and regulations and internal rules relating to the prevention of conflicts of interest and will continue mutually independent asset management in order to maximize the unitholder value of each investment corporation.

3. Overview of the Merger

(1) Merger Schedule

MOU execution date	March 22, 2019
Board of Directors resolution (Approval of Merger Agreement) (Note)	April 12, 2019 (scheduled)
General Shareholders Meeting (MCUBSR) (Approval of Merger Agreement)	April 12, 2019 (scheduled)
Execution date of Merger Agreement	April 12, 2019 (scheduled)
Effective date of Merger	July 1, 2019 (scheduled)
Registration of Merger	Early July 2019 (scheduled)
Filing notification with the Prime Minister	Early July 2019 (scheduled)

(Note) As Asset Manager satisfies the requirements for a short-form merger specified in Article 796, Paragraph 1 of the Companies Act in relation to the Merger, Asset Manager will not convene a General Shareholders Meeting regarding the approval of the Merger.

(2) Method of the Merger

The Merger will be an absorption-type merger with MCUBSR as the surviving company and Asset Manager will dissolve after the merger. Contractual rights and duties relating to agreements to which Asset Manager is a party including the asset management agreement with MMI will be assumed by New MCUBSR.

(3) Allotment Relating to the Merger

MCUBSR will become the wholly-owning parent company of Asset Manager due to the Share Transfer on April 1, 2019 and will execute the Merger Agreement following the completion of the Share Transfer. Accordingly, MCUBSR will not allot shares or other property such as money to Asset Manager's shareholders in conjunction with the Merger.

4. Overview of Parties to the Merger

	Surviving Company	Dissolving Company
(1) Name	Mitsubishi Corp.-UBS Realty Inc.	MCUBS MidCity Inc.
(2) Location	Tokyo Building 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	Tokyo Building 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3) Name and title of representative	President & CEO Katsuji Okamoto	President & CEO Katsura Matsuo
(4) Main businesses	Investment management business	Investment management business
(5) Paid-in capital	500 million yen	210 million yen
(6) Date of establishment	November 15, 2000	September 1, 2005
(7) Major shareholders and shareholding ratios	Mitsubishi Corporation 51% UBS Asset Management AG 49%	Mitsubishi Corp.-UBS Realty Inc. 85% Kanden Realty & Development Co., Ltd. 15%
(8) Relationships among MMI, Asset Manager, and MCUBSR		
Capital relationship	As of the date of this announcement, MCUBSR owns 85% of Asset Manager's shares. MCUBSR will become the wholly-owning parent company of Asset Manager due to the Share Transfer on April 1, 2019.	

Personnel relationship	16 officers and employees of MCUBSR are seconded to Asset Manager as full-time officers and employees. In addition, MCUBSR's President & CEO and Deputy President also serve as part-time directors of Asset Manager, and MCUBSR's full-time auditor and one employee also serve as part-time auditors of Asset Manager.	
Business relationship	Asset Manager and MCUBSR have concluded a memorandum on the provision of real estate information and a trademark licensing agreement. In addition, MCUBSR and MMI have concluded a trademark licensing agreement.	
Related parties	As Asset Manager is a subsidiary of MCUBSR, they are related parties of each other. MMI is not a related party of MCUBSR.	
(9) Financial Results and Asset Status in the Most Recent Year		
Fiscal Period	FY Ended March 2018	FY Ended March 2018
Net assets	7,260 million yen	1,291 million yen
Total assets	8,818 million yen	1,537 million yen
Net sales	7,560 million yen	1,514 million yen
Operating income	4,616 million yen	973 million yen
Ordinary income	5,076 million yen	973 million yen
Net income	3,480 million yen	668 million yen

5. Status after the Merger

(1) Name	Mitsubishi Corp.-UBS Realty Inc.
(2) Location	Tokyo Building, 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3) Name and title of representative	President & CEO Katsuji Okamoto
(4) Main businesses	Investment management business
(5) Paid-in capital	500 million yen
(6) Fiscal period	March
(7) Net assets	Undetermined
(8) Total assets	Undetermined

6. Future Outlook

(1) Changes to asset management agreement with investment corporation

There are no plans to revise the asset management agreement concluded by and between MMI and Asset Manager.

(2) Changes to the structure of Asset Manager

Details of changes in New MCUBSR after the Merger will be determined by the effective date of the Merger through consultations between Asset Manager and MCUBSR.

(3) Changes to asset management decision-making processes

If any changes are to be made, an announcement will be made when a decision is reached.

(4) Changes to rules relating to compliance and transactions with interested parties

If any changes are to be made, an announcement will be made when a decision is reached.

(5) Changes to investment policies

There are no plans to change Asset Manager's investment policies from current policies in conjunction with the Merger.

(6) Changes to agreements with sponsors, etc.

Upon the merger, the memorandum on the provision of real estate information and a trademark licensing agreement will be terminated. Other than above, there are no plans to make any changes in conjunction with the Merger.

(7) Outlook for continuation of Asset Manager's listing

MMI's listing will be maintained.

(8) Future policies, etc.

Filings and other procedures will be performed in relation to the Merger in accordance with the Financial Instruments and Exchange Act, Building Lots and Buildings Transaction Business Act, and other applicable laws and regulations. If disclosure is required of any matters that are undetermined at this time, disclosure will be made when a decision is reached.