

July 25, 2019

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

MCUBS MidCity Investment Corporation (hereafter “MCUBS MidCity”) announced today that it has decided to obtain ¥15,200 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 (Note 3)
Loan 1	Mizuho Bank, Ltd., Development Bank of Japan, Inc.	¥2,900 million	10 years	Fixed	To be determined	July 25, 2019	July 31, 2019	Unsecured and unguaranteed, lump sum repayment	July 31, 2029
Loan 2	MUFG Bank, Ltd.	¥1,050 million	9.5 years	Fixed	To be determined				Jan. 31, 2029
Loan 3	Development Bank of Japan, Inc., Resona Bank, Limited	¥3,400 million	8.5 years	Fixed	To be determined				Jan. 31, 2028
Loan 4	Sumitomo Mitsui Trust Bank, Limited	¥1,000 million	8 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.3751%				July 31, 2027
Loan 5	Resona Bank, Limited, Shinkin Central Bank	¥4,000 million	7.5 years	Fixed	To be determined				Jan. 31, 2027
Loan 6	The Senshu Ikeda Bank, Ltd., The Nanto Bank, Ltd.	¥900 million	7 years	Fixed	To be determined				July 31, 2026
Loan 7	Sumitomo Mitsui Banking Corporation	¥1,950 million	5.5 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.325%				Jan. 31, 2025
	Total / Average remaining borrowing period	¥15,200 million	8.1 years (Note 3)						

Notes:

- For Loan 4, although a borrowing contract is based on a variable interest rate, we intend to enter into an interest rate swap agreement to fix the interest rate on or before the anticipated borrowing date. The base interest rate applied to the calculation period of Loan 4 and 7 interests to be paid on the interest payment date will be the 3-month Japanese yen TIBOR on the 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/english/>). Interest rates applied to Loan 1, 2, 3, 5 and 6 will be notified later upon determination.
- 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).
- 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.
- 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 ¥15,200 million borrowings which will be due on July 31, 2019. 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	Development Bank of Japan, Inc.	¥1,700 million	7 years	Fixed	1.52375%	July 31, 2012	Unsecured and unguaranteed, lump sum repayment	July 31, 2019
Loan B	Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited	¥4,000 million	5 years	Fixed	0.96200% (Note 1)	July 31, 2014		
Loan C	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, MUFG Bank, Ltd., Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The Nanto Bank, Ltd.	¥9,500 million	4 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.50%	July 31, 2015		
	Total / Average remaining borrowing period	¥15,200 million	4.6 years (Note 2)					

Notes:

- The loan agreement provides for a floating interest rate. We concluded an interest-rate swap agreement to fix the interest rate.
- 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, 2019)

(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	—

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