

November 5, 2019

To all concerned parties:

Investment Corporation

MCUBS MidCity Investment Corporation

Representative: Katsuhiko Tsuchiya, Executive Director

TSE Code: 3227, LEI Code: 353800WZPKHG2SQS1P32

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Asset Management Company

Mitsubishi Corp.- UBS Realty Inc.

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Notice Regarding Acquisition and Leasing of Trust Beneficiary Interests in
Domestic Real Estates (Acquisition of Two Office Properties and One Hotel Property)

MCUBS MidCity Investment Corporation (hereafter "MCUBS MidCity") announces that, its asset management company, Mitsubishi Corp.- UBS Realty Inc. (hereafter the "Asset Management Company"), decided today to acquire and lease properties, as follows (the acquisition of the assets to be acquired will hereafter be referred to as the "Acquisition").

1. Overview of Acquisition (Assets to be Acquired)

Property Name	Osaka YM Bldg.	East Square Tokyo	Hotel Vista Premio Tokyo	Total / Average
Type of Specified Asset	Trust beneficiary interest in real estate	Trust beneficiary interest in real estate	Trust beneficiary interest in real estate	—
Location	Fukushima-ku, Osaka-shi	Koto-ku, Tokyo	Minato-ku, Tokyo	—
Anticipated Acquisition Price ^(Note 1) (A)	¥6,310 million	¥9,500 million	¥11,200 million	¥27,010 million
Appraisal Value ^(Note 2) (B)	¥7,060 million	¥10,200 million	¥12,000 million	¥29,260 million
Difference between Anticipated Acquisition Price and Appraisal Value (B-A)	+¥750 million	+¥700 million	+¥800 million	+¥2,250 million
NOI Yield ^(Note 3)	5.0%	4.9%	3.9%	4.5%
NOI Yield after Depreciation ^(Note 4)	4.7%	4.2%	3.5%	4.0%
Agreement Execution Date	November 5, 2019	November 5, 2019	November 5, 2019 ^(Note 5)	—
Anticipated Acquisition Date ^(Note 6)	November 20, 2019	November 20, 2019	November 22, 2019	—
Seller ^(Note 7)	A domestic non-financial corporation	A domestic non-financial corporation	A domestic non-financial corporation	—

Notes:

- "Anticipated Acquisition Price" indicates the sale price of respective Assets to be Acquired as stated in the trust beneficiary interest transfer agreement (excluding acquisition expenses, property taxes, city planning taxes and consumption taxes, etc.). The same shall apply hereinafter.
- "Appraisal Value" indicates the appraisal value as of August 1, 2019 regarding Hotel Vista Premio Tokyo and as of October 1, 2019 regarding Osaka YM Bldg. and East Square Tokyo, respectively. The same shall apply hereinafter.
- "NOI Yield" indicates the ratio of the appraisal NOI (under the direct capitalization method) to the Anticipated Acquisition Price as of August 1, 2019 regarding Hotel Vista Premio Tokyo and as of October 1, 2019 regarding Osaka YM Bldg. and East Square Tokyo. It is obtained by using the following formula. The same shall apply hereinafter.

$$\text{NOI Yield} = \frac{\text{Appraisal NOI} - \text{Anticipated Acquisition Price}}{\text{Anticipated Acquisition Price}}$$
 "Average NOI Yield" is calculated using the weighted average of the NOI Yield of respective Assets to be Acquired based on the anticipated acquisition price.
- "NOI Yield after Depreciation" indicates the ratio of NOI (under the direct capitalization method) after depreciation to the Anticipated Acquisition Price of respective Asset to be Acquired and is obtained by using the following formula. "NOI after Depreciation" is calculated by deducting depreciation and amortization costs from Appraisal NOI.

$$\text{NOI Yield after Depreciation} = \frac{\text{Appraisal NOI} - \text{depreciation}^*}{\text{Anticipated Acquisition Price}}$$
 "Average NOI Yield after Depreciation" is calculated using the weighted average of the NOI Yield after Depreciation of respective Assets to be Acquired based on the anticipated acquisition price.
 *Depreciation for the Assets to be Acquired is calculated by using the depreciation rates in proportion to the useful life under the straight-line method, as is the case for the other assets owned by MCUBS MidCity. The same shall apply hereinafter.
- With respect to Hotel Vista Premio, MCUBS MidCity will acquire the trust beneficiary interest for this property by succeeding the rights holder title as the purchaser as defined in the trust beneficiary interest sales and purchase agreement concluded with the seller from a domestic non-financial corporation on November 21, 2019 or the day separately agreed. Regarding Hotel Vista Premio, Agreement Execution date indicates the execution date of status transfer agreement.

Note: This press release provides information regarding MCUBS MidCity's acquisition of trust beneficiary interests in domestic real estate and is not prepared as an inducement or invitation for investment. Investors are advised to read Prospectus Concerning the Issue and Sale of New Investment Units and its corrections (if prepared) before making investment decisions, which are investors' sole discretion and responsibility and are made at their own risk. This press release does not constitute an any offer of securities in the United States of America. The investment units to herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above herein will not be publicly offered or sold in the United States.

6. In the case that the Pricing Date indicated in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today is November 14, 2019, the anticipated acquisition dates of Osaka YM Bldg. and East Square Tokyo will be changed to November 21, 2019. In the case that the Pricing Date is November 15, 2019, the anticipated acquisition dates of Osaka YM Bldg. and East Square Tokyo will be changed to November 22, 2019. Also, in the case that the Pricing Date is November 18, 2019, the anticipated acquisition dates of all Osaka YM Bldg. and East Square Tokyo will be changed to November 25, 2019.
7. The names of the sellers are not disclosed because the sellers' approval has not been obtained. None of the sellers has any special interest in MCUBS MidCity or the Asset Management Company.

2. Reason for the Acquisition and Leasing

MCUBS MidCity is committed to managing assets from a medium- to long-term perspective to assure stable revenues and steady growth of assets under management and emphasizes investment in the three major metropolitan areas (the Tokyo metropolitan area, the Osaka metropolitan area and the Nagoya metropolitan area) ^(Note 1).

All the Assets to be Acquired are competitive in terms of location, quality and profitability. MCUBS MidCity expects to be able to further enhance portfolio profitability drawing on our expertise in internal growth. All the Assets to be Acquired are acquired through exclusive negotiation leveraging our advantages.

Regarding leasing of tenants for Assets to be Acquired, it is determined to meet the tenant selection standards indicated on annual report, submitted on September 26, 2019. MCUBS MidCity will improve rent revenues and occupancy rates based on the portfolio management policy.

For details of the individual Asset to be Acquired, please refer to "3. Details of the Assets to be Acquired" below ^(Note 2).

	Before Acquisition (As of the end of the Fiscal Period ended June 30, 2019)	Assets to be Acquired	After Acquisition ^(Note 3)
Asset Size (Based on (anticipated) acquisition price)	¥260.6 billion	¥27.0 billion	¥287.6 billion
Average NOI Yield	4.5%	4.5%	4.5%
Average NOI Yield after Depreciation	3.6%	4.0%	3.6%
Difference between Anticipated Acquisition Price and Appraisal Value	+¥16.4 billion	➡	+¥18.6 billion
NAV per unit	¥93,715	➡	¥96,391
Area Diversification (Based on (anticipated) acquisition price)		➡	
Asset Type Diversification (Based on (anticipated) acquisition price)		➡	

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Notes:

1. The "Tokyo metropolitan area" represents Tokyo, Kanagawa, Chiba and Saitama; the "Osaka metropolitan area" represents Osaka, Kyoto and Hyogo; and the "Nagoya metropolitan area" represents Aichi. The same shall apply hereinafter. In addition, government-designated cities and other major cities or their equivalent outside of the three major metropolitan areas, as well as overseas cities, may be collectively referred to as "other areas". The same shall apply hereinafter
2. Explanations of the descriptions in each column for the overview of the respective Assets to be Acquired, described in "3. Details of the Assets to be Acquired" below are as follows:
Among the descriptions about the Assets to be Acquired, "Land (Site Area)", "Building (Structure/Floors)", "Building (Total Floor Area)", "Building (Use)", and "Building (Completion Date)" are based on what is indicated in the registry. "Land (Zoning)" indicates the types of zoning as defined in Article 8-1-1 of the City Planning Act (Law No.100 of 1968, as amended). "Land (Floor-Area Ratio)" represents the ratio of the total floor area of a building to the site area, as stipulated in Article 52 of the Building Standards Act (Law No. 201 of 1950, as amended) (the "Building Standards Act"), and indicates the figure specified in city planning in accordance with the zoning, etc. "Land (Building-to-Land Ratio)" represents the ratio of the building area to the site area, as stipulated in Article 53 of the Building Standards Act and indicates the figure applicable for each individual real estate in trust in accordance with the zoning, etc. With regard to the "Overview of Building Condition Evaluation (PML)," PML (Probable Maximum Loss) is defined as "probable loss for a building with a recurrence interval of 475 years" based on the risk curve showing the relationship between loss and annual exceedance probability as calculated by Engineering and Risk Services Corporation and OYO RMS Corporation. The probable loss for a building with a recurrence interval of 475 years represents "loss of 10% of exceedance probability over 50 years" under the BELCA's guidelines.
"Overview of Leasing" indicates the content of the lease agreement effective as of the end of August 2019 regarding the real estate in trust for each of the Assets to be Acquired, based on the figures and information provided by the sellers of each asset. "Overview of Leasing (Rentable Area)" indicates the rentable area of the building of the real estate in trust for each of the Assets to be Acquired (or total rentable area of respective buildings in the case where there are multiple buildings for each property; limited to the rental spaces, and not including the areas of warehouses and parking lots, etc. However, with regard to Hotel Vista Premio, it includes the common area.). "Overview of Leasing (Rental Area)" indicates the total area presented in the lease agreements, etc. with end tenants that are effective as of the end of August 2019 (limited to the rental spaces, and not including the areas of warehouses and parking lots, etc. However, with regard to Hotel Vista Premio, it includes the common area.). "Overview of Leasing (Total Tenants)" does not include the number of the end tenants that leases warehouses, and parking lots, etc. only in the calculation. "Overview of Leasing (Total Annual Rent)" and "Overview of Leasing (Security Deposit/Guarantee, Etc.)" indicate the total amount of the monthly rent, monthly common area charge, parking lot usage fee, warehouse rent and facility usage fee, etc. stated in the lease agreements executed with end tenants that are effective as of the end of August 2019, multiplied by 12, and the balance of security deposits and guarantees (including those for the rental spaces, parking lots and warehouse lots, etc.), with amounts less than thousand yen rounded down, respectively.
3. Figures "After Acquisition" indicate estimates that are calculated based on certain assumptions and may vary from the actual values.

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3. Details of the Assets to be Acquired

[Osaka YM Bldg.]

Type of Specified Asset		Trust beneficiary interest in real estate	Anticipated Acquisition Price		¥6,310,000 thousand
			Anticipated Acquisition Date		November 20, 2019
Location (Indicated for Residence)		7-15-26, Fukushima, Fukushima-ku, Osaka-shi, Osaka	Appraisal Value		¥7,060,000 thousand
			Appraiser		Japan Real Estate Institute
Land	Site Area	2,869.79 m ²	Overview of Building Condition Evaluation	Date of Preparation of Report	October, 2019
	Zoning	Commercial zone		Evaluation Company	SOMPO RISK MANAGEMENT Inc.
	Type of Ownership	Fee simple		Short-term Repair Cost	¥0
	Floor-Area Ratio/ Building-to-Land Ratio	505.14% (Note 1) / 90% (Note 2)		Long-term Repair Cost	¥513,720 thousand
Building	Structure/ Floors	RC/SRC with flat roof, B2F/12F	Overview of Leasing	PML	6.0%
	Total Floor Area	16,533.95 m ²		Rentable Area	9,957.53 m ²
	Type of Ownership	Fee simple		Rental Area	9,957.53 m ²
	Use	Office, parking lot, shop		Occupancy Rate	100.0% (Note 3)
Property Management Consignee		Kanden Properties Co., Ltd.	Total Tenants		25 (Note 3)
Building Management Consignee		Kanden Properties Co., Ltd.	Total Annual Rent		¥387,398 thousand
Trustee		Mitsubishi UFJ Trust and Banking Corporation	Security Deposit / Guarantee, Etc.		¥292,401 thousand
Special Notations		Given that a portion of the property is registered as open public space, an easement was obtained for the floor-area ratio. Such public open spaces shall be available for public passage and must be properly managed and maintained.			

Notes:

- While the original Floor-Area ratio applicable to the land of this property is 400%, a ratio of 505.14% is applied to the land of this property given that the *Sogo Sekkei Seido* (Integrated Architecture System) is applicable for the building.
- While the original Building-to-Land ratio applicable to the land of this property is 80%, a ratio of 90% is applied to the land of this property because the building is located on a corner lot.
- Data as at August 31, 2019. However, given that a termination notice (effective as of April 30, 2020) has already been received, the number of tenants and occupancy after the termination is expected to be 24 and 67.8%, respectively.

In the decision-making process to acquire this property, the following aspects were appreciated.

- Highly appealing property to tenants
 - Standard floors with approx. 245 tsubo floor area and high layout efficiency, located at Fukushima area where majority of buildings are small scale buildings
 - Renovation works for common area implemented in 2008
- Potential upside from internal growth
 - Supply of new offices in the Osaka area is limited for the time being
 - Potential upside due to the gaps in rents^(Note) on the back of the favorable office market
- Close to Umeda area, in which redevelopment projects have recently been promoted
 - Location in an area of superior transportation access, a 3-minute walk from Fukushima Station on the JR Line, a 6-minute walk from



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Fukushima Station on the Hanshin Electric Railway Line, and one station away from the Umeda area in central Osaka

- With its location close to Umeda area, in which redevelopment projects have recently been promoted, enhancement of the relative superiority as office area can be expected

Note: "Gaps in rents (Rent Gap)" indicates the difference between the concluded rent and the market rent (including common service expenses) which refers to the estimated rent for new contracts stated in CBRE K.K.'s market report prepared at the request of the MCUBS MidCity.



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[East Square Tokyo]

Type of Specified Asset		Trust beneficiary interest in real estate	Anticipated Acquisition Price	¥9,500,000 thousand	
			Anticipated Acquisition Date	November 20, 2019	
Location (Indicated for Residence)		1-6-35, Shinsuna, Koto-ku, Tokyo	Appraisal Value	¥10,200,000 thousand	
			Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.	
Land	Site Area	8,926.00 m ²	Overview of Building Condition Evaluation	Date of Preparation of Report	October, 2019
	Zoning	Exclusive industrial zone		Evaluation Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Type of Ownership	Fee simple		Short-term Repair Cost	¥0
	Floor-Area Ratio/ Building-to-Land Ratio	200% / 60%		Long-term Repair Cost	¥671,907 thousand
Building	Structure/ Floors	RC/SRC with flat roof, 7F	Overview of Leasing	PML	3.9%
	Total Floor Area	18,051.08 m ²		Rentable Area	12,208.42 m ²
	Type of Ownership	Fee simple		Rental Area	9,888.58 m ²
	Use	Office, electrical room, parking lot		Occupancy Rate	81.0%
	Completion Date	November 9, 1989		Total Tenants	13
Property Management Consignee		XYMAX ALPHA Corporation.	Total Annual Rent		¥609,933 thousand
Building Management Consignee		XYMAX ALPHA Corporation.	Security Deposit / Guarantee, Etc.		¥375,461 thousand
Trustee		Sumitomo Mitsui Trust Bank, Limited			
Special Notations		Not applicable			

In the decision-making process to acquire this property, the following aspects were appreciated.

(1) Expected Stable demand from tenants

- Located in an area in which a number of major companies are headquartered. Expected stable demand as it may cater to needs of the financial and software manufacturing sectors to use as a backup office or a development center, respectively
- Number of employees in the area is increasing

(2) Property with high-level quality attracting tenants attaching importance on size

- Property with sufficient office space of approx. 600 tsubo standard floor and with superior specifications, such as sufficient weight capacity for office use, attracting potential tenants attaching importance on size
- Well-prepared for Business Continuity Planning with emergency generators equipped

(3) Convenient location

- Located in the Toyocho area, approximately 4km east from JR Tokyo Station, and good access to Otemachi and Nihombashi about a 10-minute Tozai Line ride
- Ability to meet needs from tenants using vehicles in business activities with approximately 100 flat parking spaces



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[Hotel Vista Premio Tokyo]

Type of Specified Asset		Trust beneficiary interest in real estate	Anticipated Acquisition Price	¥11,200,000 thousand	
			Anticipated Acquisition Date	November 22, 2019	
Location (Indicated for Residence)		4-3-2, Akasaka, Minato-ku, Tokyo	Appraisal Value	¥12,000,000 thousand	
			Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.	
Land	Site Area	930.29 m ²	Overview of Building Condition Evaluation	Date of Preparation of Report	August, 2019
	Zoning	Industrial zone, category 2 residential zone		Evaluation Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.
	Type of Ownership	Fee simple		Short-term Repair Cost	¥0
	Floor-Area Ratio/ Building-to-Land Ratio	441.57% (Note 1) / 94.15% (Note 2)		Long-term Repair Cost	¥314,806 thousand (Note 3)
Building	Structure/ Floors	Main Building: S with flat roof, 11F Annex: Zinc-coated steel-roofed steel-framed flat building	Overview of Leasing	PML	5.2%
	Total Floor Area	4,248.19 m ² (including Annex)		Rentable Area	4,236.46 m ²
	Type of Ownership	Fee simple		Rental Area	4,236.46 m ²
	Use	Main Building : Hotel, shop Annex : Parking lot		Occupancy Rate	100%
	Completion Date	April 30, 2018		Total Tenants	2
Property Management Consignee	FUJITA BUILDING MAINTENANCE CO., LTD.		Total Annual Rent	Not disclosed (Note 4)	
Building Management Consignee	FUJITA BUILDING MAINTENANCE CO., LTD.		Security Deposit / Guarantee, Etc.	Not disclosed (Note 4)	
Trustee	Sumitomo Mitsui Trust Bank, Limited				
Special Notations	Not applicable				

Notes:

- The property is located on both 500% and 300% Floor-Area Ratio zones. In addition, permissible Floor-Area Ratio is determined on a weighted average basis that reflects the proportions of the two sectors.
- The original building-to-land ratio applicable to land located within an area that is zoned for commercial use and Category 2 residential zones are 80% and 60% respectively. Because the building of the Property is a fire-resistant building located within a fire protection district and located on a corner lot, the ratio of 100% and 80% is applied to the land of this property. In addition, permissible Floor-Area Ratio is determined on a weighted average basis that reflects the proportions of the two sectors.
- Because less than 3 years has passed since this building was completed, "Long-term Repair Cost" indicates expenses for repairs projected to be needed over the next 20 years based on the building condition evaluation report by the evaluation companies. The figures have been rounded down to the nearest thousand yen.
- The figures are not disclosed as the approval from tenant has not been obtained. Structure of the lease agreement with fixed rent revenues is defined as a core revenue source and secures potential upsides from variable rent if total hotel sales exceed a certain coefficient.

In the decision-making process to acquire this property, the following aspects were appreciated.

- Superior location in a 3-minute walk from the major stations in central Tokyo
 - Located along Hitotsugi-Dori Avenue in the center of the Akasaka area, within a 3-minute walk from Akasaka-Mitsuke Station and Akasaka-Station on the Tokyo Metro Lines, respectively
 - Akasaka area, one of the areas with the strongest ability to attract visitors in Tokyo, in which headquarters of a leading media company and others are located and stable demand for hotel rooms exists
- Accommodation-specialized hotel, newly-opened in Jun. 2018
 - Newly-opened hotel specialized in accommodation with 140 guest rooms, which is able to meet extensive demand both of business persons and inbound tourists for leisure
 - Modern designs, with strong competitiveness in the Akasaka area because of cozy, comfortable and large guest rooms of approx. 21m² on average
- Secured stability mainly based on fixed rent revenue and growth potential supported by ADR (Note) improvement
 - Lease agreement based on the fixed rent, with upsides through variable rent per portion

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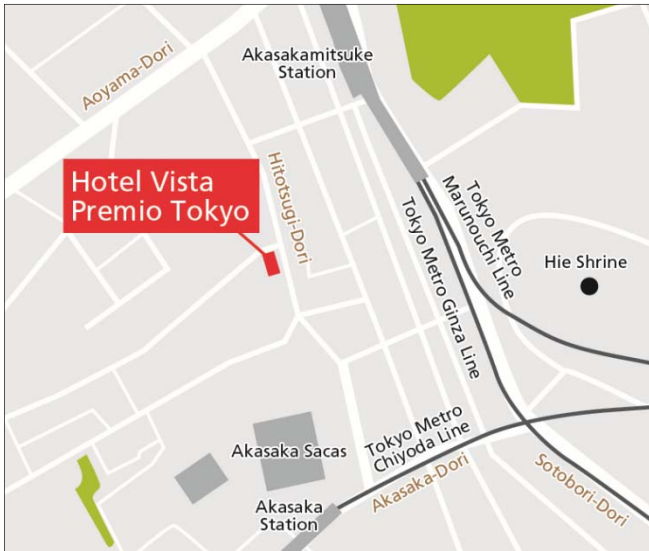
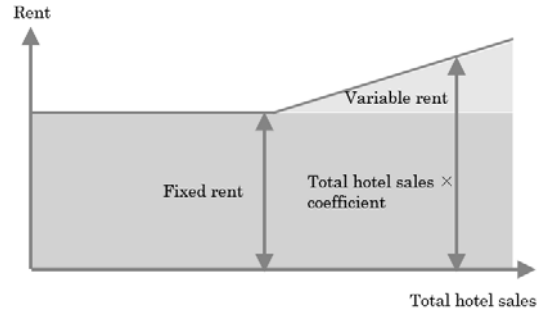


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- Operated by Vista Hotel Management, ADR improvement that can be achieved by pursuing an optimal guest room unit price, taking location, grade and room size into consideration.

Note: "Average Daily Rate" indicates the average guest room rate per guest room (average guest room rate), calculated by the following formula:

$$\text{ADR} = \text{total income from guest room} \div \text{number of guest rooms sold}$$



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4. Overview of the Sellers

While each of the seller is a domestic non-financial corporation, its name and the details are not disclosed because the seller's approval has not been obtained. There are no ties to be specified between each seller and MCUBS MidCity or the Asset Management Company. Also, there are no ties to be specified between the related parties/related companies of MCUBS MidCity or the Asset Management Company and the related parties/related companies of them.

5. Status of the Property Owners

The acquisition of the asset is not from a party having particular vested interest with MCUBS MidCity or the Asset Management Company.

6. Overview of Brokerage

Not applicable regarding Osaka YM Bldg. and East Square Tokyo. With regard to Hotel Vista Premio Tokyo, the details of the brokerage are not disclosed because the broker's approval has not been obtained. There is no capital, personal or business relationships to note between the broker and MCUBS MidCity or the Asset Management Company. Also, there is no capital, personal or business relationships to note between the related parties/related companies of MCUBS MidCity or the Asset Management Company and the related parties/related companies of the broker.

7. Settlement Method, etc.

MCUBS MidCity will cover the cost of the Acquisition with the funds raised through issuance of new investment units as announced today in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units", new borrowings and cash reserves.

As for the issuance of new investment units and new borrowings, please refer to "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" and "Notice Concerning Debt Financing" announced today, respectively.

With regard to the settlement method, MCUBS MidCity plans to settle the Acquisition by making a single payment of the entire amount of the acquisition price upon delivery of each property.

8. Schedule for the Acquisition

Property Name	Agreement Execution Date	Anticipated Acquisition Date ^(Note1)	Anticipated Payment Date ^(Note1)
Osaka YM Bldg.	November 5, 2019	November 20, 2019	November 20, 2019
East Square Tokyo	November 5, 2019	November 20, 2019	November 20, 2019
Hotel Vista Premio Tokyo	November 5, 2019 ^(Note2)	November 22, 2019	November 22, 2019

Notes:

- In the case that the Pricing Date indicated in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today is November 14, 2019, the anticipated acquisition dates of Osaka YM Bldg. and East Square Tokyo will be changed to November 21, 2019. In the case that the Pricing Date is November 15, 2019, the anticipated acquisition dates of Osaka YM Bldg. and East Square Tokyo will be changed to November 22, 2019. Also, in the case that the Pricing Date is November 18, 2019, the anticipated acquisition dates of Osaka YM Bldg. and East Square Tokyo will be changed to November 25, 2019.
- With respect to Hotel Vista Premio, MCUBS MidCity will acquire the trust beneficiary interest for this property by succeeding the rights holder title as the buyer as defined in the trust beneficiary interest sales and purchase agreement concluded with the seller from a domestic non-financial corporation on November 21, 2019 or the day separately agreed. Regarding Hotel Vista Premio, Agreement Execution date indicates the execution date of status transfer agreement.

9. Outlook

As for the outlook of the business results for the 27th Fiscal Period (from July 1, 2019 to December 31, 2019) and the 28th Fiscal Period (from January 1, 2020 to June 30, 2020) for result of the Acquisition of the Assets to be Acquired, please refer to "Notice Regarding Revision of Business Outlook and Distributions Forecast for the 27th Period Ending December 31, 2019 and the 28th Period Ending June 30, 2020" announced today.

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10. Overview of Appraisal Report of the Properties to be Acquired
[Osaka YM Bldg.]

Appraiser	Japan Real Estate Institute
Final Appraisal Value ^(Note)	¥7,060,000 thousand
Appraisal Date	October 1, 2019

Item	Details (thousand yen)	Overview, etc.
Revenue price	7,060,000	-
Value Calculated Using Direct Capitalization (DC) Method	7,110,000	-
Operating revenues	488,575	-
Potential gross revenue	512,728	Estimated revenue that can be stably earned on a medium and long-term basis
Vacancy loss, etc.	24,153	Calculated on the premise that the level of occupancy rates will be stable on a medium and long-term basis
Operating expenses	170,087	-
Maintenance expenses	52,134	With reference to actual results of past years and maintenance expenses of similar properties
Utility expenses	48,100	Calculated in consideration of actual results of past years and occupancy rates
Repair expenses	12,843	With reference to the ER and similar properties, etc.
PM fees	4,050	With reference to fee ratios of similar properties, etc.
Tenant solicitation expenses, etc.	4,664	Assessed based on the estimated tenant turnaround period
Real estate taxes	47,567	Assessed based on standard tax amounts and measures for tax burden adjustment described in the materials related to taxes and public dues
Insurance premiums	693	Taking into consideration of premium rates of similar buildings
Other expenses	36	
Net operating income (NOI)	318,488	
Gain on management of income from lump-sum payment	3,470	Assessed by setting a targeted investment return that is considered as appropriate, based on comprehensive consideration on the level of interest rates from perspectives of both management and procurement aspects
Capital expenditures	30,570	With reference to the ER and similar properties, etc.
Net Cash Flows	291,388	-
Overall Capitalization Rate	4.1%	Assessed in consideration of locational conditions, building conditions, future uncertainties and transaction yields of similar properties, etc.
Value Calculated Using Discount Cash Flow (DCF) Method	7,000,000	-
Discount Rate	3.7%	Assessed comprehensively considering individuality of the property, etc., with reference to investment returns of similar properties, etc.
Terminal Capitalization Rate	4.1%	Assessed comprehensively considering cases of transactions of similar properties, future trends of investment returns, risks related to the property, forecast of economic growth rates and trends of real estate prices, etc.
Cost method value	7,470,000	-
Ratio of Land Price	86.5%	-
Ratio of Building Price	13.5%	-

Other items considered by real estate appraisal agent upon appraisal	Not applicable
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[East Square Tokyo]

Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Final Appraisal Value	¥10,200,000 thousand
Appraisal Date	October 1, 2019

Item	Details (thousand yen)	Overview, etc.
Revenue price	10,200,000	-
Value Calculated Using Direct Capitalization (DC) Method	10,300,000	-
Operating revenues	888,082	-
Potential gross revenue	936,476	-
Vacancy loss, etc.	48,394	-
Operating expenses	423,183	-
Maintenance expenses	133,901	Assessed based on the building management operations outsourcing contract and actual results of revenue and expenditure, etc.
Utility expenses	190,451	Assessed considering actual results of revenue and expenditure, etc.
Repair expenses	17,850	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses and capital expenditures (Repair Expenses (30%) and Capital Expenditures (70%))
PM fees	13,321	Assessed based on the change in leasing contract etc.
Tenant solicitation expenses, etc.	6,480	Assessed based on 10.0% annual tenant replacement
Real estate taxes	58,689	Amount of taxes for FY2019 is assessed based on a list of amounts of payment of property taxes and city planning taxes for FY2019
Insurance premiums	712	Assessed based on disclosed material
Other expenses	1,776	Assessed considering actual results of revenue and expenditure, etc.
Net operating income (NOI)	464,898	-
Gain on management of income from lump-sum payment	4,232	-
Capital expenditures	38,250	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses and capital expenditures (Repair Expenses (30%) and Capital Expenditures (70%))
Net Cash Flows	430,880	-
Overall Capitalization Rate	4.2%	-
Value Calculated Using Discount Cash Flow (DCF) Method	10,200,000	-
Discount Rate	4.3%	-
Terminal Capitalization Rate	4.4%	-
Cost method value	10,200,000	-
Ratio of Land Price	80.6%	-
Ratio of Building Price	19.4%	-

Other items considered by real estate appraisal agent upon appraisal	Not applicable
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[Hotel Vista Premio Tokyo]

Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Final Appraisal Value	¥12,000,000 thousand
Appraisal Date	August 1, 2019

Item	Details (thousand yen)	Overview, etc.
Revenue price	12,000,000	-
Value Calculated Using Direct Capitalization (DC) Method	12,200,000	-
Operating revenues	482,330	-
Potential gross revenue	482,330	-
Vacancy loss, etc.	0	-
Operating expenses	46,025	-
Maintenance expenses	2,084	Assessed based on the building maintenance contract etc.
Utility expenses	101	Assessed considering actual results of revenue and expenditure, etc.
Repair expenses	3,810	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses and capital expenditures (Repair Expenses (30%) and Capital Expenditures (70%)).
PM fees	2,400	Assessed based on the change in leasing contract etc.
Tenant solicitation expenses, etc.	0	-
Real estate taxes	35,036	Amount of taxes for FY2019 is assessed based on a list of amounts of payment of property taxes and city planning taxes for FY2019
Insurance premiums	181	Assessed based on disclosed material
Other expenses	2,411	Assessed considering actual results of revenue and expenditure, etc.
Net operating income (NOI)	436,305	-
Gain on management of income from lump-sum payment	979	-
Capital expenditures	9,525	Assessed by allocating the figure based on the engineering report and similar cases to repair expenses and capital expenditures (Repair Expenses (30%) and Capital Expenditures (70%)).
Net Cash Flows	427,759	-
Overall Capitalization Rate	3.5%	-
Value Calculated Using Discount Cash Flow (DCF) Method	11,900,000	-
Discount Rate	3.5%	-
Terminal Capitalization Rate	3.7%	-
Cost method value	11,900,000	-
Ratio of Land Price	88.4%	-
Ratio of Building Price	11.6%	-

Other items considered by real estate appraisal agent upon appraisal	Not applicable
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<Reference>

Assumed NOI and depreciation of Assets to be Acquired

Property name	Assumed NOI ^(Note 1)	Depreciation ^(Note 2)
Osaka YM Bldg.	¥307 million per year	¥25 million per year
East Square Tokyo.	¥441 million per year	¥53 million per year
Hotel Vista Premio Tokyo	¥439 million per year	¥49 million per year
Total	¥1,188 million per year	¥127 million per year

Notes:

1. Assumed NOI (Net Operating Income) is the estimated amount of property leasing revenue, less property leasing expenses, assuming the burden of property taxes and city planning taxes for the full year based on the lease agreement terms and conditions, etc. on the anticipated acquisition date. MCUBS MidCity's estimated figures for time of steady stable occupancy. In addition, Assumed NOI presented in the table above have been rounded down to the nearest million yen. Accordingly, the sum of the line items for each group may not add up to the amount shown in the subtotal.
2. MCUBS MidCity's estimated figures for time of steady stable occupancy. Depreciation presented in the table above have been rounded down to the nearest million yen. Accordingly, the sum of the line items for each group may not add up to the amount shown in the subtotal.

The figures above are not the forecast figures for the current period or subsequent periods.

Property Portfolio after the Transactions

Type	Region	Property Name	(Anticipated) Acquisition Price ^(Note 1) (Millions of Yen)	Investment Ratio ^(Note 2)	(Anticipated) Acquisition Date
Office Building					
	Tokyo Metropolitan Area	Sumitomo Fudosan Ueno Bldg. No. 6	7,460	2.6%	May, 2015
		G-Square Shibuya Dogenzaka	12,220	4.2%	August, 2015
		Shibuya Sakuragaoka Square	17,130	6.0%	August 2015, etc.
		Yokohama Creation Square	7,080	2.5%	August, 2015
		Cube Kawasaki	20,050	7.0%	August, 2015
		Higashi-Nihombashi Green Bldg.	2,705	0.9%	December, 2015
		Sasazuka Center Bldg.	8,700	3.0%	March, 2017
		USC Bldg.	10,800	3.8%	April 2017, etc.
		Yoshiyasu Kanda Bldg.	4,000	1.4%	February, 2018
		TOYOTA MOBILITY SERVICE Bldg.	9,200	3.2%	March, 2018
		M-City Akasaka 1-chome Bldg.	4,205	1.5%	March, 2018
		Yokohama i-land Tower	22,100	7.7%	September, 2018
		M-City Edogawabashi Bldg.	4,070	1.4%	March, 2019
	East Square Tokyo	9,500	3.3%	November, 2019	
	Osaka Metropolitan Area	Twin 21 ^(Note 3)	68,700	23.9%	August, 2006
MID Imabashi Bldg.		3,270	1.1%	April, 2007	
Kitahama MID Bldg.		10,800	3.8%	April, 2008	
MID Nishihonmachi Bldg.		3,550	1.2%	October, 2008	
Higobashi MID Bldg.		3,000	1.0%	June, 2013	
Osaka YM Bldg.	6,310	2.2%	November, 2019		
Other	Sendai Capital Tower	5,500	1.9%	February, 2017	
Subtotal (21 properties)			240,350	83.6%	
Other than Office Building					
	Tokyo Metropolitan Area	AEON MALL Tsudanuma	26,100	9.1%	August, 2006
		Hotel Vista Premio Tokyo	11,200	3.9%	November, 2019
	Osaka Metropolitan Area	Konami Sports Club Kyobashi	2,780	1.0%	August, 2006
		Dormy Inn Hakata Gion	2,280	0.8%	September, 2013
Subtotal (4 properties)			42,360	14.7%	
Silent Partnership Interest for Office Building					
	Nagoya Metropolitan Area	Nagoya Lucent Tower (Silent partnership interest)	4,919	1.7%	August, 2015
		Subtotal (1 asset)			4,919
Total (26 properties)			287,629	100.0%	

Notes:

1. (Anticipated) Acquisition Prices are rounded down to the nearest million yen.
2. Investment Ratios are rounded to the nearest first decimal place. Accordingly, the sum of the investment ratio figures may not add up to 100.0%.
3. Data for Twin 21 includes the trust beneficiary interest in Twin 21 and Twin 21 (partial ownership of land with leasehold interest), collectively.

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