

January 29, 2020

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 Agreement

Regarding new debt financing in the press release “Notice Concerning Debt Financing” dated January 24, 2020, 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 an interest-rate swap agreement in connection with the new borrowing which was planned to enter into on January 31, 2020, as described below.

1. Determination of interest rate

	Lender(s)	Amount outstanding	Debt term	Interest rate (Note1)		Anticipated borrowing date	Method of borrowing, repayment of principal	Maturity date (Note2)
Loan 2	Shinkin Central Bank, The Nishi-Nippon City Bank, Ltd.	¥2,600 million	7.5 years	Fixed	<u>0.58875%</u>	Jan. 31, 2020	Unsecured and unguaranteed, lump sum repayment	July 31, 2027
Loan 4	The Hyakugo Bank, Ltd.	¥750 million	6.5 years	Fixed	<u>0.52375%</u>			July 31, 2026

Notes:

1. 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. 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 borrowing in connection with the interest-rate swap agreement

	Lender(s)	Amount outstanding	Debt term	Interest rate		Anticipated borrowing date	Method of borrowing, repayment of principal	Maturity date (Note)
Loan 1	Sumitomo Mitsui Trust Bank, Limited	¥1,600 million	9 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.425%	Jan. 31, 2020	Unsecured and unguaranteed, lump sum repayment	Jan. 31, 2029
Loan 3	Sumitomo Mitsui Banking Corporation	¥1,500 million	7 years	Floating	Base interest rate (JBA 3-month yen TIBOR) +0.355%			Jan. 31, 2027

Note:

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. Details of the interest-rate swap agreement

		Loan 1	Loan 3
1. Guarantor		MUFG Bank, Ltd.	Sumitomo Mitsui Trust Bank, Limited
2. Estimated principal		¥1,600 million	¥1,500 million
3. Interest rate	Fixed interest payment	0.60450%	0.47370%
	Variable interest receipt	Base interest rate (JBA 3-month yen TIBOR) +0.425%	Base interest rate (JBA 3-month yen TIBOR) +0.355%
4. Contract start date		Jan. 31, 2020	Jan. 31, 2020
5. Contract end date ^(Note2)		Jan. 31, 2029	Jan. 31, 2027
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 April 30, 2020.	

Notes:

1. The variable interest rate will be fixed at 0.60450% for Loan 1 and 0.47370% for Loan 3 with the interest-rate swap agreement.
2. 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.