

August 28, 2020

To all concerned parties:

Investment Corporation

**MCUBS MidCity Investment Corporation**

(Tokyo Stock Exchange Company Code: 3227)

Representative: Katsuhiko Tsuchiya, Executive Director

URL: <https://www.midcity-reit.com/english/>

Asset Management Company

**Mitsubishi Corp.- UBS Realty Inc.**

Representative: Katsuji Okamoto, President & CEO

Inquiries: Katsura Matsuo, Executive Director

&Head of Office Division

TEL: +81-3-5293-4150

Notice Concerning Forecasts for Operating Results  
for the Fiscal Period Ending February 28, 2021 (from July 1st, 2020 to February 28, 2021)  
and Payment upon the Merger

As announced in “Notice Concerning Execution of the Merger Agreement by and between Japan Retail Fund Investment Corporation and MCUBS MidCity Investment Corporation” dated today, MCUBS MidCity Investment Corporation (“MMI”) has executed a merger agreement (the “Merger Agreement”) as of today, and plans to execute an absorption-type merger (the “Merger”) effective from March 1, 2021, whereby Japan Retail Fund Investment Corporation (“JRF”) is the surviving corporation and MMI is the dissolving corporation. In relation to this, MMI intends to submit a proposal to its general meeting of unitholders, which is scheduled to be held on October 22, 2020, regarding an amendment of its articles of incorporation to change the ends of its fiscal period from the last days of June and December to the last days of February and August. Subject to the approval of the proposal of such amendment of the articles of incorporation at the general meeting of unitholders, MMI’s final fiscal period prior to the effective date of the Merger is scheduled to be the eight-month period from July 1, 2020 to February 28, 2021 (the “Fiscal Period Ending February 28, 2021”). In connection with the execution of the Merger Agreement, MMI hereby releases the following details regarding forecasts for operating results for the Fiscal Period Ending February 28, 2021, which will be its final fiscal period if the proposal to amend the articles of incorporation as described above is approved at the general meeting of unitholders and the Merger comes into effect, and the forecasted payment upon the Merger to be paid instead of cash distributions for the final fiscal period.

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.

1. Forecasts for Operating Results for the Fiscal Period Ending February 28, 2021(from July 1st, 2020 to February 28, 2021) and Payment upon the Merger 2021 (July 1, 2020 to February 28, 2021)

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Payment upon the Merger per unit (yen)
Fiscal Period Ending February 28, 2021	12,233	5,322	4,380	4,379	3,014

(Note 1) Number of forecasted investment units issued at the end of the fiscal period is 1,784,125 units.

(Note 2) The period for the forecasts for operating results for the Fiscal Period Ending February 28, 2021 and payment upon the Merger is the eight-month period from July 1, 2020 to February 28, 2021.

(Note 3) The figures above are forecasts as of this moment, which is calculated based on the assumptions stated in the Exhibit "Assumptions regarding Forecast for Operating Results for the Fiscal Period Ending February 28, 2021 (from July 1, 2020 to February 28, 2021) and for Payment upon the Merger" and the actual operating revenue, operating income, ordinary income, net income and payment upon the Merger per unit could fluctuate due to future acquisition or disposition of properties, transition in property market, operating environment or other conditions surrounding MMI, or status of exercise of the right to demand purchase of investment units relating to the Merger, and expenses related to the Merger or other changes in circumstances. In addition, these forecasts do not guarantee the amount of the payment upon the Merger.

(Note 4) After the Merger, instead of cash distributions to the unitholders of MMI for MMI's final fiscal period, JRF, the surviving corporation, will, based on the amount of distributable profit of MMI and within a reasonable period after the effective date of the Merger, make a payment upon the Merger to the unitholders listed or recorded on the final unitholders register of MMI as of February 28, 2021, the day immediately prior to the effective date of the Merger (excluding JRF, MMI, and the unitholders of MMI who have demanded the purchase of their investment units pursuant to the provisions of Article 149-3 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (excluding the unitholders of MMI who have withdrawn such purchase demands)) (hereinafter the "Allotted Unitholders"), in an amount equivalent to the cash distributions for the final fiscal period (the payment will be the amount of distributable profit of MMI as of the day immediately prior to the effective date of the Merger divided by the number of investment units that is obtained by deducting the number of investment units held by the unitholders other than the Allotted Unitholders from the total number of investment units of MMI issued and outstanding as of the day immediately prior to the effective date of the Merger (such calculated amount being rounded down to the nearest whole yen). As a result, the amount of payment upon the Merger will vary depending on the status of exercise of the right to demand purchase of investment units. Because the status of such exercise cannot be confirmed at present, the forecasted figures above assume that the right to demand purchase of investment units will not be exercised.

(Note 5) Forecasts may be revised if results are expected to deviate from the above forecasts beyond a certain level.

(Note 6) Figures of less than one unit are truncated.

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.

## 2. Reason for Announcement

Forecasts for operating results for the fiscal period ending December 31, 2020 (from July 1, 2020 to December 31, 2020) were announced in “SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019” released on February 20, 2020. In connection with the execution of the Merger Agreement, however, MMI intends to submit a proposal to its general meeting of unitholders, which is scheduled to be held on October 22, 2020, regarding an amendment of its articles of incorporation to change the ends of its fiscal period from the last days of June and December to the last days of February and December. Subject to the approval of the proposal of such amendment of the articles of incorporation at the general meeting of unitholders, the eight months from July 1, 2020 to February 28, 2021 will be MMI’s final fiscal period before the Merger comes into effect, and, therefore, MMI hereby announces the following details regarding forecasts for operating results for the fiscal period ending February 28, 2021 (July 1, 2020 to February 28, 2021) and forecasted payment upon the merger to be paid instead of cash distributions for the final fiscal period.

Forecasts for operating results for the Fiscal Period Ending February 28, 2021 (from July 1, 2020 to February 28, 2021) and payment upon the Merger assume that the proposal pertaining to the approval of the Merger Agreement and change in the ends of fiscal period will be adopted and approved at the general meeting of unitholders scheduled to be held on October 22, 2020.

For forecasts regarding operating results and distributions for JRF (Its trade name will be changed to “Japan Metropolitan Fund Investment Corporation” after the merger.), the surviving corporation after the Merger, please see “Notice Concerning the Forecasts for Operating Results and Distributions Subsequent to the Merger of Japan Retail Fund Investment Corporation and MCUBS MidCity Investment Corporation for the Fiscal Period ending August 31, 2021 (the 39th Fiscal Period)” announced by MMI and JRF today.

### \* Websites of MMI

MCUBS MidCity Investment Corporation: <https://www.midcity-reit.com/english/>

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.

## Exhibit

**Assumptions regarding Forecasts for Operating Results  
for the Fiscal Period Ending February 28, 2021 (from July 1, 2020 to February 28, 2021)  
and for Payment upon the Merger**

Item	Assumption
Accounting Period	Fiscal Period Ending February 28, 2021 (243 days from July 1, 2020 to February 28, 2021) *The assumption is that the Merger will become effective on March 1, 2021.
Asset under management	<ul style="list-style-type: none"> <li>• It is assumed that 26 assets (including its equity interest in a silent partnership (<i>tokumei kumiai</i>), the underlying asset of which is Nagoya Lucent Tower) that MMI holds as of June 30, 2020 are held by the same corporation, and that there will be no changes in assets under management (acquisition of new properties, disposition of existing properties, etc.) until the end of February 2021.</li> <li>• Actual results may fluctuate due to changes in the property portfolio and other factors.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• Rental revenue is calculated based on the lease agreements in force as of today, taking into account the market environment, the characteristics of each property, the competitiveness of each property, and the situation of each tenant.</li> <li>• Operating revenue is based on the assumption that there is no arrears or nonpayment of rents by tenants.</li> <li>• Rental revenue is calculated with a decrease due to the impact of the spread of COVID-19 being taken into account to a certain extent.</li> <li>• Dividend income from silent partnership interests is calculated reflecting a forecast about occupancy of properties that is a source of cash flow.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Of the expenses related to rental business, which are the main operating expenses, expenses other than depreciation are calculated based on historical data and reflecting seasonal factors and other cost fluctuation factors.</li> <li>• Property management fees are assumed to be ¥1,224 million for the Fiscal Period Ending February 28, 2021.</li> <li>• Utilities expenses are assumed to be ¥862 million for the Fiscal Period Ending February 28, 2021.</li> <li>• Fixed asset taxes, city planning taxes and depreciable asset taxes (hereinafter referred to as "fixed asset taxes, etc.") are assumed to be ¥1,144 million for the Fiscal Period Ending February 28, 2021.</li> <li>• The expense of repairs of buildings is calculated as the amount expected to be required during the respective accounting periods. The amount is assumed to be ¥571 million for the Fiscal Period Ending February 28, 2021. Please note that actual repair expenses may differ significantly from the forecasted amounts due to various reasons, including repair expenses possibly arising from damages, etc. to buildings due to unexpected causes.</li> <li>• Depreciation is assumed to be ¥1,760 million for the Fiscal Period Ending February 28, 2021 on a straight-line basis, including incidental expenses and additional future capital expenditures.</li> </ul>
Non-operating expense	<ul style="list-style-type: none"> <li>• Interest expenses are assumed to be ¥594 million for the Fiscal Period Ending February 28, 2021.</li> <li>• Borrowing-related expenses are assumed to be ¥172 million for the Fiscal Period Ending February 28, 2021.</li> <li>• Amortization of investment unit issuance costs are assumed to be ¥24 million for the Fiscal Period Ending February 28, 2021.</li> <li>• One-time cost relevant to the Merger is assumed to be ¥142 million.</li> </ul>

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.

Interest-bearing debt	<ul style="list-style-type: none"> <li>The balance of interest-bearing debt is assumed to be ¥126,975 million at the end of Fiscal Period Ending February 28, 2021.</li> </ul>
Number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>It is assumed that the total number of investment units issued and outstanding is 1,784,125 units, which is the number as of today.</li> <li>It is assumed that there will be no additional issuance of new investment units until the end of the Fiscal Period Ending February 2021.</li> </ul>
Payment upon the Merger per unit	<ul style="list-style-type: none"> <li>Payment upon the Merger (payment upon the Merger per unit) is made instead of cash distributions for the Fiscal Period Ending February, 2021 (from July 1, 2020 to February 28, 2021) and is calculated on the basis of the cash distribution policy set forth in the articles of incorporation of MMI.</li> <li>The source of the payment upon the Merger will be ¥5,377 million, which is the total amount of net income and part of gains from the disposition of properties retained as the reserve for reduction entry (¥998 million).</li> <li>Payment upon the Merger per unit may change due to various factors, including changes in assets under management, fluctuations in rental income resulting from changes in tenants, etc., unexpected repairs, and interest rate fluctuations.</li> </ul>
Other	<ul style="list-style-type: none"> <li>It is assumed that there will be no revision in laws and regulations, the tax system, accounting standards, the regulations on the listing of securities, or the regulations of the Investment Trusts Association, Japan, etc. that may affect the above forecast figures.</li> <li>It is assumed that there will be no unexpected material change in general economic trends and real estate market conditions, etc.</li> </ul>

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.