

Aug 28, 2020

**R&I Places on the Rating Monitor With View to Upgrading:
MCUBS MidCity Investment Corp.**

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: MCUBS MidCity Investment Corp.

Issuer Rating: (A+), With View to Upgrading, Previously A+

RATIONALE:

MCUBS MidCity Investment Corp. (Sec. Code: 3227, Issuer Rating: A+) announced on August 28 that it entered into a merger agreement with Japan Retail Fund Investment Corp. (Sec. Code: 8953, Issuer Rating: AA-). For both REITs, Mitsubishi Corp. - UBS Realty Inc. serves as an asset manager. The merger will take effect on March 1, 2021. Japan Retail Fund Investment, a surviving corporation, will be renamed Japan Metropolitan Fund Investment Corp.

The merger will increase MCUBS MidCity Investment's asset size significantly to approximately 1,190 billion yen from the current 280 billion yen or so. Its portfolio will be diversified, and the REIT will be able to conduct flexible investment and management through asset replacement, acquisition of complexes, rebuilding, and conversion of asset types, for example. Because the merger deal will lead to a substantial improvement in the REIT's creditworthiness, R&I has placed the rating on the Rating Monitor with a view to upgrading.

The primary rating methodology applied to this rating is provided at "Rating Methodology for REITs". The methodology is available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: MCUBS MidCity Investment Corp. (Sec. Code: 3227)

Issuer Rating

RATING: (A+), With View to Upgrading

Unsec. Str. Bonds No.1	Issue Date	Maturity Date	Issue Amount (mn)
	May 23, 2016	May 21, 2021	JPY 1,500
RATING:	(A+), With View to Upgrading		

Unsec. Str. Bonds No.2	Issue Date	Maturity Date	Issue Amount (mn)
	May 23, 2016	May 22, 2026	JPY 1,500
RATING:	(A+), With View to Upgrading		

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Unsec. Str. Bonds No.3	Issue Date	Maturity Date	Issue Amount (mn)
	May 29, 2017	May 27, 2022	JPY 1,000

RATING: (A+), With View to Upgrading

Unsec. Str. Bonds No.4	Issue Date	Maturity Date	Issue Amount (mn)
	May 29, 2017	May 28, 2027	JPY 2,000

RATING: (A+), With View to Upgrading

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