

August 15, 2017

To all concerned parties:

Investment Corporation  
**MCUBS MidCity Investment Corporation**  
(Tokyo Stock Exchange Company Code: 3227)  
Representative: Katsuhiro Tsuchiya, Executive Director  
URL: <http://www.midcity-reit.com/en/>  
Asset Management Company  
**MCUBS MidCity Inc.**  
Representative: Toyota Watanabe, President & CEO  
Inquiries: Naoki Suzuki, Deputy President  
TEL: +81-3-5293-4150

**Notice Concerning Conclusion of Green Lease Agreement with Panasonic Corporation  
and Reception of Notice of Determination to Grant Subsidy**

MCUBS MidCity Investment Corporation (hereafter “MCUBS MidCity”) announces that it concluded a green lease agreement with Panasonic Corporation, a tenant of Twin 21 which MCUBS MidCity owns, and today received a notice of the determination related to the grant of a subsidy from the Shizuoka Environment Resources Association (hereafter “SERA”) as a result of filing an application to SERA in relation to the “Project for Promotion of CO<sub>2</sub> Reduction at Tenant Buildings” subsidy within the Fiscal 2017 Project for Carbon Dioxide Emission Control Measures, etc. subsidy of the Ministry of the Environment, as described below.

1. “Sustainability” efforts by MCUBS MidCity

MCUBS MidCity is promoting activities to maintain “sustainability” of the environment and the society. Among its sustainability efforts, this project is an effort concerning “environmental performance” towards environmental consciousness and environmental footprint reduction, through implementing environmental/energy-saving measures and improving energy use efficiency at its holding properties. With respect to energy management of its managing assets, MCUBS MidCity aims to contribute to sustainable development of society through implementing the following policies.

- Conduct business activities in consideration of energy saving/CO<sub>2</sub> reduction.
- Introduce more economical and efficient energy-saving equipment while considering characteristics of facilities and tenant attribution for each property.
- Aim to reduce specific energy consumption by an average of 1% or more per year from a medium to long-term perspective.
- By instilling the importance of reducing environmental load in all parties involved in asset management (AM), property management (PM) and building management (BM), promote streamlining measures with their full participation.

This project is an effort to reduce CO<sub>2</sub> by cooperating with the tenant while receiving the subsidy from SERA which receives subsidies from the Ministry of Environment.

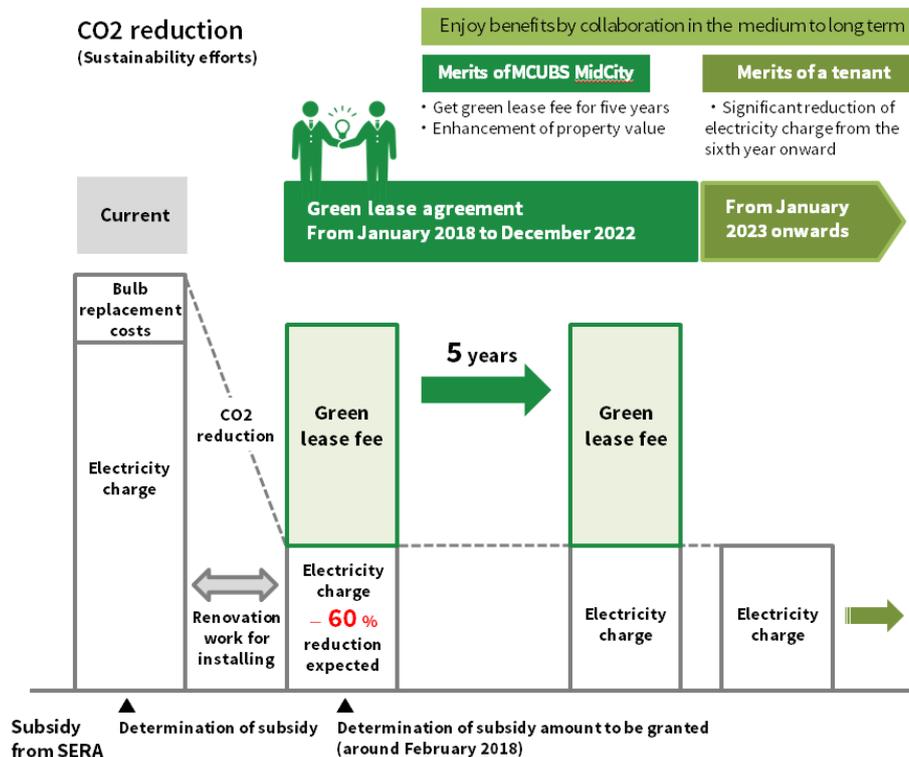
2. Conclusion of green lease agreement

(1) About green lease (Source “Green Lease Guide” by the Green Building Promotion Committee of the Ministry of Land, Infrastructure, Transport and Tourism)

A green lease is where building owners and tenants collaborate to reach voluntary agreements with regards to energy saving and other environmental burdens of real estate as well as improvements of indoor environments through contracts, memorandums of understanding (MOU) and such and implement the contents of these agreements.

(2) Overview of green lease agreement

The green lease agreement concluded with Panasonic Corporation is a “green lease with energy efficiency retrofit” where a tenant returns monetary benefits to a building owner when the benefits of the building owner’s investment in energy-saving retrofit are attributed to the tenant. It aims to redistribute economic benefits by returning part of the tenant’s reduction of electricity charges which came from retrofit investment by MCUBS MidCity as a green lease fee. Both the tenant and MCUBS MidCity can gain economic benefits with establishing a win-win relationship, even when the tenant pays the green lease fee to MCUBS MidCity, as the tenant can further enjoy the benefit of electricity charge reduction.



An overview of the green lease agreement is as follows:

Property name	Twin 21
Tenant name	Panasonic Corporation
Content of renovation work	The lights in the exclusive areas on the 2nd to 38th floors of Twin 21 OBP Panasonic Tower will be changed to LED lighting.
Cost burden	The initial costs of the renovation work will be fully born by MCUBS MidCity and the above tenant will pay the green lease fee to MCUBS MidCity during the following contract period.
Date of conclusion of contract	July 25, 2017
Contract period	From January 1, 2018 to December 31, 2022 (5 years)
Others	The tenant will pay the lease fee for the remaining period when cancelling the contract during the period.

### 3. Grant of subsidy for the Project for Promotion of CO<sub>2</sub> Reduction at Tenant Buildings

The “Project for Promotion of CO<sub>2</sub> Reduction at Tenant Buildings” is one of the projects conducted by SERA to grant subsidies after receiving subsidies for the Fiscal 2017 Project for Carbon Dioxide Emission Control Measures, etc. from the Ministry of the Environment, to projects aiming to contribute to significant reduction of carbon in operations and other divisions by promoting the reduction of CO<sub>2</sub> in tenant buildings, realizing, spreading and expanding advanced commercial buildings, etc., and promoting renovations to reduce CO<sub>2</sub> in existing commercial facilities.

MCUBS MidCity filed an application related to the grant of a subsidy for the “Project for Promotion of CO<sub>2</sub> Reduction at Tenant Buildings” as of July 27, 2017 and received a notice of determination related to the grant of a subsidy as of today. The amount of subsidy to be granted will be decided after the completion of the renovation work described in 2 (2) above and an inspection by SERA.

### 4. Future outlook

There will not be major impact on the business results for the fiscal period ending December 31, 2017 (the 23rd fiscal period: July 1, 2017 to December 31, 2017) and June 30, 2018 (the 24th fiscal period: January 1, 2018 to June 30, 2018) due to this project and the outlook of the business results will remain unchanged. Furthermore, MCUBS MidCity will continue to promote activities to maintain “sustainability” of the environment and the society, including this project.