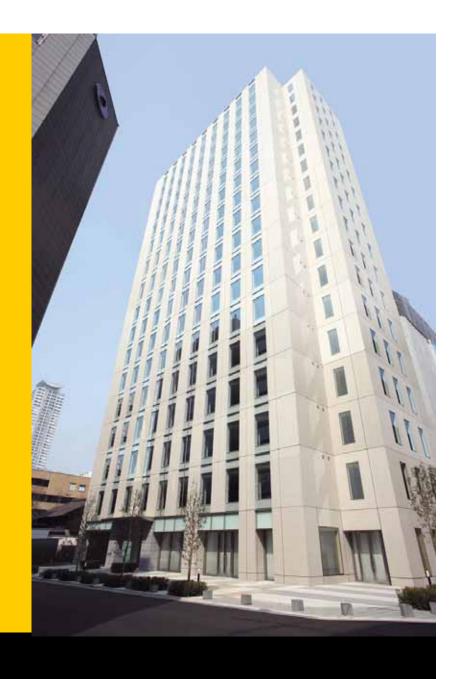
# MID REIT, Inc. 4th Period Results

(Ending June 2008)

**MID REIT Management Co., Ltd.** 





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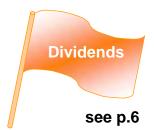
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. 4th Period Results Highlights



# - 4th Period Results Highlights





Distributions per unit: ¥18,217 (¥573 and 3.2% above revised forecast of Mar. 25, 2008)



Leasing NOI yield: 5.3%\* (5.6% after factoring in property management fees)

\*After property tax and others adjustments



Acquired Kitahama MID Bldg. by utilizing pipeline support provided by sponsor company



Maintained conservative LTV ratio levels despite new borrowings to fund Kitahama MID Bldg. acquisition

LTV ratio: 40.2% as of Jun. 30, 2008



# - 4th Period Business Results



	4th Period Results	4th Period Revised Forecasts		n with Initial Forecasts	3rd Period		on with 3rd Results
	(Jan. 1, 2008 - Jun. 30, 2008)	(Announced Mar. 25, 2008)	Difference	Difference (%)	Results	Difference	Difference (%)
Net operating days	182	182	-	-	184	-	-
Operating revenue (JPY mn)	7,622	7,652	30	0.4%	6,299	<b>→</b> 1,323	21.0%
Operating income (JPY mn)	3,873	3,776	97	2.6%	2,866	1,006	35.1%
Ordinary income (JPY mn)	3,346	3,241	105	3.2%	2,396	950	39.6%
Net income (JPY mn)	3,345	3,239	106	3.3%	2,394	950	39.7%
DPU (JPY)	18,217	17,644	573	3.2%	13,043	5,174	39.7%
	■ Controlled r	repair and other costs	, etc.	ase due to sale of I	Kyobashi MID Bldg.,	etc. Increase	e in repair,etc.



# Performance Trends

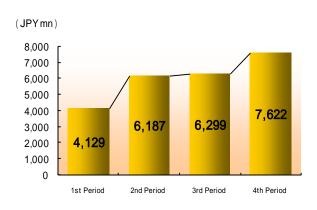


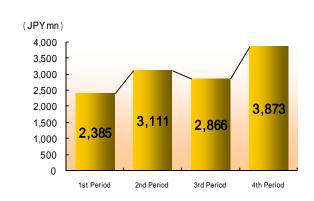
# Performance Trends (1st Period to 4th Period)

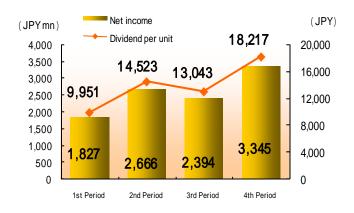
### **Operating revenue**

# Operating income

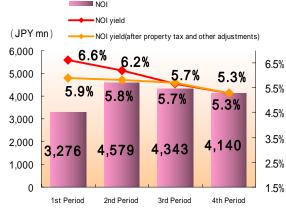
### Net income / Dividend per unit





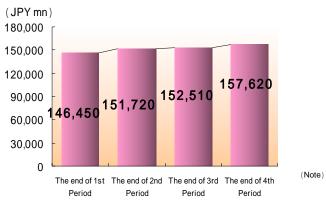


# NOI



See p.39 for NOI breakdown by Property

### **Total acquisition price**



### Note:

In addition to the total acquisition price as of the end of the 4th period, MID REIT acquired an interest worth ¥102 million in the silent partnership operated by Sakura Dori Development LLC, which is in charge of the development of the Sakura Dori MID Bldg. (tentative name), during the 4th period.



# Financial and Accounting Indices



Indices	4th Period Results (Jan. 1,2008–Jun. 30,2007) (Note1)	3rd Period Results (Jul. 1, 2007–Dec. 31,2007) (Note2)	Comments
Net operating days	182days	184days	-
NOI from property leasing	JPY4,140mn (JPY4,121mn)	JPY4,343mn (JPY4,322mn)	Property income + Depreciation & Amortization + Loss on retirement of fixed assets
NOI yield from property leasing (p.a.)	5.3% (5.3%)	5.7% (5.7%)	NOI from property leasing (annualized)/Total acquisition price of properties held at end of period (on an average daily balance basis)
Funds from operations (FFO)	JPY2,944mn (JPY2,925mn)	JPY3,282mn (JPY3,261mn)	Net income (excl. revenue and expense from sale of real estate ) + Depreciation & Amortization
FFO per unit	JPY16,036 (JPY15,932)	JPY17,874 (JPY17,760)	FFO / Total units outstanding at end of period
Return on assets (ROA)	3.9%	2.8%	Ordinary income [annualized] / {( Total assets at beginning of period + Total assets at end of period ) / 2}
Return on equity (ROE)	7.2%	5.1%	Net income [annualized] / {( NAV at beginning of period +NAV at end of period) / 2}
NAV per unit	JPY510,376	JPY505,201	NAV at end of period/Total units outstanding at end of period
Loan to value (LTV)	40.2%	36.6%	Interest-bearing debt at end of period/Total assets at end of period
Debt service coverage ratio (DSCR)	10.1	8.6	Net income before interest and depreciation/Interest expense
Price book-value ratio (PBR)	0.7	1.0	Unit Price at end of period/NAV per unit
Price earning ratio (PER)	9.5	20.2	Unit Price at end of period/Net income per unit
FFO multiple	7.4	14.5	Unit Price at end of period/FFO per unit

### Notes:

<sup>1.</sup> Figures in brackets indicate values after having accounted for the fiscal period costs of JPY 19 million (annualized: JPY 33 million), which is posted as deferred tax assets on the balance sheets. The said amount is a portion of the estimated income taxes (property and city planning taxes) on property holdings on a normal operation base.

<sup>2.</sup> Figures in brackets indicate values after having accounted for the fiscal period costs of JPY 21 million (annualized: JPY 42 million), which is posted as deferred tax assets on the balance sheets. The said amount is a portion of the estimated income taxes (property and city planning taxes) on property holdings on a normal operation base.



# - Income Statement



Income Statement							. (	JPY 000)	Det	ails of property revenu	<b>ie</b> (JPY 000)
Description	(Jul. 1,	3rd Period 2007– Dec. 31,	2007)	(Jan. 1,	4th Period 2008– Jun. 30	, 2008)	Diffe	ence	Г	Rent	4,639,655
Description			(%)			(%)		(%)	i I	CAM	1,096,066
1.Operating revenue										Parking revenue	171,418
Property revenue	5,907,140			5,900,052					$\vdash$		
Other property revenue	392,346			395,593					Doto	ila of rovenue from col	a of root cototo
Revenue from sale of real estate	-	6,299,486	100.0	1,327,347	7,622,993	100.0	1,323,506	21.0	Deta	ils of revenue from sal	(JPY 000)
2.Operating expenses										Revenue from	7,100,000
Property expenses	2,842,905			3,081,665						sale of real estate	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Asset management fees	461,946			511,298					Ш	Costs of sales of	5,733,977
Asset custody fees	8,370			8,675						real estate	5,755,977
Administration fees	46,681			49,845					Ш	0:1	
Compensation paid to directors	10,800			10,800						Other real estate sales expenses	38,675
Other operating expenses	62,227	3,432,932	54.5	87,466	3,749,740	49.2	316,808	9.2	$\Pi^{-}$		
Operating income		2,866,554	45.5		3,873,252	50.8	1,006,698	35.1	De	tails of property expen	ises (JPY 000)
3. Non-operating revenue										Property management	702,750
Interest revenue	15,365			18,683						fees	
Other non-operating revenue	2	15,368	0.2	5	18,689	0.2	3,321	21.6		Utilities	479,167
4.Non-operating expenses										Real estate taxes	568,635
Interest expense	433,613			467,332						Insurance premium	29,172
Loan related expenses	51,452			60,670						·	
Other non-operating expenses	290	485,355	7.7	17,162	545,165	7.1	59,809	12.3		Repairs	348,498
Ordinary income		2,396,566	38.0		3,346,776	43.9	950,209	39.6		Depreciation &Amortization	907,907
Net income before Taxes		2,396,566	38.0		3,346,776	43.9	950,209	39.6			
Income taxes	1,605			1,668						Loss on disposal of	18,997
Tax adjustments	6	1,612	0.0	3	1,665	0.0	53	3.3		fixed assets	
Net income		2,394,953	38.0		3,345,110	43.9	950,156	39.7		Other Property	26,525
Retained earnings brought forward		146			78		67			expenses	
Unappropriated retained earnings		2,395,099			3,345,189		950,089				9



# - Balance Sheet



### **Balance sheet**

Dalatice Stiect					l .	
	3rd Perio (as of Dec. 31		4th Period (as of Jun. 30, 2008)		Difference	
Description	JPY 000	(%)	JPY 000	(%)	JPY 000	(%)
(ASSETS)						
Total Current assets	14,286,237	8.5	21,467,316	11.9	7,181,079	50.3
Cash and deposits	8,346,107		15,561,291		7,215,183	
Cash and deposits in trust	5,678,055		5,534,347		143,708	
Accounts receivable	199,478		202,285		2,806	
Refunded corporate income tax receivable	1,867		2,424		556	
Consumption tax receivable	-		135,768		135,768	
Prepaid expenses	60,108		30,623		29,484	
Deferred tax assets	29		33		3	
Other Current assets	589		543		46	
Total Non-current assets	153,175,519	91.5	158,448,980	88.1	5,273,461	3.4
1.Tangible fixed assets						
Construction in progress	-		10,500		10,500	
Land	825,095		825,095		-	
Buildings in trust	50,721,540		54,286,663	•	7	
Total depreciation and amortization	2,288,789		3,128,642		2,725,270	
Structures in trust	43,532		44,512	•	Н	
Total depreciation and amortization	679		1,288		370	
Tools, Furniture & Fixtures in trust	85,639		102,069	•	H	
Total Depreciation and amortization	7,108		11,953		11,585	
Landed property in trust	103,513,074		105,990,543		2,477,468	
Total tangible fixed assets	152,892,304	91.3	158,117,500	87.9	5,225,195	3.4
2.Intangible fixed assets						
Software	2,081		1,811		270	
Right of trademark	-		418		418	
Total intangible fixed assets	2,081	0.0	2,230	0.0	148	7.1
3.Investment and other assets						
Investment securities	101,505		102,510		1,005	
Lease deposits	10,000		10,000		-	
Long-term Prepaid expenses	169,628		216,740		47,111	
Total investments and other assets	281,133	0.2	329,250	0.2	48,116	17.1
Total Assets	167,461,757	100.0	179,916,297	100.0	12,454,540	7.4

<b>5</b>	3rd Period (as of Dec. 31, 2007)				Difference		
Description	JPY 000	(%)	JPY 000	(%)	JPY 000	(%)	
(LIABILITIES)							
Total Current liabilities	23,493,028	14.0	23,935,085	13.3	442,057	1.9	
Accounts payable-trade	235,474		481,579		246,104		
Current portion of long-term debt	21,300,000		21,300,000				
Accounts payable-other	722,355		764,746		42,390		
Accrued expenses	7,222		29,817		22,594		
Dividends payable	21,320		20,529		790		
Accrued corporate income taxes	402		358		43		
Accrued consumption taxes	120,504				120,504		
Rent received in advance	760,973		785,500		24,526		
Other Current liabilities	324,775		552,554		227,779		
Total Non-current liabilities	51,201,015	30.6	62,263,408	34.6	11,062,393	21.6	
Long-term debt	40,000,000		51,000,000		11,000,000		
Leasehold and security deposits received	9,048,336		8,943,201		105,134		
Leasehold and security deposits received in trust	2,152,679		2,320,207		167,527		
Total Liabilities	74,694,043	44.6	86,198,494	47.9	11,504,451	15.4	
(UNITHOLDERS' EQUITY)							
Unitholders' equity							
1.Unitholders' capital	90,372,613	54.0	90,372,613	50.2			
2.Retained earnings							
Unappropriated retained earnings	2,395,099		3,345,189		950,089		
Total retained earnings	2,395,099	1.4	3,345,189	1.9	950,089	39.7	
Total unitholders' equity	92,767,713	55.4	93,717,803	52.1	950,089	1.0	
Total Unitholders' Equity	92,767,713	55.4	93,717,803	52.1	950,089	1.0	
Total Liabilities and Unitholders'	167,461,757	100.0	179,916,297	100.0	12,454,540	7.4	

Incl. Capex accrued during the period: ¥ 793 million (see p.39 for details on properties)



# Cash Flows Statement



Cashflows Statement (JPY'000)

		( <b>JPY'000)</b>
Description	3rd Period (Jul. 1, 2007 - Dec. 31, 2007)	4th Period (Jan. 1, 2008 - Jun. 30, 2008)
Cashflows from operating activities	3,279,518	10,119,130
Net income before Taxes	2,396,566	3,346,776
Depreciation & Amortization	887,306	907,907
Amortization of long-term prepaid expenses	43,554	54,324
Interest revenue	15,365	18,683
Interest expense	433,613	467,332
Loss on retirement of fixed assets	-	18,997
Increase/decrease in Accounts receivable	9,036	2,806
Increase/decrease in Consumption tax receivable	-	135,768
Increase/decrease in Accrued Consumption taxes payable	47,238	120,504
Increase/decrease in Accounts payable-trade	39,408	246,104
Increase/decrease in Rent received in advance	21,834	24,526
Increase/decrease in Prepaid expenses	49,344	29,484
Long-term prepaid expenses		101,436
Decrease in sale of Tangible fixed assets in trust	_	5.733.977
Other	4.759	97,221
Subtotal	3.696.121	10.547.454
Interest received	15.365	18.683
Interest paid	428,708	444,737
Income taxes paid	3,260	2,269
Cashflows from investing activities	1,741,680	11,651,843
Payments for purchases of property and equipment	825,095	10,500
Payments for purchases of property and equipment held in trust	557,770	11,884,102
Payments for purchases of intangible assets	_	429
Payments for purchases of investment securities	101.505	1,005
Proceeds from leasehold and security deposits	488.372	508,156
Proceeds from leasehold and security deposits in trust	444.308	675,684
Payments for leasehold and security deposits	685.530	431,490
Payments for leasehold and security deposits in trust	488,432	508,156
Payments for entrusted deposits corresponding to leasehold and	· · · · · · · · · · · · · · · · · · ·	333,100
security deposits	16,028	-
Cashflows from financing activities	2,660,991	8,604,188
Proceeds from Long-term debt		11,000,000
Payments for distributions to unitholders	2,660,991	2,395,811
Increase/decrease in cash & cash equivalents	1,123,153	7,071,475
Cash & cash equivalents at beginning of period	13,068,844	11,945,690
Cash & equivalents at end of period	11,945,690	19.017.166

. Results Forecast



# Results Forecast on the 5th and 6th Period



Items	2nd Period Results (Jan. 1, 2007– Jun. 30, 2007)	3rd Period Results (Jul. 1, 2007– Dec. 31, 2007)	4th Period Results (Jan. 1, 2008– Jun. 30, 2008)
Net operating days	181 days	184 days	182 days
Operating revenue	JPY6,187 mn	JPY6,299 mn	JPY7,622 mn
Operating income	JPY3,111 mn	JPY2,866 mn	JPY3,873 mn
Ordinary income	JPY2,668 mn	JPY2,396 mn	JPY3,346 mn
Net income	JPY2,666 mn	JPY2,394 mn	JPY3,345 mn
DPU	JPY14,523	JPY13,043	JPY18,217

Forecast on 5th Period (Jul. 1, 2008– Dec. 31, 2008)	Forecast on 6th Period (Jan. 1, 2009– Jun. 30, 2009)
184 days	181 days
JPY6,317 mn	JPY6,387 mn
JPY2,730 mn	JPY2,742 mn
JPY2,045 mn	JPY2,026 mn
JPY2,043 mn	JPY2,024 mn
JPY11,128	JPY11,023

Note 1. All the above figures are based on the assumption that the No. of units outstanding in each period is 183,625 units.

<sup>2.</sup> The above forecasts are based on certain criteria for calculation and reflect the situation as of Aug. 18, 2008. Actual Operating revenue, Operating income, Ordinary income, Net income and Dividend per unit may change depending on the occupancy level of existing properties or changes in rent, acquisition/disposal of properties, changes in the real estate market environment, changes to the environment surrounding MID REIT going forward. Also, our forecast shall not be construed as a guarantee of Dividend amount paid to our investors.

. Growth Strategy

# -1. Internal Growth



# - 1 - Occupancy Rate Breakdown by Property



				3rd Period	4th Period	h Period		Breakdown			
Type	Prop.	Prop. name	Leasable area (㎡) (Note1)	Occupancy rate as of Dec. 31, 2007 (%) (Note2)		Difference (Points)	New Tenant Occupancy ( m²)	Expansion of Leased Area by Existing Tenants (m²)	Decrease in Leased Area by Existing Tenants (m²)	Cancellation (m²)	
	1	Twin 21	82,401.40	97.8	96.7	1.1	642.43	347.91	258.56	1,704.54	
	2	Matsushita IMP Bldg.	36,748.11	95.0	94.8	0.2	742.42	-	24.78	769.38	
	3	Matsushita Denko Bldg.	12,684.52	100.0	100.0		-	Office canc	ellation : 43	3.60m² -	
Office	4	Midosuji MID Bldg.	16,186.37	100.0	100.0	Office oc rate:99.1		ncy Lower floor retail shops			
	5	Higashinoda MID Bldg.	5,098.10	100.0	100.0		or retail shops			-	
Bldg.	10	MID Imabashi Bldg.	4,278.35	100.0	100.0	occupan	cy rate:72.3%	_	-	-	
	11	MID Midosujikawaramachi Bldg.	3,039.09	87.5	75.5	12.0	378.73	-	-	744.19	
	12	Kitahama MID Bldg.	10,189.50	-	95.5	-	413.81	Cancellation	on of a tenant wh	o filed	
	7	MID Shibakanasugibashi Bldg.	1,989.27	100.0	100.0	-	-	for volunta	ry bankruptcy	-	
Non- office	8	Konami Sports Club Kyobashi	9,586.26	100.0	100.0	-	-	-	-	-	
Bldg.	9	AEON Tsudanuma Shopping Center	101,210.44	100.0	100.0	-	-	-	-	-	

Occupancy Rate	Office Bldg. Occupancy Rate	97.4	96.6	0.8
by type (Note3)	Non-Office Bldg. Occupancy Rate	100.0	100.0	-
Por	tfolio Occupancy Rate (Note 3)	98.4	98.0	0.4

### Notes

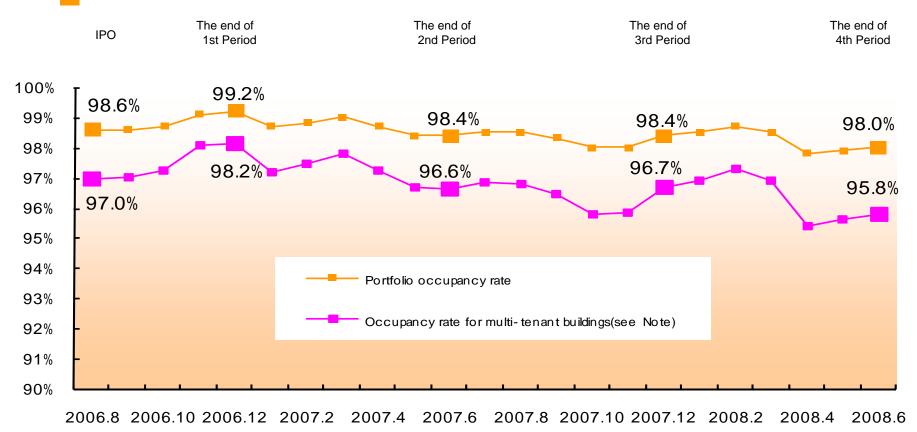
- 1. Leasable areas presented in the above table represent total leasable floor area as of Jun. 30, 2008. Figures exclude floor area occupied by of storage areas, halls and parking areas. However, the leasable areas of Konami Sport Club Kyobashi and AEON Tsudanuma Shopping Center include the common and parking areas, while the leasable areas of the Midosuji MID Bldg. and the Higashinoda MID Bldg. include common areas. each of which is leased in its entirety to a sole tenant.
- 2. Occupancy rates are presented as percentage figures, those are obtained by dividing the period-end leased areas by the leasable areas.
- 3. Occupancy rate by type and portfolio occupancy rate are presented as percentages that are obtained by dividing the sum of leased areas of each group by the sum of the group s leasable areas, rounded to the first decimal place.



# - 1 - Change in Occupancy Rate



# Change in Occupancy Rates (IPO to The end of 4th Period)



Note:

Properties considered in the calculation are as follows.

From Aug. 2006 to Mar. 2007: Twin 21, Matsushita IMP Bldg. and Kyobashi MID Bldg.

In Apr. 2007 : Twin 21, Matsushita IMP Bldg., Kyobashi MID Bldg. and MID Imabashi Bldg.

From May 2007 to Mar. 2008: Twin 21, Matsushita IMP Bldg., Kyobashi MID Bldg., MID Imabashi Bldg. and MID Midosujikawaramachi Bldg. After Apr. 2008: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg. and Kitahama MID Bldg.



# 1 - Rent Revisions



Approx. JPY52mn improvement in

earning capacity

4th Period:
Renewal Contracts with
Existing Tenants (Note 1)

		Number of Tenants	Area (㎡)	Amount of Increase (JPY'000) *Monthly amount × 6
	Upward revision	4	3,730.86	20,692
Rent Renewal	Unchanged	74	19,946.49	-
	Downward revision	1	164.00	595
	20,096 -			

4th Period:
Contract Revisions with
Existing Tenants (Note 2)

Amount of Increase Area **Number of Tenants** (JPY'000) \*Monthly amount × 6 Upward 3 2,536.89 5.778 revision Rent Renewal Downward 0 0 0 revision 5,778 Total

4th Period:
Contracts with New Tenants
(Note 3)

		Number of Tenants	Area ( m²)	Amount of Increase (JPY'000) *Monthly amount × 6
Proximal Unit	Amount of increase	8	1,250.59	29,883
Price Comparison	Unchanged	0	0	-
(Note 4)	Amount of decrease	4	1,274.71	3,395
	26,488 —			

### Notes:

- 1. Based solely on renewed contracts with tenants whose contracts expired during the 4th period.
- 2. Based on rent revisions to active tenant contracts during the 4th period.
- 3. Based on new contracts signed during the 4th period and existing contracts renewed for larger leased areas during the 4th period.
- 4. Proximal unit price comparison is a comparison of unit price rental fees paid by new tenants and unit price rental fees paid by tenants which entered in the same building units after acquisition by MID REIT. The proximal unit price of building units that were vacant at the time of acquisition by MID REIT have been set at JPY 0.



# - 1 - Efforts for Rent Revision



## Details on the leasing contracts at the end of 4th Period (based on rents)

		Leasing contra renewal by J	Leasing contracts subject	
Prop. name			Contracts with rents below the market level by more than 10% (Note 1)	to renewal after Jul. 2010 or Term leasing contracts (Note 2)
Twin 21	Office	88.2%	4.5%	11.8%
	Retail	92.0%	4.8%	8.0%
Matsushita IMP Bldg.	Office	50.5%	-	49.5%
	Retail	77.3%	77.3% 4.5%	
Matsushita Denko Bldg.		100.0%	-	-
Midosuji MID Bldg.		-	-	100.0%
Higashinoda MID Bldg.		100.0%	-	-
MID Shibakanasugibashi Bldg.		100.0%	100.0%	-
Konami Sport Club Kyobashi		-	-	100.0%
AEON Tsudanuma Shopping C	enter	-	-	100.0%
MID Imabashi Bldg.		100.0%	-	<del>-</del>
MID Midosujikawaramachi Bldg		100.0%	-	-
Kitahama MID Bldg.		75.5%	-	24.5%

Efforts for increasing rents to market levels (catch-up) when renewals are due

### Notes:

- 1. Based on analysis of rent levels for new contracts in neighboring areas as of Jun. 30, 2008 by data acquired through interview of major brokers.
- 2. Including contracts with covenants that allow for rent revision outside of the contract renewal period and thus provide the possibility to revise rent by Jun. 30, 2010 through mutual agreement



# - 1 - Other Efforts



# Examples of Value enhancement and Renovations







Usage change of the 3F atrium surroundings to office from commerce (Image)





Elevator-interior renovation (MID Tower 15F)



Restroom renovation (MID Tower 15F)

# -2. External Growth



# - 2 - Properties acquired in the 4th Period



# Acquisitions in the 4th Period

Kitahama MID Bldg. [Acquisition date:Apr. 2008]



- Occupancy rate as of Jun. 30, 2008: 95.5%
- Expected to rise to 98.8% with a new tenant leasing retail space on the first floor from Sep. 2008



Use of building	Office building
Location	Doshomachi,Chuo-ku,Osaka
Total floor area	14,648.13m²
Leasable area	10,189.50m²
Construction comtributions	Feb.2008
Acquisition price	¥10,800mn

# (Tentative name) Sakuradori MID Bldg. [Silent Partnership Interests, Additional Acquisition date:Jan. 2008]



(Image of Sakuradori MID Bldg.)

Use of building	Office building
Location	Marunouchi Naka-ku, Nagoya
Total floor area	14,875m² ( planned )
Leasable area	9,909.75m2 ( planned )
Construction comtributions	Feb.2009 (planned)
Acquisition price	¥211mn max.

See P44



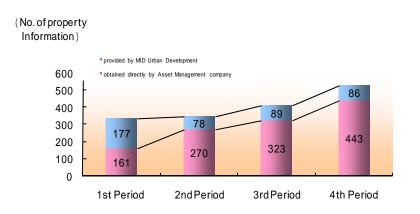
# - 2 - Status of Property Information Acquisition



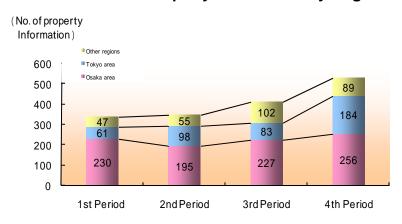
### **Total Number of Property information Received**

# (No. of property Information) 600 500 400 300 200 100 0 1st Period 2nd Period 3rd Period 4th Period

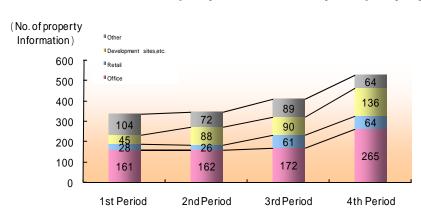
### **Number of Property Information by Channel**



### **Number of Property Information by Region**



### **Number of Property Information by Property Type**

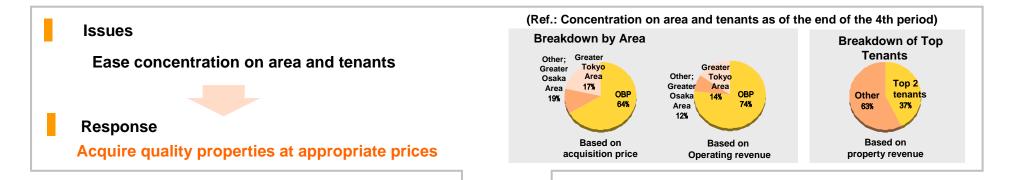


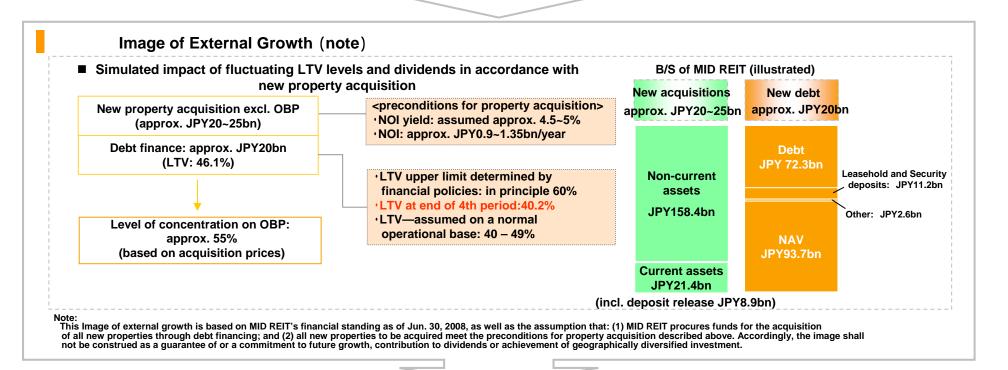
Gathering information on various types of properties in various regions to secure sufficient investment opportunities



# - 2 - Future Strategies







. Financial Conditions



# **Details on Debt (1)**



# Breakdown of debt (as of Jun. 30, 2008)

Туре		Lenders	Borrowing date	Balance at end of 4th Period	Average interest rate (Note 1)	Repayment date	Repayment method	Usage	Remarks
Current portion of long-term debt	Term loan (2yrs) (Note 2)	Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, Shinsei Bank, Resona Bank, Bank of Ikeda, Hyakugo Bank, Yamaguchi Bank, Tokyo Marine & Nichido Fire Insurance	Aug. 31, 2006	JPY21.3bn	1.165%	Aug. 31, 2008	Bullet payment	(Note 4)	Secured
Long-term debt	Term loan (3yrs) (Note 2) (Note 3)	Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, Shinsei Bank, Resona Bank, Mitsubishi UFJ T& B, Aozora Bank, Bank of Ikeda, Sompo Japan	Aug. 31, 2006	JPY20.0bn	1.447% (Note 3)	Aug. 31, 2009	Bullet payment	(Note 4)	Secured
debt	Term loan (4yrs) (Note 2) (Note 3)	Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, Shinsei Bank, Resona Bank, Aozora Bank, Bank of Ikeda	Aug. 31, 2006	JPY20.0bn	1.699% (Note 3)	Aug. 31, 2010	Bullet payment	(Note 4)	Secured
Long-term debt	Term loan (2yrs) (Note 2)	Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, The Nishi-nippon City Bank, Mitsubishi UFJ T& B, Aozora Bank,	Apr. 24, 2008	JPY11.0bn	1.455%	Apr.23, 2010	Bullet payment	(Note 4)	Secured
		Total	-	JPY72.3bn	-	-	-	-	-

### Notes:

- 1. Average interest rate shows the weighted average interest rate with figures rounded off to three decimal places. For loans which were hedged against interest rate fluctuation risks through interest rate swap, we have stated the weighted average interest rate which reflects such swap
- 2. Term loans (2yrs, 3yrs, 4yrs respectively) are co-financed by the banks in the list
- 3. Term loans (3yrs, 4yrs respectively) are hedged against interest fluctuation risks through interest rate swap
- 4. Funds are used for purchase of beneficiary interests in real estate trust, etc.

### Credit line (as of Jun. 30, 2008)

Туре	Lenders	Credit line	Use of funds
Basic agreement of credit line	Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, Shinsei Bank	JPY10.0bn	Future acquisition and payment of related expenses



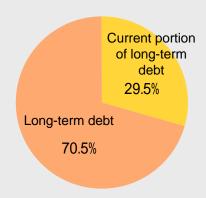
# **Details on Debt (2)**



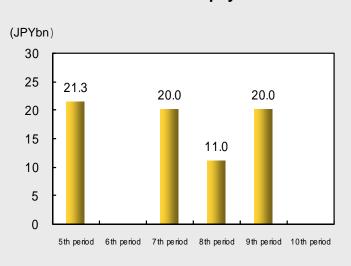
# Ratio of fixed/floating rate

# Fixed 44.7% 55.3%

### Ratio of Long-term/short-term debt



### **Diversification of repayment dates**



# Shelf-Registration for The Issuance of Investment Corporation Bonds

- Planned issue amount ¥100 billion
- Registration date Nov. 7, 2007
- Term

From Nov. 15, 2007 to Nov. 14, 2009

# Obtained Rating acquisition

Rating agency	Obtained
R&I	issuer rating A (Stable)

. Appendix



# - 1 About MID REIT



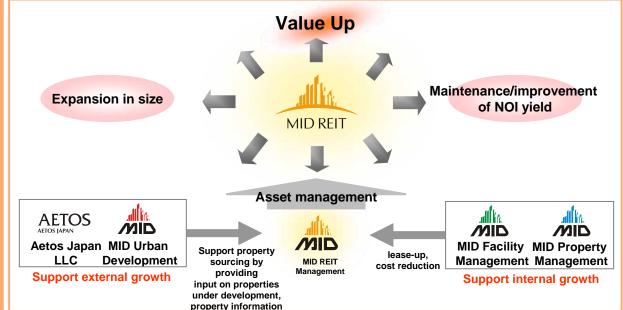
# Focusing on Osaka area and office properties

- More than 70% of the portfolio to be invested in Osaka area, which is one of the best economic sizes in Japan
- More than 70% of the portfolio to be invested in Office properties, which have numerous opportunities for investment, and are investment subjects with liquidity and stability

Consisting of OBP's large-scale office buildings



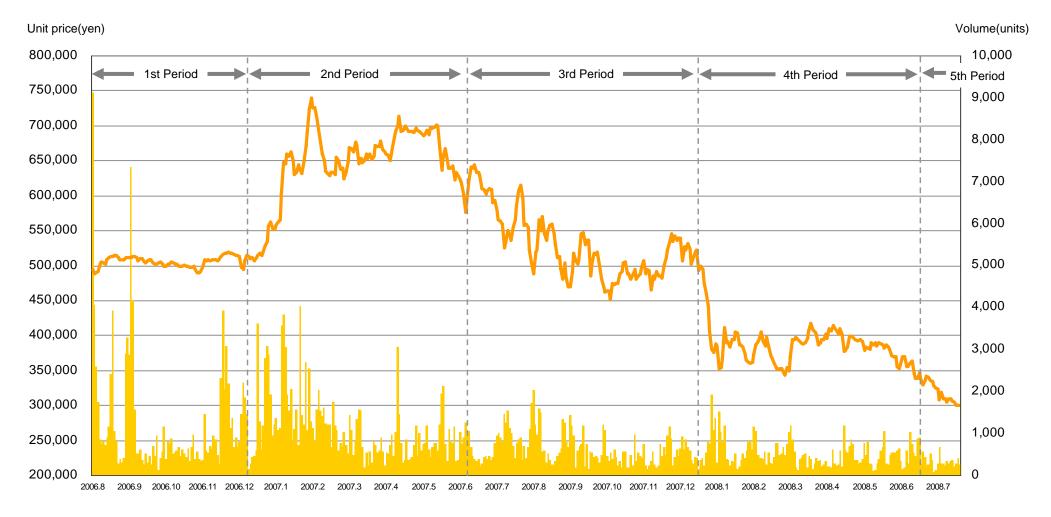
Utilizing the collective capacity of the MID group and cooperation with AETOS





# - 2 Unit Price Performance(1) (IPO ~ Jul. 31, 2008)



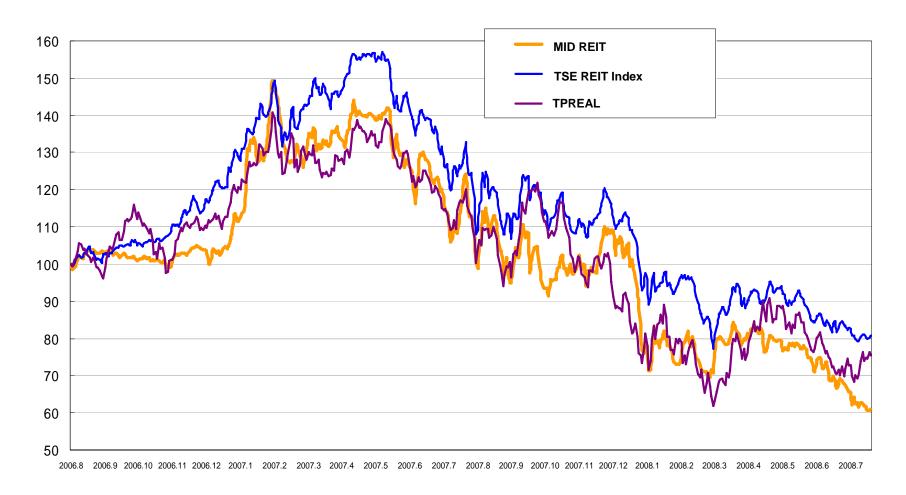


Source: QUICK



# - 2 Unit Price Performance (2) (IPO to Jul. 31, 2008)





Source: QUICK

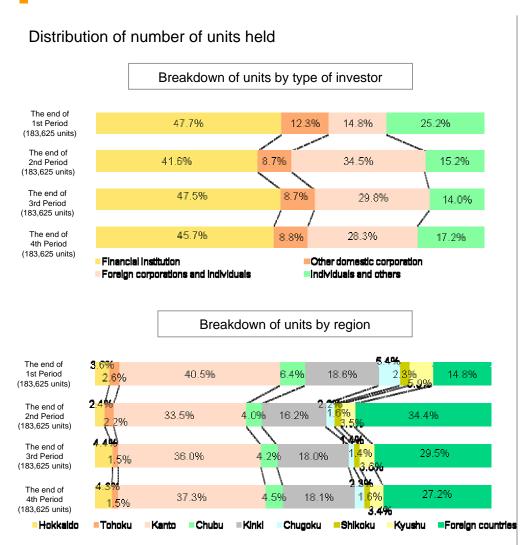
Note: To track stock performance, reference values of 100% have been assigned to the August 29, 2006 closing prices of the TSE REIT Index and TOPIX Real Estate Index (TPREAL). The closing price of MID REIT s units as of the same date, on which MID REIT s units were publicly listed, has also been set at the reference value of 100%.



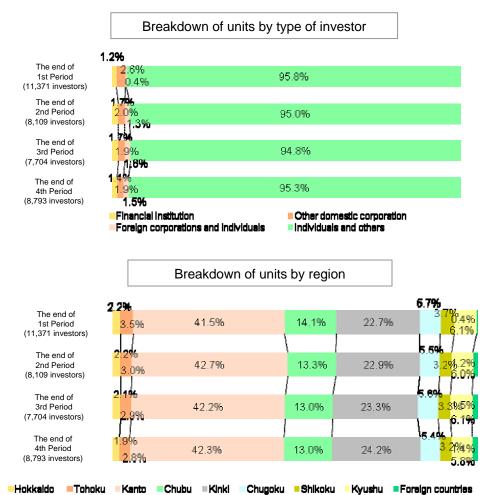
# - 3 Unitholder Details (1)



# Analysis of Investor Attributes



### Distribution of number of investors





# - 3 Unitholder Details(2)



# Top 10 Unitholders (as of Jun. 30, 2008)

Name	Number of units held	Ratio of units held to total units outstanding (%)	Difference
Nikko Citi Trust and Banking Corporation (Investment Trust Account)	13,620	7.42	+ 502
MID Urban Development Co., Ltd.	9,200	5.01	±0
Japan Trustee Services Bank, Ltd. (Trust Account)	7,870	4.29	288
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,046	3.84	+ 1,731
North Pacific Bank, Ltd.	6,977	3.80	±0
The Bank of Ikeda, Ltd.	6,894	3.75	1,356
CGML IPB Customer Collateral Account	5,368	2.92	+ 5,368
Goldman Sachs International	5,074	2.76	+ 2,059
The Fuji Fire and Marine Insurance Co., Ltd.	3,822	2.08	+ 419
Mellon Bank, N.A. Treaty Clients Omnibus	3,509	1.91	+ 835
Total	69,380	37.78	9,270

Note: Ratios of units held to total units outstanding are rounded off to two decimal places.

# Status of Large Unitholding Reports Submitted (as of Aug. 12, 2008)

Submitter or Name of Joint Unitholder	Number of Units Held	Ratio of Units Held to Total Units Outstanding (%)	Dates of Latest Submissions
Nikko Asset Management Co., Ltd. Nikko Citigroup Limited	17,576	9.57	Aug. 6, 2008
Altrinsic Global Advisors, LLC	11,506	6.27	Mar. 3, 2008
MID Urban Development Co., Ltd.	9,200	5.01	Jan. 10, 2007

Note: Ratios of units held to total units outstanding are based on values recorded in large unitholding reports.

Only submitters and joint unitholders who hold 5% or more of total units outstanding are presented in the table abobe.

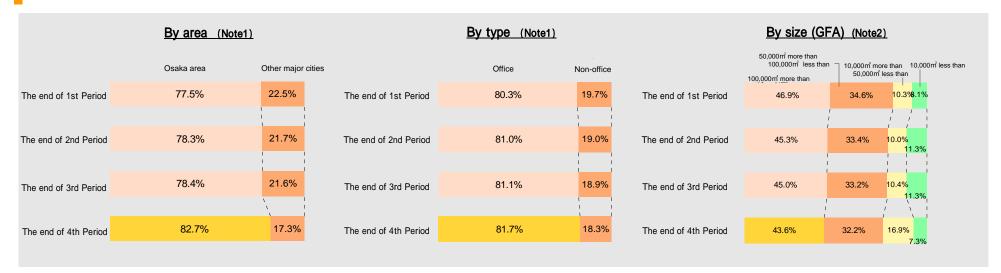
# -4. Portfolio



# 4 - Portfolio Diversification



## Data of Portfolio







# 4 - Portfolio Overview



### As of Jun. 30, 2008

Туре	Area	Prop No.	Prop.name	Location	Acquisition date	Acquisition Price (JPYmn) (Note1)	Investment ratio(%) (Note2)	Completion date	Leasable space (m²) (Note3)	PML (%) (Note4)
Office	Osaka area	1	Twin21 (Note5)	Chuo-Ku, Osaka	8/06	68,700	43.6	3/86	82,401.40	3.5
		2	Matsushita IMP Bldg.	Chuo-Ku, Osaka	8/06	24,600	15.6	2/90, added on to in 11/03	36,748.11	3.2
		3	Matsushita Denko Bldg. (Note6)	Chuo-Ku, Osaka	8/06	7,620	4.8	8/74	12,684.52	7.2
		4	Midosuji MID Bldg. (Note7)	Chuo-Ku, Osaka	8/06 10/07	8,290	5.3	10/80	16,186.37	8.7
		5	Higashinoda MID Bldg.	Miyakojima-Ku, Osaka	8/06	2,300	1.5	2/00	5,098.10	7.8
		10	MID Imabashi Bldg.	Chuo-Ku, Osaka	4/07	3,270	2.1	10/90	4,278.35	6.2
		11	MID Midosujikawaramachi Bldg.	Chuo-Ku, Osaka	5/07	2,000	1.3	3/98	3,039.09	6.2
		12	Kitahama MID Bldg.	Chuo-Ku, Osaka	4/08	10,800	6.9	2/08	10,189.50	3.0
	Other major cities	7	MID Shibakanasugibashi Bldg.	Minato-Ku, Tokyo	8/06	1,160	0.7	1/95	1,989.27	6.0
			Sub-total			128,740	81.7		172,614.71	
Non- office	Osaka area	8	Konami Sports Club Kyobashi	Miyakojima-Ku, Osaka	8/06	2,780	1.8	6/99	9,586.26	5.7
	Other major cities	9	AEON Tsudanuma Shopping Center	Narashino-shi, Chiba	8/06	26,100	16.6	9/03, added on to in12/07	101,210.44	4.0
			Sub-total			28,880	18.3		110,796.70	
Total						157,620	100.0		283,411.41	2.8

### Notes

- 1. Acquisition price states the sale price which is stated in the sales contract for the Trust beneficiary interests and others(expenses related to the transaction, property tax and consumption tax are not included)
- 2. Investment ratio as presented in the table above is the ratio of a property's acquisition price to the total acquisition price and rounded off to the first decimal place. Accordingly, the sum of individual properties' acquisition prices may not add up to the figures presented in the subtotal and total columns.
- 3 Leasable areas presented in the above table represent total leasable floor area as of Jun. 30, 2008. Figures exclude floor area occupied by of storage areas, halls and parking areas. However, the leasable areas of Konami Sport Club Kyobashi and AEON Tsudanuma Shopping Center include the common and parking areas, while the leasable areas of the Midosuji MID Bldg. and the Higashinoda MID Bldg. include common areas, each of which is leased in its entirety to a sole tenant.
- 4. The total PML represents PML for the entire portfolio. MID REIT has taken out earthquake insurance for all the portfolio properties presented above as of Jun. 30, 2008
- 5. Includes the Trust beneficiary interest of Twin 21 (partial ownership of leased land)
- 6. Matsushita Denko Bldg,'s PML does not factor in the effect of antiseismic reinforcement, which was completed in Jan. 2008 and was obtained through appraisal prior to such reinforcement.
- 7. Data for the Midosuji MID Bldg. includes that of the adjoining land.
- 8. In addition to the properties listed in the table above, MID REIT acquired a silent partnership interest in the Sakura Dori MID Bldg. (tentative name) on Nov. 29, 2007 and Jan. 30, 2008.
- 9. Kyobashi MID Bldg. was transferred on Apr. 17, 2008.



### 4 - Portfolio Value at End of Period



As of Jun. 30, 2008

Туре	Area	Prop	Prop. name	Acquisition value(A) (JPYmn) (Note1)	Appraisal value at 3rd Period-End (JPYmn)	Appropriated to BS as of 4th Period-End (JPYmn)(Note2)	Appraisal value at 4th Period-End (JPYmn) (B) (Note3)	Change (B/A-1)	Appraisal company
									Morii Appraisal & Investment
		1 T	「win21(Note4)	68,700	70,900	69,085	70,900	3.2%	Consulting Inc.
		2 N	Matsushita IMP Bldg.	24,600	24,800	24,359	24,800	0.8%	Tanizawa Sogo Appraisal Co., Ltd.
		3 N	Matsushita Denko Bldg.	7,620	7,620	7,637	7,620		Morii Appraisal & Investment Consulting Inc.
			/lidosuji MID Bldg.(Note5)(Note6)	8,290	9,410	8,353	10,900	31.5%	Tanizawa Sogo Appraisal Co., Ltd.
Office		5 ⊦	Higashinoda MID Bldg.	2,300	2,360	2,279	2,300		Tanizawa Sogo Appraisal Co., Ltd.
		10 N	/IID Imabashi Bldg.	3,270	3,280	3,390	3,280	0.3%	Tanizawa Sogo Appraisal Co., Ltd.
		111	AID Midosujikawaramachi Bldg.	2,000	2,070	2,050	2,010	0.5%	Tanizawa Sogo Appraisal Co., Ltd.
		12 K	Kitahama MID Bldg.	10,800		11,074	10,800		Japan Real Estate Institute
	Other major cities	7 N	MID Shibakanasugibashi Bldg.	1,160	1,260	1,160	1,280	10.3%	Tanizawa Sogo Appraisal Co., Ltd.
		S	Sub-total	128,740	121,700	129,392	133,890	4.0%	•
Non-	Osaka area	8 K	Konami Sports Club Kyobashi	2,780	2,850	2,742	2,860	2.9%	Daiwa Real Estate Appraisal Corp.
office	Other major cities	9	AEON Tsudanuma Shopping Center	26,100	26,200	25,972	26,200	0.4%	Daiwa Real Estate Appraisal Corp.
		S	Sub-total	28,880	29,050	28,714	29,060	0.6%	
		Total		157,620	150,750	158,107	162,950	3.4%	)

#### Notes

- 1. Acquisition value states the sale price which is stated in the sales contract for the Trust beneficiary interests and others (expenses related to the transaction, property tax and consumption tax are not included)
- 2. Appropriated to BS state the acquisition price (and expenses related thereto) of each assets less Total depreciation of such assets .
- 3. Appraisal value state the values that appear in the appraisal reports of Tanizawa Sogo appraisal, Morii Appraisal & Investment Consulting, Daiwa Real Estate Appraisal, and Japan Real Estate Institute as of Jun.30, 2008 which are based on MID REIT s rules on calculation, methods and criteria for asset appraisal defined in the Business Regulation (Kiyaku) and rules of the Investment Trust Association (Toshin Kyokai)
- 4. Includes the Trust beneficiary interest of Twin 21 (partial ownership of leased land)
- 5. The acquisition price and the appropriated to BS as of the end of the 4th period for the Midosuji MID Bldg. include those of the land adjoining the Midosuji MID Bldg.
- 6. The appraisal value at the end of the 3rd period and the 4th period for the Midosuji MID Bldg. factors in the land adjoining the Midosuji MID Bldg. as an integral part.
- 7. In addition to the properties listed in the table above, MID REIT acquired a silent partnership interest in the Sakura Dori MID Bldg. (tentative name) on Nov. 29, 2007 and Jan. 30, 2008.



# - 4 - Overview of Key Tenants (TOP10)



As of Jun. 30, 2008

Tenant	Industry	Tenant of	Expiration date of the contract (Note 1)	Leased area ( m²)	Ratio within total rent area (Note 2)
Aeon	Retail	AEON Tsudanuma Shopping Center	Sep. 29, 2023	101,210.44	36.5%
Matsushita Electric Industrial	Electrical equipment	Twin21	Mar. 31, 2009	41,471.52	14.9%
Human Academy (Note 3)	Services	Midosuji MID Bldg.	-	16,186.37	5.8%
Matsushita Electric Works	Electrical equipment	Matsushita Denko Bldg.	Mar. 31, 2009	12,684.52	4.6%
Konami Sports & Life (Note 3)	Services	Konami Sports Club Kyobashi	-	9,586.26	3.5%
Nippon Computer Systems	Information & Communication	Matsushita IMP Bldg.	Apr. 30, 2014	5,632.24	2.0%
Kumagai Gumi (Note 3)	Construction	Higashinoda MID Bldg.	+	5,098.10	1.8%
Asahi Breweries	Food	Matsushita IMP Bldg.	Mar. 31, 2009	4,531.23	1.6%
CTI Engineering (Note 3)	Services	Kitahama MID Bldg.	-	4,077.50	1.5%
Mizushima & Aoyama	Services	Matsushita IMP Bldg.	Jun. 30, 2011	3,773.39	1.4%
Total				204,251.56	73.6%

#### Notes:

- 1. Expiration date of the contract with the largest leased area stated if there are multiple leasing contracts
- 2. Ratio within total rent area is rounded off to the first decimal place. Therefore, figures may not add up to the total in the "Total" column
- 3. No statement on Expiration date of the contract when consent for disclosure could not be obtained from tenant



# - 4 - Cashflow from Properties in the 4th Period



(JPY'000)

											(JPY'000)
Property name	Twin 21	Matsushita IMP Bldg.	Matsushita Denko Bldg.	Midosuji MID Bldg, (Note2) (Note3)	Higashinoda MID Bldg. (Note2)	MID Shibakanasugi bashi BIdg.	Konami Sports Club Kyobashi (Note2)	AEON Tsudanuma Shopping Center	MID Imabashi Bldg.	MID Midosuji- kawaramachi Bldg.	Kitahama MID Bldg. (Note4)
Operating days	182	182	182	182	182	182	182	182	182	182	68
Rent	2,160,466	751,594	261,534	-	-	41,986	-	726,004	84,514	43,665	48,848
CAM	638,472	319,824	52,680	-	-	-	-	-	27,027	17,609	17,294
Parking revenue	89,310	49,560	4,320	-	-	2,160	-	-	10,370	1,940	3,359
Property revenue	2,888,248	1,120,979	318,534	-	-	44,146	-	726,004	121,913	63,214	69,503
Utilities	164,747	107,752	30,192	-	-	-	-	-	8,540	4,393	6,944
Erly-withdrawal penalties received	-	38	-	-	-	-	-	-	-	9,565	-
Other revenue	12,376	9,153	1,987	-	-	210	-	-	279	62	368
Other property revenue	177,123	116,943	32,179	-	-	210	-	-	8,819	14,021	7,313
Operating revenue	3,065,372	1,237,923	350,713	-	-	44,356	-	726,004	130,732	77,236	76,816
Property Management fees	355,614	194,690	53,906	-	-	3,129	-	11,601	17,727	9,074	12,126
Commissions payment	-	-	-	-	-	-	-	-	-	-	-
Utilities	249,182	145,480	34,949	-	-	-	-	-	10,005	4,753	6,429
Real estate taxes	238,538	147,702	17,913	-	-	6,739	-	64,001	7,476	3,299	-
Insurance premium	12,231	6,626	1,112	-	-	365	-	4,896	602	315	391
Repairs	123,532	89,112	36,991	-	-	21,004	-	-	8,784	6,881	-
Other property expenses	17,517	8,291	354	-	-	36	-	-	-	-	-
Property leasing expenses	996,616	591,905	145,227	-	-	31,273	-	80,498	44,596	24,324	18,947
NOI( - )	2,068,756	646,017	205,486	125,877	76,131	13,083	81,896	645,505	86,136	52,912	57,869
NOI yield(Acquisition price basis) (p.a.)	6.0%	5.3%	5.4%	3.0%	6.6%	2.3%	5.9%	4.9%	5.3%	5.3%	2.9%
Depreciation & Amortization	400,888	227,769	37,637	27,833	12,823	5,926	18,833	113,606	20,527	11,815	19,142
Loss on retirement	18,659	-	-	-	-	-	-	-	338	-	-
Property income	1,649,208	418,248	167,849	98,044	63,307	7,156	63,063	531,899	65,270	41,096	38,726
Capex	612,699	102,438	46,900	9,580	-	-	358	-	17,447	1,605	1,100

#### Notes:

- 1. Amounts of less than the nearest thousand yen are rounded down
- 2. No detailed statement except for NOI, Depreciation & Amortization, and Property income as we could not obtain tenants consent to disclosure of other data
- 3. The data of the Midosuji MID Bldg. includes that of the adjoining land.
- 4. The number of actual operating days for Kitahama MID Bldg. is 68 days, which was acquired on Apr. 24, 2008



### 4 - Overview of Properties Part1



#### **TWIN 21**

Acquisition date: Aug. 2006



- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price: JPY68.7bn
- Land space: 28,163.07m<sup>2</sup>
- Leasable space: 82,401.40m²
- Construction completed: 03/86





- 38 story, 150 meter high twin towers
- One of Osaka s land mark properties
- These are made up of the OBP Panasonic Tower, which is occupied by Matsushita Electric Industrial, and the MID Tower, which is occupied by various major corporations and consular office
- Directly connected to the Osaka Castle Kyobashi promenade and the Kyobashi Station, which is one of Osaka s biggest terminal stations

### Matsushita IMP Bldg.

Type: Office

Location: Chuo-ku, Osaka

Acquisition price: JPY24.6bn

Acquisition date: Aug. 2006

Land space: 14,968.25m<sup>2</sup>

Leasable space: 36,748.11m<sup>2</sup>

Construction completed: 2/90,

added on in 11/03





- 26-story multi-purpose sky scraper, with large office floor space as the core, as well as retail shops and event halls etc.
- Centralized operations with the connection through the Skyway connecting to Twin 21 next door
- Directly connected to the OBP station of the Osaka Municipal subway Nagahori-Tsurumiryokuchi line



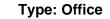
### 4 - Overview of Properties Part2



#### Matsushita Denko Bldg.



Acquisition date: Aug. 2006



Location: Chuo-ku, Osaka

Acquisition price:JPY7.62bn

Land space: 3,698.55m<sup>2</sup>

Leasable space: 12,684.52m<sup>2</sup>

Construction completed: 8/74





- A building which has spacious floor space of over 12,000m<sup>2</sup> in leasable space, where Matsushita Denko has been the tenant since its completion
- In floors 1 3 there is the National Center Osaka, which is a show room of Matsushita Denko, and along with the Panasonic Center Osaka of Matsushita Electric Industrial, in Twin 21, these function as the information distribution bases for the Matsushita Group in Osaka
- Antiseismic reinfocement completed in Jan. 2008

### Kitahama MID Bldg.



Type: Office

Location: Chuo-ku, Osaka

Acquisition date: Apr. 2008

Acquisition price:JPY10.8bn

Land space: 1,802.49m<sup>2</sup>

Leasable space: 10,189.50m<sup>2</sup>

Construction completed: 2/08



- Superior transportation access:located close to Sakaisuji Street,one of Osaka's main arteries,and Kitahama Station on the Sakaisuji Line of the Osaka Municipal Subway and the Keihan Main Line
- Newly constructed in Feb. 2008:vibration control structure effectively reduces potential earthquake damage to office areas
- Each floor featuring 176tsubo (approximately 582m) of pillarless space that can be divided into smaller segments, providing for a range of layout and spacing needs



### - 4 - Overview of Properties Part3



### Midosuji MID Bldg.

Acquisition date: Aug. 2006 (adjacent land Oct. 2007)



Type: Office



Acquisition price: JPY8.29bn (Note)

Land space: 1,893.62m² (Note)
 Leasable space: 16,186.37m²

Construction completed: 10/80

Note: includes that of the adjoining land



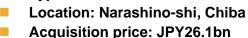


- Located 100m north of the Shinsaibashi Station of the Osaka municipal subway Midosuji Line, being a commercial area with lots of mid to high skyscrapers and office properties surrounding the area
- There is huge attractiveness with the visibility, the flourishing area, and the convenient access
- The exterior is also an elaborate design
- Potential for improved profitability thanks to synergy of integrated management of the adjacent land(188.36m²) acquired in Oct. 2007
- Currently renovating lower floors and attracting new tenants

# AEON Tsudanuma Shopping Center Acquisition date: Aug. 2006



Type: Retail



Land space: 29,397.03m<sup>2</sup>

Leasable space: 101,210.44m<sup>2</sup>

Construction completed: 9/03,

added on to in 12/07





- Huge commercial facility directly connected to the Shin-Tsudanuma Station on the Shin-Keisei line
- Urban shopping center with 1 basement floor and 5 upper floor, with 74 specialty shops supported by the core store JUSCO Tsudanuma
- Located a 3 minute walk from the Tsudanuma Station on the JR Sobu line
- In Dec.2007 Extended with a new customer lounge (289.5m<sup>2</sup>)
  Increase of ¥12 million in rent (annual)



### - 4 - Overview of Properties Part4



### Higashinoda MID Bldg



Acquisition date: Aug. 2006

Type: Office
Location:Miyakojima-ku,
Osaka

Acquisition price: JPY2.3bn
Land space: 1,062.53m<sup>2</sup>
Leasable space: 5,098.10m<sup>2</sup>

Construction completed: 2/00

MID Imabashi Bldg.



Acquisition date: Apr. 2007

Location: Chuo-ku, Osaka
 Acquisition price: JPY3.27bn
 Land space: 1,187.43m²

Leasable space: 4,278.35m<sup>2</sup>
Construction completed: 10/90

MID Midosujikawaramachi Bldg. Acquisition date: May. 2007



Type: Office

**Type: Office** 

Location: Chuo-ku, Osaka
 Acquisition price: JPY2.0bn
 Land space: 934.79m²

Leasable space: 3,039.09m<sup>2</sup>
Construction completed: 3/98

#### MID Shibakanasugibashi Bldg.



Type: Office

Location: Minato-ku, TokyoAcquisition price:JPY1.16bn

Acquisition date: Aug. 2006

Acquisition date: Aug. 2006

Land space: 430.21m<sup>2</sup>

Leasable space: 1,989.27m²
 Construction completed: 1/95

#### Konami Sports Club Kyobashi



Type: Retail

Location: Miyakojima-ku, Osaka
Acquisition price:JPY2.78bn
Land space:2,339.35m<sup>2</sup>

Leasable space:9,586.26m²
 Construction completed:6/99



### 4 - Collaboration with Sponsor in Development Project (Acquisition of Silent Partnership Interests)



### (Tentative name) Sakuradori MID Bldg. Overview

	Overview (See Note)					
Location		3-2314 Marunouchi, Naka-ku, Nagoya City				
Transportation		A three-minute walk from Marunouchi Station on the Nagoya Municipal Subway Sakura-dori and Tsurumai lines A four-minute walk from Hisaya-odori Station on the Nagoya Municipal Subway Sakura-dori and Meijo lines				
Construction date		Commencement: Dec. 2007 Completion: Late Feb. 2009 (planned)				
Use		Offices				
Structu	ıre	Steel, 13 floors, one-story tower				
	Land	1,663.09m²				
Area	Building	14,845 m² (as total floor area) 9,909.75 m² (as total leasable floor area)				

#### Note:

The overview of the property in the table above is provided in accordance with the project plans as of the date of this document and may be subject to change in the future.

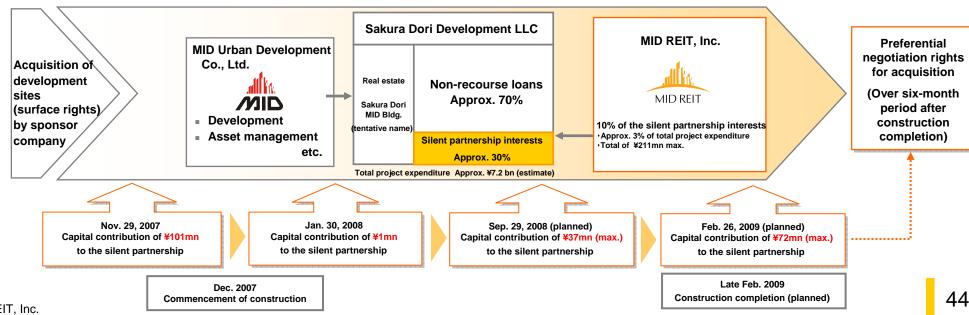


Image of Sakura Dori MID Bldg.



Map of Sakura Dori MID Bldg.

### **Schedule and Scheme Regarding Acquisition of Silent Partnership Interest**

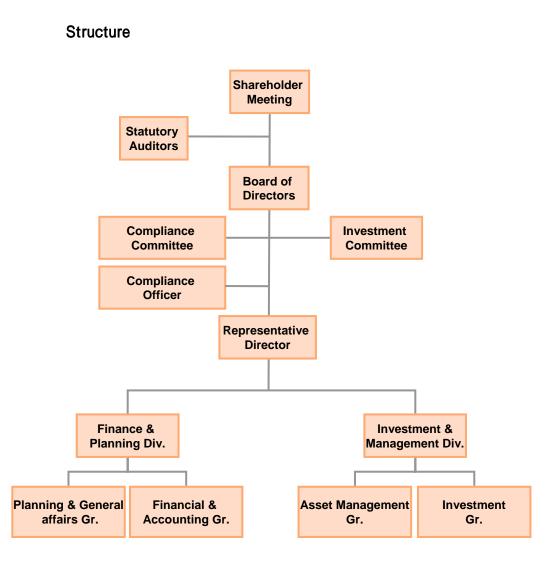




# - 5 Overview of Asset management company



Company Overview (As of Aug.1, 2008)					
Name	MID REIT Management Co., Ltd.				
Location	Dojimahama 1-4-4, Kita-ku, Osaka				
Establishment	Sep.1, 2005				
Capital	JPY 210 mn				
Shareholder	MID Urban Development	Co., Ltd.(100%)			
No. of employees	25(inclusive of 4 tempora	ary workers)			
	President & CEO	Nobuo Moroizumi			
	Director	Masayuki Irie			
Officers	Director	Hiroshi Uemura			
Officers	Statutory Director	Atsushi Ishiguro			
	Statutory Director	Noriyuki lijima			
	Statutory Auditor	Hirotaka Saito			
Business Description	Investment management business				
Regulatory approval	Financial Instruments Firm, Director of Kinki Local Finance Bureau, Registration No.43 Discretionary transaction agent license (Minister of Land, Infrastructure and Transportation, Approval No.50) Real estate agent license (Governor of Osaka Prefecture (1), No.51806)				





# 6 Checking System for Transactions with Sponsor related Parties



### (transaction and selection criteria (principle))

Property acquisition/disposal	<ul> <li>Transation has to comply with following criteria:</li> <li>Acquisition price appraised value</li> <li>Appraised value disposal price</li> </ul>
Property leasing	Leasing terms must be appropriated and fair measured by prevailing market conditions
Sale/leasing agent commissions	Commissions must be within limits set by the Building Lots and Building Transaction Business Law
Commissioning of property/building	Examine comprehensively if company to be commissioned satisfies required conditions and terms and if fee level is appropriate
Contracting of construction works (JPY1mn +)	Check that quotations are not notably different from quotations by third parties

### (Definition of sponsor related parties )

- (a) Interested persons as defined by the Investment Trust Law
- (b) Shareholders of asset management company; subsidiaries/affiliates of the shareholders of the asset management company by consolidated accounting standards
- (c) Parties who accept fund management, asset management and investment advisory operations commissioned by major shareholders ("major shareholders of financial instruments firms," as defined under the Financial Instruments and Exchange Law of Japan) of parties described in (a) and (b) above and shareholders of MID REIT's asset management company.
- (d) Funds that have entrusted fund management, asset management and investment advisory operations to parties described in (a), (b) and (c) above; corporate entities and other types of organizations established by such funds
- (e) SPCs in which (a) (b) (c) holds a 20% stake through investment, Silent Partnership Interest, or Preferred equity



Strict checking system and detailed examination material in place for transactions with sponsor related parties

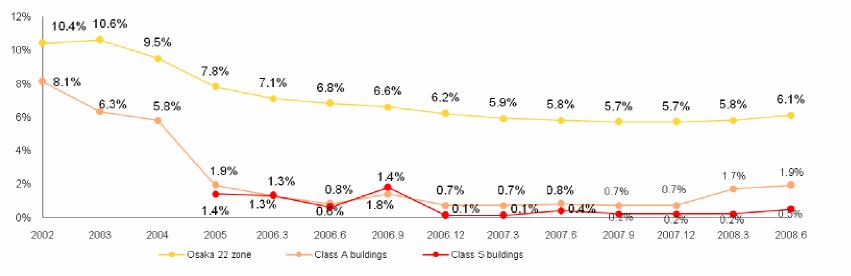
# -7. Osaka Market Data



## - 7 - Changes in Office Building Vacancy Rates



### Changes in vacancy rates in Osaka's office zone



	Criteria of Class A buildings	Criteria of Class S buildings
Location	Located in well-established office areas in Osaka City, namely in Chuo-ku, Kita-ku, Nishi-ku, and Yodogawa-ku	Located in areas, including those listed on the left, which are well-known office building areas
Access	Within 5 minutes walk of the station ticket gates	The same as for Class A Buildings
Total floor area	Generally over 16,529m² (5,000 tsubo)	Over 33,058m <sup>2</sup> (10,000 tsubo)
Typical floor plate area	Over 661m² (200 tsubo)	Over 992m² (300 tsubo)
Building age	Less than 21 years old	Less than 11 years old
Facilities	Ceiling height: higher than 2.6m air conditioning: adjustable for multiple zones within each floor Under floor wiring: 3 WAY or free access 24 hour building access	Facilities of a higher grade than Class A Office Buildings
Others	-	As a rule Class S Buildings should meet the standards listed above, however all factors will be taken into consideration, including whether the building is a landmark, its functionality and grade

#### Note:

Osaka 22 Zone comprises key office areas in Osaka such as Yodoyabashi, Kitahama, Honmachi, Sakaisuji Honmachi, Tenmabashi, Tanimachi 4-chome, OBP, Higobashi, Nishihonmachi, Yotsubashi, Shinsaibashi, Nagahoribashi, Namba, Umeda, Dojima/Nakanoshima, Nishi-Tenma, Minamimorimachi/Higashi-Tenma, Nakatsu, Fukushima, Shin-Osaka, Tennoji/Abeno, Esaka



# - 7 - New Supply of Office Buildings (1)



### New Office Building Construction Plans Commencing after 2008 (Key Office Areas in Osaka)

In Tsubo,( ) in m<sup>2</sup>

Completion in	Leasable area by year	No.	Area	Leasable area (	plan)
		1	Honmachi	1,000	(3,400)
		2	Shin Osaka	4,200	( 13,900 )
		3	Kitahama	3,100	(10,300)
		4	Sakaisuji Honmachi	4,000	( 13,200 )
		5	Yodoyabashi	7,600	( 25,200 )
2008	36,500 ( 120,500 )	6	Shin Osaka	1,000	(3,200)
		7	Umeda	9,100	( 30,200 )
		8	Sakaisuji Honmachi	2,500	(8,100)
		9	Higobashi	2,100	(6,800)
		10	Shin Osaka	1,900	(6,200)
		11	Yodoyabashi	3,600	(11,900)
		12	Umeda	2,300	(7,600)
		13	Shin Osaka	1,100	(3,500)
		14	Sakaisuji Honmachi	1,100	(3,700)
		15	Dojima, Nakanoshima	14,700	(48,400)
		16	Honmachi	1,600	(5,300)
2009	57,300 ( 189,200 )	17	Honmachi	2,200	(7,300)
	(Excluding buildings whose leasable floor	18	Namba	11,800	(39,100)
	areas are unknown)	19	Sakaisuji Honmachi	1,900	(6,300)
		20	Higobashi	8,500	(28,100)
		21	Yodoyabashi	4,900	(16,100)
		22	Honmachi	3,600	(11,900)
		24	Higobashi	Unknown	, , , ,
		25	Umeda	3,500	(11,600)
		26	Dojima, Nakanoshima	4,500	(14,900)
		27	Sakaisuji Honmachi	3,100	(10,100)
2010	49,400 ( 163,400 )	28	Honmachi	2,400	(8,000)
2010	10,100	29	Honmachi	4,900	(16,300)
		30	Umeda	21,000	(69,400)
		31	Umeda	10,000	(33,100)
		32	Honmachi	3,400	(11,100)
		33	Umeda	6,800	(22,400)
		34	Umeda	23,000	(76,000)
2011	58,200 (192,100) (Excluding buildings whose leasable floor	35	Umeda	22,000	(72,700)
	areas are unknown)	36	Shin Osaka	3,000	(9,900)
		37	Umeda	Unknown	( -, )
		38	Dojima, Nakanoshima	8,400	( 27,800 )
		39	Dojima, Nakanoshima	20,000	(66,100)
		40	Dojima, Nakanoshima	Unknown	( 00,100 )
2012 ~	47 200 ( 155 200 )	41	Tennoji	18,800	(62,000)
(Includes buildings for which plans are unknown)	47,200 ( 155,900 ) (Excluding buildings whose leasable floor	41	Dojima, Nakanoshima	Unknown	( 02,000 )
,	areas are unknown)		Yodoyabashi	Unknown	
		43	·		
		44	Sakaisuji Honmachi	Unknown	

# Ongoing Development Project by Sponsors (MID Urban Development)

#### **Ongoing Development Project**



#### Higobashi Bldg.

Location:Edobori, Nishi-ku, Osaka GFA:6,761.85 m² (plan) Floor:above ground 11fl,below ground 1fl Scheduled completion: Dec. 2009

(Image of Higobashi Bldg.)

Souce: MID Urban Development Co.,Ltd.

Note: None of the above property is scheduled to be acquired by MID REIT at this moment

**Source: MID REIT Management** 

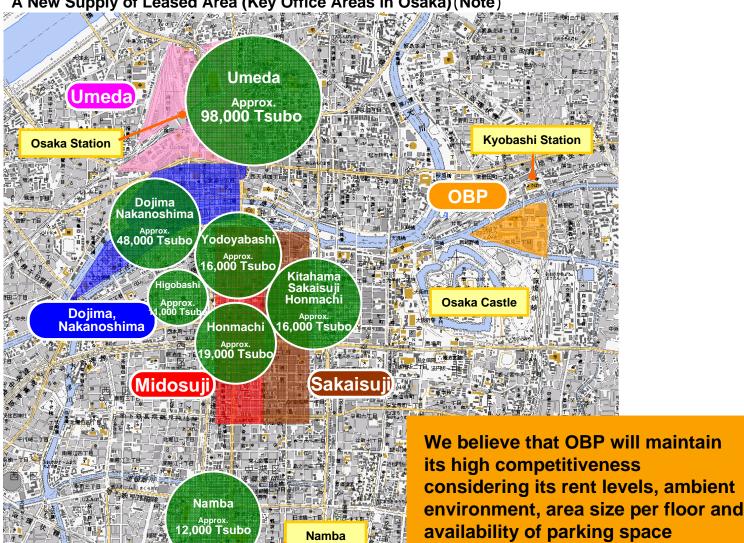


#### **New Supply of Office Buildings (2)** - 7 -



**New Office Building Construction Plans Commencing after 2008** 

A New Supply of Leased Area (Key Office Areas in Osaka)(Note)



#### Note:

This map depicts the aggregate leasable area (plan) shown in the table on p. 49 and does not include the leasable area of buildings not yet announced.

Source: MID REIT Management



### - 7 - Property Trading Market Situation



Comparison of Expected cap rate vs. Trading cap rate

# Expected cap rate and Trading cap rate of A Class Buildings of standard size in each area (Data as of Apr. 1, 2008)

( )shows previous survey data (as of Oct. 1, 2007)

Area	Expected cap rate	Trading cap rate
Tokyo Marunouchi / Otemachi area	<b>4.0%</b> (3.8%)	<b>3.5%</b> (3.5%)
Tokyo Nihonbashi area	<b>4.3%</b> (4.3%)	<b>4.0%</b> (4.0%)
Nagoya station area	<b>5.0%</b> (5.0%)	<b>4.7%</b> (4.7%)
Osaka along Midosuji	<b>5.0%</b> (5.0%)	<b>4.6%</b> (4.5%)
Fukuoka Tenjin area	<b>5.5%</b> (5.3%)	<b>5.0%</b> (5.0%)

Source: Japan Real Estate Institute "Research data for real estate investors No.18" (as of Apr. 2008)





(Asset Management Company)

# MID REIT Management Co., Ltd.

Financial Instruments Firm, Director of Kinki Local Finance Bureau, Registration No.43

Member of the Investment Trusts Association

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