# MID REIT, Inc.
# 5th Period Results

(Ending December 2008)

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

MID REIT

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# Contents


## Ⅰ. 5th Period Results Highlights

| | |
|---|---|
| ① 5th Period Results Highlights | 5 |
| ② 5th Period Business Results | 6 |
| ③ Results Forecast on the 6th and the 7th Period | 7 |
| ④ Income Statement | 8 |
| ⑤ Balance Sheet | 9 |
| ⑥ Cash Flows Statement | 10 |
| ⑦ Cashflow from Properties in the 5th Period | 11 |

## Ⅱ. Growth Strategy

| | |
|---|---|
| 1 . Internal Growth | |
| ① Occupancy Rate Breakdown by Property | 13 |
| ② Changes in Occupancy Rate | 14 |
| ③ Rent Revisions | 15 |
| ④ Rent Revisions Schedule | 16 |
| ⑤ Other Efforts | 17,18 |
| 2. External Growth | |
| ① Results for this Period | 20 |
| ② Status of Property Information Acquisition | 21 |
| ③ Future Strategies | 22 |
| ④ Current Effort | 23 |

## Ⅲ. Financial Conditions

| | |
|---|---|
| Details on Debt | 25,26 |

## Ⅳ. Appendix

| | |
|---|---|
| 1. About MID REIT | 28 |
| 2. Performance Trends | 29 |
| 3. Financial and Accounting Indices | 30 |
| 4. Unit Price Performance | 31,32 |
| 5. Unitholder Details | 33,34 |
| 6. Portfolio | |
| ① Portfolio Diversification | 36 |
| ② Portfolio Overview | 37 |
| ③ Portfolio Value at End of Period | 38 |
| ④ Overview of Key Tenants (TOP10) | 39 |
| ⑤ Overview of Properties | 40~43 |
| 7. Overview of Asset Management Company | 44 |
| 8. Checking System for Transactions with Sponsor related Parties | 45 |
| 9. Osaka Market Data | |
| ① Changes in Office Buildings Vacancy Rates | 47 |
| ② New Supply of Office Buildings | 48,49 |
| ③ Property Trading Market Situation | 50 |
| ※ Contact | 51 |

# Ⅰ. 5th Period Results Highlights

# Ⅰ－① 5th Period Results Highlights

MID REIT

**Distributions**

see p.6

**Distributions per unit: ¥12,113 (¥985 and 8.9% above initial forecast)**

**Internal Growth**

see p.12〜18

**Leasing NOI yield : 5.5%***

*After property tax and others adjustments

**External Growth**

see p.19〜23

**Acquired MID Nishihommachi Bldg.**

**Financial Conditions**

see p.24〜26&30

**Undertook refinancing for the current portion of long-term debt totaling ¥21.3 bn in Aug. 2008**
**LTV ratio: 40.4% as of Dec. 31, 2008**

# Ⅰ－② 5th Period Business Results

| | 3th Period Results (Jul. 1, 2007 - Dec. 31, 2007) | 4th Period Results (Jan. 1, 2008 - Jun. 30, 2008) | 5th Period Results (Jul. 1, 2008 - Dec. 31, 2008) | Initial 5th Period Forecasts (Announced Aug.18, 2008) | Comparison with Initial 5th Period Forecast | | Comparison with 4th Period Results | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Difference | Difference (%) | Difference | Difference (%) |
| Net operating days | 184 | 182 | 184 | 184 | | | | – |
| Operating revenue (JPY mn) | 6,299 | 7,622 | 6,432 | 6,317 | 114 | 1.8% | - 1,190 | - 15.6% |
| Operating income (JPY mn) | 2,866 | 3,873 | 2,889 | 2,730 | 159 | 5.8% | - 983 | - 25.4% |
| Ordinary income (JPY mn) | 2,396 | 3,346 | 2,225 | 2,045 | 180 | 8.8% | - 1,120 | - 33.5% |
| Net income (JPY mn) | 2,394 | 3,345 | 2,224 | 2,043 | 180 | 8.8% | - 1,120 | - 33.5% |
| DPU (JPY) | 13,043 | 18,217 | 12,113 | 11,128 | 985 | 8.9% | - 6,104 | - 33.5% |

■ Due to the absence of revenue from sale of real estate recorded in 4th period

■ Controlled repair and other costs , etc.

■ Due to increase in interest expense , etc.

# Ⅰ－③ Results Forecast on the 6th and the 7th Period

| | 5th Period Results (Jul. 1, 2008 - Dec. 31, 2008 | Forecast on 6th Period (Jan. 1, 2009 – Jun. 30, 2009) | Forecast on 7th Period (Jul. 1, 2009 – Dec. 31, 2009) | Comments |
|---|---|---|---|---|
| Net operating days | 184 | 181 | 184 | |
| Operating revenue (JPY mn) | 6,432 | 6,405 | 6,401 | Rent reductions enacted for Panasonic Corporation (disclosed at time of public listing), although overall portfolio is expected to remain mostly unchanged. |
| Operating income (JPY mn) | 2,889 | 2,691 | 2,546 | The sliding forecasts factored in potential increases in repair expenses for Twin21 and Midosuji MID Bldg. |
| Ordinary income (JPY mn) | 2,225 | 1,998 | 1,786 | The sliding forecasts factored in potential increases in interest and other expenses associated with a term-loan refinancing scheduled in August 2009. |
| Net income (JPY mn) | 2,224 | 1,996 | 1,784 | |
| DPU (JPY ) | 12,113 | 10,870 | 9,715 | |

■Precondition

| | | | |
|---|---|---|---|
| Utilities (JPY mn) | 577 | 544 | 616 |
| Costs, including property and city planning taxes, posted in the fiscal period (JPY mn) | 559 | 579 | 600 |
| Repairs (JPY mn) | 52 | 151 | 157 |
| Interest expense (JPY mn) | 566 | 575 | 610 |
| Occupancy rate at end of period(%) | 97.0 | 96.4 | 98.1 |

Note:
1. All the above figures are based on the assumption that the No. of units outstanding in each period is 183,625 units.
2. The above forecasts are based on certain criteria for calculation and reflect the situation as of Feb. 17, 2009. 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.

# Ⅰ－④ Income Statement

MID REIT

| Description | 4th Period (Jan. 1, 2008– Jun. 30, 2008) | | | 5th Period (Jul. 1, 2008– Dec. 31, 2008) | | | Difference | |
|---|---|---|---|---|---|---|---|---|
| | (JPY'000) | | (%) | (JPY'000) | | (%) | (JPY'000) | (%) |
| 1.Operating revenue | | | | | | | | |
| Property revenue | 5,900,052 | | | 6,005,718 | | | | |
| Other property revenue | 395,593 | | | 426,896 | | | | |
| Revenue from sale of real estate | 1,327,347 | 7,622,993 | 100.0 | ― | 6,432,615 | 100.0 | - 1,190,377 | - 15.6 |
| 2.Operating expenses | | | | | | | | |
| Property expenses | 3,081,655 | | | 2,926,404 | | | | |
| Asset management fee | 511,298 | | | 476,983 | | | | |
| Asset custody fee | 8,675 | | | 8,937 | | | | |
| Administrative service fees | 49,845 | | | 49,426 | | | | |
| Directors' compensations | 10,800 | | | 10,800 | | | | |
| Other operating expenses | 87,466 | 3,749,740 | 49.2 | 70,272 | 3,542,825 | 55.1 | - 206,915 | - 5.5 |
| Operating income | | 3,873,252 | 50.8 | | 2,889,789 | 44.9 | - 983,462 | - 25.4 |
| 3. Non-operating revenue | | | | | | | | |
| Interest income | 18,683 | | | 20,394 | | | | |
| Other-NOI | 5 | 18,689 | 0.2 | 1,852 | 22,246 | 0.4 | 3,556 | 19.0 |
| 4.Non-operating expenses | | | | | | | | |
| Interest expense | 467,332 | | | 566,477 | | | | |
| Borrowing related expenses | 60,670 | | | 119,326 | | | | |
| Other-NOE | 17,162 | 545,165 | 7.1 | 360 | 686,164 | 10.7 | 140,998 | 25.9 |
| Ordinary income | | 3,346,776 | 43.9 | | 2,225,871 | 34.6 | - 1,120,904 | - 33.5 |
| Net income before Taxes | | 3,346,776 | 43.9 | | 2,225,871 | 34.6 | - 1,120,904 | - 33.5 |
| Income taxes-current | 1,668 | | | 1,641 | | | | |
| Income taxes-deferred | - 3 | 1,665 | 0.0 | 1 | 1,642 | 0.0 | -23 | - 1.4 |
| Net income | | 3,345,110 | 43.9 | | 2,224,228 | 34.6 | - 1,120,881 | - 33.5 |
| Retained earnings brought forward | | 78 | | | 92 | | 13 | |
| Unappropriated retained earnings | | 3,345,189 | | | 2,224,321 | | - 1,120,867 | |

**Details of property revenue** (JPY'000)

| | |
|---|---|
| Rent | 4,706,425 |
| CAM | 1,122,432 |
| Parking revenue | 176,860 |

**Details of property expenses** (JPY'000)

| | |
|---|---|
| Property management fees | 711,392 |
| Utilities | 577,547 |
| Real estate taxes | 559,414 |
| Insurance premium | 29,865 |
| Repairs | 52,227 |
| Depreciation &Amortization | 956,050 |
| Loss on retirement of noncurrent assets | 5,866 |
| Other Property expenses | 34,041 |

# Ⅰ－⑤ Balance Sheet

MID REIT

| Description | 4th Period (as of Jun. 30, 2008) | | 5th Period (as of Dec. 31, 2008) | | Difference | |
|---|---|---|---|---|---|---|
| | (JPY'000) | (%) | (JPY'000) | (%) | (JPY'000) | (%) |
| (ASSETS) | | | | | | |
| Ⅰ Total Current assets | 21,467,316 | 11.9 | 16,498,469 | 9.2 | - 4,968,847 | - 23.1 |
| Cash and deposits | 15,561,291 | | 10,883,608 | | - 4,677,682 | |
| Cash and deposits in trust | 5,534,347 | | 5,344,327 | | - 190,019 | |
| Operating accounts receivable | 202,285 | | 199,072 | | - 3,212 | |
| Income taxes receivable | 2,424 | | 2,788 | | 364 | |
| Consumption taxes receivable | 135,768 | | — | | - 135,768 | |
| Prepaid expenses | 30,623 | | 68,037 | | 37,413 | |
| Deferred tax assets | 33 | | 31 | | - 1 | |
| Other-CA | 543 | | 602 | | 59 | |
| Ⅱ Total Non-current assets | 158,448,980 | 88.1 | 162,246,038 | 90.8 | 3,797,057 | 2.4 |
| 1.Property, plant and equipment | | | | | | |
| Construction in progress | 10,500 | | 41,160 | | 30,660 | |
| Land | 825,095 | | 825,095 | | — | |
| Buildings in trust | 54,286,663 | | 56,223,141 | | 992,593 | |
| Accumulated depreciation | - 3,128,642 | | - 4,072,526 | | | |
| Structures in trust | 44,512 | | 82,543 | | 37,279 | |
| Accumulated depreciation | - 1,288 | | - 2,039 | | | |
| Tools, furniture and fixtures in trust | 102,069 | | 171,886 | | 60,812 | |
| Accumulated depreciation | - 11,953 | | - 20,957 | | | |
| Land in trust | 105,990,543 | | 108,384,957 | | 2,394,414 | |
| Total tangible fixed assets | 158,117,500 | 87.9 | 161,633,259 | 90.4 | 3,515,759 | 2.2 |
| 2.Intangible assets | | | | | | |
| Software | 1,811 | | 1,807 | | - 4 | |
| Right of trademark | 418 | | 397 | | - 21 | |
| Total intangible fixed assets | 2,230 | 0.0 | 2,204 | 0.0 | - 25 | - 1.1 |
| 3.Investment and other assets | | | | | | |
| Investment securities | 102,510 | | 139,695 | | 37,185 | |
| Lease and guarantee deposits | 10,000 | | 10,000 | | — | |
| Long-term prepaid expenses | 216,740 | | 460,878 | | 244,138 | |
| Total investments and other assets | 329,250 | 0.2 | 610,573 | 0.3 | 281,323 | 85.4 |
| Total Assets | 179,916,297 | 100.0 | 178,744,508 | 100.0 | - 1,171,789 | - 0.7 |

| Description | 4th Period (as of Jun. 30, 2008) | | 5th Period (as of Dec. 31, 2008) | | Difference | |
|---|---|---|---|---|---|---|
| | (JPY'000) | (%) | (JPY'000) | (%) | (JPY'000) | (%) |
| (LIABILITIES) | | | | | | |
| Ⅰ Total Current liabilities | 23,935,085 | 13.3 | 22,700,277 | 12.7 | - 1,234,808 | - 5.2 |
| Operating accounts payable | 481,579 | | 272,997 | | - 208,581 | |
| Current portion of long-term loans payable | 21,300,000 | | 20,000,000 | | - 1,300,000 | |
| Accounts payable-other | 764,746 | | 800,869 | | 36,123 | |
| Accrued expenses | 29,817 | | 88,317 | | 58,500 | |
| Distribution payable | 20,529 | | 21,211 | | 682 | |
| Income taxes payable | 358 | | 352 | | - 6 | |
| Accrued consumption taxes | — | | 105,281 | | 105,281 | |
| Advances recieved | 785,500 | | 781,956 | | - 3,544 | |
| Other-CL | 552,554 | | 629,290 | | 76,736 | |
| Ⅱ Total Non-current liabilities | 62,263,408 | 34.6 | 63,447,295 | 35.5 | 1,183,887 | 1.9 |
| Long-term loans payable | 51,000,000 | | 52,300,000 | | 1,300,000 | |
| Tenant leasehold and security deposits | 8,943,201 | | 9,021,565 | | 78,363 | |
| Tenant leasehold and security deposits in trust | 2,320,207 | | 2,125,730 | | - 194,476 | |
| Total Liabilities | 86,198,494 | 47.9 | 86,147,573 | 48.2 | - 50,921 | - 0.1 |
| (NET ASSETS) | | | | | | |
| Ⅰ Unitholders' equity | | | | | | |
| 1.Unitholders' capital | 90,372,613 | 50.2 | 90,372,613 | 50.6 | — | |
| 2.Surplus | | | | | | |
| Unappropriated retained earnings(undisposed loss) | 3,345,189 | | 2,224,321 | | - 1,120,867 | |
| Total surplus | 3,345,189 | 1.9 | 2,224,321 | | - 1,120,867 | - 33.5 |
| Total unitholders' equity | 93,717,803 | 52.1 | 92,596,935 | | - 1,120,867 | - 1.2 |
| Total Net assets | 93,717,803 | 52.1 | 92,596,935 | 51.8 | - 1,120,867 | - 1.2 |
| Total Liabilities and Net assets | 179,916,297 | 100.0 | 178,744,508 | 100.0 | - 1,171,789 | - 0.7 |

**Incl. Capex accrued during the period: ¥ 841 million**

**(see p.11 for details of properties)**

# Ⅰ －⑥ Cash Flows Statement

MID REIT

(JPY‘000)

| Description | 4th Period (Jan. 1, 2008 - Jun. 30, 2008) | 5th Period (Jul. 1, 2008 - Dec. 31, 2008) |
|---|---|---|
| **Ⅰ** Cashflows from operating activities | 10,119,130 | 2,970,894 |
| Income before income taxes | 3,346,776 | 2,225,871 |
| Depreciation and amortization | 907,907 | 956,050 |
| Amortization of long-term prepaid expenses | 54,324 | 108,976 |
| Interest income | - 18,683 | - 20,394 |
| Interest expenses paid on loans and bonds | 467,332 | 566,477 |
| Loss on retirement of noncurrent assets | 18,997 | 5,866 |
| Decrease(increase) in operating accounts receivable | - 2,806 | 3,212 |
| Decrease(increase) in consumption taxes refund receivable | - 135,768 | 135,768 |
| Increase(decrease) in accrued consumption taxes | - 120,504 | 105,281 |
| Decrease(increase) in operating accounts payable | 246,104 | - 208,581 |
| Increase(decrease) in advances received | 24,526 | - 3,544 |
| Decrease(increase) in prepaid expenses | 29,484 | - 37,413 |
| Purchase of long-term prepaid expenses | - 101,436 | - 353,115 |
| Decrease in sale of property, plant and equipment in trust | 5,733,977 | — |
| Other, net-OpeCF | 97,221 | - 23,966 |
| Subtotal | 10,547,454 | 3,460,489 |
| Interest income received | 18,683 | 20,394 |
| Interest expenses paid | - 444,737 | - 507,977 |
| Income taxes paid | - 2,269 | - 2,011 |
| **Ⅱ** Net cash provided by (used in) investment activities | - 11,651,843 | - 4,494,182 |
| Purchase of property, plant and equipment | - 10,500 | - 30,660 |
| Purchase of property, plant and equipment in trust | - 11,884,102 | - 4,376,888 |
| Purchase of intangible assets | - 429 | - 280 |
| Purchase of investment securities | - 1,005 | - 37,185 |
| Proceeds from tenant leasehold and security deposits | 508,156 | 500,545 |
| Proceeds from tenant leasehold and security deposits in trust | 675,684 | 306,068 |
| Repayments of tenant leasehold and security deposits | - 431,490 | - 355,237 |
| Repayments of tenant leasehold and security deposits in trust | - 508,156 | - 500,545 |
| **Ⅲ** Net cash provided by (used in) financing activities | 8,604,188 | - 3,344,414 |
| Proceeds from long-term loans payable | 11,000,000 | 21,300,000 |
| Repayment of long-term loans | — | - 21,300,000 |
| Dividends paid | - 2,395,811 | - 3,344,414 |
| **Ⅳ** Increase/decrease in cash & cash equivalents | 7,071,475 | - 4,867,702 |
| **Ⅴ** Cash & cash equivalents at beginning of period | 11,945,690 | 19,017,166 |
| **Ⅵ** Cash & equivalents at end of period | 19,017,166 | 14,149,463 |

# Ⅰ－⑦ Cashflow from Properties in the 5th Period

(JPY'000)

| Property name | Twin 21 | Matsushita IMP Bldg. | Panasonic Denko Bldg. (Note2) | Midosuji MID Bldg. (Note3&4) | Higashinoda MID Bldg. (Note3) | MID Shibakanasugibashi Bldg. | Konami Sport Club Kyobashi (Note3) | AEON Tsudanuma Shopping | MID Imabashi Bldg. | MID Midosujikawaramachi | Kitahama MID Bldg. | MID Nishi-hommachi Bldg.(Note5) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating days | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 63 |
| Rent | 2,145,267 | 737,647 | 261,534 | — | — | 43,972 | — | 726,000 | 77,449 | 37,019 | 229,296 | 27,541 |
| CAM | 648,864 | 317,240 | 52,680 | — | — | — | — | — | 24,836 | 14,228 | 56,379 | 8,202 |
| Parking revenue | 89,310 | 49,560 | 4,320 | — | — | 2,160 | — | — | 10,109 | 1,800 | 9,958 | 216 |
| Property revenue | 2,883,442 | 1,104,448 | 318,534 | — | — | 46,132 | — | 726,000 | 112,394 | 53,048 | 295,633 | 35,960 |
| Utilities | 165,712 | 113,981 | 33,258 | — | — | — | — | — | 8,426 | 4,571 | 38,156 | 3,687 |
| Erly-withdrawal penalties received | 1,299 | 56 | — | — | — | — | — | — | — | — | — | 10,503 |
| Other revenue | 11,023 | 7,592 | 1,808 | — | — | 210 | — | — | 297 | 54 | 1828 | 154 |
| Other property revenue | 178,035 | 121,630 | 35,066 | — | — | 210 | — | — | 8,723 | 4,626 | 39,984 | 14,345 |
| ①Operating revenue | 3,061,477 | 1,226,079 | 353,600 | — | — | 46,342 | — | 726,000 | 121,118 | 57,674 | 335,618 | 50,306 |
| Property Management fees | 354,361 | 198,188 | 53,816 | — | — | 1,280 | — | 11,448 | 16,656 | 8,780 | 38,221 | 4,564 |
| Commissions payment | — | — | — | — | — | — | — | — | 852 | — | 2,270 | — |
| Utilities | 288,844 | 179,769 | 37,488 | — | — | — | — | — | 10,830 | 4,859 | 28,747 | 3,306 |
| Real estate taxes | 238,572 | 147,578 | 17,936 | — | — | 6,729 | — | 64,093 | 14,264 | 6,599 | — | — |
| Insurance premium | 12,357 | 6,681 | 1,125 | — | — | 371 | — | 5,000 | 610 | 319 | 1,074 | 153 |
| Repairs | 28,722 | 13,304 | 4,525 | — | — | 1,183 | — | — | 673 | 993 | 198 | 850 |
| Other property expenses | 19,139 | 9,520 | 508 | — | — | — | — | — | — | 6 | — | — |
| ②Property leasing expenses | 941,997 | 555,042 | 112,401 | — | — | 9,565 | — | 80,541 | 43,888 | 21,558 | 70,511 | 8,874 |
| ③NOI (①－②) | 2,119,480 | 671,036 | 241,199 | 176,260 | 76,241 | 36,776 | 81,790 | 645,458 | 77,229 | 36,115 | 265,107 | 41,431 |
| NOI yield (Acquisition price basis) (p.a.) | 6.2% | 5.5% | 6.3% | 4.3% | 6.6% | 6.3% | 5.9% | 4.9% | 4.7% | 3.6% | 4.9% | 6.7% |
| ④Depreciation & Amortization | 424,806 | 232,554 | 38,927 | 28,163 | 12,824 | 5,926 | 18,834 | 113,608 | 21,085 | 12,258 | 38,400 | 8,660 |
| ⑤Loss on retirement | — | 5,262 | 35 | — | — | — | — | — | — | 567 | — | — |
| ⑥Property income | 1,694,673 | 433,218 | 202,236 | 148,096 | 63,416 | 30,849 | 62,955 | 531,850 | 56,114 | 23,289 | 226,707 | 32,771 |
| Capex | 597,189 | 201,255 | 5,070 | 19,414 | — | — | — | — | 9,021 | 4,120 | 2,846 | 3,030 |

＜Major Capex during 5th Period＞

| | |
|---|---|
| Upgrading of the general receiving system(Twin21) | JPY146mn |
| Renewal of air-conditioner control system(Twin21) | JPY98mn |
| Renovation on 3rd floor(Matsushita IMP bld.) | JPY53mn |

＜Major Capex during 6th Period (Planned)＞

| | |
|---|---|
| Renewal of elevator control systems(Twin21) | JPY358mn |
| Upgrading of heat reservoirs(Matsushita IMP bld.) | JPY550mn |
| Renovation of lower floors(Midosuji MID bld.) | JPY630mn |

Notes:
1. Amounts of less than the nearest thousand yen are rounded down
2. Matsushita Denko Building was renamed Panasonic Denko Building as of Oct. 1, 2008.
3. No detailed statement except for NOI, Depreciation & Amortization, and Property income as we could not obtain tenants' consent to disclosure of other data
4. The data of the Midosuji MID Bldg. includes that of the adjoining land.
5. The number of actual operating days for MID Nishihommachi Bldg. is 63 days,which was acquired on Oct. 30, 2008.

# Ⅱ–1. Internal Growth

# Ⅱ－1－① Occupancy Rate Breakdown by Property

| Type | Prop. № | Prop. Name | Leasable area (㎡) (Note1) | ①4th Period Occupancy rate as of Jun. 30, 2008 (%) (Note2) | ②5th Period Occupancy rate as of Dec. 31, 2008 (%) (Note2) | Difference ②-① (Points) | Breakdown | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | New Tenant Occupancy (㎡) | Expansion of Leased Area by Existing Tenants (㎡) | Decrease in Leased Area by Existing Tenants (㎡) | Cancellation (㎡) |
| Office Bldg. | 1 | Twin 21 | 82,401.40 | 96.7 | 94.9 | - 1.8 | | | - 160.26 | - 1,318.50 |
| | 2 | Matsushita IMP Bldg. | 37,113.29 | 94.8 | 93.5 | - 1.3 | 1,408.06 | 86.72 | - 68.77 | - 1,583.19 |
| | 3 | Panasonic Denko Bldg. | 12,684.52 | 100.0 | 100.0 | | | | | - |
| | 4 | Midosuji MID Bldg. | 16,186.37 | 100.0 | 100.0 | | | | - | - |
| | 5 | Higashinoda MID Bldg. | 5,098.10 | 100.0 | 100.0 | | | | - | - |
| | 10 | MID Imabashi Bldg. | 4,278.35 | 100.0 | 96.3 | - 3.7 | 249.48 | - | - | - 406.89 |
| | 11 | MID Midosujikawaramachi Bldg. | 3,039.09 | 75.5 | 63.0 | - 12.5 | | | - 223.32 | - 158.37 |
| | 12 | Kitahama MID Bldg. | 10,189.50 | 95.5 | 100.0 | 4.5 | 330.58 | 125.10 | - | - |
| | 13 | MID Nishihommachi Bldg. | 3,855.61 | - | 84.3 | - | - | - | - | - |
| | 7 | MID Shibakanasugibashi Bldg. | 1,989.27 | 100.0 | 100.0 | - | | | - | - |
| Non-office Bldg. | 8 | Konami Sports Club Kyobashi | 9,586.26 | 100.0 | 100.0 | - | - | - | - | - |
| | 9 | AEON Tsudanuma Shopping Center | 101,210.44 | 100.0 | 100.0 | - | - | - | - | - |

The decrease of 0.9 attributable to an increase in the leasable area

Office cancellation : 1,408.06㎡
Lower floor retail shops cancellation : 175.13㎡

Office occupancy rate : 95.0%
Lower floor retail shops occupancy rate : 83.1%

1st floor retail shops

| | | ① | ② | ②-① |
|---|---|---|---|---|
| Occupancy Rate by type (Note3) | Office Bldg. Occupancy Rate | 96.6 | 95.2 | - 1.4 |
| | Non-Office Bldg. Occupancy Rate | 100.0 | 100.0 | - |
| Portfolio Occupancy Rate (Note 3) | | 98.0 | 97.0 | - 1.0 |

Increased 365.18㎡ from last year due to change in use of the lower floor atrium surroundings from commerce to office space (Office floor space : Up1,427.82㎡ ; Retail floor space : Down 1,062.64㎡)

**Notes:**

**1. Leasable areas presented in the above table represent total leasable floor area as of Dec. 31, 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.**

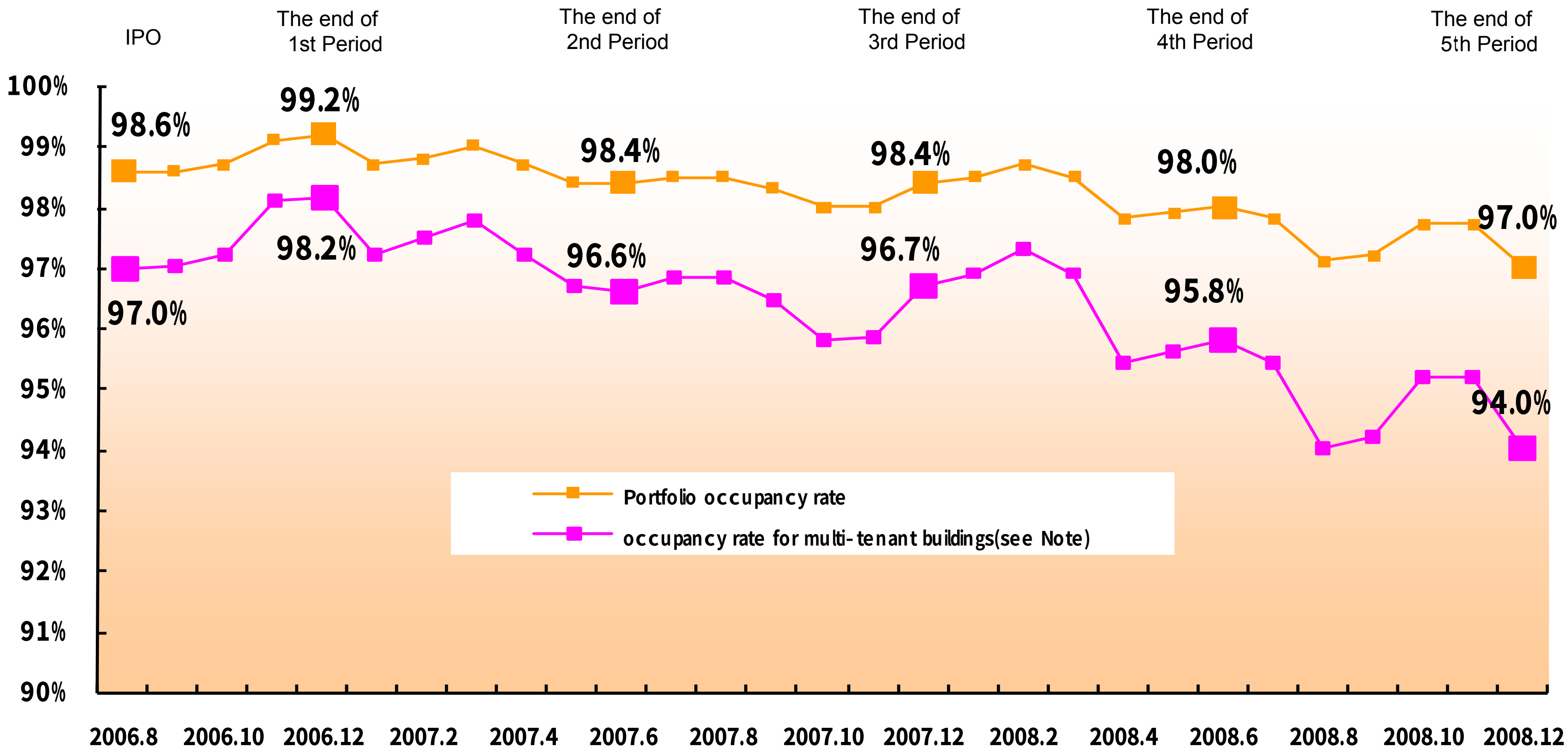
**2. Occupancy rates are presented as percentage figures, those are obtained by dividing the period-end leased areas by the leasable areas.**

**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.**

# Ⅱ－1－② Change in Occupancy Rate

MID REIT

## Change in Occupancy Rates (IPO to The end of 5th 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. |
| From Apr. 2008 to Sep. 2008 | : Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg. and Kitahama MID Bldg. |
| After Oct. 2008 | : Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg., Kitahama MID Bldg. and MID Nishihommachi Bldg. |

# Ⅱ－1－③ Rent Revisions

## 5th Period: Renewal Contracts with Existing Tenants
(Note 1)

| | | Number of Tenants | Area (㎡) | Amount of Increase (JPY'000) *Monthly amount × 6 |
|---|---|---|---|---|
| Rent Renewal | Upward revision | 0 | 0 | 0 |
| | Unchanged | 25 | 7,309.85 | ― |
| | Downward revision | 0 | 0 | 0 |
| Total | | | | 0 |

## 5th Period: Contract Revisions with Existing Tenants
(Note 2)

| | | Number of Tenants | Area (㎡) | Amount of Increase (JPY'000) *Monthly amount × 6 |
|---|---|---|---|---|
| Rent Renewal | Upward revision | 0 | 0 | 0 |
| | Downward revision | 0 | 0 | 0 |
| Total | | | | 0 |

## 5th Period: Contracts with New Tenants
(Note 3)

| | | Number of Tenants | Area (㎡) | Amount of Increase (JPY'000) *Monthly amount × 6 |
|---|---|---|---|---|
| Proximal Unit Price Comparison (Note 4) | Amount of increase | 5 | 870.79 | 24,745 |
| | Unchanged | 0 | 0 | - |
| | Amount of decrease | 3 | 1,610.02 | - 5,655 |
| Total | | | | 19,090 |

**Approx. JPY19mn improvement in earning capacity**

Notes:
1. Based solely on renewed contracts with tenants whose contracts expired during the 5th period.
2. Based on rent revisions to active tenant contracts during the 5th period.
3. Based on new contracts signed during the 5th 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.

# Ⅱ－1－④ Rent Revisions Schedule

MID REIT

Details on the leasing contracts at the end of 5th Period (based on rents)

| Prop. name | | Leasing contracts subject to renewal by Dec. 31, 2010 | Contracts with rents below the market level by more than 10% (Note 1) | Leasing contracts subject to renewal after Jan. 2011 or Term leasing contracts (Note 2) |
|---|---|---|---|---|
| Twin 21 | Office | 91.3% | 1.0% | 8.7% |
| | Retail | 92.0% | 4.8% | 8.0% |
| Matsushita IMP Bldg. | Office | 66.9% | － | 33.1% |
| | Retail | 91.2% | 4.6% | 8.8% |
| Panasonic Denko Bldg. | | 100.0% | － | － |
| Midosuji MID Bldg. | | － | － | 100.0% |
| Higashinoda MID Bldg. | | 100.0% | － | － |
| MID Shibakanasugibashi Bldg. | | 100.0% | 100.0% | － |
| Konami Sports Club Kyobashi | | － | － | 100.0% |
| AEON Tsudanuma Shopping Center | | － | － | 100.0% |
| MID Imabashi Bldg. | | 100.0% | － | － |
| MID Midosujikawaramachi Bldg. | | 100.0% | － | － |
| Kitahama MID Bldg. | | 72.1% | － | 27.9% |
| MID Nishihommachi Bldg. | | 68.4% | － | 31.6% |

**Review the differences from the market rent levels upon leasing contract renewals and formulate strategies**

**Notes:**
**1. Based on analysis of rent levels for new contracts in neighboring areas as of Dec. 31, 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 Dec. 31, 2010 through mutual agreement**

MID REIT

## Tenant Satisfaction Survey

<Overview of Survey>

- Applicable properties: Twin 21, Matsushita IMP Bldg. and MID Imabashi Bldg.
- Survey period: Nov. 6, 2008 to Nov. 27, 2008
- Number sampled: 175 tenants
- Surveyor: Dentsu Research Inc.

**Survey Results: Customer Satisfaction Index (CSI*)**

| Factors | 2008 | 2007 | 2006 | Difference (2006→2008) |
|---|---|---|---|---|
| FM (Facility management) effectiveness | 76.7 | 72.9 | 72.0 | +4.7 |
| Ambience | 75.3 | 74.3 | 74.4 | +0.9 |
| Management staff attitude | 74.2 | 70.8 | 72.0 | +2.2 |
| Cleanness | 73.1 | 71.1 | 71.2 | +1.9 |
| Management center operation effectiveness | 70.4 | 66.9 | 64.9 | +5.5 |
| PM (Property management) effectiveness | 68.9 | 67.3 | 67.5 | +1.4 |
| Security measures | 68.0 | 65.7 | 61.9 | +6.1 |
| Building performance | 60.4 | 59.0 | 58.2 | +2.2 |
| Common-area functions | 58.5 | 56.5 | 53.6 | +4.9 |
| Information provision from PM | 55.2 | 55.6 | 53.0 | +2.2 |
| Overall building comfort | 54.2 | 49.5 | 47.8 | +6.4 |
| Building-complex functions | 54.0 | 52.3 | 49.7 | +4.3 |

**Further enhance strengths in FM and ambience while working to improve other factors**

**Notes:**

**1.* CSI: Customer Satisfaction Index. The results of the customer (tenant) evaluation of building facilities, services and other factors are weighted to adjust the difference between the levels of their needs (expectations) and satisfaction for each factor. Then, the level of their satisfaction for each factor is rated on a scale of zero to 100.**

**2.Survey results for 2006 do not include the MID Imabashi Building.**

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## Examples of Value enhancement and Renovations

**Matsushita IMP Bldg.（Osaka)**

2F (After)

3F (After)

**Usage change of the lower floor atrium surroundings from commerce to office space**

**MID Imabashi Bldg.（Osaka)**

Before

After

**Entrance hall renovated for brighter and more inviting atmosphere**

**Continue to implement tenant satisfaction-oriented initiatives to improve and maintain high occupancy rates**

# Ⅱ–2. External Growth

MID REIT

## MID Nishihommachi Bldg. [Acquisition date : Oct. 2008]


| | |
|---|---|
| Use of building | Office building |
| Location | Awaza, Nishi-ku, Osaka |
| Total floor area | 6,260.16㎡ |
| Leasable area | 3,855.61㎡ |
| Construction comtributions | Mar. 1989 |
| Acquisition price | ¥ 3,550mn |

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

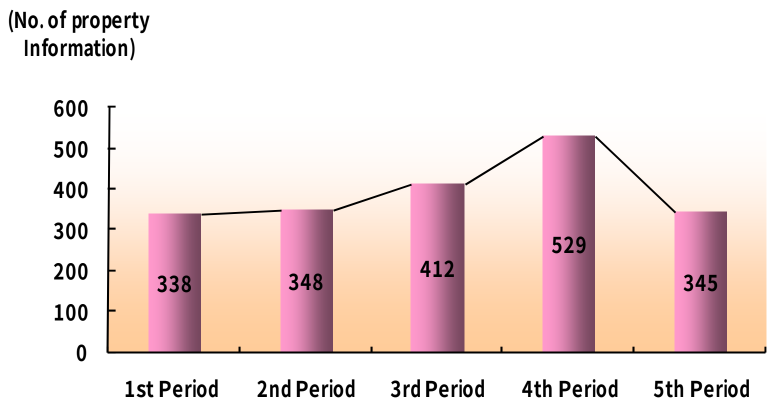
| | |
|---|---|
| Use of building | Office building |
| Location | Marunouchi Naka-ku,Nagoya |
| Total floor area | 14,875.17㎡ (planned) |
| Leasable area | 9,934.76㎡ (planned) |
| Construction comtributions | Late Feb. 2009 (planned) |
| Acquisition price | ¥211mn max. |

※See P23

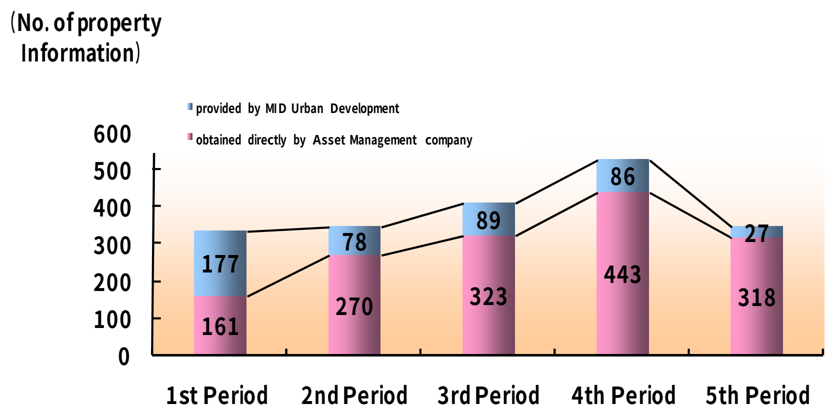
# Ⅱ－2－② Status of Property Information Acquisition

MID REIT

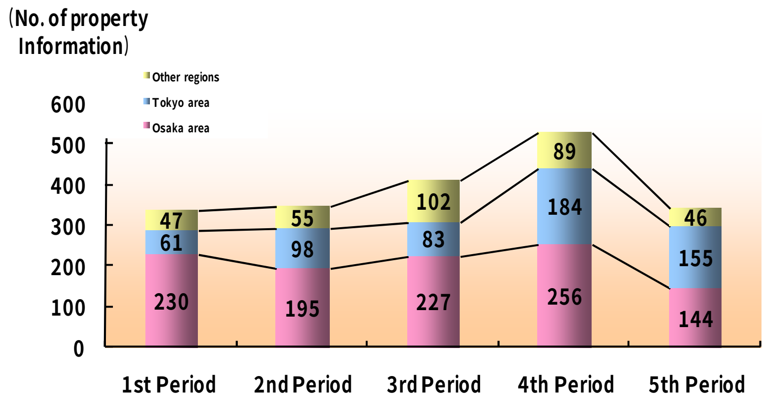
## ■ Total Number of Property information Received



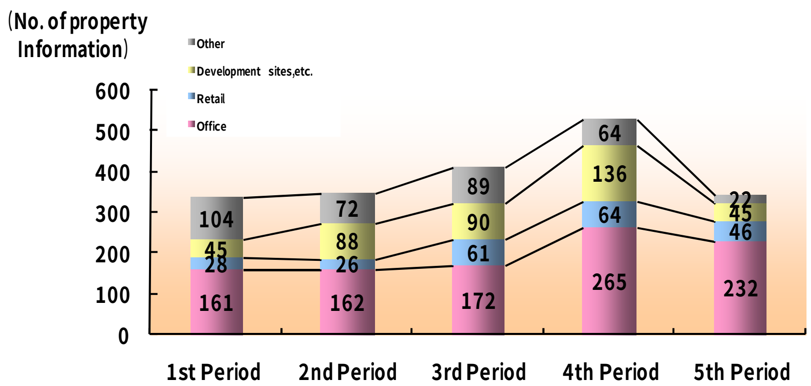

## ■Number of Property Information by Channel




## ■ 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 and better understand the real estate market**

Notes: The data shown above do not indicate properties actually acquired.

# Ⅱ－2－③ Future Strategies

MID REIT

## Issues

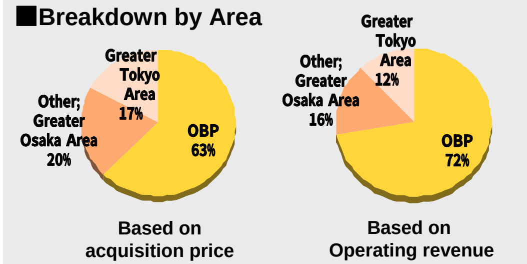
Ease concentration on area and tenants

## Response

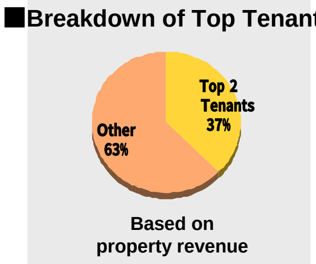
**Acquire quality properties at appropriate prices**

(Ref.: Concentration on area and tenants as of the end of the 5th period)

■Breakdown by Area

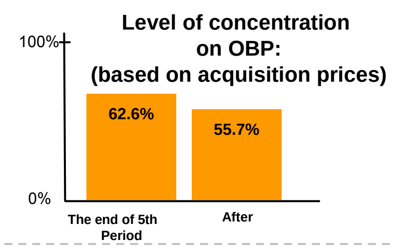


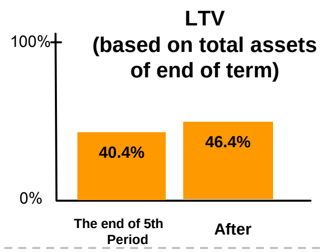

■Breakdown of Top Tenants

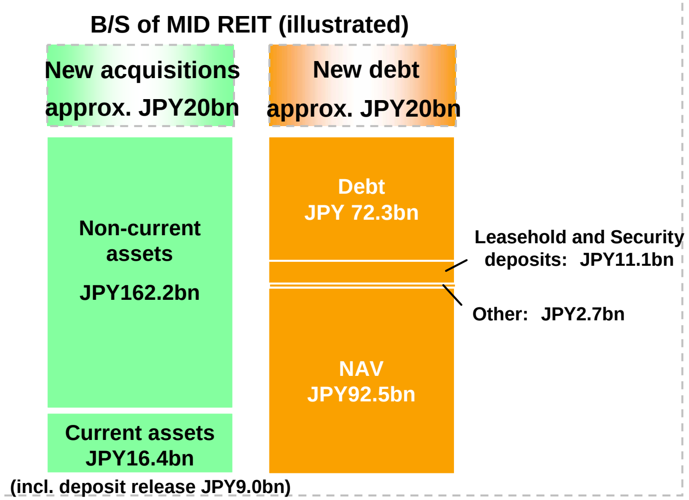



## Image of External Growth (Note)

| | |
|---|---|
| New property acquisition excl. OBP approx. JPY20bn | <preconditions for property acquisition><br>・NOI: approx. JPY1.0bn/year<br>・NOI yield: assumed approx. 5%<br>・Newly built or equivalent properties |
| Debt finance: approx. JPY20bn (LTV: 40.4→46.4%) | ・LTV upper limit determined by financial policies: in principle 60%<br>・LTV—assumed on a normal operational base: 40 – 49% |




Note:
This Image of external growth is based on MID REIT's financial standing as of Dec. 31, 2008, as well as the assumption that: (1) MID REIT procures funds for the acquisition of all new properties through debt financing; and (2) all new properties to be acquired meet the preconditions for property acquisition described above. Accordingly, the image shall not be construed as a guarantee of or a commitment to future growth, contribution to dividends or achievement of geographically diversified investment.
With due consideration given to the current real estate market conditions, MID REIT is adhering to a conservative policy for new property acquisitions.

# Ⅱ－2－④ Current Effort

## (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<br>A four-minute walk from Hisaya-odori Station on the Nagoya Municipal Subway Sakura-dori and Meijo lines |
| Construction date | | Commencement: Dec. 2007<br>Completion: Late Feb. 2009 (planned) |
| Use | | Offices |
| Structure | | Steel, 13 floors, one-story tower |
| Area | Land | 1,663.09㎡(surface rights) |
| | Building | 14,845.17 ㎡ (as total floor area)<br>9,934.76 ㎡ (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.


(Photograph)

(Map)

**Preliminary contract ratio Approx. 89% (as of Dec. 31, 2008)**

**※ Preliminary contract ratio = Leased area(on a preliminary-contract basis)/Leasable area**

## Schedule and Scheme Regarding Acquisition of Silent Partnership Interest

**Acquisition of development sites (surface rights) by sponsor company**

**MID Urban Development Co., Ltd.** / **MID Asset Management Co., Ltd.**

MID / MID

- Development
- Asset management

etc.

**Sakura Dori Development LLC**

| Real estate<br><br>Sakura Dori MID Bldg. (tentative name) | Non-recourse loans Approx. 70% |
|---|---|
| | Silent partnership interests Approx. 30% |

Total project expenditure Approx. ¥7.2 bn (estimate)

**MID REIT, Inc.**

MID REIT

10% of the silent partnership interests
- Approx. 3% of total project expenditure
- Total of ¥211mn max.

**Preferential negotiation rights for acquisition (Over six-month period after construction completion)**

**Full-scale consideration of acquisition**

Nov. 29, 2007
Capital contribution of ¥101mn to the silent partnership

Jan. 30, 2008
Capital contribution of ¥1mn to the silent partnership

Sep. 29, 2008
Capital contribution of ¥37mn to the silent partnership

Completed

Feb. 26, 2009
Capital contribution of ¥72mn (max.) to the silent partnership

Planned

# III. Financial Conditions

# Details on Debt (1)

## Breakdown of debt

| Type | Lenders | | Borrowing date | Balance at end of 5th Period | Average interest rate (Note 1) | Repayment date | Repayment method | Usage | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| Current portion of long-term loans payable | 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% | Aug. 31, 2009 | Bullet payment | (Note 4) | Secured |
| Long-term loans payable | 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% | Aug. 31, 2010 | Bullet payment | (Note 4) | Secured |
| | 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 | 1.465% | Apr. 23, 2010 | Bullet payment | (Note 4) | Secured |
| | Term loan (2yrs) (Note 2) (Note 3) | Hyakugo Bank, Shinkin Central Bank | Aug. 29, 2008 | JPY3.5bn | 1.570% | Aug. 31, 2010 | Bullet payment | (Note 4) | Secured |
| | Term loan (2yrs 11months) (Note 2) (Note 3) | Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, Shinsei Bank, Resona Bank, Aozora Bank, Shinkin Central Bank, Bank of Ikeda,The Yamaguchi Bank | Aug. 29, 2008 | JPY17.8bn | 1.826% | Jul. 31, 2011 | Bullet payment | (Note 4) | Secured |
| Total | | | | JPY72.3bn | | | | | |

**Notes:**

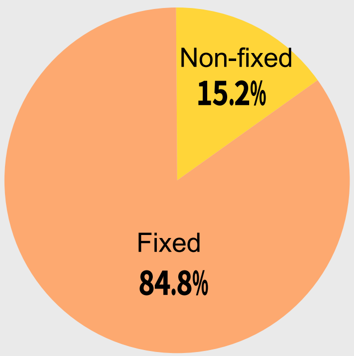
**1. Average interest rate shows the weighted average interest rate with figures rounded off to three decimal places. For loans which were hedged against interest rate fluctuation risks through interest rate swap, we have stated the weighted average interest rate which reflects such swap**
**2. Loans are co-financed by the banks in the list**
**3. Loans 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

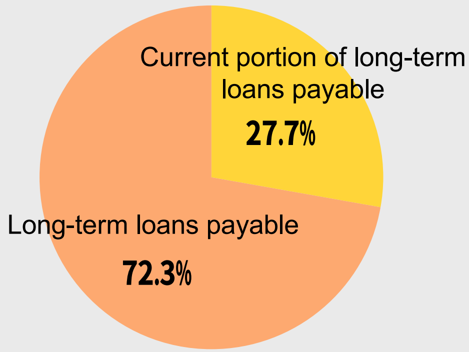
| Type | Lenders | Credit line | Use of funds |
|---|---|---|---|
| Basic agreement of credit line | Mizuho Corporate Bank, Sumitomo T&B, Sumitomo Mitsui Bank, Shinsei Bank | JPY10.0bn | Future acquisition and payment of related expenses |

# Details on Debt (2)

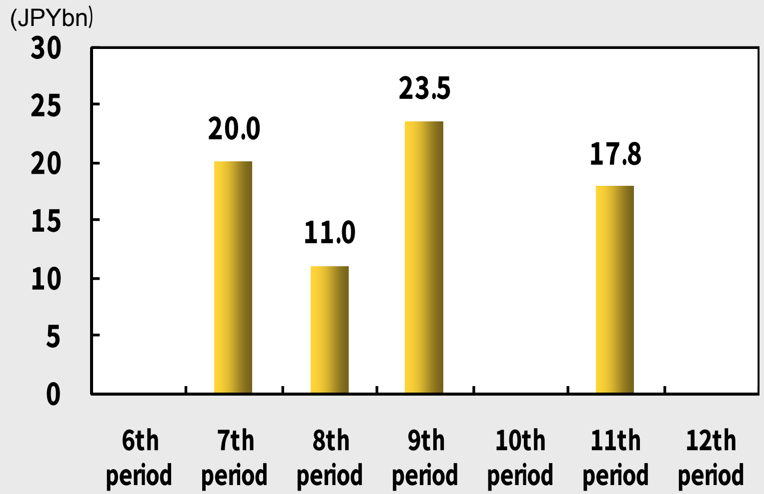
Ratio of fixed/floating rate




Ratio of Long-term/short-term debt




Diversification of repayment dates




## Obtained Rating acquisition

| Rating agency | Obtained |
|---|---|
| R&I | issuer rating<br>A (Stable) |

## 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

# Ⅳ. Appendix

# Ⅳ－1 About MID REIT

MID REIT

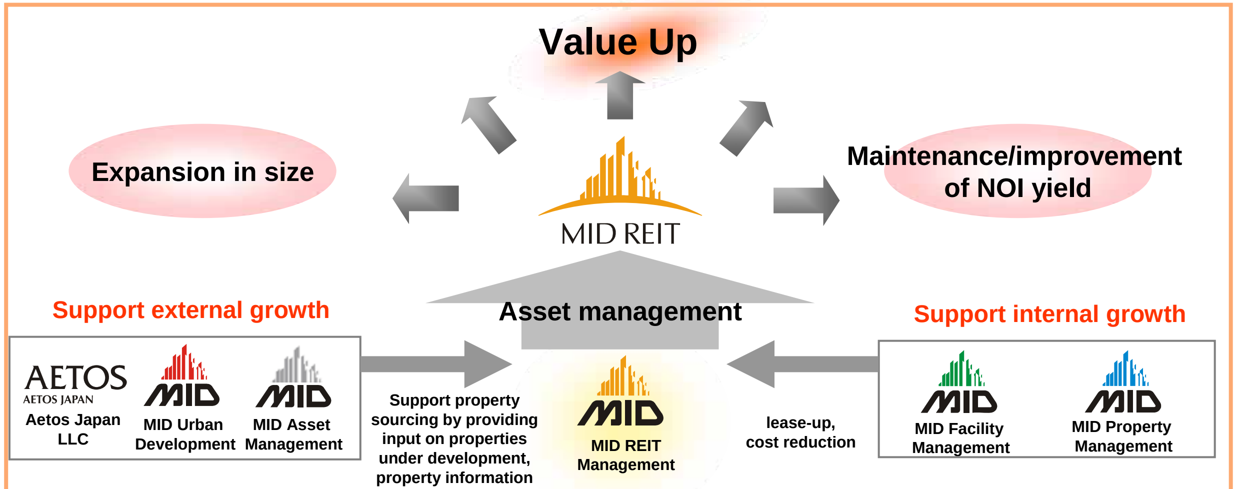
## Focusing on Osaka area and office properties

- 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


OBP(The Osaka Business Park):
Osaka area's representative conglomerate business area boasting the superior functions of business hubs, transportation and information, and cultural centers.

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




| MID Urban Development Co., Ltd. | |
|---|---|
| Established | 1952(including the operating period as the former Matsushita Investment and Development Co., Ltd.) |
| Principal Business | Building business, Housing business |
| URL | http://www.mid.co.jp/ (Financial results for the fiscal year ended Mar. 31, 2008 available) |

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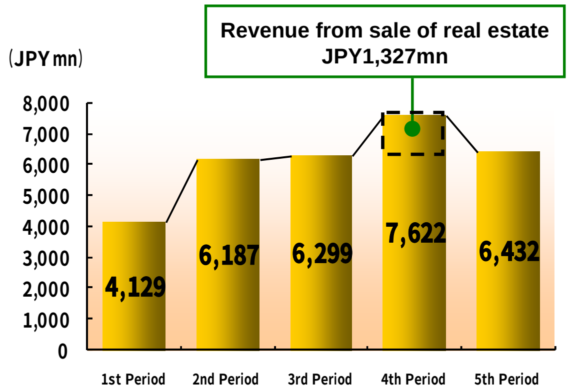
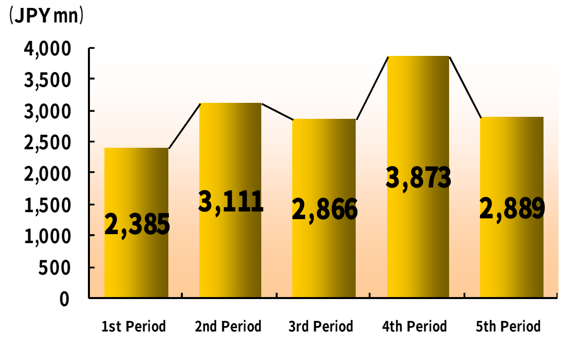
## Performance Trends (1st Period to 5th Period)

### ■Operating revenue

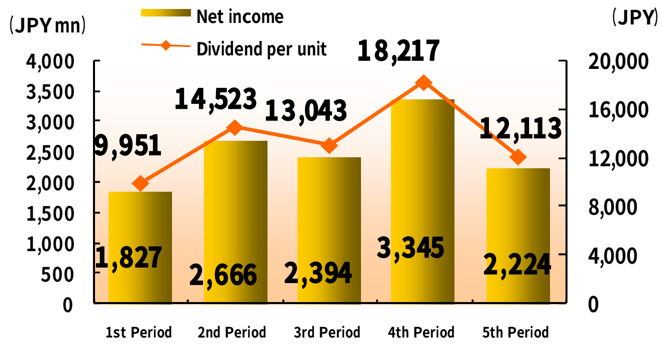



Note：The data of 4th period includes revenue from sale of real estate, JPY1,327mn.

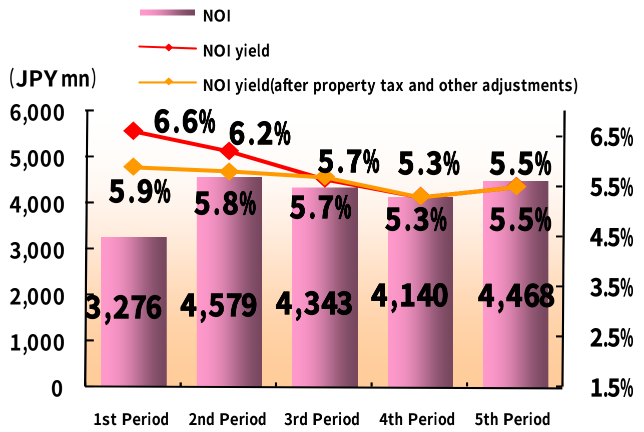
### ■Operating income




### ■Net income / Dividend per unit

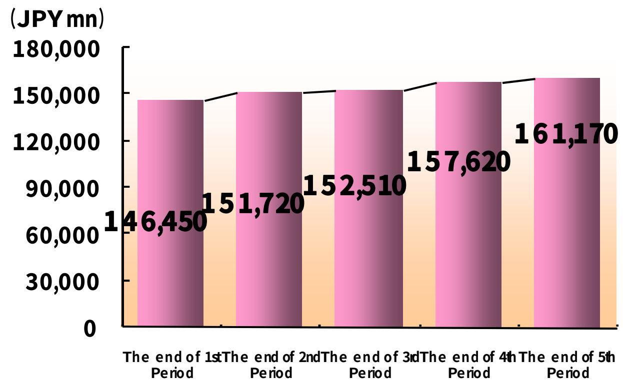



### ■NOI




See p.11 for NOI breakdown by Property

### ■Total acquisition price




Note:
In addition to the total acquisition price as of the end of the 5th period, MID REIT acquired an interest worth ¥139 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 5th period.

# Ⅳ－3 Financial and Accounting Indices

| Indices | 4th Period Results (Jan. 1, 2008–Jun. 30, 2008) (Note1) | 5th Period Results (Jul. 1, 2008–Dec. 31, 2008) (Note2) | Comments |
|---|---|---|---|
| Net operating days | 182days | 184days | － |
| NOI from property leasing | JPY4,140mn (JPY4,121mn) | JPY4,468mn (JPY4,443mn) | Property income＋Depreciation and amortization＋Loss on retirement of noncurrent assets |
| NOI yield from property leasing (p.a.) | 5.3% (5.3%) | 5.5% (5.5%) | 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) | JPY3,186mn (JPY3,161mn) | Net income (excl. revenue and expense from sale of real estate ) ＋ Depreciation and amortization |
| FFO per unit | JPY16,036 (JPY15,932) | JPY17,351 (JPY17,215) | FFO／Total units outstanding at end of period |
| Return on assets (ROA) | 3.9% | 2.5% | Ordinary income [annualized] ／{（Total assets at beginning of period＋Total assets at end of period）／2} |
| Return on equity (ROE) | 7.2% | 4.7% | Net income [annualized] ／{（NAV at beginning of period +NAV at end of period) ／2} |
| NAV per unit | JPY510,376 | JPY504,271 | NAV at end of period/Total units outstanding at end of period |
| Loan to value (LTV) | 40.2% | 40.4% | Interest-bearing debt at end of period/Total assets at end of period |
| Debt service coverage ratio (DSCR) | 10.1 | 6.6 | Net income before interest and depreciation/Interest expense |
| Price book-value ratio (PBR) | 0.7 | 0.3 | Unit Price at end of period/NAV per unit |
| Price earning ratio (PER) | 9.5 | 7.1 | Unit Price at end of period/Net income per unit [annualized] |
| FFO multiple | 7.4 | 4.9 | Unit Price at end of period/FFO per unit |

**Notes:**
**1.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.**
**2.Figures in brackets indicate values after having accounted for the fiscal period costs of JPY 24 million (annualized: JPY 31 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.**

# Ⅳ－4 Unit Price Performance(1) (IPO～Feb. 6, 2009)

MID REIT

## Unit Price Performance

# Ⅳ－4 Unit Price Performance(2) (IPO～Feb. 6, 2009)

## Price Comparison

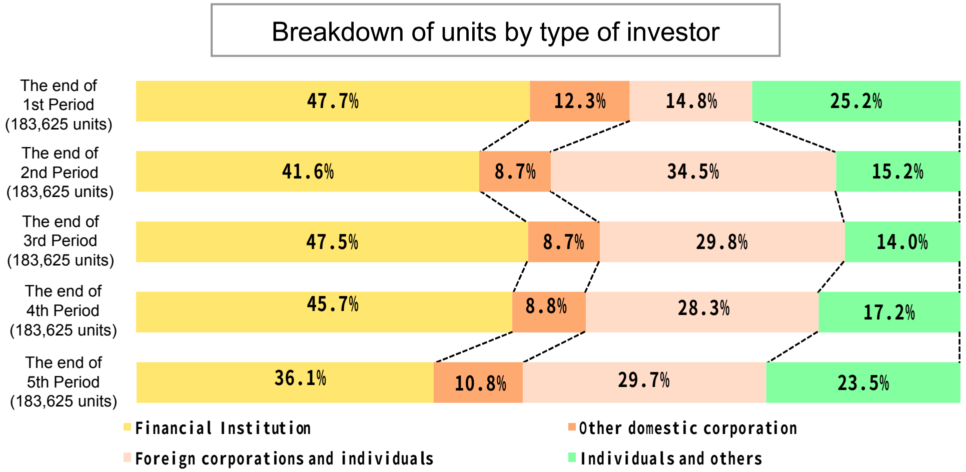

Note:

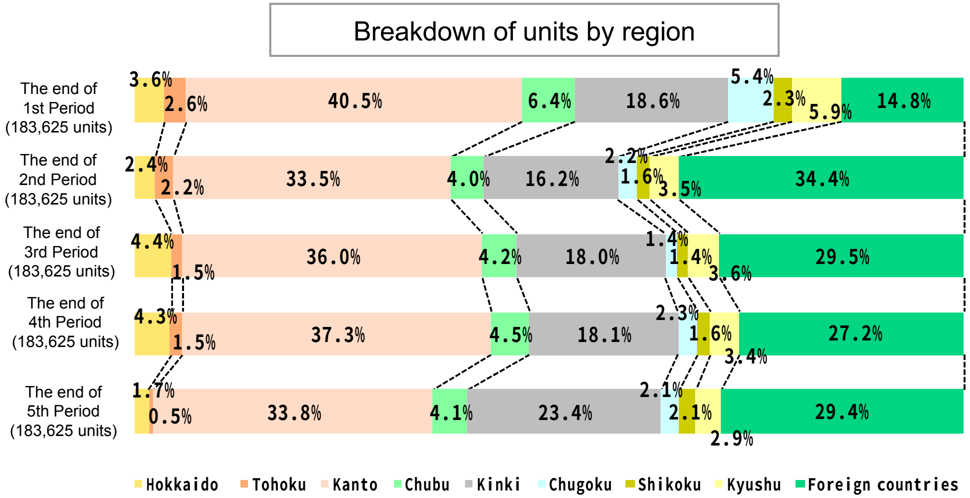
To track stock performance, reference values of 100% have been assigned to the Aug. 29, 2006 closing prices of the TSE REIT Index and TOPIX Real Estate Index (TPREAL). The closing price of MID REIT's units as of the same date, on which MID REIT's units were publicly listed, has also been set at the reference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

# Ⅳ－5 Unitholder Details (1)

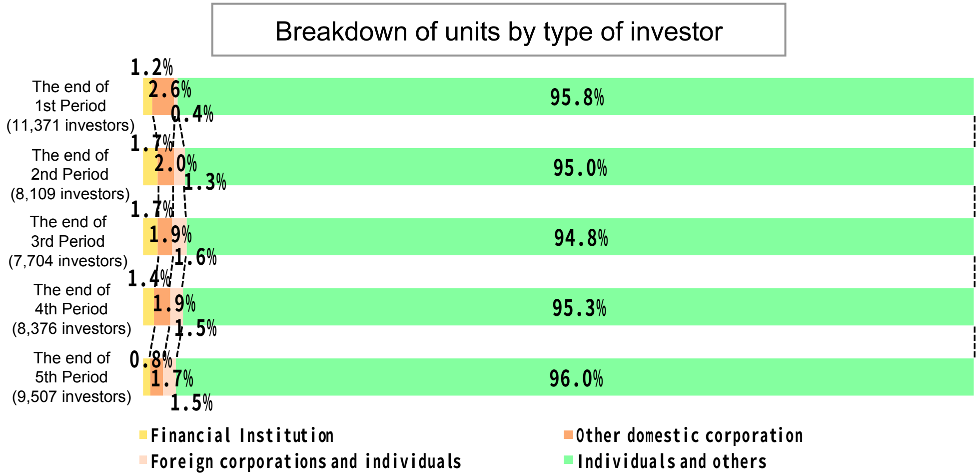
## Analysis of Investor Attributes

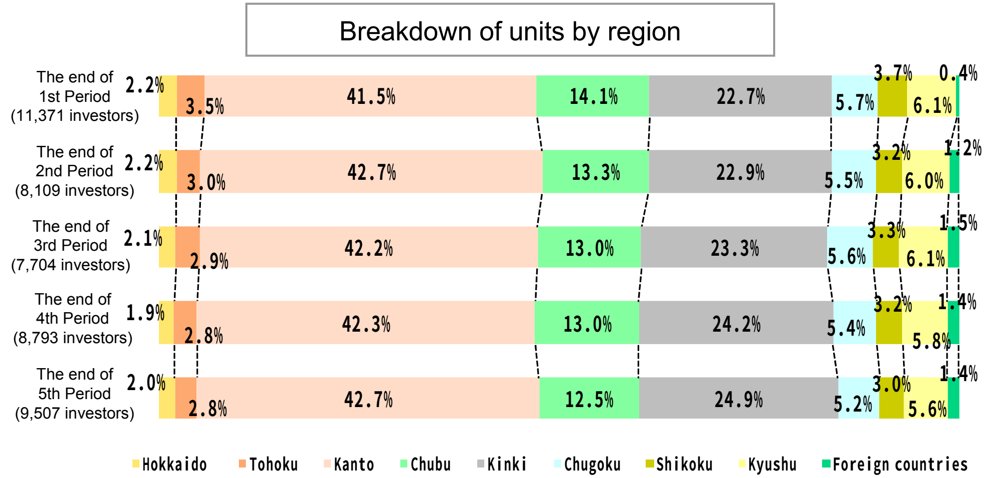
### ① Distribution of number of units held




### ② Distribution of number of investors



# Ⅳ－5 Unitholder Details(2)

## Top 10 Unitholders (as of Dec. 31, 2008)

| Name | Number of units held | Ratio of units held to total units outstanding (%) | Difference |
|---|---|---|---|
| Nikko Citi Trust and Banking Corporation (Trust Account) | 15,050 | 8.20 | +1,430 |
| The Fuji Fire and Marine Insurance Co., Ltd. | 9,714 | 5.29 | +5,892 |
| MID Urban Development Co.,Ltd. | 9,200 | 5.01 | ±0 |
| The Bank of Ikeda, Ltd. | 8,710 | 4.74 | +1,816 |
| Goldman Sachs International | 7,444 | 4.05 | +2,370 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 5,771 | 3.14 | -2,099 |
| Goldman Sachs & Co. Regular Account | 3,507 | 1.91 | +3,449 |
| The Nomura Trust and Banking Co., Ltd. (Trust Account) | 3,399 | 1.85 | +252 |
| Mellon Bank, N.A. Treaty Clients Omnibus | 3,243 | 1.77 | -266 |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 2,971 | 1.62 | -10 |
| Total | 69,009 | 37.58 | -371 |

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

## Status of Large Unitholding Reports Submitted (as of Feb. 10, 2009)

| 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.<br>Nikko Citigroup Limited | 14,887 | 8.11 | Oct. 6, 2008 |
| Altrinsic Global Advisors, LLC | 11,506 | 6.27 | Mar. 3, 2008 |
| The Fuji Fire And Marine Insurance Co., Ltd. | 9,714 | 5.29 | Oct. 7, 2008 |
| MID Urban Development Co., Ltd. | 9,200 | 5.01 | Jan. 10, 2007 |

**Note:**
**1.Ratios of units held to total units outstanding are based on values recorded in large unitholding reports.**
**2.Only submitters and joint unitholders who hold 5% or more of total units outstanding are presented in the table abobe.**

# Ⅳ–6. Portfolio

# Ⅳ−6−① Portfolio Diversification

## Data of Portfolio

**By area (Note1)**

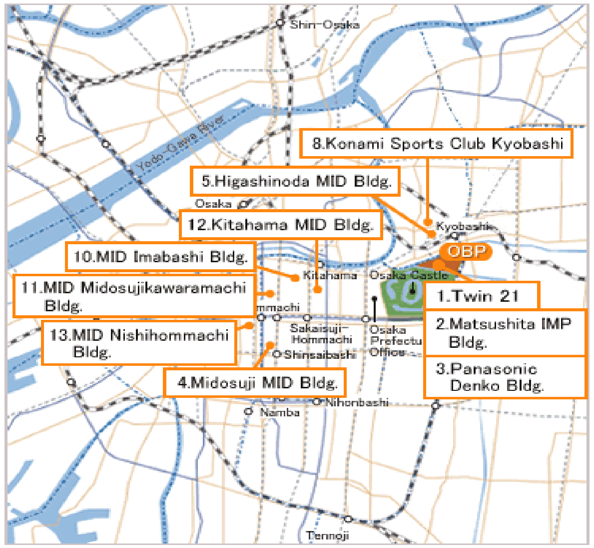
| | Osaka area | Other major |
|---|---|---|
| The end of 1st Period | 77.5% | 22.5% |
| The end of 2nd Period | 78.3% | 21.7% |
| The end of 3rd Period | 78.4% | 21.6% |
| The end of 4th Period | 82.7% | 17.3% |
| The end of 5th Period | 83.1% | 16.9% |

**By type (Note1)**

| | Office | Non-office |
|---|---|---|
| The end of 1st Period | 80.3% | 19.7% |
| The end of 2nd Period | 81.0% | 19.0% |
| The end of 3rd Period | 81.1% | 18.9% |
| The end of 4th Period | 81.7% | 18.3% |
| The end of 5th Period | 82.1% | 17.9% |

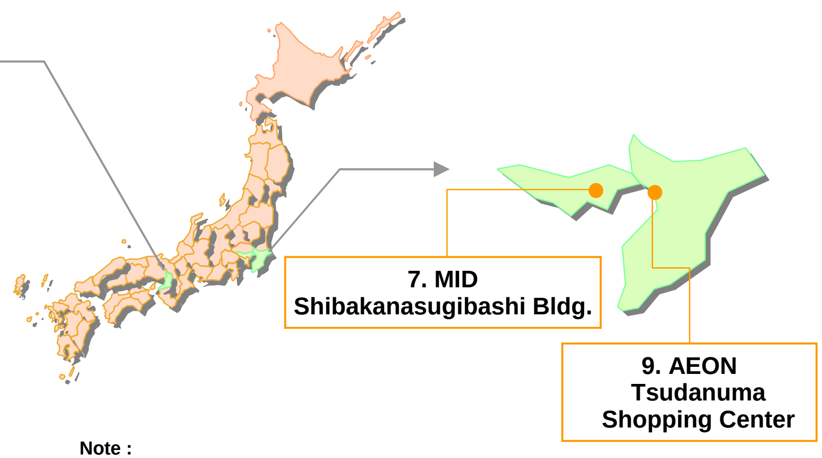
**By size (GFA) (Note1) (Note2)**

| | 100,000㎡ or more | 50,000㎡ or more, under 100,000㎡ | 10,000㎡ or more, under 50,000㎡ | under 10,000㎡ |
|---|---|---|---|---|
| The end of 1st Period | 46.9% | 34.6% | 10.3% | 8.1% |
| The end of 2nd Period | 45.3% | 33.4% | 10.0% | 11.3% |
| The end of 3rd Period | 45.0% | 33.2% | 10.4% | 11.3% |
| The end of 4th Period | 43.6% | 32.2% | 16.9% | 7.3% |
| The end of 5th Period | 42.6% | 31.5% | 16.6% | 9.3% |




Central Osaka

Osaka Business Park（OBP）




Note :

1.The ratios are the ratios for the acquisition price totals by classification towards the total acquisition price, and are listed rounded off to the first decimal place. As such, there may be cases where these do not add up to 100.0% for the totals.

2.Sizes are based on total floor areas registered.

# Ⅳ−6−② Portfolio Overview

MID REIT

## As of Dec. 31, 2008

| Type | Area | Prop No. | Prop.name | Location | Acquisition date | Acquisition Price (JPYmn) (Note1) | Investment ratio (%) (Note2) | Completion date | Leasable space (㎡) (Note3) | PML (%) (Note4) |
|---|---|---|---|---|---|---|---|---|---|---|
| Office | Osaka area | 1 | Twin21 (Note5) | Chuo-Ku, Osaka | 8/06 | 68,700 | 42.6 | 3/86 | 82,401.40 | 3.5 |
| | | 2 | Matsushita IMP Bldg. | Chuo-Ku, Osaka | 8/06 | 24,600 | 15.3 | 2/90,<br>added on to in 11/03 | 37,113.29 | 3.2 |
| | | 3 | Panasonic Denko Bldg. (Note6) | Chuo-Ku, Osaka | 8/06 | 7,620 | 4.7 | 8/74 | 12,684.52 | 7.2 |
| | | 4 | Midosuji MID Bldg. (Note7) | Chuo-Ku, Osaka | 8/06<br>10/07 | 8,290 | 5.1 | 10/80 | 16,186.37 | 8.7 |
| | | 5 | Higashinoda MID Bldg. | Miyakojima-Ku, Osaka | 8/06 | 2,300 | 1.4 | 2/00 | 5,098.10 | 7.8 |
| | | 10 | MID Imabashi Bldg. | Chuo-Ku, Osaka | 4/07 | 3,270 | 2.0 | 10/90 | 4,278.35 | 6.2 |
| | | 11 | MID Midosujikawaramachi Bldg. | Chuo-Ku, Osaka | 5/07 | 2,000 | 1.2 | 3/98 | 3,039.09 | 6.2 |
| | | 12 | Kitahama MID Bldg. | Chuo-Ku, Osaka | 4/08 | 10,800 | 6.7 | 2/08 | 10,189.50 | 3.0 |
| | | 13 | MID Nishihommachi Bldg. | Nishi-Ku, Osaka | 10/08 | 3,550 | 2.2 | 3/89 | 3,855.61 | 5.6 |
| | 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** | — | — | **132,290** | **82.1** | — | **176,835.50** | — |
| Non-office | Osaka area | 8 | Konami Sports Club Kyobashi | Miyakojima-Ku, Osaka | 8/06 | 2,780 | 1.7 | 6/99 | 9,586.26 | 5.7 |
| | Other major cities | 9 | AEON Tsudanuma Shopping Center | Narashino-shi, Chiba | 8/06 | 26,100 | 16.2 | 9/03,<br>added on to in12/07 | 101,210.44 | 4.0 |
| | | | **Sub-total** | — | — | **28,880** | **17.9** | — | **110,796.70** | — |
| | | | **Total** | — | — | **161,170** | **100.0** | — | **287,632.20** | **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 Dec. 31, 2008. Figures exclude floor area occupied by of storage areas, halls and parking areas. However, the leasable areas of Konami Sports 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 Dec. 31, 2008
5. Includes the Trust beneficiary interest of Twin 21 (partial ownership of leased land)
6. Matsushita Denko Bldg. was renamed Panasonic Denko Bldg. as of Oct. 1, 2008.
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, Jan. 30, 2008 and Sep. 29, 2008.

## Ⅳ−6−③ Portfolio Value at End of Period

### As of Dec. 31, 2008

| Type | Area | Prop № | Prop. name | Acquisition value (JPYmn) (Note1) | Appraisal value at 4th Period-End (JPYmn) (Note3) | Appropriated to BS as of 5th Period-End (JPYmn) (Note2) | Appraisal value at 5th Period-End (JPYmn) (Note3) | Difference of Acquisition price (%) | Difference from the previous period-end (%) | Difference of Book value (%) | Appraisal company | Appraisal value rate at 4th Period-End (%) (Note8) | Appraisal value rate at 5th Period-End (%) (Note8) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Office | Osaka area | 1 | Twin21(Note4) | 68,700 | 70,900 | 69,258 | 67,400 | -1.9% | -4.9% | -2.7% | Morii Appraisal & Investment Consulting Inc. | 5.0% | 5.1% |
| Office | Osaka area | 2 | Matsushita IMP Bldg. | 24,600 | 24,800 | 24,322 | 23,200 | -5.7% | -6.5% | -4.6% | Tanizawa Sogo Appraisal Co., Ltd. | 5.2% | 5.4% |
| Office | Osaka area | 3 | Panasonic Denko Bldg.(Note5) | 7,620 | 7,620 | 7,603 | 7,400 | -2.9% | -2.9% | -2.7% | Morii Appraisal & Investment Consulting Inc. | 5.3% | 5.4% |
| Office | Osaka area | 4 | Midosuji MID Bldg.(Note6)(Note7) | 8,290 | 10,900 | 8,344 | 9,850 | 18.8% | -9.6% | 18.0% | Tanizawa Sogo Appraisal Co., Ltd. | 4.3% | 4.5% |
| Office | Osaka area | 5 | Higashinoda MID Bldg. | 2,300 | 2,300 | 2,266 | 2,140 | -7.0% | -7.0% | -5.6% | Tanizawa Sogo Appraisal Co., Ltd. | 6.1% | 6.2% |
| Office | Osaka area | 10 | MID Imabashi Bldg. | 3,270 | 3,280 | 3,378 | 3,050 | -6.7% | -7.0% | -9.7% | Tanizawa Sogo Appraisal Co., Ltd. | 5.1% | 5.3% |
| Office | Osaka area | 11 | MID Midosujikawaramachi Bldg. | 2,000 | 2,010 | 2,042 | 1,850 | -7.5% | -8.0% | -9.4% | Tanizawa Sogo Appraisal Co., Ltd. | 5.3% | 5.5% |
| Office | Osaka area | 12 | Kitahama MID Bldg. | 10,800 | 10,800 | 11,038 | 10,300 | -4.6% | -4.6% | -6.7% | Japan Real Estate Institute | 4.5% | 4.9% |
| Office | Osaka area | 13 | MID Nishihommmachi Bldg. | 3,550 | — | 3,599 | 2,890 | -18.6% | — | -19.7% | Japan Real Estate Institute | — | 5.2% |
| Office | Other major cities | 7 | MID Shibakanasugibashi Bldg. | 1,160 | 1,280 | 1,154 | 1,230 | 6.0% | -3.9% | 6.6% | Tanizawa Sogo Appraisal Co., Ltd. | 5.1% | 5.3% |
| | | | **Total** | **132,290** | **133,890** | **133,009** | **129,310** | **-2.3%** | **-3.4%** | **-2.8%** | — | — | — |
| Non-office | Osaka area | 8 | Konami Sport Club Kyobashi | 2,780 | 2,860 | 2,723 | 2,860 | 2.9% | 0.0% | 5.0% | Daiwa Real Estate Appraisal Corp. | 5.7% | 5.7% |
| Non-office | Other major cities | 9 | AEON Tsudanuma Shopping Center | 26,100 | 26,200 | 25,858 | 25,200 | -3.4% | -3.8% | -2.5% | Daiwa Real Estate Appraisal Corp. | 4.9% | 5.1% |
| | | | **Sub-total** | **28,880** | **29,060** | **28,582** | **28,060** | **-2.8%** | **-3.4%** | **-1.8%** | — | — | — |
| **Total** | | | | **161,170** | **162,950** | **161,592** | **157,370** | **-2.4%** | **-3.4%** | **-2.6%** | — | — | — |

4.8% as of Aug. 1, 2008

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 Morii Appraisal & Investment Consulting, Tanizawa Sogo appraisal, Daiwa Real Estate Appraisal ,and Japan Real Estate Institute as of Dec. 31, 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. Matsushita Denko Bldg was renamed Panasonic Denko Bldg. as of Oct. 1, 2008.
6. The acquisition price and the appropriated to BS as of the end of the 5th period for the Midosuji MID Bldg. include those of the land adjoining the Midosuji MID Bldg.
7. The appraisal value at the end of the 4th period and the 5th period for the Midosuji MID Bldg. factors in the land adjoining the Midosuji MID Bldg. as an integral part.
8. Appraisal value rate is the cap rate under the direct reduction method.

# Ⅳ－6－④ Overview of Key Tenants (TOP10)

MID REIT

As of Dec. 31, 2008

| Tenant | Industry | Tenant of | Expiration date of the contract (Note 1) | Leased area (㎡) | Ratio within total rent area (Note 2) |
|---|---|---|---|---|---|
| Aeon Retail Co.,Ltd. | Retail | AEON Tsudanuma Shopping Center | Sep. 29, 2023 | 101,210.44 | 36.3% |
| Panasonic Corpoartion | Electrical equipment | Twin21 | Mar. 31, 2009 | 41,471.51 | 14.9% |
| Human Academy (Note 3) | Services | Midosuji MID Bldg. | － | 16,186.37 | 5.8% |
| Panasonic Electric Works | Electrical equipment | Panasonic Denko Bldg. | Mar. 31, 2009 | 12,684.52 | 4.5% |
| Konami Sports & Life (Note 3) | Services | Konami Sports Club Kyobashi | － | 9,586.26 | 3.4% |
| 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 | 3,860.11 | 1.4% |
| Total | | | | 204,338.28 | 73.2% |

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

**＜Major Movements＞**

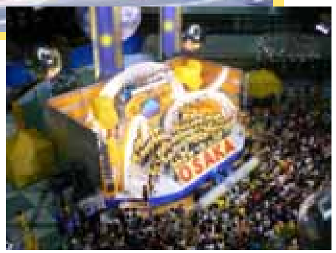
- **Panasonic Corporation and Panasonic Electric Works was renamed as of Oct. 1, 2008.**
- **Human Academy Co., Ltd. was merged into Human Resocia Co., Ltd. as of Jan. 1, 2009. Accordingly, Human Resocia has taken over the contractual status of relevant contracts signed between MID REIT and Human Academy.**
- **Due to partial cancellations of relevant contracts, the leased area for Human Academy will be reduced to 6,586.37㎡ on Apr. 1, 2009 and to 5,682.95㎡ on Oct. 1, 2009.**

# Ⅳ－6－⑤ Overview of Properties (1)

MID REIT

## Twin 21

Acquisition date : Aug. 2006

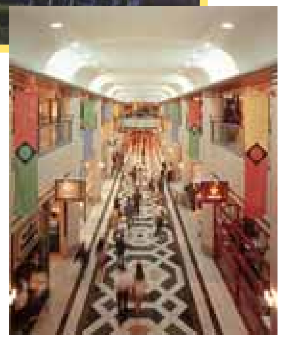



- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price: JPY68.7bn
- Land space: 28,163.07m²
- Leasable space: 82,401.40m²
- Construction completed: 03/86

- 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 Panasonic Corporation, 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.

Acquisition date : Aug. 2006



- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price: JPY24.6bn
- Land space: 14,968.25m²
- Leasable space: 37,113.29m²
- 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.
- Integrated management with Twin21 which is connected by Sky Way
- Directly connected to the OBP station of the Osaka Municipal subway Nagahori-Tsurumiryokuchi line
- The leasable area increased by 365.18㎡ due to renovation on lower floors(for details, please refer to P.18).

# Ⅳ−6−⑤ Overview of Properties (2)

## Panasonic Denko Bldg.

Acquisition date: Aug. 2006

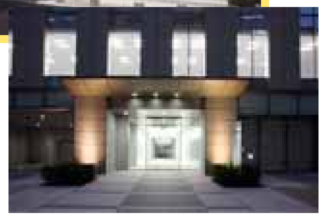
- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price:JPY7.62bn
- Land space: 3,698.55m²
- Leasable space: 12,684.52m²
- Construction completed: 8/74

- A building which has spacious floor space of over 12,000㎡ in leasable space, where Panasonic Electric Works Co., Ltd. has been the tenant since its completion
- In floors 1–3 there is the ‘Panasonic Living Showroom Osaka’, which is a show room of Panasonic Electric Works Co., Ltd., and along with the ‘Panasonic Center Osaka’ of Panasonic Corporation, in Twin 21, these function as the information distribution bases for the Panasonic Group in Osaka
- Antiseismic reinfocement completed in Jan. 2008

## Kitahama MID Bldg.

Acquisition date: Apr. 2008

- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price:JPY10.8bn
- Land space: 1,802.49m²
- Leasable space: 10,189.50m²
- 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 582㎡) of pillarless space that can be divided into smaller segments, providing for a range of layout and spacing needs

# Ⅳ－6－⑤ Overview of Properties (3)

## Midosuji MID Bldg.

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

- Type: Office
- Location: Chuo-ku, Osaka
- 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
- Integrated management with the adjacent land(188.36㎡) acquired in Oct. 2007
- By turning the property into a multi-tenant building, MID REIT is aiming to improve profitability.

## AEON Tsudanuma Shopping Center

Acquisition date: Aug. 2006

- Type: Retail
- Location: Narashino-shi, Chiba
- Acquisition price: JPY26.1bn
- Land space: 29,397.03m²
- Leasable space: 101,210.44m²
- Construction completed: 9/03, added on 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 80 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 (289.5m²)
  → Increase of ¥12 million in rent (annual)

# IV－6－⑤ Overview of Properties (4)

## Higashinoda MID Bldg.
Acquisition date: Aug. 2006

- Type: Office
- Location:Miyakojima-ku, Osaka
- Acquisition price: JPY2.3bn
- Land space: 1,062.53m$^2$
- Leasable space: 5,098.10m$^2$
- Construction completed: 2/00

## Konami Sports Club Kyobashi
Acquisition date: Aug. 2006

- Type: Retail
- Location: Miyakojima-ku, Osaka
- Acquisition price:JPY2.78bn
- Land space:2,339.35m$^2$
- Leasable space:9,586.26m$^2$
- Construction completed:6/99

## MID Imabashi Bldg.
Acquisition date: Apr. 2007

- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price:JPY3.27bn
- Land space: 1,187.43m$^2$
- Leasable space: 4,278.35m$^2$
- Construction completed: 10/90

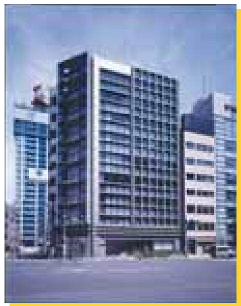
## MID Midosujikawaramachi Bldg.
Acquisition date: May. 2007

- Type: Office
- Location: Chuo-ku, Osaka
- Acquisition price: JPY2.0bn
- Land space: 934.79m$^2$
- Leasable space: 3,039.09m$^2$
- Construction completed: 3/98

## MID Nishihommachi Bldg.
Acquisition date: Oct. 2008

- Type: Office
- Location: Nishi-ku, Osaka
- Acquisition price:JPY3.55bn
- Land space: 659.86m$^2$
- Leasable space: 3,855.61m$^2$
- Construction completed: 3/89

## MID Shibakanasugibashi Bldg.
Acquisition date: Aug. 2006



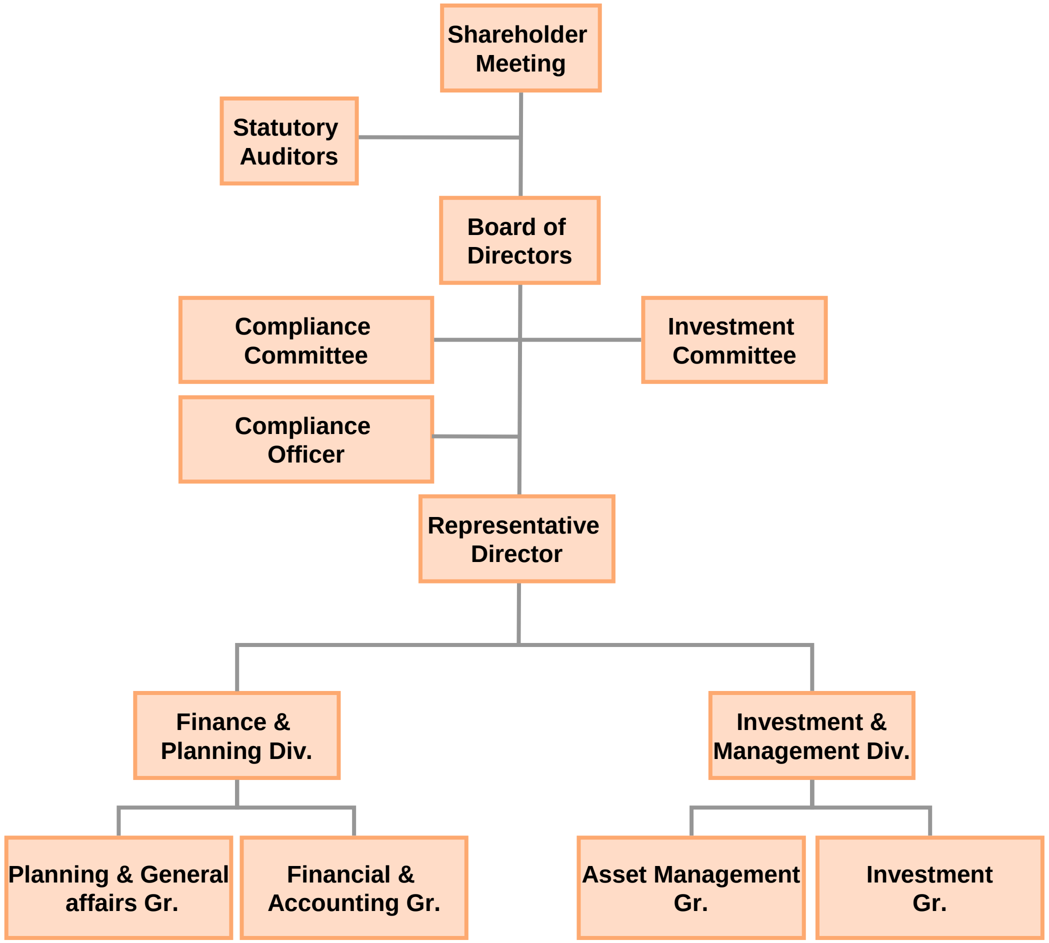
- Type: Office
- Location: Minato-ku, Tokyo
- Acquisition price:JPY1.16bn
- Land space: 430.21m$^2$
- Leasable space: 1,989.27m$^2$
- Construction completed: 1/95

# Ⅳ−7 Overview of Asset Management Company

MID REIT

| Company Overview (As of Feb. 1, 2009) | | |
|---|---|---|
| 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 temporary workers) | |
| Officers | President & CEO | Nobuo Moroizumi |
| | Director | Masayuki Irie |
| | Director | Hiroshi Uemura |
| | Statutory Director | Atsushi Ishiguro |
| | Statutory Director | Noriyuki Iijima |
| | Statutory Auditor | Hirotaka Saito |
| Business Description | Investment management business | |
| Regulatory approval | Financial Instruments Firm, Director of Kinki Local Finance Bureau, Registration No.43<br>Discretionary transaction agent license（Minister of Land, Infrastructure and Transportation, Approval No.50 )<br>Real estate agent license (Governor of Osaka Prefecture (1), No.51806) | |

## Structure



# Ⅳ－8 Checking System for Transactions with Sponsor related Parties

MID REIT

## ⟪transaction and selection criteria (principle)⟫

| | |
|---|---|
| Property acquisition/disposal | ■ Transation has to comply with following criteria:<br>Acquisition price ≦appraised value<br>Appraised value ≦disposal price |
| 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

## ⟪Decision-making process⟫

| | |
|---|---|
| Each group | Proposal drafting |
| ↓ | |
| Compliance officer | Approval |
| ↓ | |
| Compliance Committee (Note1)(Note2) | Approval |
| ↓ | |
| Investment Committee (Note1)(Note3) | Examination, decision |
| ↓ | |
| Board of Directors (Note1) | Examination, decision |
| ↓ | |
| MID REIT Board of directors | Reporting |

Note:

1.Those who have status as board of the sponsor company (excl. loan employee or employee after transfer) cannot join resolutions

2.External expert (lawyer) is included in deliberations as members

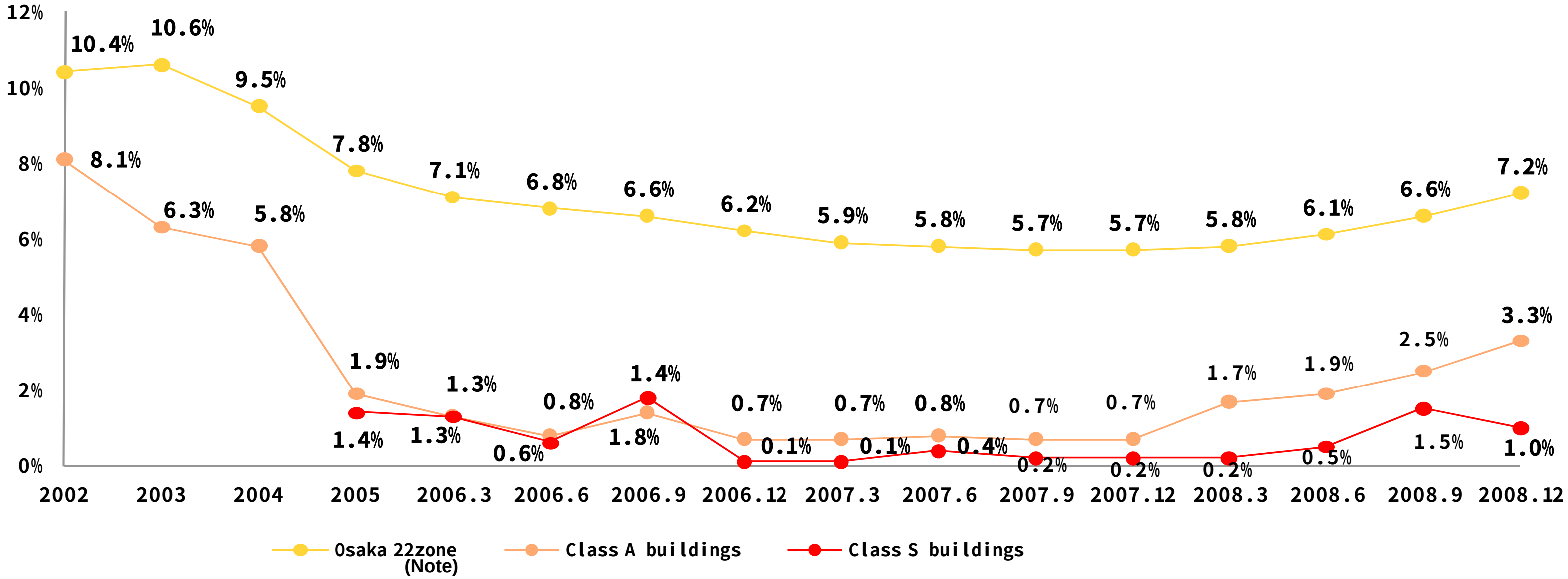
3. External expert (real estate appraiser) is included in deliberations as members

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

## Ⅳ–9. Osaka Market Data

MID REIT

## 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 33,058m² (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<br>air conditioning: adjustable for multiple zones within each floor<br>Under floor wiring: 3 WAY or free access<br>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, Hommachi, Sakaisuji Hommachi, Temmabashi, Tanimachi 4-chome, OBP, Higobashi, Nishihommachi, Yotsubashi, Shinsaibashi, Nagahoribashi, Namba, Umeda, Dojima/Nakanoshima, Nishi-Temma, Minamimorimachi/Higashi-Temma, Nakatsu, Fukushima, Shin-Osaka, Tennoji/Abeno, Esaka.**

**Souce: CB Richard Ellis Research Institute K.K. "Office market update (YE Dec. 2008), Nishi-Nippon edition"**

# Ⅳ－9－② New Supply of Office Buildings (1)

MID REIT

## ■ New Office Building Construction Plans Commencing after 2009 (Key Office Areas in Osaka)

In Tsubo,( ) in m²

| Completion in | Leasable area by year | No. | Area | Leasable area (plan) |
|---|---|---|---|---|
| 2009 | 66,800 ( 220,900 ) | 1 | Kitahama | 1,500 ( 5,100 ) |
| | | 2 | Yodoyabashi | 3,600 ( 11,900 ) |
| | | 3 | Umeda | 2,300 ( 7,600 ) |
| | | 4 | Shin Osaka | 1,100 ( 3,500 ) |
| | | 5 | Sakaisuji Hommachi | 1,100 ( 3,700 ) |
| | | 6 | Dojima, Nakanoshima | 14,700 ( 48,400 ) |
| | | 7 | Sakaisuji Hommachi | 1,600 ( 5,300 ) |
| | | 8 | Namba | 11,800 ( 39,100 ) |
| | | 9 | Sakaisuji Hommachi | 2,200 ( 7,300 ) |
| | | 10 | Hommachi | 1,900 ( 6,300 ) |
| | | 11 | Higobashi | 7,600 ( 25,200 ) |
| | | 12 | Yodoyabashi | 4,900 ( 16,100 ) |
| | | 13 | Sakaisuji Hommachi | 3,600 ( 11,900 ) |
| | | 14 | Sakaisuji Hommachi | 1,600 ( 5,400 ) |
| | | 15 | Umeda | 4,800 ( 15,800 ) |
| | | 16 | Sakaisuji Hommachi | 2,500 ( 8,300 ) |
| 2010 | 55,800 ( 184,600 ) | 17 | Higobashi | 1,400 ( 4,700 ) |
| | | 18 | Umeda | 3,500 ( 11,700 ) |
| | | 19 | Dojima, Nakanoshima | 3,000 ( 9,900 ) |
| | | 20 | Yodoyabashi | 3,100 ( 10,100 ) |
| | | 21 | Sakaisuji Hommachi | 2,400 ( 8,000 ) |
| | | 22 | Hommachi | 4,900 ( 16,300 ) |
| | | 23 | Umeda | 21,000 ( 69,400 ) |
| | | 24 | Umeda | 9,800 ( 32,400 ) |
| | | 25 | Namba | 6,700 ( 22,100 ) |
| 2011 | 27,500 ( 90,500 ) (Excluding buildings whose leasable floor areas are unknown) | 26 | Hommachi | 3,400 ( 11,100 ) |
| | | 27 | Kitahama | 2,800 ( 9,300 ) |
| | | 28 | Hommachi | 11,500 ( 37,800 ) |
| | | 29 | Umeda | 6,800 ( 22,400 ) |
| | | 30 | Shin Osaka | 3,000 ( 9,900 ) |
| | | 31 | Umeda | Unknown |
| 2012 | 73,400 ( 242,600 ) | 32 | Dojima, Nakanoshima | 20,000 ( 66,100 ) |
| | | 33 | Umeda | 23,000 ( 76,000 ) |
| | | 34 | Umeda | 22,000 ( 72,700 ) |
| | | 35 | Dojima, Nakanoshima | 8,400 ( 27,800 ) |
| 2013～ | 18,800 ( 62,100 ) (Excluding buildings whose leasable floor areas are unknown) | 36 | Dojima, Nakanoshima | Unknown |
| | | 37 | Tennoji | 18,800 ( 62,100 ) |
| | | 38 | Dojima, Nakanoshima | Unknown |

Source: MID REIT Management Co., Ltd.

### Ongoing Development Project by Sponsors (MID Urban Development)

(Image)

**(Tentative name) Higobashi MID Bldg.**

- ■Location: Edobori, Nishi-ku, Osaka
- ■Land Space:797.86㎡ (plan)
- ■GFA:6,767.55㎡ (plan)
- ■Floor:above ground 11fl, below ground 1fl
- ■Scheduled completion: Jan. 2010

Started construction in Jan. 2009

For details, please refer to Press Releases of MID urban Development Co., Ltd

<MID Urban Development Co., Ltd.>
http://www.mid.co.jp/

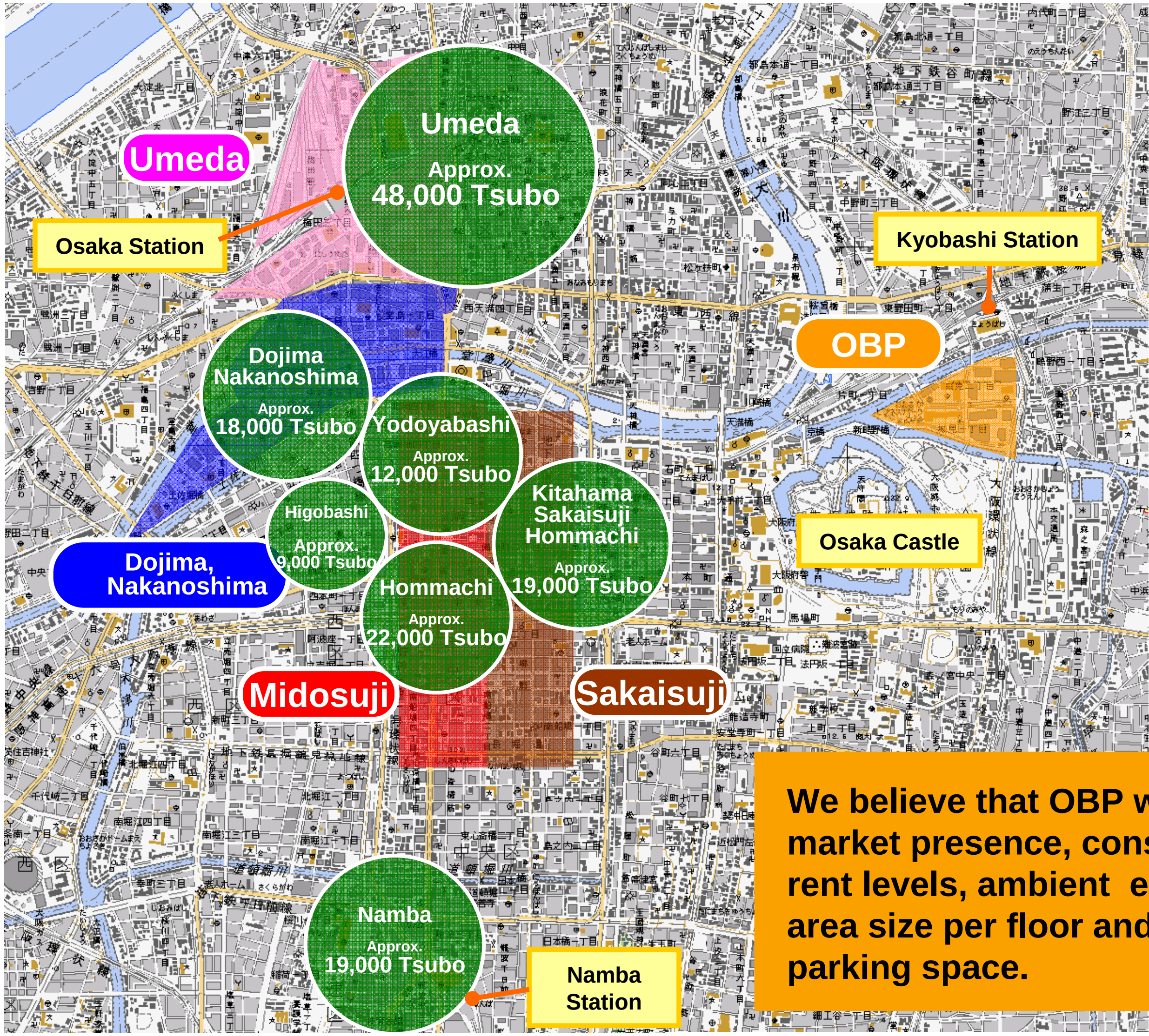
Source : MID Urban Development Co., Ltd.

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

# Ⅳ−9−② New Supply of Office Buildings (2)

■New Office Building Construction Plans Commencing (~2011)

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




**We believe that OBP will retain its market presence, considering its rent levels, ambient environment, area size per floor and availability of parking space.**

Note:
This map depicts the aggregate leasable area (~2011, plan) shown in the table on p. 48 and does not include the leasable area of buildings not yet announced.

Source: MID REIT Management Co., Ltd.

# Ⅳ－9－③ Property Trading Market Situation

MID REIT

## 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 Oct. 1, 2008)**

( )shows previous survey data (as of Apr. 1, 2008)

| Area | Expected cap rate | Trading cap rate |
|---|---|---|
| Tokyo Marunouchi / Otemachi area | **4.0%** (4.0%) | **3.8%** (3.5%) |
| Tokyo Nihonbashi area | **4.5%** (4.3%) | **4.2%** (4.0%) |
| Nagoya station area | **5.5%** (5.0%) | **5.2%** (4.7%) |
| Osaka along Midosuji | **5.3%** (5.0%) | **5.0%** (4.6%) |
| Fukuoka Tenjin area | **5.8%** (5.5%) | **5.5%** (5.0%) |

Source: Japan Real Estate Institute "Research data for real estate investors No.19" (as of Oct. 2008)

## Contact

(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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