

MID REIT, Inc. 10th Period Results

(Ended June 30, 2011)

MID REIT Management Co., Ltd.



(Photo taken on June 2011)



<http://www.midreit.jp/>

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1. Financial Highlights

Financial Highlights

Poured Effort into Internal Growth

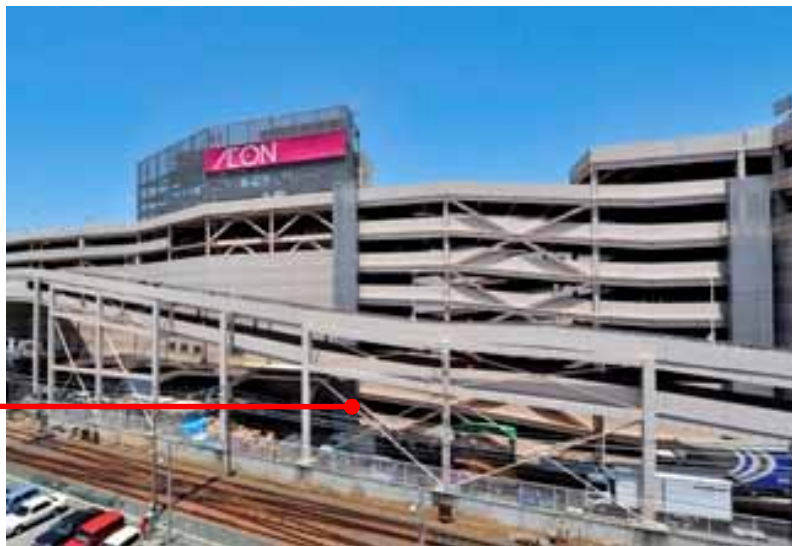


Distributions	<ul style="list-style-type: none"> ■ Distribution per unit: 7,605 yen <div> Compared to initial forecasts (as at Feb. 15, 2011) + 362 yen, or + 4.99% Compared to the 9th Period: + 73 yen, or + 0.97% </div>
Internal Growth	<p>Maintained tenant relations</p> <ul style="list-style-type: none"> ■ Due to the impact of the Great East Japan Earthquake, the Japanese economy as a whole received a significant impact. Amidst such circumstances, performance exceeding the market was maintained by pouring effort into maintaining tenant relations under the cooperation of the property management and building management companies. ■ With respect to Twin 21, activities were conducted taking advantage of the relation with the sponsor and its major shareholder. As a result, Kansai Electric Power and affiliated company were successfully attracted. ■ Rearranged space assignment of tenants in the lower-floor retail spaces of Matsushita IMP Building that was beneficial to both the tenants and MID REIT. As such, activities aimed towards raising future profitability were conducted. ■ Activities carried out by the OBP Development Council comprised of 10 land owners (companies) of the Osaka Business Park (OBP) were adopted as a fiscal 2011 model project for promoting sustainable urban redevelopment by the Ministry of the Environment. ■ Occupancy rate at end of period: 97.4% (up 0.3 points compared to the 9th Period) and NOI yield from property leasing: 4.8%
External Growth	<p>Continued collection of a wide range of property information</p> <ul style="list-style-type: none"> ■ Did not implement new acquisitions, but promoted activities to collect information on a broad range of areas and asset types.
Financial Strategy	<p>Maintained stable financial base</p> <ul style="list-style-type: none"> ■ Examined the refinancing of 17.8 billion yen in loans that are to mature in the 11th fiscal period (it was refinanced on July 29, 2011; see page 26 for details). ■ LTV ratio: 40.8% (Interest-bearing debt at end of period ÷ Total assets at end of period)

Impact of the Great East Japan Earthquake

There was no damage that would have a material impact on management and physical damages have been repaired



Details of the damage and current situation	AEON Tsudanuma Shopping Center <ul style="list-style-type: none"> ■ Indoor-facilities, equipment, etc. incurred minimal physical damage. Use of one of the parking lot slopes was temporarily halted because a brace (reinforcing material) was bent. ■ Although some specialty stores, etc. were temporarily closed, supermarkets, etc. continued business. ■ Currently, all store spaces are back to normal business, and use of the parking lot slope has resumed. 	 <p>Brace</p> <p>AEON Tsudanuma Shopping Center (Photo taken on June 2011)</p>
	Twin 21 <ul style="list-style-type: none"> ■ Some elevators for the upper floors of the Panasonic Tower malfunctioned and operations were temporarily halted. ■ There was disruption in the procurement of parts by the elevator manufacturer due to the earthquake and it took a little more than 1 month to carry out restoration. However, operations of all elevators have now been resumed. 	
	Other properties <ul style="list-style-type: none"> ■ Although there was damage such as cracks in the walls found in some properties, the impact was minimal . 	
Minimal impact on earnings due to utilization of earthquake insurance	<ul style="list-style-type: none"> ■ The earthquake insurance placed on all properties were utilized (indemnity amount of 10 million yen). ■ Repair costs of 58 million yen were posted as extraordinary losses, while insurance proceeds of 48 million yen were posted as extraordinary income. The actual burden borne was the indemnity amount of 10 million yen only. ■ Based on the building inspection results of AEON Tsudanuma Shopping Center and MID Shibakanasugibashi Building, we project that additional repair costs for AEON Tsudanuma Shopping Center will be incurred during the 11th fiscal period. However, we are planning to deal with this issue through utilization of earthquake insurance. 	

10th Period Business Results

Due to decrease in rent and impact of seasonal variations in utilities costs, revenue dropped but income rose compared to the 9th fiscal period



Item	9th Period Results (July 1, 2010 - Dec. 31, 2010)	10th Period Results (Jan. 1, 2011 - June 30, 2011)	10th Period Initial Forecasts (Announced Feb. 15, 2011)	Comparison with 10th Period Initial Forecasts		Comparison with 9th Period Results	
				Amount Difference	Percentage Difference	Amount Difference	Percentage Difference
Net operating days	184	181	181	-	-	-	-
Operating revenue (million yen)	5,879	5,763	5,770	- 7	- 0.1%	-116	- 2.0%
Operating income (million yen)	2,156	2,147	2,080	67	3.2%	- 9	- 0.4%
Ordinary income (million yen)	1,375	1,408	1,332	76	5.7%	32	2.4%
Net income (million yen)	1,383	1,396	1,330	66	5.0%	13	1.0%
Distribution per unit (yen)	7,532	7,605	7,243	362	5.0%	73	1.0%

11th and 12th Period Forecasts

Decrease in income forecasted for 11th period due to increase in utilities costs, etc. although non-operating expenses decreased



Forecasts of Business Results

Item	10th Period Results (Jan. 1, 2011 - June 30, 2011)	11th Period Forecasts (July 1, 2011 - Dec. 31, 2011)	12th Period Forecasts (Jan. 1, 2012 - June 30, 2012)
Operating revenue (million yen)	5,763	5,805	5,738
Operating income (million yen)	2,147	2,019	2,022
Ordinary income (million yen)	1,408	1,341	1,365
Net income (million yen)	1,396	1,339	1,363
Distribution per unit (yen)	7,605	7,293	7,427

Preconditions

Utilities (property leasing expenses) (million yen)	447	549	477
Costs, including property and city planning taxes, posted in the fiscal period (million yen)	602	600	600
Repairs (million yen)	130	174	152
Interest expenses (million yen)	509	470	455
Borrowing related expenses (million yen)	234	209	202
Portfolio occupancy rate at end of period (%)	97.4	97.6	98.1

Primary Causes of Difference

	Primary Causes of Difference Between the 10th Period (Results) and 11th Period (Forecasts)	Primary Causes of Difference Between the 11th Period (Forecasts) and 12th Period (Forecasts)
Operating income	Rent revenue - real estate ±0 (rent reductions; Kyobashi free-rent period ends) Utilities +102 (increase due to seasonal factors) Repairs +43	Rent revenue - real estate - 26 Utilities -71 (decrease due to seasonal factors) Repairs -21
Ordinary income	Non-operating expenses - 64 (Interest expense -38, Borrowings-related expenses -25)	Non-operating expenses - 21 (Interest expense -14, Borrowings-related expenses -6)

Notes:

1. The above forecasts are based on the assumption that the number of units issued and 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 August 16, 2011. Actual operating revenue, operating income, ordinary income, net income and distribution per unit may differ from the forecasts due to such factors as changes in the occupancy rate or rent of existing properties, acquisition/disposal of properties, changes in the real estate market environment and changes in the environment surrounding MID REIT going forward. Also, the forecasts shall not be construed as a guarantee of distribution amount.



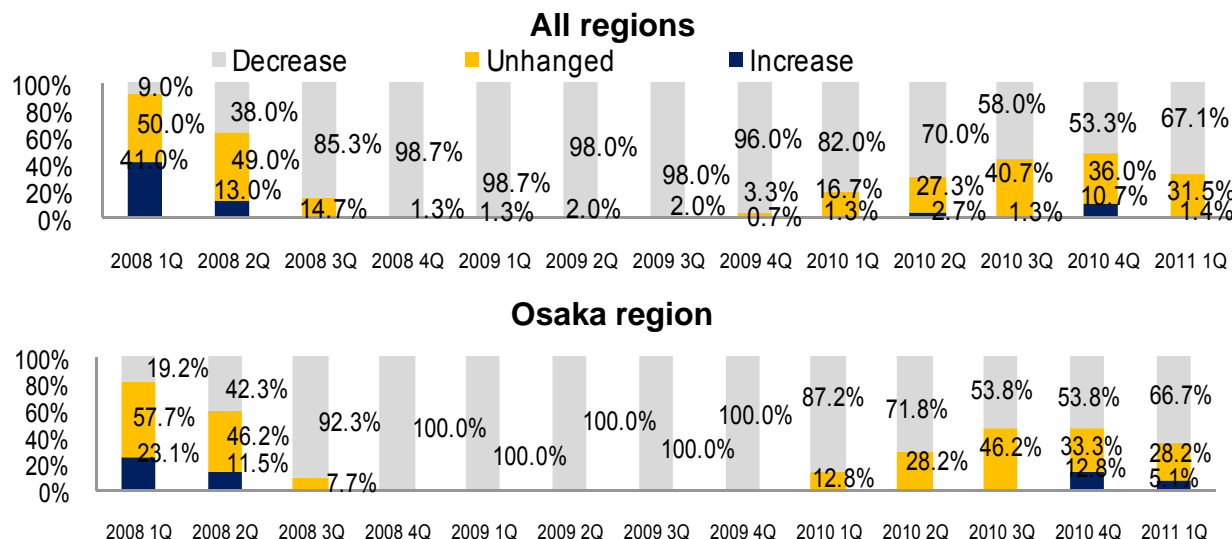
2. Market Data

Office Market Data (1): Basic Market Data and Changes in the Vacancy Rate

Although the impact of the Great East Japan Earthquake can be seen in land price trends, the office building vacancy rate of Osaka City remains roughly the same



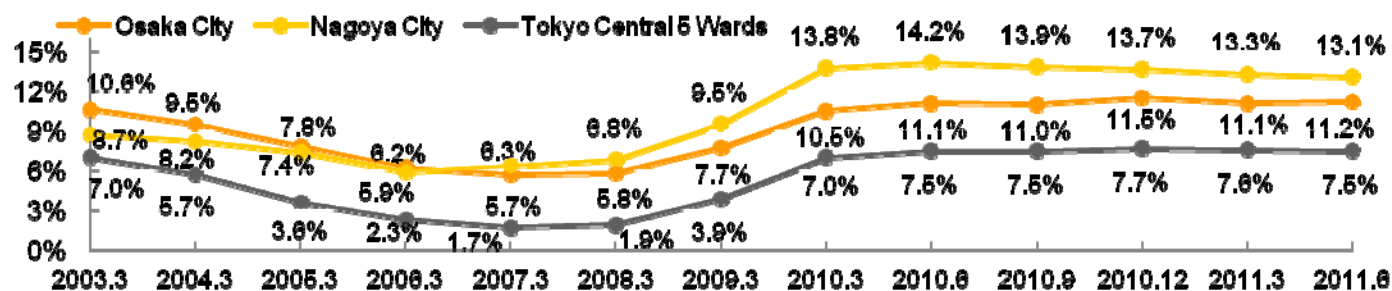
Changes in Land Price Trends (Land Price LOOK Report)



- For each year, 1Q refers to January 1 to April 1, 2Q refers to April 1 to July 1, 3Q refers to July 1 to October 1 and 4Q refers to October 1 to January 1.
- With respect to figures for the 1Q of 2011 for all regions, investigations were conducted by excluding the 4 regions for which market data for a certain period of time was lacking, as they were directly impacted by the Great East Japan Earthquake.

Source: Ministry of Land, Infrastructure, Transport and Tourism

Changes in Office Building Vacancy Rates (Osaka City, Nagoya City and Tokyo Central 5 Wards)



- Notes:
- Osaka City refers to the 22 zones that are key office areas in Osaka, comprised of Yodoyabashi, Kitahama, Hommachi, Sakaisujihommachi, Temmabashi, Tanimachi 4-chome, OBP, Shinsaibashi, Nagahoribashi, Namba, Higobashi, Nishihommachi, Yotsubashi, Umeda, Dojima/Nakanoshima, Nishitemma, Minamimorimachi/Higashitemma, Nakatsu, Fukushima, Shin-Osaka, Tennoji/Abeno, and Esaka.
 - Nagoya City refers to the 9 zones that are key office areas in Nagoya, comprised of Meieki, Meieki Nishi, Fushimi, Sakae, Marunouchi, Izumi/Takatake, Shin-Sakae, Kanayama and Chikusa.
 - Tokyo Central 5 Wards are Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward and Shibuya Ward.

Source: CB Richard Ellis

Vacancy Rates of Each of the 22 Zones that are Osaka's Key Office Areas (As of End of June 2011)

Zone	Vacancy Rate
Yodoyabashi	7.6%
Kitahama	11.2%
Hommachi	14.4%
Sakaisujihommachi	15.3%
Temmabashi	9.9%
Tanimachi 4-chome	13.5%
OBP	1.8%
Shinsaibashi	11.7%
Nagahoribashi	15.1%
Namba	12.6%
Higobashi	13.3%
Nishihommachi	11.9%
Yotsubashi	11.7%
Umeda	9.6%
Dojima/Nakanoshima	7.5%
Nishitemma	11.1%
Minamimorimachi/Higashitemma	11.1%
Nakatsu	12.6%
Fukushima	9.0%
Shin-Osaka	11.6%
Tennoji/Abeno	8.4%
Esaka	14.3%

Source: CB Richard Ellis

Office Market Data (2): New Supply of Office Buildings

Large supply expected in 2013

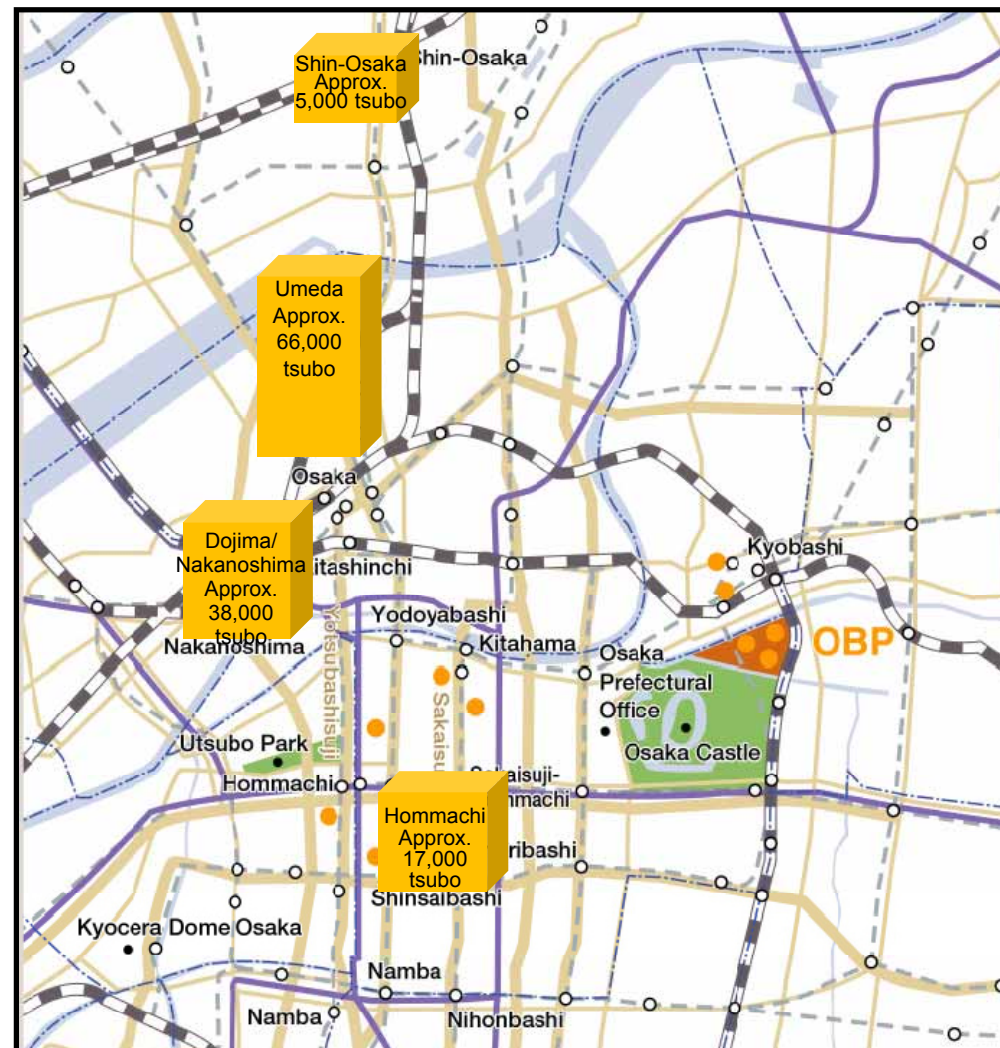


New Office Building Construction Plans Commencing In or After 2011 and Leasable Space by Area Based on Contracts of these New Constructions (Key Office Areas in Osaka)

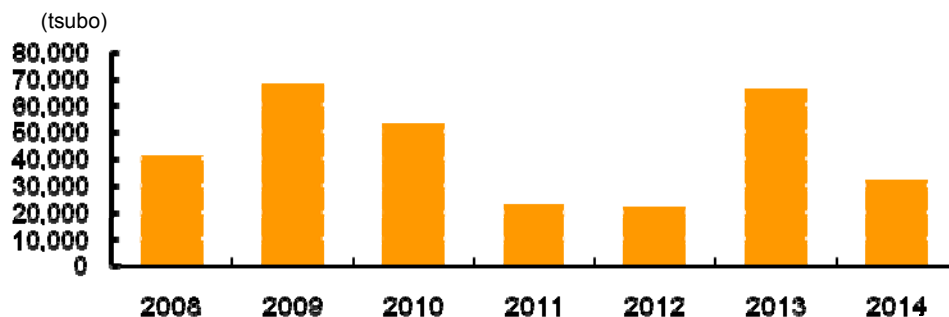
In tsubo; () in m²

Completion	Leasable Space by Year		No.	Area	Leasable Space (plan)	
2011	23,300	(76,890)	1	Hommachi	7,600	(25,080)
			2	Hommachi	8,900	(29,370)
			3	Umeda	6,800	(22,440)
2012	22,400	(73,920)	4	Dojima/Nakanoshima	17,600	(58,080)
			5	Shin-Osaka	4,800	(15,840)
2013	65,600	(216,480)	6	Dojima/Nakanoshima	6,600	(21,780)
			7	Umeda	22,000	(72,600)
			8	Umeda	37,000	(122,100)
2014	32,400	(106,920)	9	Tennoji/Abeno	18,800	(62,040)
			10	Dojima/Nakanoshima	13,600	(44,880)

Note: This map depicts the aggregate leasable space plans shown in the table on the left.



Changes in New Supply of Office Buildings in Key Office Areas in Osaka



Source: MID REIT Management Co., Ltd.

Office Market Data (3): Market Status

All locations remain flat



Expected Cap Rate vs. Market Cap Rate

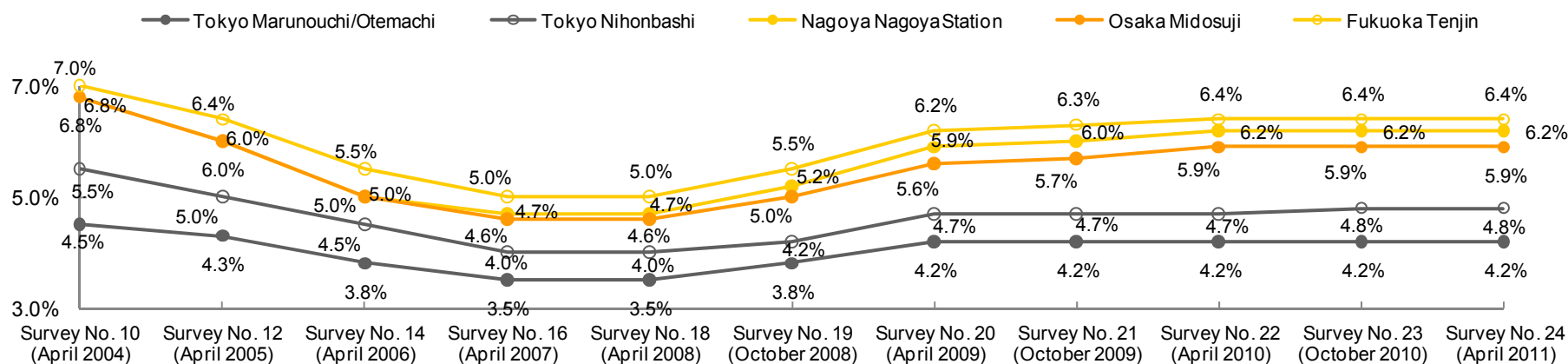
Expected Cap Rate and Market Cap Rate of Average-Sized Class A Office Building in Various Locations

() shows previous survey data (as of October 2010)

Location		Expected Cap Rate	Market Cap Rate
Tokyo	Around Marunouchi/Otemachi	4.5% (4.5%)	4.2% (4.2%)
Tokyo	Around Nihonbashi	5.0% (5.0%)	4.8% (4.8%)
Nagoya	Around Nagoya Station	6.4% (6.4%)	6.2% (6.2%)
Osaka	Midosuji Avenue	6.0% (6.0%)	5.9% (5.9%)
Fukuoka	Tenjin District	6.5% (6.5%)	6.4% (6.4%)

Source: Japan Real Estate Institute's "The Japanese Real Estate Investor Survey No. 24" (as of April 2011)

Changes in Market Cap Rate of Average-Sized Class A Office Building in Various Locations



Source: Japan Real Estate Institute's



3. About MID REIT

A REIT Focusing on the Osaka Area and Office Properties

Investment target is 70% or higher in the Osaka area and 70 % or higher in office properties

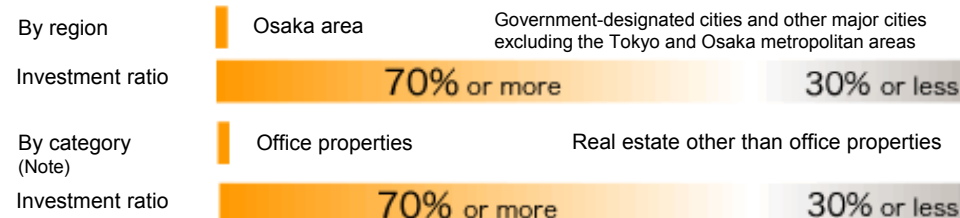


Portfolio Building Policy

Basic Policy

- Ease risks of concentration on regions and tenants
- Minimize asset and property management costs through economies of scale
- Enhance portfolio quality through such measures as acquiring prime properties at an appropriate price
- Keep LTV under adequate control

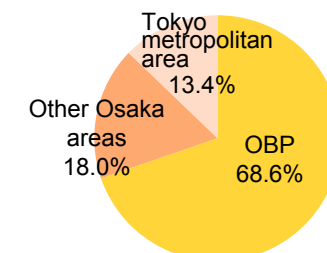
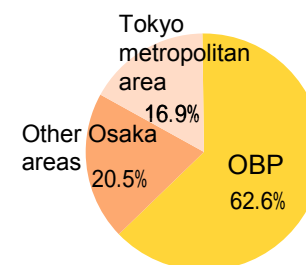
Targeted Investment Regions and Categories (Types)



Note: When properties have multiple uses, we determine which category they belong to based on what the majority of leasable floor space for the real-estate-related assets of the portfolio as a whole are used for, and the total acquisition cost of said real-estate-related asset is included in the acquisition cost of said category.

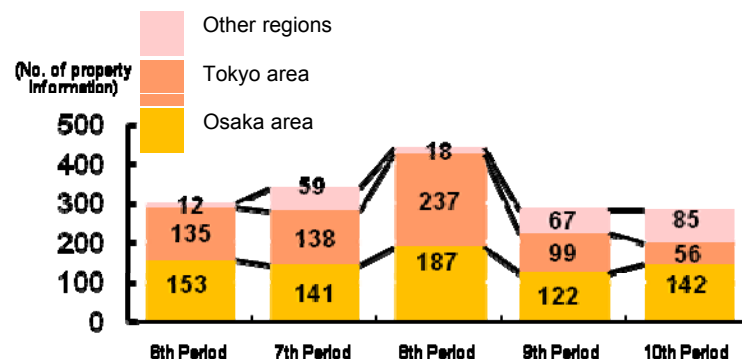
Image of Long-term External Growth

Asset size of 200 billion yen	Aim for 200 billion yen in asset size through such measures as acquiring competitive properties when they are relatively new
OBP concentration level at the 50~59% range	Seek to lower the OBP concentration level to the 50~59% range (based on acquisition price)

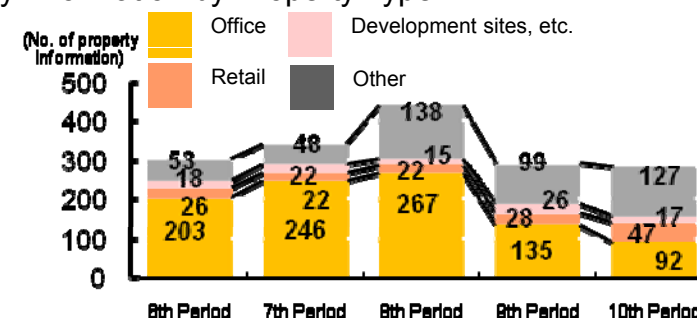


Status of Property Information Acquisition

Property Information by Region



Property Information by Property Type



Portfolio with Large-Scale Office Buildings in OBP as Core Assets

OBP maintains a stable and high occupancy rate and market rents due to its excellent location



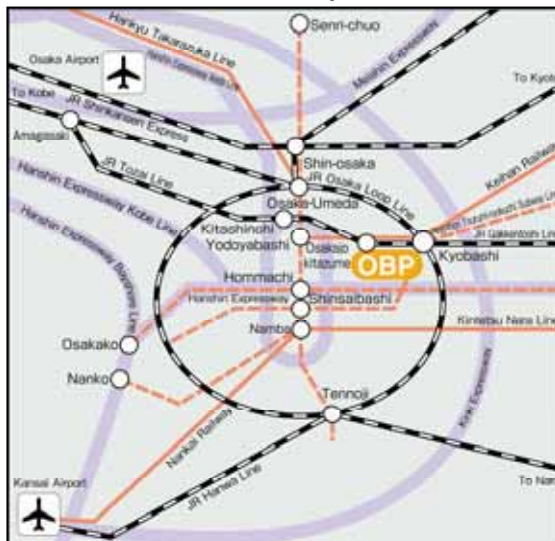
Osaka Area Representative Conglomerate Business Area



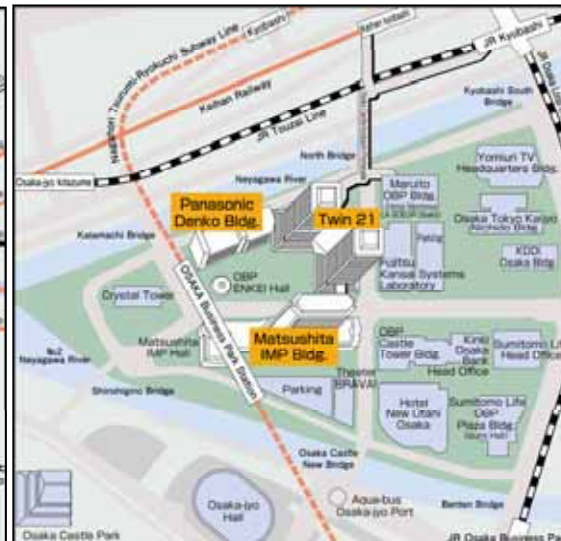
Characteristics of the OBP

Business Base	In an approximately 260,000m ² of land area stands a total of 15 buildings, including 11 high rise office buildings that are 60 meters or taller. This is a conglomerate business area housing abundant shops servicing the office complex, and which offer large amounts of floor space as well as plenty of parking space.
Convenient Access	It is within walking distance from 6 stations such as Kyobashi Station, which is one of the busiest terminus' in Osaka. A total of four train lines stop at these 6 stations. Due to this, it is known as the "Gateway to Eastern Osaka," providing convenient access to various locations in the Osaka area, including the Osaka/Umeda area, Yodoyabashi area, Shinsaibashi area and Tennoji area.
Information/Culture Base	There are multi-purpose halls such as the Osaka-Jo Hall, which boasts the largest scale in Japan as an event hall, and the OBP Enkei Hall, as well as huge show rooms such as the Panasonic Center Osaka. Furthermore, there are extensive lodging facilities, such as the New Otani Osaka, and various restaurants and stores located in the area. This makes it a center for information, culture and amusement, in addition to being a business base.

OBP Access Map



OBP Area Map



Fiscal 2011 Model Project for Promoting Sustainable Urban Redevelopment

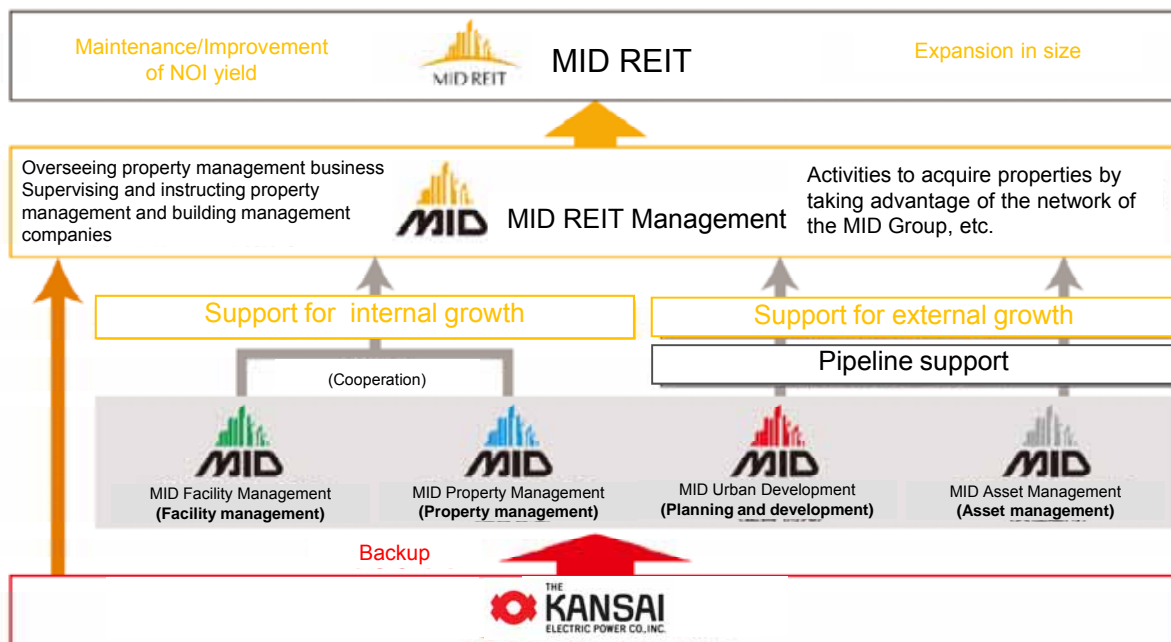
Overview	<ul style="list-style-type: none"> The activities of the OBP Development Council were adopted as the fiscal 2011 model project for promoting sustainable urban redevelopment by the Ministry of the Environment This model project system involves provision of support to urban redevelopment companies that are carrying out leading global warming prevention activities, such as assessment of the effects of CO₂ reduction, or the dissemination of information pertaining to global warming countermeasures.
List of Adopted Model Projects	<ul style="list-style-type: none"> Environmental city development project for the Nagoya Station district (Nagoya City) Osaka Business Park (OBP) renovation project (Osaka City) Honjo urban planning project/Land readjustment project in the vicinity of Honjo-Waseda Station (Honjo City, Saitama Prefecture) AEON Sakai Teppochō Shopping Center (tentative name) development project (Sakai City) Comprehensive development project of Higashida, Yahata-Higashi Ward, Kita-Kyushu City (Kita-Kyushu City)

Growth Strategy Utilizing the Collective Capacity of the MID Group

Cooperation with Kansai Electric Power, a major shareholder of the MID Group



Overview of the MID Group



Overview of MID Urban Development Co., Ltd. (as of July 31, 2011)	
Name	MID Urban Development Co., Ltd.
Representative	Ryoichi Hanai, President, Member of the Board (former Senior Corporate Auditor of The Kansai Electric Power Co., Inc.)
Principal businesses	Building business and housing business
Shareholder	The Kansai Electric Power Co., Inc. (ratio of shares held: 92.75%)
URL	http://www.mid.co.jp/ (financial results for the fiscal year ended March 31, 2011 are available)

Major Activities Implemented after Kansai Electric Power Became a Major Shareholder of the MID Group (After December 2009)

Improvement of finance environment	<ul style="list-style-type: none"> • Achieved extension of loan terms by procuring loans with maturities of 5 years and 7 years, etc. • Added new members to our list of lenders, such as the Development Bank of Japan • Released security interests pertaining to existing debt financing and, as a result, all existing debt financing became unsecured debt financing • Outlook of issuer rating acquired from R&I changed from A (Negative) to A (Stable)
Improvement of business results	<ul style="list-style-type: none"> • Executed a lease agreement on leased units with Kansai Electric Power and its affiliate companies • Introduced utility services for reducing the facility life cycle costs
Creation of long-term vision	<ul style="list-style-type: none"> • Executed agreement on promoting use of and discussing redevelopment of OBP (Panasonic Corporation, The Kansai Electric Power Co., Inc., MID Urban Development Co., Ltd. and MID REIT Management Co., Ltd.)



4. Business Results of Existing Properties

Policy on Internal Growth

Strategic leasing activities and establishment of multifaceted relationships by making use of the comprehensive strengths of the MID Group



Policy

Maintain and enhance property revenue	<ul style="list-style-type: none"> · Closely monitoring office market trends, strengthening the attracting of new tenants and strengthening relationships with existing tenants · Aim to enhance tenant satisfaction by conducting repairs and capital expenditures of appropriate content and at the right timing for safe and secure property management · Implement upgrading and renewal to energy-saving and CO₂-reduction equipment in light of the needs for a low-carbon society
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Strategy on existing tenants aimed at maintaining high occupancy rates	<ul style="list-style-type: none"> · Accurately discern tenant needs, such as for larger floor space within the facility, and proactively make proposals by conducting well-thought-out visits and tenant satisfaction surveys · Maintain and enhance relationships of trust with tenants and minimize contract cancellation risks through flexible and sincere response
Strategy on leasing to attract new tenants	<ul style="list-style-type: none"> · Implementation of efforts focused on shortening the duration of vacancy and enhancing occupancy rates by accurately discerning market conditions and property characteristics as well as promptly responding to the various needs of new tenants · Proactively implement leasing activities to the group companies of existing tenants and client companies · Engage in effective activities that leverage the strengths of having a comprehensive real estate business group that primarily operates in the Osaka region as a sponsor
Boost property competitiveness	<ul style="list-style-type: none"> · Carry out systematic upgrading, reflecting tenant satisfaction surveys, matters pointed out and requested by tenants, etc.
Address energy saving and CO ₂ reduction	<ul style="list-style-type: none"> · Appropriately respond to the requests of society via CO₂ reduction efforts through the introduction of energy-saving facilities and equipment

Activities to Maintain and Enhance Property Revenue (example)

Matsushita IMP Bldg. (Osaka)

Rearranged tenants in the retail space of the lower floors

Appearance after rearrangement of tenants (1F)

Capital Expenditures (CAPEX)

Actual Major CAPEX During 10th Period

Renewal of valves in the heat reservoir machinery room (Twin 21)	95 million yen
Upgrading of the general receiving system (Matsushita IMP Bldg.)	49 million yen
Construction work for new retail tenant (basic interior construction work, facility construction work) (Matsushita IMP Bldg.)	46 million yen

Major CAPEX Expected During 11th Period

Construction to enhance air-conditioners (Twin 21)	99 million yen
Renewal of air-conditioners: First stage (Matsushita IMP Bldg.)	97 million yen
Construction work for new tenant (Matsushita IMP Bldg.)	58 million yen

Occupancy Conditions by Property

The portfolio occupancy rate ended at 97.4%, which was 0.3 percent higher than at the end of the previous fiscal period



Type	Property Name	Leasable Space (m ²) (Note 1)	① 9th Period Occupancy Rate as of Dec. 31, 2010 (%) (Note 2)	② 10th Period Occupancy Rate as of June 30, 2011 (%) (Note 2)	Difference ② - ① (points)	Breakdown			
						New Tenant Occupancy (m ²)	Expansion of Leased Space by Existing Tenants (m ²)	Cancellation (m ²)	Decrease in Leased Space by Existing Tenants (m ²)
Office Bldg.	Twin 21	82,413.60	94.4	94.3	- 0.1	1,514.12	31.3	- 1,508.44	- 160.14
	Matsushita IMP Bldg.	37,155.43	96.6	97.3	0.7	318.46	312.3	- 369.23	-
	Panasonic Denko Bldg.	12,684.52	100.0	100.0	-	-	-	-	-
	Midosuji MID Bldg.	10,461.32	88.5	91.4	2.9	1,203.56	-	-	- 903.42
	MID REIT Kyobashi Bldg.	4,833.88	100.0	100.0	-	-	-	-	-
	MID Imabashi Bldg.	4,279.70	94.2	89.4	- 4.8	-	-	- 203.82	-
	MID Midosujikawaramachi Bldg.	3,095.33	81.6	88.8	7.2	226.24	-	-	-
	Kitahama MID Bldg.	10,189.50	100.0	100.0	-	-	-	-	-
	MID Nishihommachi Bldg.	3,870.82	91.4	100.0	8.6	336.74	-	-	-
	MID Shibakanasugibashi Bldg.	1,989.27	100.0	100.0	-	-	-	-	-
Non-Office Bldg.	Konami Sports Club Kyobashi	9,586.26	100.0	100.0	-	-	-	-	-
	AEON Tsudanuma Shopping Center	101,210.44	100.0	100.0	-	-	-	-	-
Occupancy Rate by Type (Note 3)	Office Bldg. Occupancy Rate	170,973.37	95.2	95.7	0.5	3,599.12	343.60	- 2,081.49	- 1,063.56
	Non-Office Bldg. Occupancy Rate	110,796.70	100.0	100.0	-	-	-	-	-
Total		281,770.07	97.1	97.4	0.3	3,599.12	343.60	- 2,081.49	- 1,063.56

Notes:

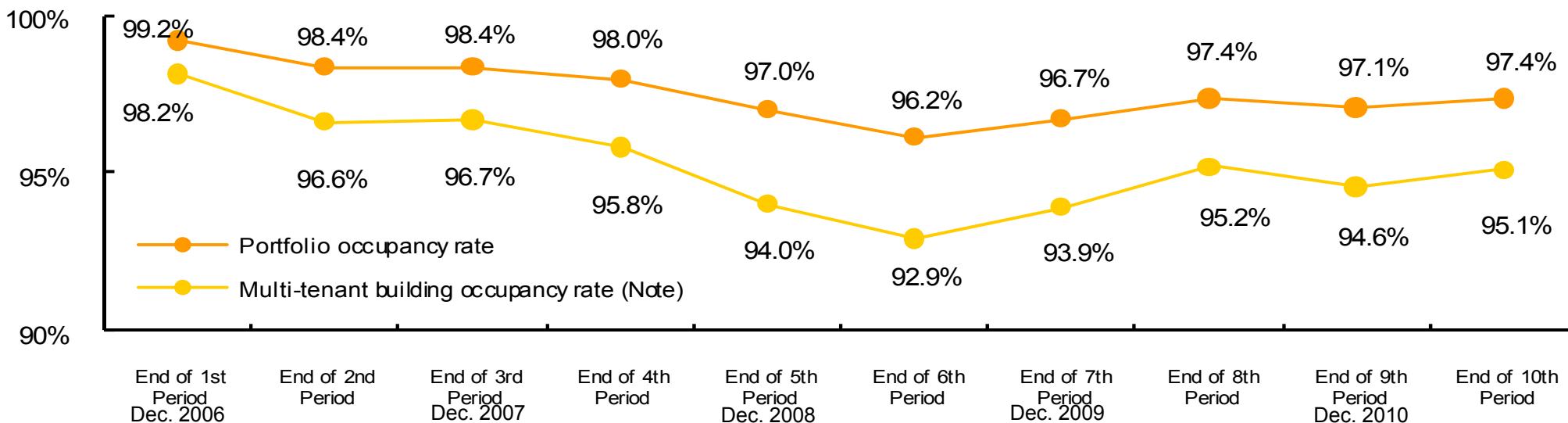
1. "Leasable Space" represent the total leasable floor space as of June 30, 2011. (Figures are for leasable units only and exclude the floor space for storage, halls, parking, etc. However, the leasable space of Konami Sports Club Kyobashi and AEON Tsudanuma Shopping Center include the floor space for common areas and parking, while the leasable space of the MID REIT Kyobashi Bldg. include the floor space for common areas, each of which is leased in its entirety to a sole tenant.)
2. "Occupancy rate" is presented as percentage figures, which are obtained by dividing the period-end leased space by the leasable space and rounded to the first decimal place.
3. Occupancy rate by type and portfolio occupancy rate are presented as percentages that are obtained by dividing the sum of the leased space of each group by the sum of the group's leasable space and rounded to the first decimal place.

Changes in Occupancy Rates

Maintaining a high occupancy rate since listing



Changes in Occupancy Rates (End of 1st Period to End of 10th Period)



Notes:

1. Properties considered in the calculation are as follows.

a. August 2006 to March 2007: Twin 21, Matsushita IMP Bldg. and Kyobashi MID Bldg.

b. April 2007: Twin 21, Matsushita IMP Bldg., Kyobashi MID Bldg. and MID Imabashi Bldg.

c. May 2007 to March 2008: Twin 21, Matsushita IMP Bldg., Kyobashi MID Bldg., MID Imabashi Bldg. and MID Midosujikawaramachi Bldg.

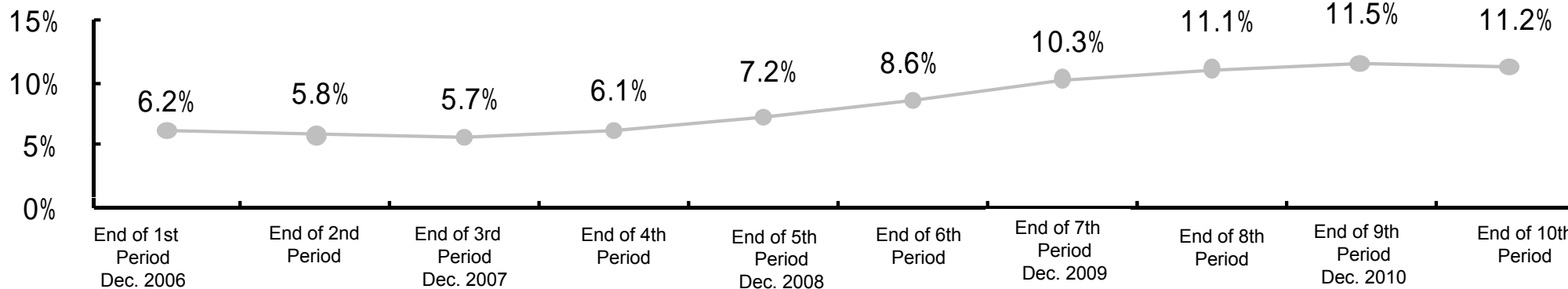
d. April 2008 to September 2008: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg. and Kitahama MID Bldg.

e. October 2008 to March 2009: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg., Kitahama MID Bldg. and MID Nishihommachi Bldg.

f. April 2009 and after: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., MID Midosujikawaramachi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg. and Midosuji MID Bldg.

2. The following figure shows changes in the office building vacancy rate in Osaka City as of the end of each fiscal period. Please see page 9 for details of the office building vacancy rate in Osaka City.

(Reference) Changes in Office Building Vacancy Rate in Osaka City



Source: CB Richard Ellis

Rent Revisions

Existing tenants continue to request reductions before the end of the contract period



Contract Renewals with Existing Tenants (Note 1)

		Number of Tenants	Floor Space (m ²)	Amount Difference (thousand yen) *Monthly amount × 6	Breakdown of Tenants
Revision of Rent Amount	Upward revision	1	117.35	0	Kawaramachi 1
	Unchanged	69	15,003.46	-	Twin (office 14; retail 25); IMP (office 7; retail 13); Midosuji 2; Imabashi 3; Kawaramachi 2; Kitahama 1; Nishimotocho 2
	Downward revision	8	3,660.25	- 9	Twin (office 3; retail 2); IMP (office 1); Kawaramachi 1; Nishimotocho 1
Total				- 9	-

Contract Modifications with Existing Tenants (Note 2)

		Number of Tenants	Floor Space (m ²)	Amount Difference (thousand yen) *Monthly amount × 6	Breakdown of Tenants
Revision of Rent Amount	Upward revision	1	448.94	1	Twin (retail 1)
	Downward	12	21,041.78	- 42	Twin (office 4; retail 1); IMP (office 1; retail 2); Kawaramachi 1; Kitahama 2; Denko 1
Total				- 41	-

New Contracts (Note 3)

		Number of Tenants	Floor Space (m ²)	Amount Difference (thousand yen) *Monthly amount × 6	Breakdown of Tenants
Comparison of Rent Amount with Most Recent Unit Price (Note 4)	Up	3	870.80	3	Twin (office 1); IMP (office 1); Midosuji 1
	Same	1	134.72	-	Twin (retail 1)
	Down	13	2,937.20	- 24	Twin (office 5); IMP (retail 4); Midosuji 1; Kawaramachi 1; Nishimotocho 2
Total				- 21	-

Notes:

1. Based on contract renewals, etc. with tenants whose contracts expired during the 10th Period.
2. Based on contract modifications with tenants whose contracts were active but were modified during the 10th Period.
3. Based on contracts signed with new tenants during the 10th Period and contracts newly signed with existing tenants for larger floor space, etc. during the 10th Period.
4. Comparison of the unit price of rent paid by new tenants with the unit price of rent (most recent unit price) paid by tenants who had occupied the same rental units as the concerned new tenants since MID REIT's acquisition of the property.

List of Appraisal Values

Cap rates for all properties remain flat, while the rate of decline of appraisal values narrows down



Type	Region	Property Name	Acquisition Price (million yen) (Note 1)	Appraisal Value at 9th Period End (million yen) (Note 2)	Book Value as of 10th Period End (million yen) (Note 3)	Appraisal Value at 10th Period End (million yen) (Note 2)	Difference from Acquisition Price (%)	Difference from Previous Period End (%)	Difference from Book Value (%)	Appraisal Company	9th Period Appraisal Value Rate (%) (Note 5)	10th Period Appraisal Value Rate (%) (Note 5)
Office Bldg.	Osaka area	Twin 21 (Note 4)	68,700	59,100	69,397	59,100	- 14.0	0	- 14.8	Morii Appraisal & Investment Consulting, Inc.	5.2	5.2
		Matsushita IMP Bldg.	24,600	20,400	24,191	20,300	- 17.5	- 0.5	- 16.1	Tanizawa Sogo Appraisal Co., Ltd.	5.5	5.5
		Panasonic Denko Bldg.	7,620	6,750	7,549	6,740	- 11.5	- 0.1	- 10.7	Morii Appraisal & Investment Consulting, Inc.	5.6	5.6
		Midosuji MID Bldg.	8,290	7,220	9,001	7,170	- 13.5	- 0.7	- 20.3	Tanizawa Sogo Appraisal Co., Ltd.	4.9	4.9
		MID REIT Kyobashi Bldg.	2,300	1,230	2,228	1,250	- 45.7	1.6	- 43.9	Tanizawa Sogo Appraisal Co., Ltd.	6.1	6.1
		MID Imabashi Bldg.	3,270	2,390	3,337	2,360	- 27.8	- 1.3	- 29.3	Tanizawa Sogo Appraisal Co., Ltd.	5.5	5.5
		MID Midosujikawaramachi Bldg.	2,000	1,360	2,004	1,350	- 32.5	- 0.7	- 32.6	Tanizawa Sogo Appraisal Co., Ltd.	5.9	5.9
		Kitahama MID Bldg.	10,800	9,270	10,863	9,090	- 15.8	- 1.9	- 16.3	Japan Real Estate Institute	5.1	5.1
		MID Nishihommachi Bldg.	3,550	2,240	3,525	2,230	- 37.2	- 0.4	- 36.7	Japan Real Estate Institute	5.4	5.4
	Other major cities	MID Shibakanasugibashi Bldg.	1,160	1,180	1,140	1,180	1.7	0	3.5	Tanizawa Sogo Appraisal Co., Ltd.	5.4	5.4
Subtotal			132,290	111,140	133,240	110,770	- 16.3	- 0.3	- 16.9	-	-	-
Non-Office Bldg.	Osaka area	Konami Sports Club Kyobashi	2,780	2,780	2,629	2,780	0	0	5.7	Daiwa Real Estate Appraisal Co., Ltd.	6.0	6.0
	Other major cities	AEON Tsudanuma Shopping Center	26,100	23,700	25,298	23,700	- 9.2	0	- 6.3	Daiwa Real Estate Appraisal Co., Ltd.	5.4	5.4
Subtotal			28,880	26,480	27,297	26,480	- 8.3	0	- 3.0	-	-	-
Total			161,170	137,620	161,168	137,250	- 14.8	- 0.3	- 14.8	-	-	-

Notes:

1. "Acquisition Price" states the sale price which is stated in the sales contract for the respective trust beneficiary interest, etc. (excluding various acquisition expenses, property taxes and consumption taxes, etc.).
2. "Appraisal Value" is the appraisal value at the end of the fiscal period based on the appraisal report with June 30, 2011 as the date of the value opinion prepared by Morii Appraisal & Investment Consulting, Inc., Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. or Japan Real Estate Institute pursuant to the Regulations Concerning Accounting of Investment Corporations, methods and criteria for asset valuation defined in MID REIT's Articles of Incorporation and rules of The Investment Trusts Association, Japan.
3. "Book Value" is the value appropriated to the balance sheets and is expressed as the applicable asset's acquisition price (including various acquisition expenses) less accumulated depreciation.
4. Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).
5. "Appraisal Value Rate" is the cap rate based on the direct capitalization method.

Tenant Trends (1)

Major tenants are AEON Retail and Panasonic



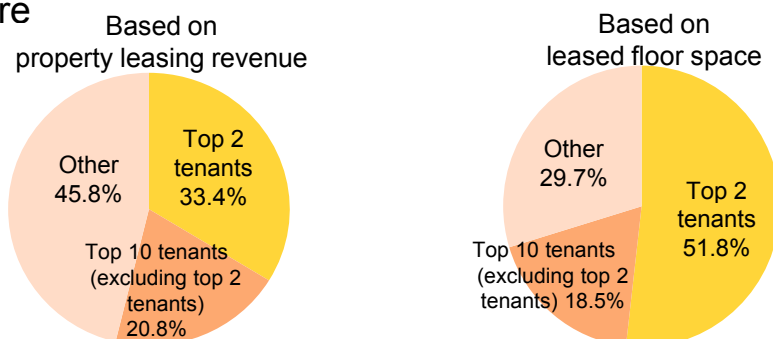
Overview of Key Tenants

Tenant	Tenant of	Expiration Date of the Contract (Note 1)	Leased Floor Space (m ²)	As a Percentage of Total Leased Floor Space (%) (Note 2)
AEON Retail Co., Ltd.	AEON Tsudanuma Shopping Center	Sept. 29, 2023	101,210.44	36.9
Panasonic Corporation	Twin 21	Mar. 31, 2013	40,956.60	14.9
Panasonic Electric Works Co., Ltd.	Panasonic Denko Bldg.	Mar. 31, 2014	12,684.52	4.6
Konami Sports & Life Co., Ltd. (Note 3)	Konami Sports Club Kyobashi	-	9,586.26	3.5
Nippon Computer System Co., Ltd.	Matsushita IMP Bldg.	Apr. 30, 2014	5,632.24	2.1
MID Property Management Co., Ltd.	Twin 21, Matsushita IMP Bldg. and Midosuji MID Bldg.	Mar. 31, 2014	4,836.68	1.8
NTT Kansai Shikoku Telephone Directory Co., Ltd.	MID REIT Kyobashi Bldg.	Feb. 28, 2013	4,833.88	1.8
Human Academy Co., Ltd (Note 3)	Midosuji MID Bldg.	-	4,643.59	1.7
Asahi Breweries Co., Ltd.	Matsushita IMP Bldg.	Mar. 31, 2012	4,531.23	1.7
CTI Engineering Co., Ltd. (Note 3)	Kitahama MID Bldg.	-	4,077.50	1.5
Total			192,992.94	70.3

Notes:

1. The expiration date of the contract with the largest leased floor space is stated if there are multiple leasing contracts, etc.
2. The leased floor space as a percentage of total leased floor space is rounded off to the first decimal place. Therefore, figures may not add up to the total in the "Total" column.
3. No statement is made on the expiration date of the contract when the consent for disclosure could not be obtained from tenant.

Top Tenants' Share



Tenant Trends (2)

Raised tenant satisfaction through facility management capability of the facility management company, and property management capability of the property management company, both of which belong to the MID Group



Tenant Satisfaction Survey

Applicable properties: Twin 21 MID Tower, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg. and MID Midosujikawaramachi Bldg.

Survey period: Oct. 18, 2010 to Nov. 26, 2010

Number sampled: 202 tenants

Surveyor: Kanden CS Forum Inc.(Note2), Ad Dentsu Osaka Inc. and Dentsu Research Inc.

Survey Results: Customer Satisfaction Index (CSI*)

Factors	2006	2007	2008	2009	2010	Difference (2006 → 2010)
Common-area functions	53.6	56.5	58.5	56.7	64.7	+ 11.1
Overall building comfort	47.8	49.5	54.2	52.2	55.1	+ 7.3
User-friendliness of building facilities and equipment	58.2	59.0	60.4	57.2	65.2	+ 7.0
Ambience	74.4	74.3	75.3	73.0	79.5	+ 5.1
Security measures	61.9	65.7	68.0	63.0	66.2	+ 4.3
Attitude of management staff	72.0	70.8	74.2	72.8	74.1	+ 2.1
Effectiveness of facility management	72.0	72.9	76.7	74.4	73.9	+ 1.9
Effectiveness of property management	67.5	67.3	68.9	66.5	68.3	+ 0.8
Cleanliness	71.2	71.1	73.1	71.1	71.5	+ 0.3

Notes:

- *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.
- The addition of Kanden CS Forum Inc. as surveyor, starting from the 2010 survey, adds the Kansai Electric Power Group's perspective on customer satisfaction and makes it clear that the stance is to place further emphasis on such.
- Surveyed properties are the following:
 2006: Twin 21, Matsushita IMP Bldg.
 2007 and 2008: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg.
 2009: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg. and MID Nishihommachi Bldg.
 2010: Twin 21, Matsushita IMP Bldg., MID Imabashi Bldg., Kitahama MID Bldg., MID Nishihommachi Bldg., Midosuji MID Bldg. and MID Midosujikawaramachi Bldg.

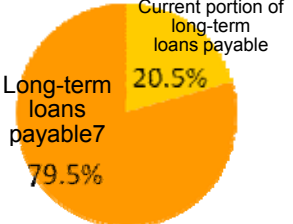
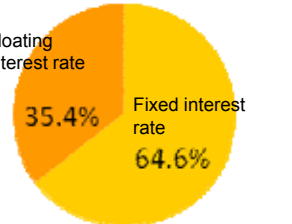


5. Financial Strategy

Financial Policy (As of July 31, 2011)

Establishment of a stable financial base



LTV Control	<ul style="list-style-type: none"> The upper limit of LTV (Interest-bearing debt at end of period ÷ Total assets at end of period) is set at 60%, but we would like to control it within a stable range, targeting around 50% during normal operations (LTV was 40.8% at the end of the 10th fiscal period) 																														
Reduction of Interest-rate Fluctuation Risk	<ul style="list-style-type: none"> The goal is to balance out loan terms between long-term and short-term loans, and the form of interest rate between fixed and floating interest rates <div style="display: flex; justify-content: space-around;"> <div data-bbox="689 432 1131 459">Ratio of Long-term/Short-term Debt</div> <div data-bbox="1223 432 1534 459">Fixed Interest Rate Ratio</div> </div> <div style="display: flex; justify-content: space-around;">   </div>																														
Reduction of Refinancing Risk	<ul style="list-style-type: none"> Our goal is to diversify lenders, diversify procurement schemes (loans, investment corporate bonds, etc.) and to spread repayment and redemption deadlines, among others <div style="display: flex; justify-content: space-between;"> <div data-bbox="689 810 1220 837">Debt Financing of Each Bank (million yen)</div> <div data-bbox="1317 810 1960 837">Diversification of Repayment Dates (billion yen)</div> </div> <div style="display: flex; justify-content: space-between;"> <table border="1" data-bbox="582 845 1214 1364"> <thead> <tr> <th>Lender</th><th>Balance</th></tr> </thead> <tbody> <tr><td>Mizuho Corporate Bank</td><td>10,900</td></tr> <tr><td>Sumitomo Trust & Banking</td><td>9,500</td></tr> <tr><td>Sumitomo Mitsui Banking</td><td>9,500</td></tr> <tr><td>Aozora Bank</td><td>9,400</td></tr> <tr><td>Development Bank of Japan</td><td>7,750</td></tr> <tr><td>Resona Bank</td><td>6,400</td></tr> <tr><td>Mitsubishi UFJ Trust and Banking</td><td>6,300</td></tr> <tr><td>Shinkin Central Bank</td><td>5,000</td></tr> <tr><td>Senshu Ikeda Bank</td><td>2,800</td></tr> <tr><td>Nishi-Nippon City Bank</td><td>2,000</td></tr> <tr><td>Hyakugo Bank</td><td>1,000</td></tr> <tr><td>Minato Bank</td><td>1,000</td></tr> <tr><td>Nanto Bank</td><td>500</td></tr> <tr><td>Total</td><td>72,050</td></tr> </tbody> </table> <div data-bbox="1317 858 2116 1157"> </div> </div> <div style="margin-top: 20px;"> <p>Notes:</p> <p>The 5.0 billion yen due for repayment in the 23rd Period will be repaid as follows:</p> <ol style="list-style-type: none"> Repayment dates: The first repayment shall be January 31, 2011, followed by subsequent repayments on the last day of January and July of each year, with the final repayment on July 31, 2017 (Should said date not fall on a business day, the effective date will be the first business day following said date. If this following business day falls into the next month, the effective date will be the business day immediately prior to said date.) Repayment method: From January 31, 2011 to last day of January 2017 Repayments of 125 million yen each time On July 31, 2017 Repayment of 3,375 million yen </div>	Lender	Balance	Mizuho Corporate Bank	10,900	Sumitomo Trust & Banking	9,500	Sumitomo Mitsui Banking	9,500	Aozora Bank	9,400	Development Bank of Japan	7,750	Resona Bank	6,400	Mitsubishi UFJ Trust and Banking	6,300	Shinkin Central Bank	5,000	Senshu Ikeda Bank	2,800	Nishi-Nippon City Bank	2,000	Hyakugo Bank	1,000	Minato Bank	1,000	Nanto Bank	500	Total	72,050
Lender	Balance																														
Mizuho Corporate Bank	10,900																														
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Nishi-Nippon City Bank	2,000																														
Hyakugo Bank	1,000																														
Minato Bank	1,000																														
Nanto Bank	500																														
Total	72,050																														

- Issuer rating of A (stable)
(Rating and Investment Information, Inc. (R&I))

Details on Debt Financing (As of July 31, 2011)

Finished refinancing borrowings that were due for repayment on July 31, 2011



Breakdown of Debt Financing

Type	Lenders	Drawdown Date	Balance	Interest Rate	Repayment Date	Repayment Method	Remarks
Long-term loans payable (Note 1)	Term loan (2 years and 11 months) Mizuho Corporate Bank, Sumitomo Trust & Banking, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	Aug. 31, 2009	14,500 million yen	1.34000% (Note 3)	July 31, 2012	Bullet payment	Unsecured Unguaranteed
	Term loan (3 years and 3 months) Mizuho Corporate Bank, Sumitomo Trust & Banking, Sumitomo Mitsui Banking, Aozora Bank, Mitsubishi UFJ Trust and Banking, Shinkin Central Bank, The Nishi-Nippon City Bank.	Apr. 23, 2010	11,000 million yen	1.14000% (Note 4)	July 31, 2013	Bullet payment	Unsecured Unguaranteed
	Term loan (2 years and 11 months) Mizuho Corporate Bank, Sumitomo Trust & Banking, Sumitomo Mitsui Banking, Aozora Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank, Hyakugo Bank, Minato Bank	Aug. 31, 2010	17,500 million yen	1.142% (Note 2)	July 31, 2013	Bullet payment	Unsecured Unguaranteed
	Term loan (4 years and 11 months) Mizuho Corporate Bank, Resona Bank, Shinkin Central Bank, Nanto Bank	Aug. 31, 2010	6,500 million yen	1.447% (Note 2)	July 31, 2015	Bullet payment	Unsecured Unguaranteed
	Term loan (6 years and 11 months) Development Bank of Japan	Aug. 31, 2010	4,750 million yen	1.79507% (Note 5)	July 31, 2017	125 million yen every 6 months (end of January and July) 3,375 million yen on final principal repayment date	Unsecured Unguaranteed
	Term loan (3 years) Mizuho Corporate Bank, Sumitomo Trust & Banking, Sumitomo Mitsui Banking, Aozora Bank, Resona Bank, Shinkin Central Bank, Senshu Ikeda Bank	Jul. 29, 2011	13,800 million yen	1.0625% (Note 2)	July 31, 2014	Bullet payment	Unsecured Unguaranteed
	Term loan (5 years) Mizuho Corporate Bank, Development Bank of Japan	Jul. 29, 2011	4,000 million yen	1.36375% (Note 5)	July 31, 2016	Bullet payment	Unsecured Unguaranteed
Total			72,050 million yen				

Notes:

- Loans are co-financed by the banks in the list.
- Loans are hedged against interest fluctuation risks through interest rate swaps.
- This figure is the applicable interest rate for the period between June 1, 2011 and August 31, 2011. Applicable interest rates for September 1, 2011 and after have not yet been finalized.
- This figure is the applicable interest rate for the period between July 30, 2011 and October 31, 2011. Applicable interest rates for November 1, 2011 and after have not yet been finalized.
- Interest rates are fixed.

Credit Line

Type	Lenders	Credit Line	Use of Funds
Basic credit line agreement	Mizuho Corporate Bank, Sumitomo Trust & Banking, Sumitomo Mitsui Banking	10.0 billion yen	Future new asset acquisition and payment of related expenses



6. Portfolio

Portfolio Overview

Properties under management as of the end of the 10th fiscal period: 12 properties (10 office buildings and 2 retail facilities)

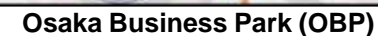


Type	Area	Property Name	Location	Completion Date	Acquisition Date	Acquisition Price (million yen) (Note 1)	Investment Ratio (%) (Note 2)	Leasable Space (m ²) (Note 3)	PML (%) (Note 4)
Office Bldg.	Osaka area	Twin 21 (Note 5)	Chuo-ku, Osaka	March 1986	August 2006	68,700	42.6	82,413.60	3.5
		Matsushita IMP Bldg.	Chuo-ku, Osaka	February 1990, added on to in Nov. 2003	August 2006	24,600	15.3	37,155.43	3.2
		Panasonic Denko Bldg.	Chuo-ku, Osaka	August 1974	August 2006	7,620	4.7	12,684.52	7.2
		Midosuji MID Bldg.	Chuo-ku, Osaka	October 1980, added on to in Dec. 2009	August 2006 October 2007	8,290	5.1	10,461.32	8.7
		MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	February 2000	August 2006	2,300	1.4	4,833.88	7.8
		MID Imabashi Bldg.	Chuo-ku, Osaka	October 1990	April 2007	3,270	2.0	4,279.70	6.2
		MID Midosujikawaramachi Bldg.	Chuo-ku, Osaka	March 1998	May 2007	2,000	1.2	3,095.33	6.2
		Kitahama MID Bldg.	Chuo-ku, Osaka	February 2008	April 2008	10,800	6.7	10,189.50	3.0
		MID Nishihommachi Bldg.	Nishi-ku, Osaka	March 1989	October 2008	3,550	2.2	3,870.82	5.6
	Other major cities	MID Shibakanasugibashi Bldg.	Minato-ku, Tokyo	January 1995	August 2006	1,160	0.7	1,989.27	6.0
Subtotal (10 properties)			-	-	-	132,290	82.1	170,973.37	-
Non-Office Bldg.	Osaka area	Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	June 1999	August 2006	2,780	1.7	9,586.26	5.7
	Other major cities	AEON Tsudanuma Shopping Center	Narashino-shi, Chiba	September 2003, added on to in Dec. 2007	August 2006	26,100	16.2	101,210.44	4.0
Subtotal (2 properties)			-	-	-	28,880	17.9	110,796.70	-
Total (12 properties)			-	-	-	161,170	100.0	281,770.07	2.8

Notes:

1. "Acquisition Price" states the sale price which is stated in the sales contract for the respective trust beneficiary interest, etc. (excluding various acquisition expenses, property taxes and consumption taxes, etc.).
2. "Investment Ratio" indicates the ratio of the acquisition price of the applicable asset to the total amount of acquisition prices and is rounded to the first decimal place. Accordingly, the entered amounts do not necessarily add up to the figures presented in the "Subtotal" and "Total" rows.
3. "Leasable Space" represent the total leasable floor space as of June 30, 2011. (Figures are for leasable units only and exclude the floor space for storage, halls, parking, etc. However, the leasable space of Konami Sports Club Kyobashi and AEON Tsudanuma Shopping Center include the floor space for common areas and parking, while the leasable space of the MID REIT Kyobashi Bldg. include the floor space for common areas, each of which is leased in its entirety to a sole tenant.)
4. Expressed as a percentage, "PML" indicates [total estimated loss for a building in proportion to an exceedance probability of 0.211% (reoccurrence period of once in 475 years)] ÷ [replacement cost]. The equation was calculated based upon the "Risk Curve" developed by Engineering Risk & Services Corporation and OYO RMS Corporation. The Risk Curve indicates the relationship between the total loss amount upon the occurrence of an earthquake and the annual exceedance probability. The total PML represents the PML for the entire portfolio. MID REIT has taken out earthquake insurance for all the portfolio properties presented above as of June 30, 2011.
5. Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).
6. In addition to the assets listed in the table above, MID REIT acquired silent partnership interests in Sakura Dori MID Bldg.














Portfolio centering on the Osaka area



Overview of Properties

10 properties located in Osaka City (3 of which are OBP properties), while 1 property each in Tokyo and Chiba prefectures



Use	Osaka Metropolitan Area					Other (Tokyo)
Office Building	Osaka Business Park (OBP)					
	 Twin 21	 Matsushita IMP Bldg.	 Panasonic Denko Bldg.	 Kitahama MID Bldg.	 Midosuji MID Bldg.	 MID Imabashi Bldg.
			 MID Nishihommachi Bldg.	 MID Midosujikawaramachi Bldg.	 MID REIT Kyobashi Bldg.	 MID Shibakanasugibashi Bldg.
Other than Office Buildings	Osaka Metropolitan Area		Other (Chiba)			Silent Partnership Interests
	 Konami Sports Club Kyobashi	 AEON Tsudanuma Shopping Center			 Silent partnership interests pertaining to a silent partnership operated by Sakura Dori Development LLC, the developer and owner of Sakura Dori MID Bldg. *95.4% occupancy rate as of the end of June 2011	



7. Appendix

Regarding Current Conditions of Panasonic Tower of Twin 21

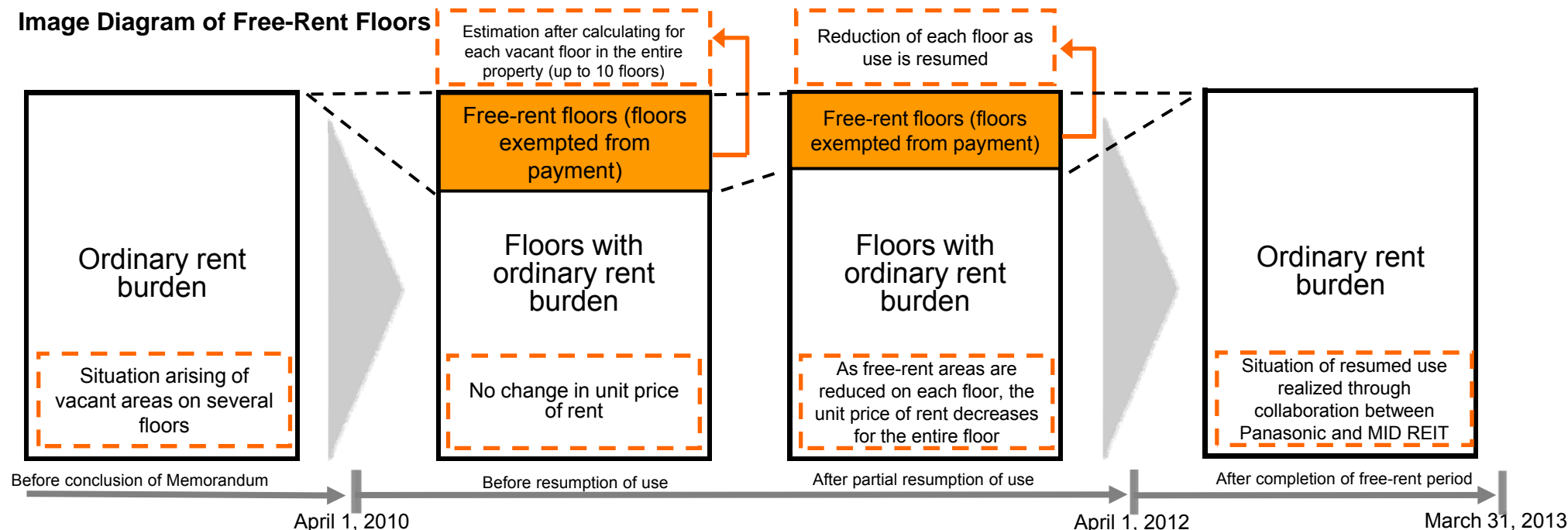
Free-rent floors are limited to maximum of 10 floors as of the end of June 2011



Regarding memorandum to change lease agreement on leased units (concluded on April 30, 2010)

- Continuation of use of one whole building by Panasonic; prohibition agreement cancellation.
- Revised agreement period to starting from April 1, 2009 and ending on March 31, 2013. (Original agreement period: Starting from April 1, 2009 and ending on March 31, 2011)
- Setting up floors where payment of rent and common-area fees will be exempted for a limited period from April 1, 2010 to March 31, 2012 for floors eligible for free rent as authorized by MID REIT that can be confirmed to meet all certain conditions, such as the return of the key and security card and downtime of lighting and air-conditioning (limited to maximum of 10 floors worth of space).
- With respect to floors that are exempt from payment of rent and common-area fees, Panasonic and MID REIT will cooperate towards their resumption of use. According to the number of floors that have been able to realize this, entire floor unit price of rent will be reduced. By doing so, the tenant will be ensured incentives for promoting activities towards their resumption of use.
- Shall be able to terminate or change the details of the Memorandum on or after April 1, 2012 when agreed to by both parties.

Image Diagram of Free-Rent Floors



Relationship with Business Results Forecasts for the 11th Fiscal Period and 12th Fiscal Period

With respect to the relationship between this and the business results forecasts for the 11th fiscal period and the 12th fiscal period, please confirm the details of "Assumptions Regarding Business Results Forecasts for the 11th Fiscal Period (July 1, 2011 to December 31, 2011) and the 12th Fiscal Period (January 1, 2012 to June 30, 2012)" in page 7 of the "REIT Financial Report for the 10th Fiscal Period (January 1, 2011 to June 30, 2011)" that was announced on August 16, 2011.

Financial Statements (1)



Balance Sheet

Description	9th Period (as of Dec. 31, 2010)		10th Period (as of June 30, 2011)		Difference	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
(ASSETS)						
Total Current Assets	14,253	8.0	14,852	8.4	599	4.2
Cash and deposits	8,568		8,972		404	
Cash and deposits in trust	5,494		5,712		217	
Operating accounts receivable	134		139		5	
Prepaid expenses	56		28		- 28	
Deferred tax assets	0		0		0	
Total Noncurrent Assets	162,944	92.0	162,033	91.6	- 911	- 0.6
1. Property, plant and equipment						
Buildings in trust	60,354		60,692		- 681	
Accumulated depreciation	- 8,049		- 9,068		- 1	
Structures in trust	101		101		- 1	
Accumulated depreciation	- 7		- 9		14	
Tools, furniture and fixtures in trust	307		342		-	
Accumulated depreciation	- 79		- 100		-	
Land in trust	109,210		109,210		-	
Total property, plant and equipment	161,836	91.3	161,168	91.1	- 667	- 0.4
2. Intangible assets						
Software	0		0		- 0	
Right of trademark	0		0		- 0	
Total intangible assets	1	0.0	1	0.0	- 0	- 22.5
3. Investments and other assets						
Investment securities	194		191		- 2	
Lease and guarantee deposits	10		10		- 240	
Long-term prepaid expenses	902		662		- 243	- 22.0
Total investments and other assets	1,107	0.6	863	0.5	- 243	- 22.0
Total Assets	177,198	100.0	176,885	100.0	- 312	- 0.2

Description	9th Period (as of Dec. 31, 2010)		10th Period (as of June 30, 2011)		Difference	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
(LIABILITIES)						
Total Current Liabilities	20,226	11.4	20,494	11.6	267	1.3
Operating accounts payable	268		339		71	
Current portion of long-term loans payable	18,050		18,050		-	
Accounts payable - other	718		690		- 27	
Accrued expenses	160		159		- 0	
Distribution payable	16		14		- 1	
Income taxes payable	1		1		0	
Accrued consumption taxes	27		32		4	
Advances received	692		696		4	
Other	292		510		217	
Total Noncurrent Liabilities	65,215	36.8	64,621	36.5	- 593	- 0.9
Long-term loans payable	54,250		54,125		- 125	
Tenant leasehold and security deposits	8,899		8,409		- 490	
Tenant leasehold and security deposits in trust	2,065		2,087		- 21	
Total Liabilities	85,442	48.2	85,116	48.1	- 325	- 0.4
(NET ASSETS)						
Unitholders' Equity						
1. Unitholders' capital	90,372		90,372		-	
2. Surplus						
Unappropriated retained earnings (undisposed loss)	1,383		1,396		13	
Total surplus	1,383		1,396		13	
Total unitholders' equity	91,755		91,769		13	
Total Net Assets	91,755	51.8	91,769	51.9	13	0.0
Total Liabilities and Net Assets	177,198	100.0	176,885	100.0	- 312	- 0.2

Includes CAPEX accrued during the period: 421 million yen
(see page 36 for details of properties)

Financial Statements (2)



Income Statement

Description	9th Period (July 1, 2010 – Dec. 31, 2010)		10th Period (Jan. 1, 2011 – June 30, 2011)		Difference	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
1. Operating revenue	5,879	100.0	5,763	100.0	- 116	- 2.0
Rent revenue - real estate		5,455		5,379		
Other lease business revenue		423		383		
2. Operating expenses	3,722	63.3	3,615	62.7	- 107	- 2.9
Expenses related to rent business		3,151		3,054		
Asset management fee		427		427		
Asset custody fee		8		8		
Administrative service fees		45		45		
Directors' compensations		10		10		
Other operating expenses		79		68		
Operating income	2,156	36.7	2,147	37.3	- 9	- 0.4
3. Non-operating income	4	0.1	4	0.1	- 0	- 5.2
Interest income		2		1		
Reversal of distribution payable		1		2		
Other		0		0		
4. Non-operating expenses	785	13.4	743	12.9	- 42	- 5.4
Interest expenses		536		509		
Borrowing related expenses		248		234		
Other		0		0		
Ordinary income	1,375	23.4	1,408	24.4	32	2.4
5. Extraordinary income	9	0.2	48	0.8	38	410.8
Compensation income		9		-		
Insurance income		-		48		
6. Extraordinary loss	-	-	58	1.0	58	-
Loss on disaster		-		58		
Income before income taxes	1,384	23.6	1,398	24.3		
Total income taxes	1	0.0	1	0.0	- 0	- 2.0
Income taxes - current		1		1		
Income taxes - deferred		- 0		0		
Net income	1,383	23.5	1,396	24.2	13	1.0
Retained earnings brought forward	0		0			
Unappropriated retained earnings	1,383		1,396		13	

Details of rent revenue - real estate (million yen)

Rent	4,195
CAM	1,037
Parking revenue	146

Details of expenses related to rent business (million yen)

Property management fees	723
Utilities	447
Real estate taxes	602
Insurance premiums	27
Repairs	130
Depreciation and amortization	1,068
Loss on retirement of noncurrent assets	20
Other lease business expenses	33

Financial and Accounting Indices



Indices	9th Period Results (July 1, 2010 – Dec. 31, 2010)	10th Period Results (Jan. 1, 2011 – June 30, 2011)	Comments
Net operating days	184 days	181 days	-
NOI from property leasing	3,798 million yen	3,798 million yen	Property leasing income + Depreciation and amortization + Loss on retirement of noncurrent assets
NOI yield from property leasing (p.a.)	4.7%	4.8%	NOI from property leasing (annualized) ÷ Total acquisition price of portfolio properties (on an average daily balance basis)
Funds from operations (FFO)	2,453 million yen	2,485 million yen	Net income (excl. gain or loss on sales of real estate properties) + Depreciation and amortization + Loss on retirement of noncurrent assets
FFO per unit	13,361 yen	13,535 yen	FFO ÷ Total investment units issued and outstanding at end of period
Return on assets (ROA)	1.5%	1.6%	Ordinary income [annualized] ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2}
Return on equity (ROE)	3.0%	3.1%	Net income [annualized] ÷ {(NAV at beginning of period + NAV at end of period) ÷ 2}
NAV per unit	499,691 yen	499,763 yen	NAV at end of period ÷ Total investment units issued and outstanding at end of period
Loan to value (LTV)	40.8%	40.8%	Interest-bearing liabilities at end of period ÷ Total assets at end of period
Debt service coverage ratio (DSCR)	5.6	5.8	Net income before interest and depreciation (Net income + Interest expenses + Depreciation and amortization) ÷ Interest expenses
Price book-value ratio (PBR)	0.5	0.5	Unit price at end of period ÷ NAV per unit
Price earnings ratio (PER)	16.2	14.7	Unit price at end of period ÷ Net income per unit [annualized]
FFO multiple	9.1	8.2	Unit price at end of period ÷ FFO per unit [annualized]

Note: Unit price at end of period is 225,000 yen, which is the closing price on June 30, 2011.
MID REIT, Inc.

Cash Flows from Properties



(million yen)

	Twin 21	Matsushita IMP Bldg.	Panasonic Denko Bldg.	Midosuji MID Bldg.	MID REIT Kyobashi Bldg. (Note 2)	MID Shibakanasugibashi Bldg.	Konami Sports Club Kyobashi (Note 2)	AEON Tsudanuma Shopping Center	MID Imabashi Bldg.	MID Midosuji-kawaramachi Bldg.	Kitahama MID Bldg.	MID Nishihommachi Bldg.
Operating days	181	181	181	181	181	181	181	181	181	181	181	181
Rent	1,686	720	242	246	-	43	-	726	64	37	248	67
CAM	538	307	52	24	-	-	-	-	24	11	61	16
Parking revenue	61	50	4	5	-	2	-	-	7	1	9	2
Rent revenue - real estate	2,286	1,078	299	275	-	46	-	726	96	51	319	86
Utilities	143	99	26	20	-	-	-	-	7	4	39	12
Early-withdrawal penalties received	4	-	-	3	-	-	-	-	-	-	-	-
Other revenue	9	4	2	2	-	0	-	-	0	0	1	1
Other lease business revenue	157	103	28	26	-	0	-	-	7	4	40	14
① Property leasing revenue	2,444	1,181	327	302	-	46	-	726	104	56	360	100
Property management fees	349	197	50	35	-	1	-	12	15	8	37	12
Commissions payment	0	-	-	2	-	-	-	-	-	0	-	0
Utilities	212	132	29	20	-	-	-	-	9	4	27	11
Real estate taxes	237	146	19	52	-	7	-	66	14	6	24	9
Insurance premiums	11	6	1	1	-	0	-	5	0	0	1	0
Repairs	69	29	9	4	-	1	-	-	2	4	0	3
Other lease business expenses	19	7	0	0	-	0	-	-	-	0	0	-
② Property leasing expenses	901	518	111	117	-	10	-	84	41	25	90	36
③ NOI (① - ②) NOI yield (Acquisition price basis) (p.a.)	1,542 4.5%	663 5.4%	216 5.7%	185 4.5%	6 0.6%	35 6.1%	80 5.8%	641 4.9%	62 3.8%	31 3.1%	269 5.0%	64 3.6%
④ Depreciation and amortization	472	247	41	60	13	6	19	115	23	12	39	17
⑤ Loss on retirement of noncurrent assets	17	-	-	0	-	-	-	-	-	2	-	-
⑥ Property leasing income (③ - ④ - ⑤)	1,052	416	175	124	- 7	29	60	525	39	15	230	46
CAPEX	230	146	-	10	4	7	-	-	8	10	2	-

Notes:

1. Amounts of less than the nearest million yen are rounded down.

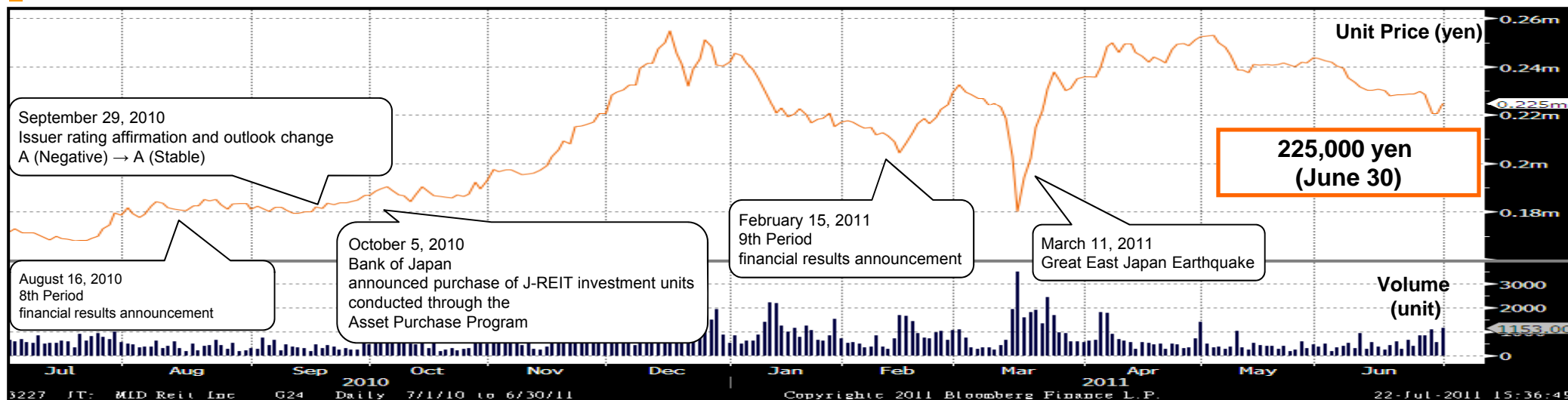
2. No detailed statement is made except for those on NOI, depreciation and amortization, and property leasing income when the consent for disclosure could not be obtained from the tenant.

Unit Price Performance

Solid performance this past year, despite a temporary drop due to the impact of the Great East Japan Earthquake



Unit Price Performance for the Past 1 Year



Price Comparison Since Listing (Aug. 29, 2006 - July 29, 2011)



Note:

The TSE REIT Index and TOPIX Real Estate (TPREAL) are shown with prices as of August 29, 2006 set as 100.

MID REIT's unit price is shown with the closing price of MID REIT's units on August 29, 2006 (on which MID REIT's units were publicly listed) set as 100.

MID REIT, Inc.

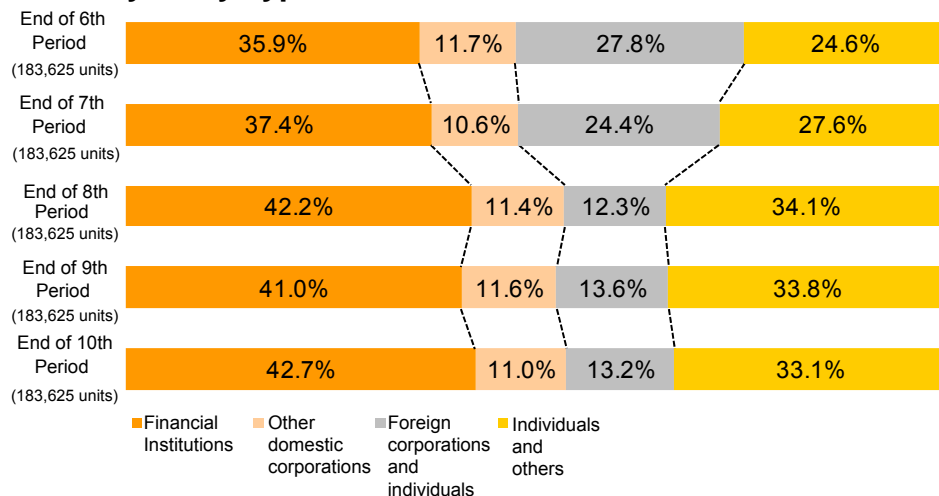
Unitholder Details

11,585 unitholders as of end of 10th period, which means number of unitholders has not dropped below 10,000 since the 7th period

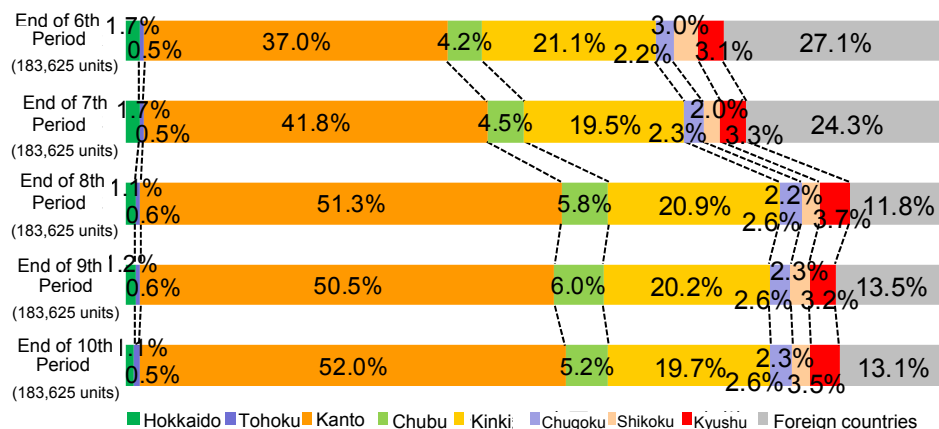


Analysis of Investor Attributes (Distribution of Number of Units Held)

Analysis by Type of Investor



Analysis by Region



Top Unitholders

Top 10 Companies (as of the end of June 2011)

Name	Number of units held	Ratio of units held to total units issued and outstanding (%) (Note)	Difference
Japan Trustee Services Bank, Ltd. (Trust Account)	31,492	17.15	6,127
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	11,163	6.08	- 1,506
MID Urban Development Co., Ltd.	9,200	5.01	0
The Fuji Fire and Marine Insurance Co., Ltd.	8,607	4.69	0
Nomura Bank (Luxembourg) S.A.	6,583	3.59	3,213
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	6,027	3.28	1,905
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,396	2.94	- 438
Goldman Sachs and Company (Regular Account)	3,050	1.66	115
Shikoku Railway Company	2,117	1.15	0
The Hiroshima Bank, Ltd.	1,892	1.03	0
Total	85,527	46.58	9,416

Notes: The ratio of units held to total units issued and outstanding are rounded off to two decimal places.

Status of Large Unitholding Reports Submitted (as of August 5, 2011)

Submitter or name of joint unitholder	Number of units held	Ratio of units held to total units issued and outstanding (%) (Note 1)(Note 2)	Dates of latest submissions
DIAM Co., Ltd.	14,354	7.82	May 9, 2011
The Sumitomo Trust & Banking Co., Ltd. Nikko Asset Management Co., Ltd.	10,446	5.69	January 11, 2011
The Fuji Fire and Marine Insurance Co., Ltd.	9,714	5.29	October 7, 2008
STB Asset Management Co., Ltd.	9,275	5.05	May 17, 2011
MID Urban Development Co., Ltd.	9,200	5.01	January 10, 2007

Notes:

1. The ratios of units held to total units issued and outstanding are based on values recorded in large unitholding reports.
2. Only submitters and joint unitholders who hold 5% or more of total units issued and outstanding are presented in the table above.

Overview of Asset Management Company

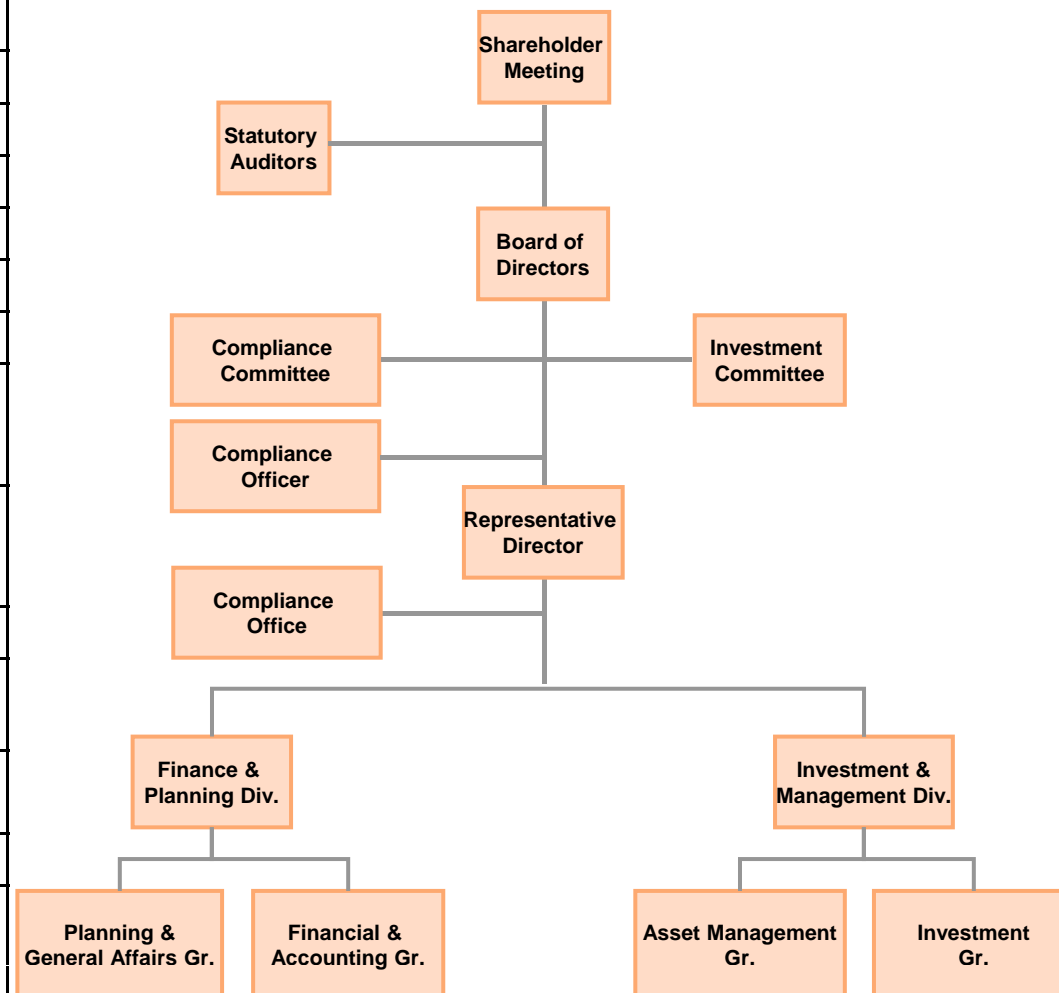
Board members were dispatched from Kansai Electric Power, strengthening the cooperation system with our sponsor



Company Overview

Company Overview (As of Aug. 1, 2011)		
Name	MID REIT Management Co., Ltd.	
Location	1-4-4 Dojimahama, Kita-ku, Osaka	
Establishment	September 1, 2005	
Capital	210 million yen	
Shareholder	MID Urban Development Co., Ltd.	
No. of employees	30 (inclusive of 2 temporary workers)	
Officers	President & CEO	Nobuo Moroizumi
	Managing Director General Manager, Finance & Planning Division	Hiroataka Saito
	Managing Director General Manager, Investment & Management Division	Noriyuki Iijima
	Director	Atsushi Izumitani
	Statutory Director	Yoshitsugu Nojiri (Manager, Group Management and Planning Group, Group Strategy Division, The Kansai Electric Power Co., Inc.)
	Statutory Auditor	Atsushi Ishiguro (Director and Managing Executive Officer, MID Urban Development Co., Ltd.)
Business description	Investment management business	
Regulatory approval	Financial Instruments Firm (Director-General of Kinki Local Finance Bureau (Kinsho) Registration No. 43) Discretionary transaction agent license (Minister of Land, Infrastructure, Transport and Tourism Approval No. 50) Real estate agent license (Governor of Osaka Prefecture (2) No. 51806)	
Membership associations	A member of the Investment Trusts Association, Japan	

Structure



Checking System for Transactions with Sponsor Related Parties

Strict transaction criteria and checking system in place for transactions with sponsor related parties



Definition of Sponsor Related Parties	(a) Interested persons as defined by the Investment Trust Law (b) Major shareholders of the asset management company (major shareholders of financial instruments firms defined under the Financial Instruments and Exchange Law of Japan) and subsidiaries/affiliates of the major shareholders of the asset management company as defined by regulations for consolidated financial statements (“Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements”; same hereafter) (excluding those applicable to (a)) (c) Funds or corporate entities, associations, trusts and other similar organizations that entrust investment management (discretionary investment) operations or investment advisory operations to parties described in (a) and (b) above (hereafter collectively called “corporate entities, etc.” (including specific purpose companies, limited liability companies, stock companies, etc. as defined in the Act on Securitization of Assets)) (d) Corporate entities, etc. in which parties described in (a) and (b) above hold a majority stake and in cases where shares issued by parties described in (a) above are listed on the financial instruments exchange as defined by regulations for consolidated financial statements (excluding those applicable to (a) through (c))										
Transaction and Selection Criteria (Principles)	Property acquisition/disposal				Transaction has to comply with the following criteria: Acquisition price Appraised value, Appraised value Disposal price						
	Property leasing				Leasing terms must be appropriately and fairly 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 management				Examine comprehensively if company to be commissioned satisfies required conditions and terms, and if fee level is appropriate						
	Contracting of construction works (over 1 million yen)				Check that quotations are not notably different from quotations by third parties						
Decision-making Process	<div><div>Each Group</div><div>➔</div><div>Compliance Officer</div><div>➔</div><div>Compliance Committee (Notes 1 and 2)</div><div>➔</div><div>Investment Committee (Notes 1 and 3)</div><div>➔</div><div>Board of Directors (Note 1)</div><div>➔</div><div>MID REIT Board of Directors</div></div>										
	Proposal drafting		Approval		Approval		Examination, decision		Examination, decision		Reporting

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