

MID REIT, Inc. 11th Period Results

(Ended December 31, 2011)

MID REIT Management Co., Ltd.



Kinwada Dashi Festival



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

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1. Financial Highlights

11th Period Business Results

Increase in income compared to the 10th Period due in part to decrease in interest expenses



Item	7th Period Results (July 1, 2009 - Dec. 31, 2009)	8th Period Results (Jan. 1, 2010 - June 30, 2010)	9th Period Results (July 1, 2010 - Dec. 31, 2010)	10th Period Results (Jan. 1, 2011 - June 30, 2011)	11th Period Results (July 1, 2011 - Dec. 31, 2011)	Comparison with 10th Period Results
Net operating days	184	181	184	181	184	-
Operating revenue (million yen)	6,289	6,012	5,879	5,763	5,776	13
Operating income (million yen)	2,593	2,413	2,156	2,147	2,085	- 62
Ordinary income (million yen)	1,750	1,520	1,375	1,408	1,416	8
Net income (million yen)	1,748	1,518	1,383	1,396	1,416	20
Distribution per unit (yen)	9,524	8,269	7,532	7,605	7,715	110

Financial Highlights

Poured effort into internal growth



Distributions	<p>■ Distribution per unit: 7,715 yen {</p> <div style="display: flex; justify-content: space-between;"> <div> <p>Compared to initial forecasts (as at Aug. 16, 2011) + 422 yen, or + 5.8%</p> <p>Compared to the 10th Period: +110 yen, or + 1.4%</p> </div> } </div>
Internal Growth	<p>Maintained tenant relations</p> <ul style="list-style-type: none"> ■ While the entire Japanese economy was significantly impacted by power supply restrictions and damage to the supply chains of various companies due to the Great East Japan Earthquake, performance exceeding the market was maintained by pouring effort into maintaining tenant relations under the cooperation of the property management and building management companies ■ Kansai Electric Power's move into Twin 21 contributed to increasingly improve occupancy rate (leased area: 2,292.72m²) ■ Promoted new tenant occupancy through renewal of lower-floor retail space into office space at Matsushita IMP Bldg. ■ Worked to obtain Development Bank of Japan Inc.'s DBJ Green Building Certification for Twin 21, Matsushita IMP Bldg. and Kitahama MID Bldg. and obtained the Certification in February, 2012 (each assigned Silver rank) ■ Occupancy rate at end of period: 97.5% (up 0.1 points compared to the 10th Period) and NOI yield from property leasing: 4.6%
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. ■ Advanced considerations by obtaining engineering report on subject properties as needed
Financial Strategy	<p>Maintained stable financial base</p> <ul style="list-style-type: none"> ■ Implemented refinancing of 17.8 billion yen ■ Issuer rating of "A (Stable)" (Rating and Investment Information, Inc. (R&I)) ■ Submitted shelf registration for issuance of investment corporation bonds (continuing) ■ LTV ratio: 40.8% (Interest-bearing debt at end of period ÷ Total assets at end of period)

12th and 13th Period Forecasts

Decrease in income forecast for the 12th Period due to decrease in operating income



Forecasts of Business Results

Item	11th Period Results (July 1, 2011 - Dec. 31, 2011)	12th Period Forecasts (Jan. 1, 2012 - June 30, 2012)		13th Period Forecasts (July 1, 2012 - Dec. 31, 2012)	
			Comparison with 11th Period Results		Comparison with 12th Period Forecasts
Operating revenue (million yen)	5,776	5,695	-81	5,645	-50
Operating income (million yen)	2,085	2,042	-43	1,893	-148
Ordinary income (million yen)	1,416	1,389	-27	1,316	-72
Net income (million yen)	1,416	1,387	-29	1,314	-72
Distribution per unit (yen)	7,715	7,556	-159	7,160	-396

Preconditions

Utilities (property leasing expenses) (million yen)	496	465	-31	536	71
Costs, including property and city planning taxes, posted in the fiscal period (million yen)	600	600	0	600	0
Repairs (million yen)	172	124	-48	136	12
Interest expenses (million yen)	464	451	-12	450	-1
Borrowing related expenses (million yen)	209	202	-6	128	-74
Portfolio occupancy rate at end of period (%)	97.5	96.8	-0.7	99.0	2.2

Primary Causes of Difference

(Unit: million yen)

	Primary Causes of Difference Between the 11th Period (Results) and 12th Period (Forecasts)	Primary Causes of Difference Between the 12th Period (Forecasts) and 13th Period (Forecasts)
Impact on operating income	Operating revenue -81: decrease in rent revenue – real estate due to rent reductions and tenant cancellations Operating expenses -38: decrease in utilities due to seasonal factors -31; decrease in repairs -48	Operating revenue -50: decrease in rent revenue – real estate due to rent reductions and tenant cancellations Operating expenses +98: increase in utilities due to seasonal factors +71; increase in repairs +12
Impact on ordinary income	Non-operating expenses -19: decrease in interest expenses -12; decrease in borrowing related expenses -6	Non-operating expenses -75: decrease in interest expenses -1; decrease in borrowing related expenses -74

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 February 16, 2012. 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.

Continued application of free-rent floors



Overview of Twin 21

Twin 21	
Location	2-1-61 Shiromi, Chuo-ku, Osaka
Structure/Floors	SRC/ B1/38F
Total Land Space	28,163.07m ²
Total Floor Space	146,034.98m ²
Construction Completed	March 1986
Other	<p>Comprised of 150m-tall twin towers MID Tower and Panasonic Tower.</p> <p>MID Tower is a multi-tenant building occupied by about 100 tenants.</p> <p>The entire Panasonic Tower building is used by Panasonic.</p>



Twin 21, Matsushita IMP Bldg. Panasonic Osaka Kyobashi Bldg.

Status of Agreement on Twin 21 Panasonic Tower

April 1, 2009	Start of agreement period under current agreement	<ul style="list-style-type: none"> Renewed existing agreement to newly start 2-year agreement (April 1, 2009 to March 31, 2011)
~ April 2010	Request for consultation over reduction of rent amount, etc.	<ul style="list-style-type: none"> Received request for consultation over reduction of rent amount, etc. in seek of cooperation in cost reduction efforts to cope with there being several unused floors
April 30, 2010	Conclusion of memorandum to change lease agreement on leased units (setting of free-rent floors)	<ul style="list-style-type: none"> Extended agreement period and prohibited agreement cancellation Agreement period under original agreement: April 1, 2009 to March 31, 2011 ↓ Agreement period under memorandum: April 1, 2009 to March 31, 2013 Premised on the Panasonic Group promoting utilization of floors that are substantially not in use, exempted payment of rent for a limited period from April 1, 2010 to March 31, 2012 (for no more than 10 floors)
February 16, 2012	Conclusion of memorandum to change lease agreement on leased units (extension of free-rent floor period)	<ul style="list-style-type: none"> Extended free-rent floor period Before change: April 1, 2010 to March 31, 2012 ↓ After change: April 1, 2010 to March 31, 2013
March 31, 2013	End of agreement period under current agreement	<ul style="list-style-type: none"> Consult about rent, agreement period and other terms and conditions in view of continued use of the entire building by Panasonic even after end of agreement period



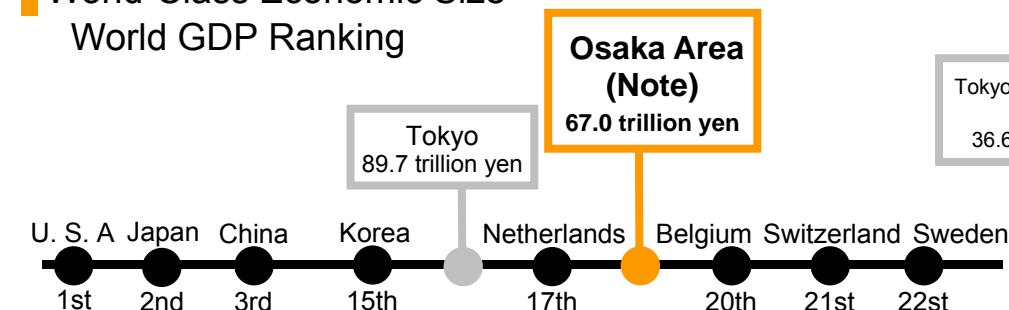
2. Market Data

Characteristics of the Osaka Area

Potential of the Osaka area



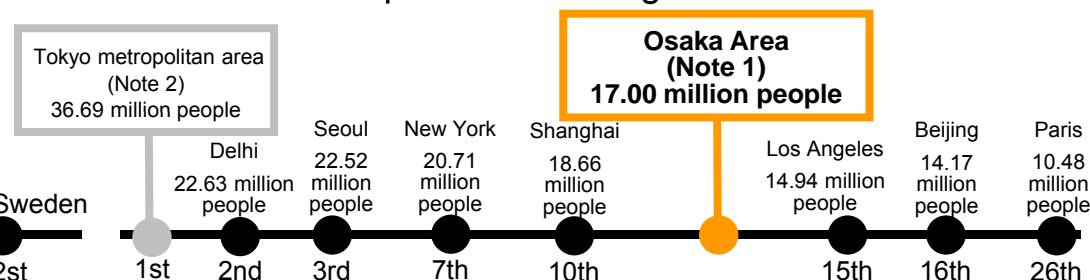
World-Class Economic Size World GDP Ranking



Source: Government of Japan Cabinet Office's "Annual Report on Prefectural Accounts for Fiscal 2008" and "Annual Report on National Accounts," and IMF's "World Economic Outlook Database: April 2011 Edition"

Note:
Osaka area refers to Osaka Prefecture, Hyogo Prefecture and Kyoto Prefecture.

Core Cities Population Ranking



Source: Demographia World Urban Areas :7th Annual Edition (Apr. 2011) , and National Statistics Center's "Social Indicators by Prefecture"(2012)

Notes:

1. Osaka area refers to Osaka Prefecture, Hyogo Prefecture and Kyoto Prefecture.
2. Tokyo metropolitan area includes most of Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture, and part of Gunma Prefecture, Tochigi Prefecture and Ibaraki Prefecture.
3. The figures for other countries are the population of urban areas as defined by Demographia.

Enriched Infrastructure Network Forging the Future of the Region

Domestic Airport Ranking (Fiscal 2009)

Passenger traffic	Ranked 3rd behind Haneda Airport and Narita Airport (27,996 thousand people)
Cargo traffic	Ranked 2nd behind Narita Airport (761 thousand tons)
Aircraft traffic	Ranked 2nd behind Haneda Airport (120 thousand times)

Source: Ministry of Land, Infrastructure, Transport and Tourism's "Airport Management Records"

Note:
Osaka International Airport and Kansai International Airport combined.

Domestic Ports and Harbors Traffic Ranking (Fiscal 2008)

Cargo traffic	Ranked 2nd behind Port of Nagoya (188 million tons)
Container traffic	Ranked 1st (4,799 thousand TEU)

Source: Ministry of Land, Infrastructure, Transport and Tourism's "Ports and Harbours Statistics (Annual)" and "Survey on Ports and Harbours (Annual)"

Note:
Port of Kobe and Port of Osaka combined.
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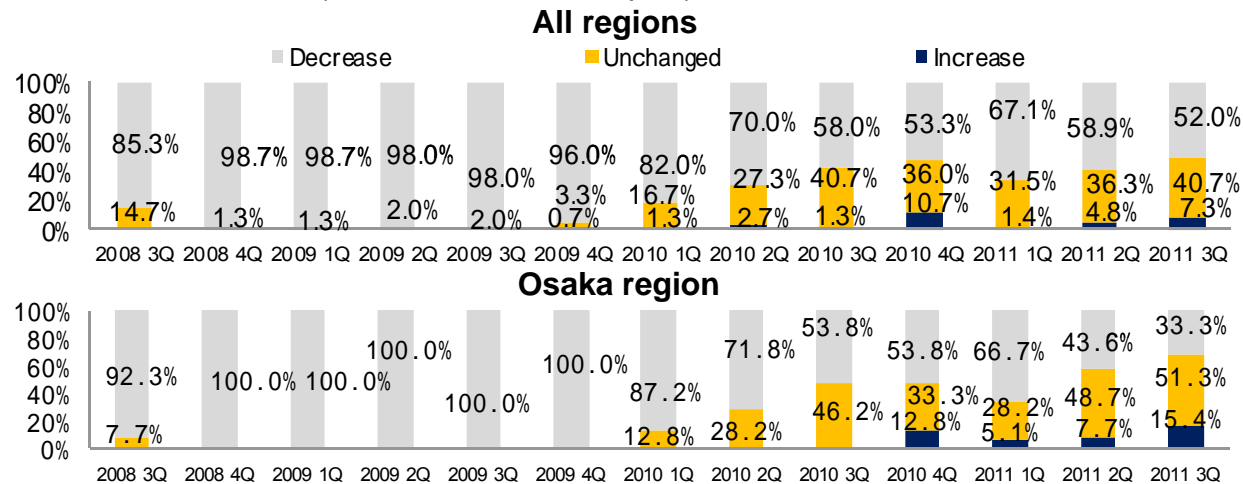


Office Market Data (1): Basic Market Data and Changes in the Vacancy Rate

Signs of settling down from considerable fall in land price trends after the Great East Japan Earthquake



Changes in Land Price Trends (Land Price LOOK Report)

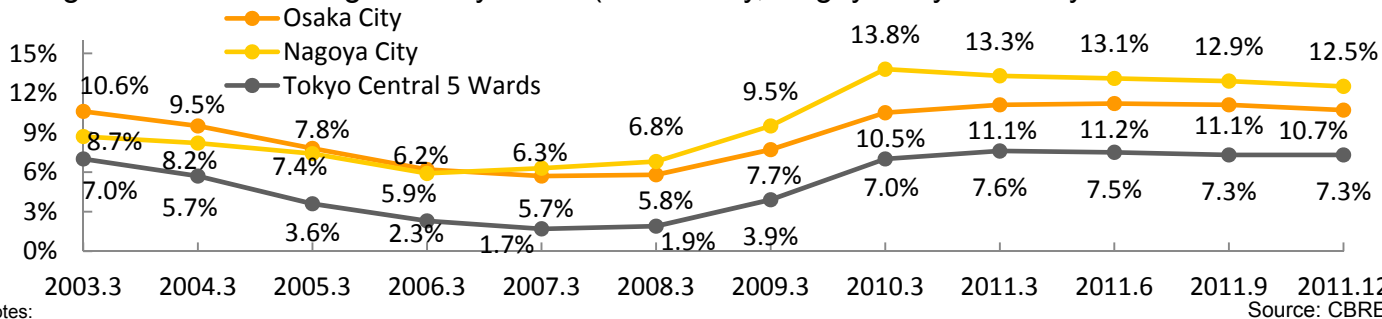


Source: Ministry of Land, Infrastructure, Transport and Tourism

Notes:

- 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 and 2Q 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.

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.
- A September 2011 revision of the office buildings for which data is computed included change from the past principle of all properties to office buildings with total floor space of 500 tsubo or more.

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

Zone	Vacancy Rate
Yodoyabashi	6.2%
Kitahama	9.3%
Hommachi	15.4%
Sakaisujihommachi	13.6%
Temmabashi	11.9%
Tanimachi 4-chome	14.1%
OBP	2.6%
Shinsaibashi	11.2%
Nagahoribashi	16.6%
Namba	14.3%
Higobashi	12.3%
Nishihommachi	11.2%
Yotsubashi	13.5%
Umeda	9.1%
Dojima/Nakanoshima	6.5%
Nishitemma	9.4%
Minamimorimachi/Higashitemma	9.1%
Nakatsu	10.0%
Fukushima	6.2%
Shin-Osaka	11.1%
Tennoji/Abeno	10.7%
Esaka	15.0%

Source: CBRE

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

Large new supply centered on Grand Front Osaka in 2013

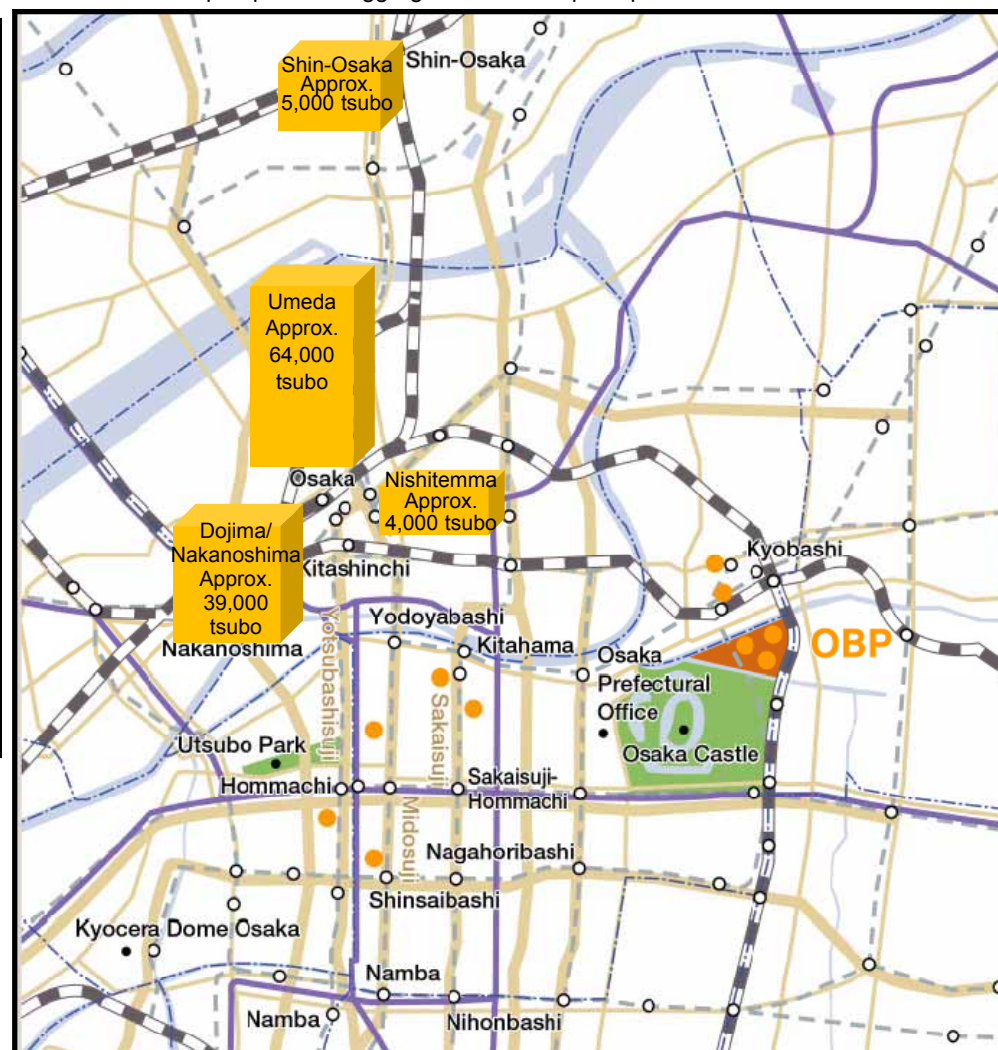


New Office Building Construction Plans and Leasable Space by Area in Key Office Areas in Osaka (*)

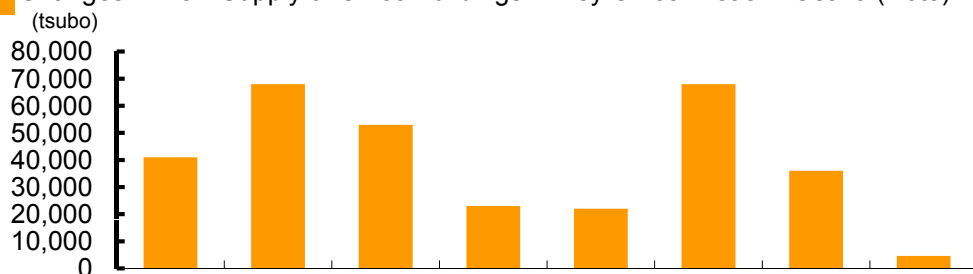
In tsubo;
() in m²

Completion	Leasable Space by Year	No.	Area	Property Name	Leasable Space (plan)
2012	22,400 (73,920)	1	Dojima/Nakanoshima	Nakanoshima Festival Tower (East area)	17,600 (58,080)
		2	Shin-Osaka	Shin-Osaka Hankyu Building	4,800 (15,840)
2013	66,700 (220,110)	3	Dojima/Nakanoshima	Daibiru Honkan	7,700 (25,410)
		4	Umeda	Grand Front Osaka block B (North, South)	37,000 (122,100)
		5	Umeda	Grand Front Osaka block A	22,000 (72,600)
2014	35,900 (118,470)	6	Tennoji/Abeno	Abeno Harukas	18,800 (62,040)
		7	Nishitemma	Ujiden Building Rebuilding Plan (tentative name)	3,500 (11,550)
		8	Dojima/Nakanoshima	New Shin Daibiru Building (tentative name)	13,600 (44,880)
2015	4,600 (15,180)	9	Umeda	Umeda Dai-ichi Building Rebuilding Plan (tentative name)	4,600 (15,180)

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 (Note)



Note: Tally of office buildings with generally leased floor space of 1,500 tsubo (4,950m²) or more.

Source: MID REIT Management Co., Ltd.

Office Market Data (3): Market Status

Remained flat overall, but decreased slightly in some locations



Expected Cap Rate vs. Market Cap Rate

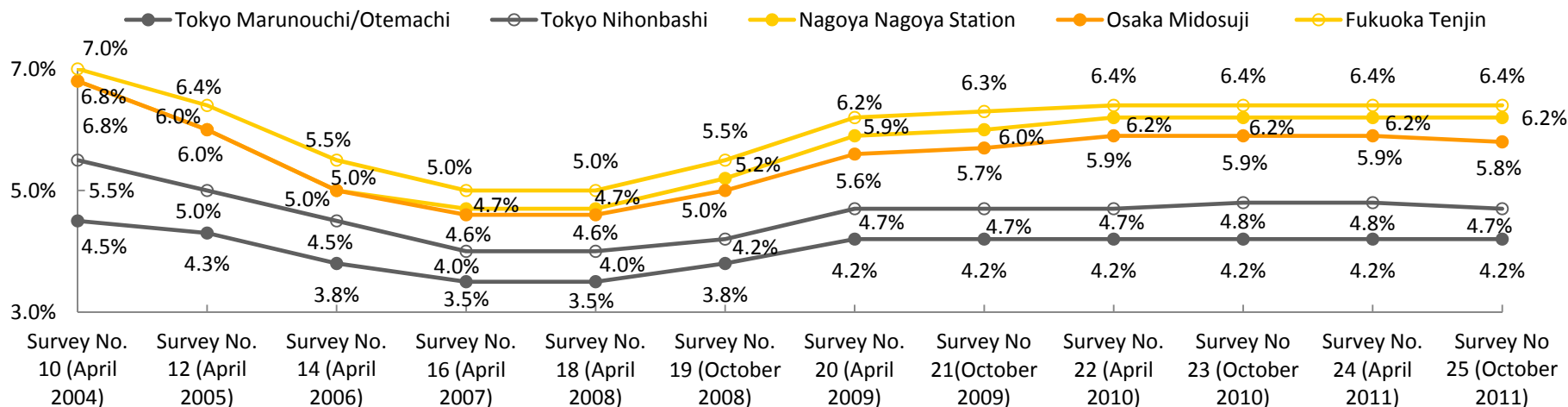
Expected Cap Rate and Market Cap Rate of Average-Sized Class A Office Building in Various Locations

() shows previous survey data (as of April 2011)

Location	Expected Cap Rate	Market Cap Rate
Tokyo Around Marunouchi/Otemachi	4.5% (4.5%)	4.2% (4.2%)
Tokyo Around Nihonbashi	4.9% (5.0%)	4.7% (4.8%)
Nagoya Around Nagoya Station	6.4% (6.4%)	6.2% (6.2%)
Osaka Midosuji Avenue	6.0% (6.0%)	5.8% (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. 25" (as of October 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

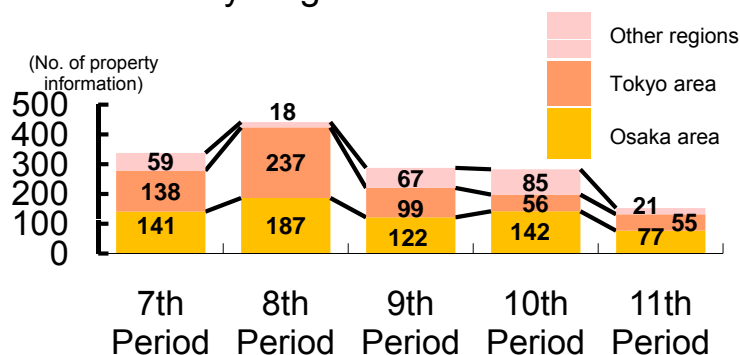
- Conduct asset management in pursuit of securing stable revenue and achieving steady growth of assets under management from a medium- to long-term perspective

Image of Long-term External Growth

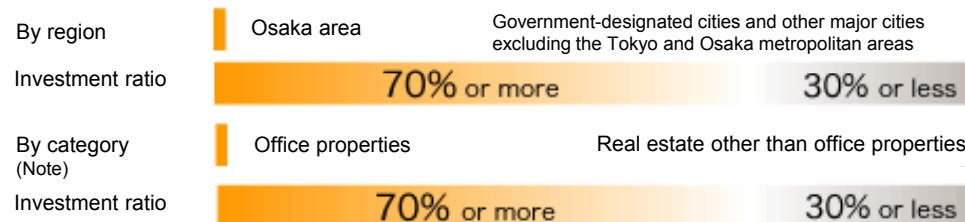
Asset size of 200 billion yen	Aim for 200 billion yen in asset size through such measures as acquiring competitive properties when they are relatively new
OBP concentration level at the 50~59% range	Seek to lower the OBP concentration level to the 50~59% range (based on acquisition price)

Status of Property Information Acquisition

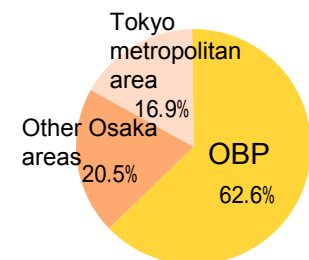
Property Information by Region



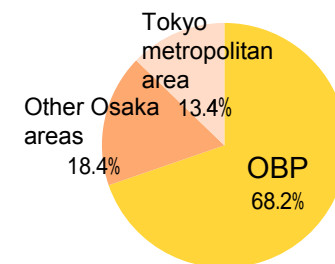
Targeted Investment Regions and Categories (Types)



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.

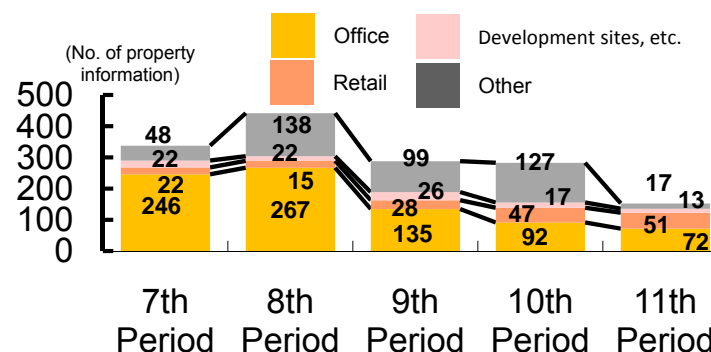


By Region
(11th Fiscal Period)
(based on acquisition price)



By Investment Region
(11th Fiscal Period)
(based on property leasing revenue)

Property Information by Property Type



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

OBP featuring business base, convenient access and information/culture base combined



Characteristics of the OBP

Business Base

Total land space	Approx. 260,000m ²
No. of buildings	Total 15 buildings (including Panasonic, Fujitsu, NEC, KDDI, Sumitomo Life Insurance, Tokio Marine & Nichido Fire Insurance, Yomiuri Telecasting and other large businesses)
No. of offices (as of June 1, 2011)	Total 542 (restaurants 65, retails 105 and offices 372)
No. of workers (as of June 1, 2011)	Total 34,050 people (restaurants 972 people, retails 1,663 people and offices 31,415 people)
No. of parking	Twin 21 Parking approx. 400 vehicles Matsushita IMP Parking approx. 300 vehicles MID Shiromi Parking approx. 200 vehicles ...etc. totaling approx. 3,000 vehicles

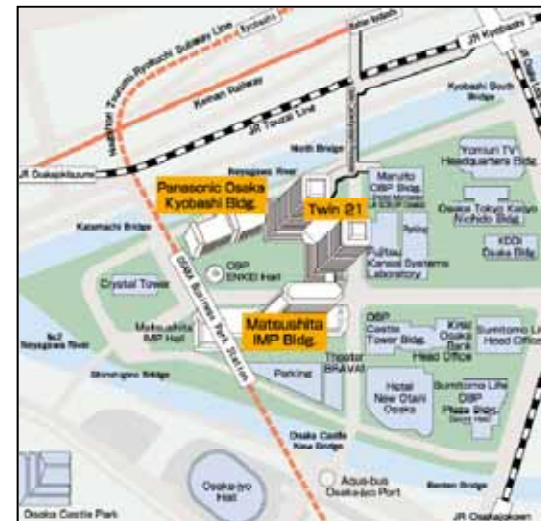


Convenient Access as the “Gateway to Eastern Osaka”

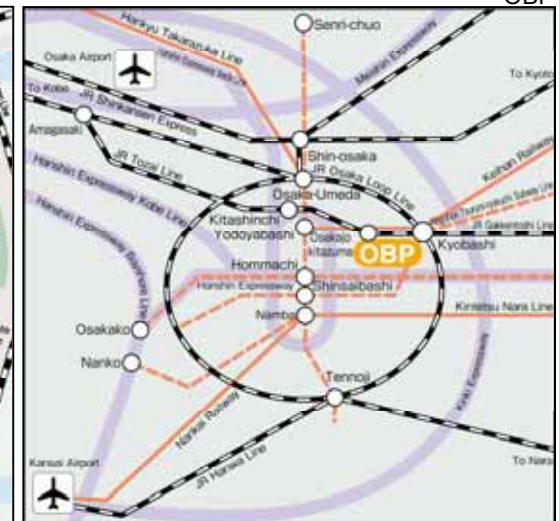
Access to 6 stations on 4 lines	JR Osaka Loop Line (Kyobashi St. and Osakajyo Koen Sta.) JR Tozai Line (Kyobashi Sta. and Osakajyo Kitazume Sta.) Keihin Main Line (Kyobashi Sta.) Subway Tsurumi-Ryokuchi Line (Osaka Business Park Sta. and Kyobashi Sta.)
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Information/Culture Base

Multi-purpose halls	Osaka-Jo Hall, OBP Enkei Hall, Matsushita IMP Hall, Theater BRAVA!, Izumi Hall, etc.
Huge show rooms	Panasonic Center Osaka, Panasonic Living Show Room Osaka, etc.
Extensive lodging facilities	Hotel New Otani Osaka, Hotel Monterey Lasoeur Osaka
Consular offices	Consulate general of Australia, consulate general of Holland, consulate general of Philippines



OBP Area Map



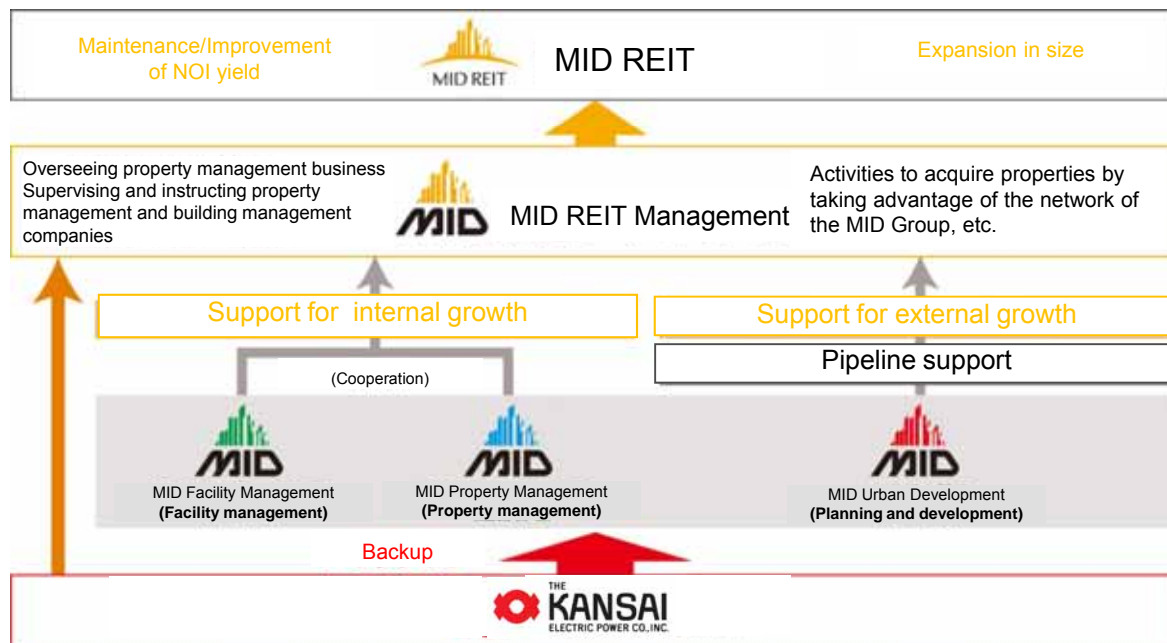
OBP Access Map

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 The Kansai Electric Power Co., Inc. (as of February 1, 2012)

Representative	Makoto Yagi, President and Director
Principal businesses	Electricity business, heat supply business, telecommunications business, gas supply business, etc.
Shareholder	City of Osaka, Nippon Life Insurance Company and City of Kobe, etc.
URL	http://www.kepc.co.jp/
Consolidated performance	Total assets: 7.3 trillion yen; Net sales: 2.7 trillion yen (fiscal year ended March 31, 2011)

Overview of MID Urban Development Co., Ltd. (as of February 1, 2012)

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: 98.34%)
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 financial soundness	<ul style="list-style-type: none"> Released security interests pertaining to existing debt financing and, as a result, all existing debt financing became unsecured debt financing Extended loan periods (8th Period end (Jun. 30, 2010) remaining years: 1.2 years → 11th Period end (Dec. 31, 2011) remaining years: 2.1 years) Reduced borrowing related costs (interest + borrowing related fees) (7th Period (ended Dec. 31, 2009): 846 million yen → 11th Period (ended Dec. 31, 2011): 673 million yen) Strengthened bank formation Outlook of issuer rating acquired from R&I changed from A (Negative) to A (Stable)
Contribution to 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 (total leased space: 2,421.56m²) Introduced utility services for reducing the facility life cycle costs
Support of long-term vision	<ul style="list-style-type: none"> Executed agreement on promoting use of and discussing redevelopment of OBP



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)

Twin 21 (Osaka)


Attracted retail tenant that can lead to synergistic effects with common areas



COCARDE (cake shop)

Matsushita IMP Bldg. (Osaka)

Converted retail space into office space



Sekisui House Osaka SHAWOOD Home Branch

Capital Expenditures (CAPEX)

Actual Major CAPEX During 11th Period

Increase and upgrading of air-conditioners (Twin 21)	99 million yen
Upgrading of general receiving system (Twin 21)	57 million yen
Upgrading of general receiving system (Matsushita IMP Bldg.)	53 million yen
Conversion of 2F east retail space into office space (Matsushita IMP Bldg.)	51 million yen

Major CAPEX Expected (2012)

Renewal of heat source system coolant pump (Twin 21)	84 million yen
Maintenance of air-conditioners (Matsushita IMP Bldg.)	50 million yen
Renewal of common areas of typical floor plate (Twin 21)	54 million yen
Upgrading of general receiving system (Twin 21)	58 million yen

Occupancy Conditions by Property

The portfolio occupancy rate ended at 97.5%, which was 0.1 percent higher than at the end of the previous fiscal period



Type	Property Name	Leasable Space (m ²) (Note 1)	⑩10th Period Occupancy Rate as of June 30, 2011 (%) (Note 2)	⑪11th Period Occupancy Rate as of Dec. 31, 2011 (%) (Note 2)	Difference ⑪ - ⑩ (points)	Movements During 11th Period			
						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	94.3	96.0	1.7	2,575.27	16.16	- 1,047.18	- 145.87
	Matsushita IMP Bldg.	37,155.43	97.3	95.1	- 2.2	453.44	-	- 1,009.68	- 260.16
	Panasonic Osaka Kyobashi Bldg. (Note 4)	12,684.52	100.0	100.0	-	-	-	-	-
	Midosuji MID Bldg.	10,461.32	91.4	91.4	-	130.99	129.52	- 260.51	-
	MID REIT Kyobashi Bldg.	4,833.88	100.0	100.0	-	-	-	-	-
	MID Imabashi Bldg.	4,279.70	89.4	83.6	- 5.8	-	-	- 249.48	-
	MID Midosujikawaramachi Bldg.	3,096.70	88.8	94.9	6.1	-	188.80	-	-
	Kitahama MID Bldg.	10,189.50	100.0	100.0	-	-	-	-	-
	MID Nishihommachi Bldg.	3,870.82	100.0	100.0	-	-	-	-	-
	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 MALL Tsudanuma	101,210.44	100.0	100.0	-	-	-	-	-
Occupancy Rate by Type (Note 3)	Office Bldg. Occupancy Rate	170,974.74	95.7	96.0	0.3	3,159.70	334.48	- 2,566.85	- 406.03
	Non-Office Bldg. Occupancy Rate	110,796.70	100.0	100.0	-	-	-	-	-
Total		281,771.44	97.4	97.5	0.1	3,159.70	334.48	- 2,566.85	- 406.03

Increase in floor space	3,494.18m ²
Decrease in floor space	2,972.88m ²
Net	521.3m ²

Notes:

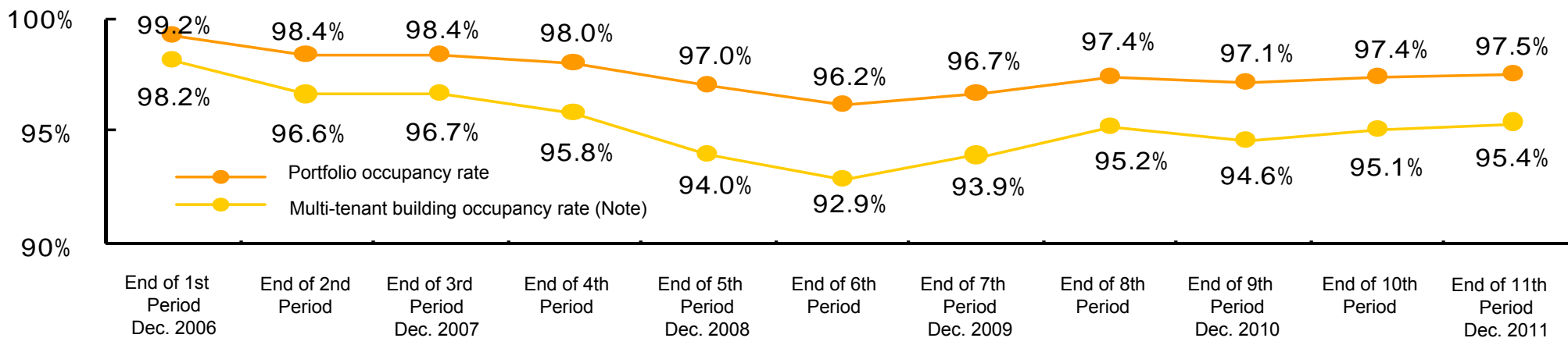
1. "Leasable Space" represent the total leasable floor space as of December 31, 2011. (Figures are for leasable units only and exclude the floor space for storage, halls, parking, etc. However, the leasable space of Konami Sports Club Kyobashi and AEON MALL Tsudanuma include the floor space for common 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.
4. The property name was changed from Panasonic Denko Bldg. to Panasonic Osaka Kyobashi Bldg. on January 1, 2012. The name after the change is thus shown.

Changes in Occupancy Rates

Maintaining a high occupancy rate since listing



Changes in Occupancy Rates (End of 1st Period to End of 11th Period)



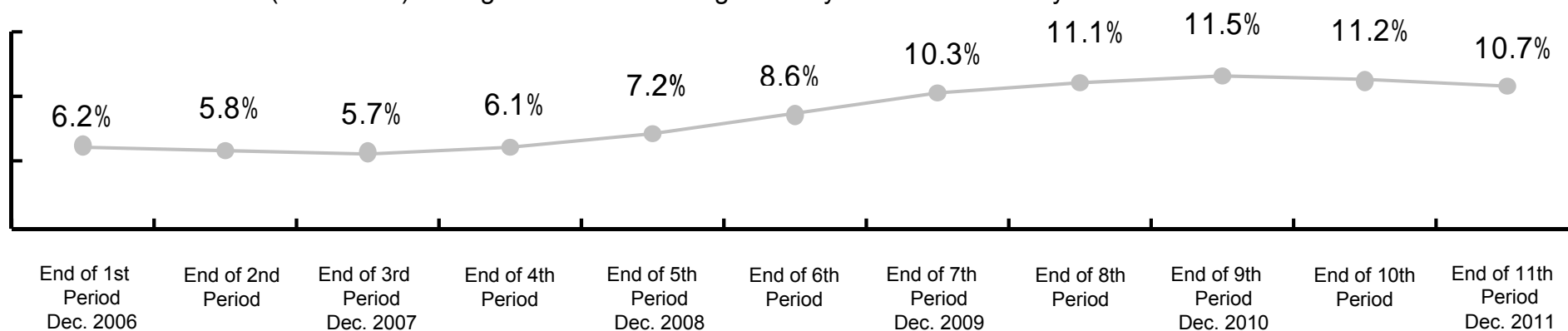
Notes:

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 10 for details of the office building vacancy rate in Osaka City.

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



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	0	0		
	Unchanged	10	6,994.77		Twin (office 3); IMP (office 4); Kitahama 1; Nishihommachi 2
	Downward revision	2	529.32	-2	Imabashi 1; Kawaramachi 1
Total				-2	-

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	0	0		
	Downward	14	5,803.76	-21	Twin (office 3; retail 6); IMP (office 5)
Total				-21	-

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	2	2,481.52	12	Twin (office 1); Kawaramachi 1
	Same	1	77.47		IMP (retail 1)
	Down	7	935.19	-3	Twin (office 2; retail 1); IMP (office 2); Midosuji 2
Total				9	-

Notes:

1. Based on contract renewals, etc. with tenants whose contracts expired during the 11th Period.
2. Based on contract modifications with tenants whose contracts were active but were modified during the 11th Period.
3. Based on contracts signed with new tenants during the 11th Period and contracts newly signed with existing tenants for larger floor space, etc. during the 11th 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

Slight drop, reflecting downward trend of rent



Type	Region	Property Name	Acquisition Price (million yen) (Note 1)	Appraisal Value at 10th Period End (million yen) (Note 2)	Book Value as of 11th Period End (million yen) (Note 3)	Appraisal Value at 11th Period End (million yen) (Note 2)	Difference from Acquisition Price (%)	Difference from Previous Period End (%)	Difference from Book Value (%)	Appraisal Company	10th Period Appraisal Value Rate (%) (Note 6)	11th Period Appraisal Value Rate (%) (Note 6)
Office Bldg.	Osaka area	Twin 21 (Note 4)	68,700	59,100	69,203	59,000	- 14.1	- 0.2	- 14.7	Morii Appraisal & Investment Consulting, Inc.	5.2	5.2
		Matsushita IMP Bldg.	24,600	20,300	24,078	20,300	- 17.5	0	- 15.7	Tanizawa Sogo Appraisal Co., Ltd.	5.5	5.5
		Panasonic Osaka Kyobashi Bldg (Note 5)	7,620	6,740	7,512	6,740	- 11.6	0	- 10.3	Morii Appraisal & Investment Consulting, Inc.	5.6	5.6
		Midosuji MID Bldg.	8,290	7,170	8,954	7,150	- 13.8	- 0.3	- 20.2	Tanizawa Sogo Appraisal Co., Ltd.	4.9	4.9
		MID REIT Kyobashi Bldg.	2,300	1,250	2,214	1,250	- 45.7	0	- 43.5	Tanizawa Sogo Appraisal Co., Ltd.	6.1	6.1
		MID Imabashi Bldg.	3,270	2,360	3,321	2,310	- 29.4	- 2.1	- 30.4	Tanizawa Sogo Appraisal Co., Ltd.	5.5	5.5
		MID Midosujikawaramachi Bldg.	2,000	1,350	2,001	1,360	- 32.0	0.7	- 32.0	Tanizawa Sogo Appraisal Co., Ltd.	5.9	5.9
		Kitahama MID Bldg.	10,800	9,090	10,826	8,640	- 20.0	- 5.0	- 20.2	Japan Real Estate Institute	5.1	5.1
		MID Nishihommachi Bldg.	3,550	2,230	3,509	2,170	- 38.9	- 2.7	- 38.2	Japan Real Estate Institute	5.4	5.4
	Other major cities	MID Shibakanasugibashi Bldg.	1,160	1,180	1,133	1,150	- 0.9	- 2.5	1.5	Tanizawa Sogo Appraisal Co., Ltd.	5.4	5.5
Subtotal			132,290	110,770	132,756	110,070	- 16.8	- 0.6	- 17.1		-	-
Non-Office Bldg.	Osaka area	Konami Sports Club Kyobashi	2,780	2,780	2,610	2,780	0	0	6.5	Daiwa Real Estate Appraisal Co., Ltd.	6.0	6.0
	Other major cities	AEON MALL Tsudanuma	26,100	23,700	25,197	23,700	- 9.2	0	- 5.9	Daiwa Real Estate Appraisal Co., Ltd.	5.4	5.4
Subtotal			28,880	26,480	27,807	26,480	- 8.3	0	- 4.8	-	-	-
Total			161,170	137,250	160,564	136,550	- 15.3	- 0.5	- 15.0	-	-	-

Notes:

- "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.).
- "Appraisal Value" is the appraisal value at the end of the fiscal period based on the appraisal report with December 31, 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.
- "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.
- Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).
- The property name was changed from Panasonic Denko Bldg. to Panasonic Osaka Kyobashi Bldg. on January 1, 2012. The name after the change is thus shown.
- "Appraisal Value Rate" is the cap rate based on the direct capitalization method.

Tenant Trends (1)

Major tenants are AEON Retail and Panasonic



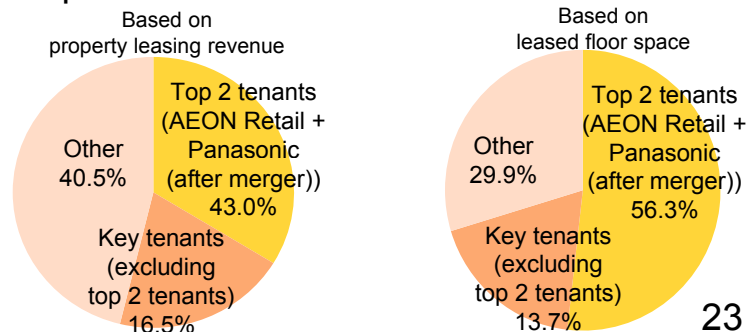
Overview of Key Tenants

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 MALL Tsudanuma	Sep. 29, 2023	101,210.44	36.8
Panasonic Corporation (after merger) (Note 3)	Panasonic Corporation (before merger)	Twin 21	Mar. 31, 2013	40,956.60	14.9
	Panasonic Electric Works Co., Ltd. (before merger)	Panasonic Osaka Kyobashi Bldg. (Note 4)	Mar. 31, 2014	12,684.52	4.6
		Twin21, Panasonic Osaka Kyobashi Bldg. (Note 4)	Mar. 31, 2013	53,641.12	19.5
Konami Sports & Life Co., Ltd.		Konami Sports Club Kyobashi	- (Note5)	9,586.26	3.5
Nippon Computer System Co., Ltd.		Matsushita IMP Bldg.	Apr. 30, 2014	5,632.24	2.0
NTT Kansai Shikoku Telephone Directory Co., Ltd.		MID REIT Kyobashi Bldg.	Feb. 28, 2013	4,833.88	1.8
Human Academy Co., Ltd.		Midosuji MID Bldg.	- (Note5)	4,643.59	1.7
Asahi Breweries Co., Ltd.		Matsushita IMP Bldg.	Mar. 31, 2012	4,531.23	1.6
MID Property Management Co., Ltd.		Twin 21, Matsushita IMP Bldg. and Midosuji MID Bldg.	Mar. 31, 2014	4,415.65	1.6
CTI Engineering Co., Ltd.		Kitahama MID Bldg.	- (Note5)	4,077.50	1.5
Total				192,571.91	70.1

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. Panasonic Corporation and Panasonic Electric Works Co., Ltd. merged, with Panasonic Corporation as the surviving company, on January 1, 2012.
4. The property name was changed from Panasonic Denko Bldg. to Panasonic Osaka Kyobashi Bldg. on January 1, 2012. The name after the change is thus shown.
5. 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)

Satisfaction raised for factors involving people, such as “Effectiveness of facility management” and “Effectiveness of property management”



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: Nov. 18, 2011 to Nov. 25, 2011

Number sampled: 203 tenants

Surveyor: Kanden CS Forum Inc.(Note 2), Ad Dentsu Osaka Inc. and Dentsu Marketing Insight Inc.

Survey Results: Customer Satisfaction Index (CSI*)

Factors	2007	2008	2009	2010	2011	Difference (2010 → 2011)
Effectiveness of facility management	72.9	76.7	74.4	73.9	76.3	+ 2.4
Effectiveness of property management	67.3	68.9	66.5	68.3	70.3	+ 2.0
Overall building comfort	49.5	54.2	52.2	55.1	56.5	+ 1.4
Security measures	65.7	68.0	63.0	66.2	66.9	+ 0.7
Cleanliness	71.1	73.1	71.1	71.5	72.1	+ 0.6
User-friendliness of building facilities and equipment	59.0	60.4	57.2	65.2	65.5	+ 0.3
Attitude of management staff	70.8	74.2	72.8	74.1	74.4	+ 0.3
Common-area functions	56.5	58.5	56.7	64.7	64.7	+ 0.0
Ambience	74.3	75.3	73.0	79.5	79.3	- 0.2

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

Environmental Initiatives

Worked to obtain DBJ Green Building Certification and obtained it in February, 2012









Overview of DBJ Green Building Certification System

Under the objective of promoting the increase of real estate that demonstrate high consideration not only on environmental performance of the building but also disaster prevention and anticrime measures as well as societal demands from various stakeholders of real estate (Green Building), Development Bank of Japan Inc. (DBJ) conducts an assessment based on a scoring model that it developed and then selects and certifies those real estate that meet the needs of the times.

About the Certified Properties

Property Overview

Twin 21 (Silver)		Matsushita IMP Bldg. (Silver)		Kitahama MID Bldg. (Silver)	
					
	Location		Location		Location
	Shiromi, Chuo-ku, Osaka		Shiromi, Chuo-ku, Osaka		Doshomachi, Chuo-ku, Osaka
	Structure		Structure		S, SRC
	Floors		Floors		B1/38F
	Total floor space		Total floor space		14,648.13m ²
	Construction completed		Construction completed		February 2008
	Acquired		Acquired		April 2008

Initiatives of MID REIT

Enriched business life	· Houses extensive range of facilities that enhance convenience for users, such as convenience stores, eating and drinking establishments, clinics and financial institutions, within the property
Proactive and systematic environmental initiatives	· Proactively and systematically implements environmental initiatives, such as switching to LED and highly-efficient lighting equipment and water-saving measures
Building operation in partnership with local community and consigned businesses	· Implements town management that is deeply involved with the surrounding region and gives due consideration to also the culture and history · Implements building operation by the asset management, property management and building management companies each maintaining good partnerships while leveraging their strengths



5. Portfolio

Portfolio Overview

Properties under management as of the end of the 11th 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 Osaka Kyobashi Bldg. (Note 6)	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	3,096.70	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	170,974.74	-
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 MALL Tsudanuma	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	281,771.44	2.8

Notes:

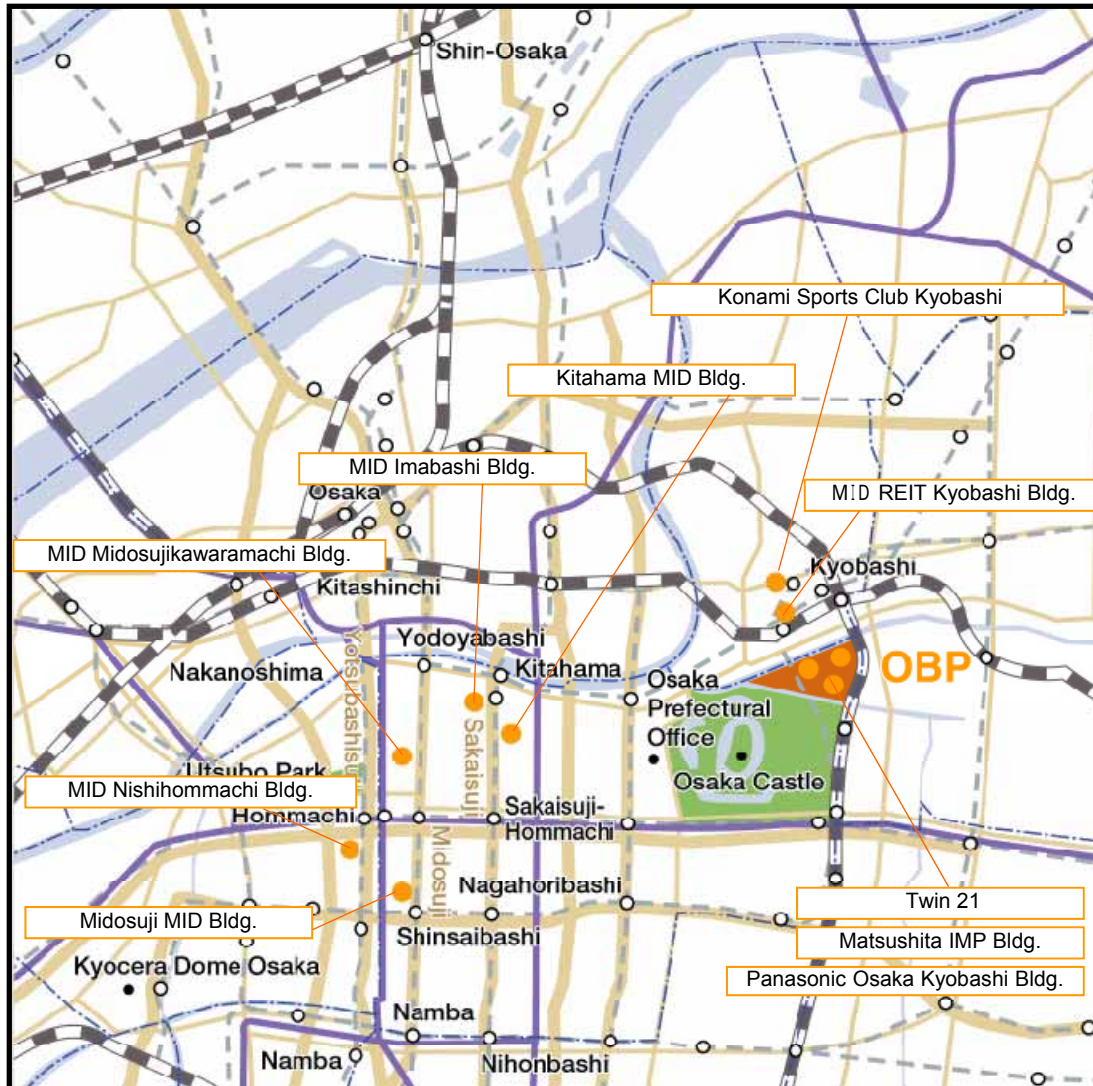
1. "Acquisition Price" states the sale price which is stated in the sales contract for the respective trust beneficiary interest, etc. (excluding various acquisition expenses, property taxes and consumption taxes, etc.).
2. "Investment Ratio" indicates the ratio of the acquisition price of the applicable 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 December 31, 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 MALL Tsudanuma 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 December 31, 2011.
5. Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).
6. The property name was changed from Panasonic Denko Bldg. to Panasonic Osaka Kyobashi Bldg. on January 1, 2012. The name after the change is thus shown.
7. In addition to the assets listed in the table above, MID REIT acquired silent partnership interests in Sakura Dori MID Bldg.

Portfolio Map

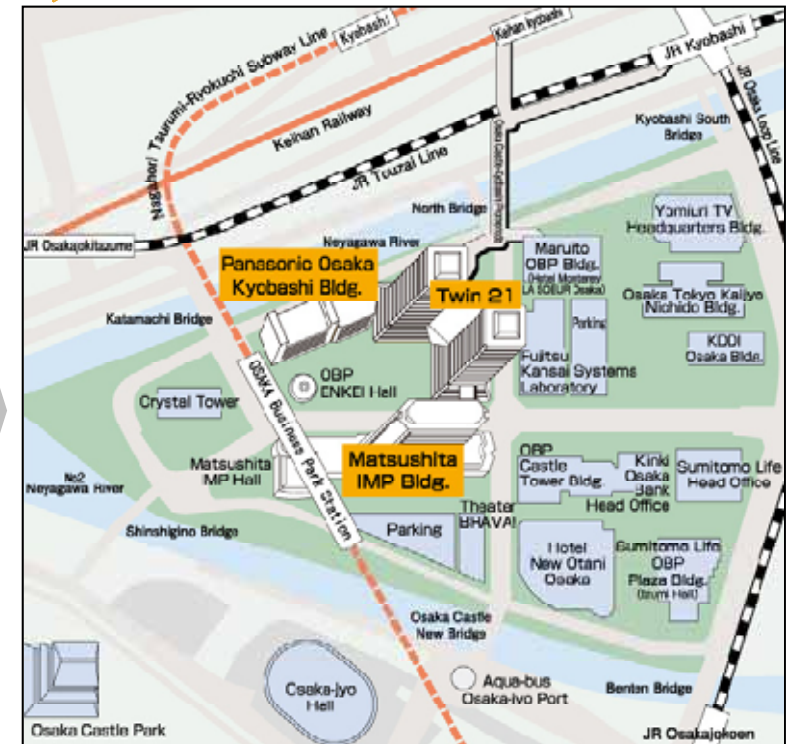
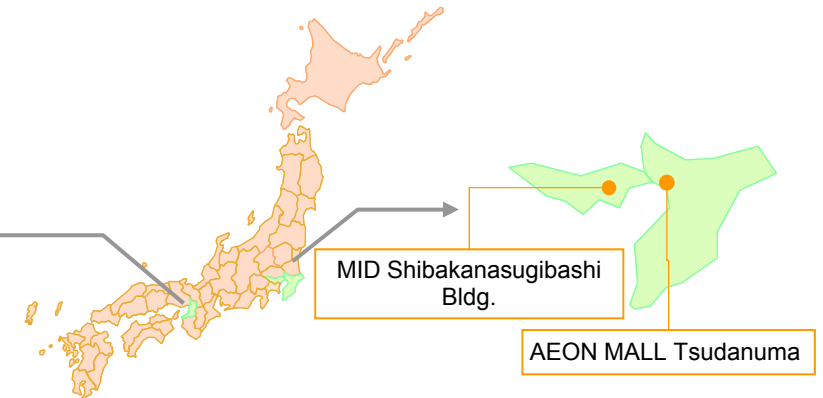
Portfolio centering on the Osaka area



Portfolio Data



Central Osaka
















Osaka Business Park (OBP)

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 Osaka Kyobashi Bldg.	 Kitahama MID Bldg.  MID Nishihommachi Bldg.	 Midosuji MID Bldg.  MID Midosujikawaramachi Bldg.	 MID Imabashi 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 MALL Tsudanuma			 Silent partnership interests operated by Sakura Dori Development LLC, the owner of Sakura Dori MID Bldg.(Located in Nagoya *) (Comprising 10% of Silent Partnership Interests) *100.0% occupancy rate as of the end of December 2011	

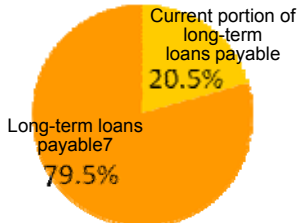
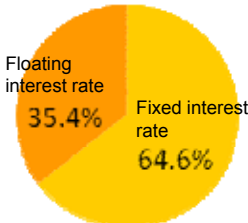


6. Financial Strategy

Financial Policy

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 11th 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 1128 459">Ratio of Long-term/Short-term Debt</div> <div data-bbox="1223 432 1532 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 1218 837">Debt Financing of Each Bank (million yen)</div> <div data-bbox="1317 810 1962 837">Diversification of Repayment Dates (billion yen)</div> </div> <div style="display: flex; justify-content: space-between;"> <table border="1" data-bbox="584 847 1211 1366"> <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 2119 1155"> </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> <p>1. 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.)</p> <p>2. 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</p> </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																														
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Hyakugo Bank	1,000																														
Minato Bank	1,000																														
Nanto Bank	500																														
Total	72,050																														

Details on Debt Financing

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	JBA Japanese Yen TIBOR + 1.0%	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	JBA Japanese Yen TIBOR + 0.8%	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	JBA Japanese Yen TIBOR + 0.8% (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	JBA Japanese Yen TIBOR + 1.0% (Note 3)	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	July 29, 2011	13,800 million yen	JBA Japanese Yen TIBOR + 0.6% (Note 4)	July 31, 2014	Bullet payment	Unsecured Unguaranteed
	Term loan (5 years) Mizuho Corporate Bank, Development Bank of Japan	July 29, 2011	4,000 million yen	1.36375% (Note 5)	July 31, 2016	Bullet payment	Unsecured Unguaranteed
Total			72,050 million yen				

- Loans are co-financed by the banks in the list.
- In accordance with the interest-rate swap agreement, the actual interest rate is 1.142% (p.a.) up to the principal repayment date.
- In accordance with the interest-rate swap agreement, the actual interest rate is 1.447% (p.a.) up to the principal repayment date.
- In accordance with the interest-rate swap agreement, the actual interest rate is 1.0625% (p.a.) up to the principal repayment date.
- 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



7. Appendix

Financial Statements (1)



Balance Sheet

Description	10th Period (as of June 30, 2011)		11th Period (as of Dec. 31, 2011)		Difference	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
(ASSETS)						
Total Current Assets	14,852	8.4	15,193	8.6	340	2.3
Cash and deposits	8,972		9,411		438	
Cash and deposits in trust	5,712		5,571		-140	
Operating accounts receivable	139		140		0	
Prepaid expenses	28		69		41	
Deferred tax assets	0		0		0	
Total Noncurrent Assets	162,033	91.6	161,368	91.4	-664	-0.4
1. Property, plant and equipment						
Buildings in trust	60,692		61,124		-611	
Accumulated depreciation	-9,068		-10,112			
Structures in trust	101		106		3	
Accumulated depreciation	-9		-11			
Tools, furniture and fixtures in trust	342		368		4	
Accumulated depreciation	-100		-122			
Land in trust	109,210		109,210		-	
Total property, plant and equipment	161,168	91.1	160,564	90.9	-604	-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	-18.3
3. Investments and other assets						
Investment securities	191		187		-4	
Lease and guarantee deposits	10		10		-	
Long-term prepaid expenses	662		605		-56	
Total investments and other assets	863	0.5	802	0.5	-60	-7.0
Total Assets	176,885	100.0	176,561	100.0	-324	-0.2

Description	10th Period (as of June 30, 2011)		11th Period (as of Dec. 31, 2011)		Difference	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
(LIABILITIES)						
Total Current Liabilities	20,494	11.6	17,069	9.7	-3,424	-16.7
Operating accounts payable	339		284		-55	
Current portion of long-term loans payable	18,050		14,750		-3,300	
Accounts payable - other	690		796		105	
Accrued expenses	159		134		-25	
Distribution payable	14		11		-3	
Income taxes payable	1		1		0	
Accrued consumption taxes	32		22		-9	
Advances received	696		686		-10	
Other	510		383		-126	
Total Noncurrent Liabilities	64,621	36.5	67,702	38.3	3,080	4.8
Long-term loans payable	54,125		57,300		3,175	
Tenant leasehold and security deposits	8,409		8,325		-83	
Tenant leasehold and security deposits in trust	2,087		2,076		-10	
Total Liabilities	85,116	48.1	84,772	48.0	-344	-0.4
(NET ASSETS)						
Unitholders' Equity						
1. Unitholders' capital	90,372		90,372		-	
2. Surplus						
Unappropriated retained earnings (undisposed loss)	1,396		1,416		20	
Total surplus	1,396		1,416		20	
Total unitholders' equity	91,769		91,789		20	
Total Net Assets	91,769	51.9	91,789	52.0	20	0.0
Total Liabilities and Net Assets	176,885	100.0	176,561	100.0	-324	-0.2

Includes CAPEX accrued during the period: 492 million yen
(see page 37 for details of properties)

Financial Statements (2)



Income Statement

Description	10th Period (Jan. 1, 2011 – June 30, 2011)		11th Period (July 1, 2011 – Dec. 31, 2011)		Difference	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
1. Operating revenue	5,763	100.0	5,776	100.0	13	0.2
Rent revenue - real estate	5,379		5,384			
Other lease business revenue	383		392			
2. Operating expenses	3,615	62.7	3,691	63.9	75	2.1
Expenses related to rent business	3,054		3,132			
Asset management fee	427		428			
Asset custody fee	8		8			
Administrative service fees	45		45			
Directors' compensations	10		10			
Other operating expenses	68		66			
Operating income	2,147	37.3	2,085	36.1	-62	-2.9
3. Non-operating income	4	0.1	5	0.1	0	23.7
Interest income	1		1			
Reversal of distribution payable	2		3			
Other	0		0			
4. Non-operating expenses	743	12.9	673	11.7	-69	-9.4
Interest expenses	509		464			
Borrowing related expenses	234		209			
Other	0		0			
Ordinary income	1,408	24.4	1,416	24.5	8	0.6
5. Extraordinary income	48	0.8	30	0.5	-17	-35.5
Insurance income	48		30			
6. Extraordinary loss	58	1.0	29	0.5	-28	-49.2
Loss on disaster	58		29			
Income before income taxes	1,398	24.3	1,418	24.6		
Total income taxes	1	0.0	1	0.0	0	1.0
Income taxes - current	1		1			
Income taxes - deferred	0		-0			
Income taxes - deferred	1,396	24.2	1,416	24.5	20	1.4
Retained earnings brought forward	0		0			
Unappropriated retained earnings (undisposed loss)	1,396		1,416		20	1.4

Details of rent revenue - real estate

Rent	4,176
CAM	1,056
Parking revenue	151

Details of expenses related to rent business

Property management fees	704
Utilities	496
Real estate taxes	600
Insurance premiums	29
Repairs	172
Depreciation and amortization	1,080
Loss on retirement of noncurrent assets	16
Other lease business expenses	31

Financial and Accounting Indices



Indices	10th Period Results (Jan. 1, 2011 – June 30, 2011)	11th Period Results (July 1, 2011 – Dec. 31, 2011)	Comments
Net operating days	181days	184days	-
NOI from property leasing	3,798million yen	3,741million yen	Property leasing income + Depreciation and amortization + Loss on retirement of noncurrent assets
NOI yield from property leasing (p.a.)	4.8%	4.6%	NOI from property leasing (annualized) ÷ Total acquisition price of portfolio properties (on an average daily balance basis)
Funds from operations (FFO)	2,485million yen	2,513million 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	13,535yen	13,689yen	FFO ÷ Total investment units issued and outstanding at end of period
Return on assets (ROA)	1.6%	1.6%	Ordinary income [annualized] ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2}
Return on equity (ROE)	3.1%	3.1%	Net income [annualized] ÷ {(NAV at beginning of period + NAV at end of period) ÷ 2}
NAV per unit	499,763yen	499,873yen	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)	5.8	6.4	Net income before interest and depreciation (Net income + Interest expenses + Depreciation and amortization) ÷ Interest expenses
Price book-value ratio (PBR)	0.5	0.4	Unit price at end of period ÷ NAV per unit
Price earnings ratio (PER)	14.7	11.9	Unit price at end of period ÷ Net income per unit [annualized]
FFO multiple	8.2	6.7	Unit price at end of period ÷ FFO per unit [annualized]

注:

Note: Unit price at end of period is 182,400 yen, which is the closing price on December 30, 2011.

Cash Flows from Properties



(million yen)

	Twin 21	Matsushita IMP Bldg.	Panasonic Osaka Kyobashi Bldg. (Note 2)	Midosuji MID Bldg.	MID REIT Kyobashi Bldg. (Note 3)	MID Shibakanasugibashi Bldg.	Konami Sports Club Kyobashi (Note 2)	AEON MALL Tsudanuma	MID Imabashi Bldg.	MID Midosuji-kawaramachi Bldg.	Kitahama MID Bldg.	MID Nishihommachi Bldg.
Operating days	184	184	184	184	184	184	184	184	184	184	184	184
Rent	1,656	713	242	231	-	43	-	726	61	41	245	71
CAM	556	304	52	30	-	-	-	-	22	12	61	16
Parking revenue	62	53	4	5	-	2	-	-	8	1	9	2
Rent revenue - real estate	2,275	1,071	299	266	-	46	-	726	92	55	315	91
Utilities	142	104	26	25	-	-	-	-	7	5	40	13
Early-withdrawal penalties received	-	5	-	0	-	-	-	-	-	-	-	-
Other revenue	9	3	2	1	-	0	-	-	0	0	1	1
Other lease business revenue	151	113	28	27	-	0	-	-	7	5	42	15
① Property leasing revenue	2,426	1,185	327	294	-	46	-	726	100	61	357	106
Property management fees	338	190	50	34	-	1	-	12	15	8	37	11
Commissions payment	-	-	-	0	-	-	-	-	-	-	-	-
Utilities	242	147	29	24	-	-	-	-	8	4	26	12
Real estate taxes	237	145	19	52	-	7	-	66	14	6	24	9
Insurance premiums	11	6	1	1	-	0	-	5	0	0	1	0
Repairs	58	36	15	42	-	1	-	0	3	4	0	3
Other lease business expenses	20	9	0	0	-	0	-	-	0	0	0	-
② Property leasing expenses	908	535	117	155	-	10	-	85	42	25	89	37
③ NOI (① - ②)	1,518	649	210	138	37	35	80	640	57	35	267	69
NOI yield (Acquisition price basis) (p.a.)	4.4%	5.3%	5.5%	3.4%	3.3%	6.1%	5.8%	4.9%	3.5%	3.6%	5.0%	3.9%
④ Depreciation and amortization	477	251	41	60	14	6	19	115	23	12	39	17
⑤ Loss on retirement of noncurrent assets	2	12	-	0	-	-	-	-	1	-	-	-
⑥ Property leasing income (③ - ④ - ⑤)	1,038	384	169	77	23	29	60	525	33	23	228	51
CAPEX	287	150	3	14	0	-	-	14	8	9	2	1

Notes:

- Amounts of less than the nearest million yen are rounded down.
- The property name was changed from Panasonic Denko Bldg. to Panasonic Osaka Kyobashi Bldg. on January 1, 2012. The name after the change is thus shown.
- 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.

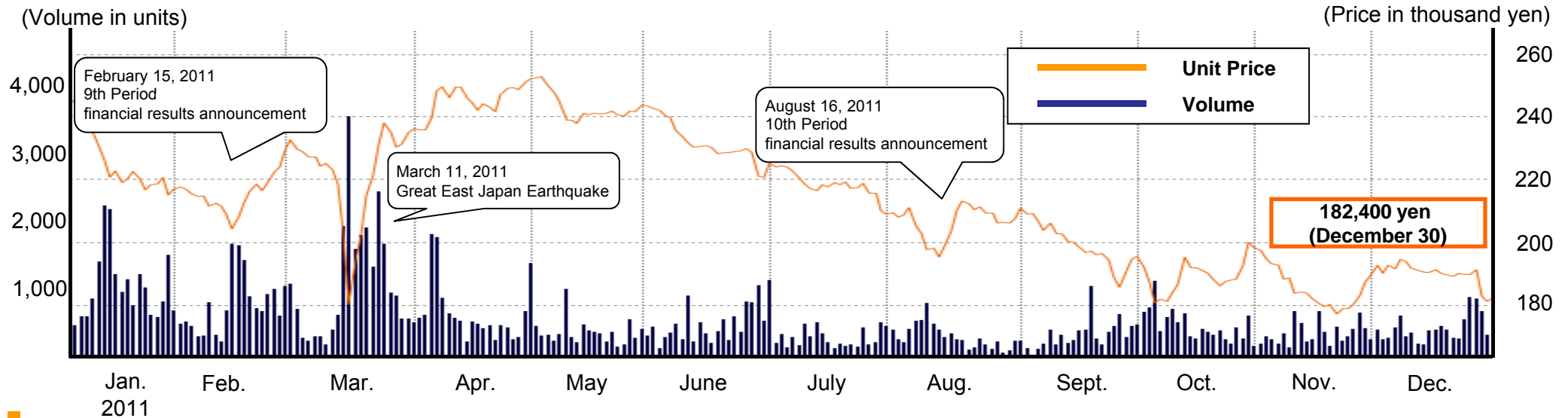
MID REIT, Inc.

Unit Price Performance

In the latter half of the year, the entire market was weak due to a lack of buyers



Unit Price Performance for the Past 1 Year



Price Comparison Since Listing (Aug. 29, 2006 – Jan. 10, 2012)



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

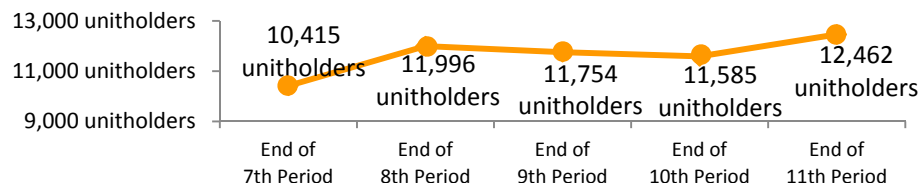
(Source: Bloomberg)

Unitholder Details

12,462 unitholders as of end of 11th Period, with individuals and others increasing to record high

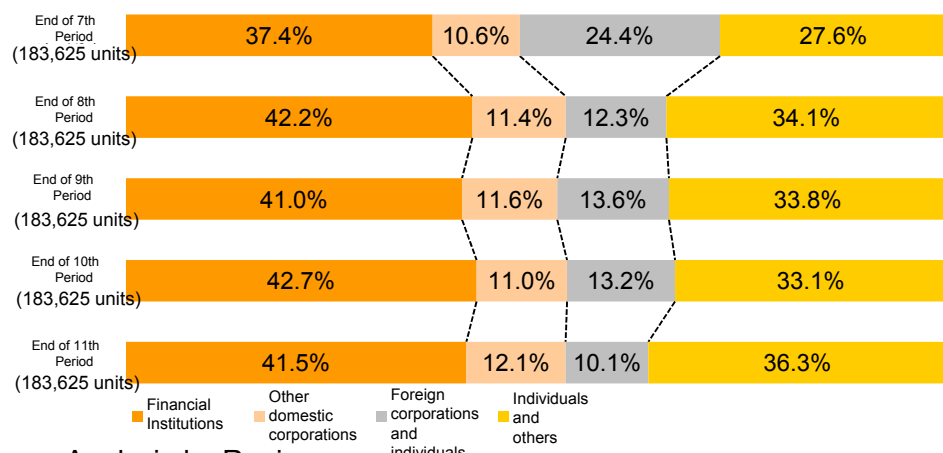


Changes in Number of Unitholders

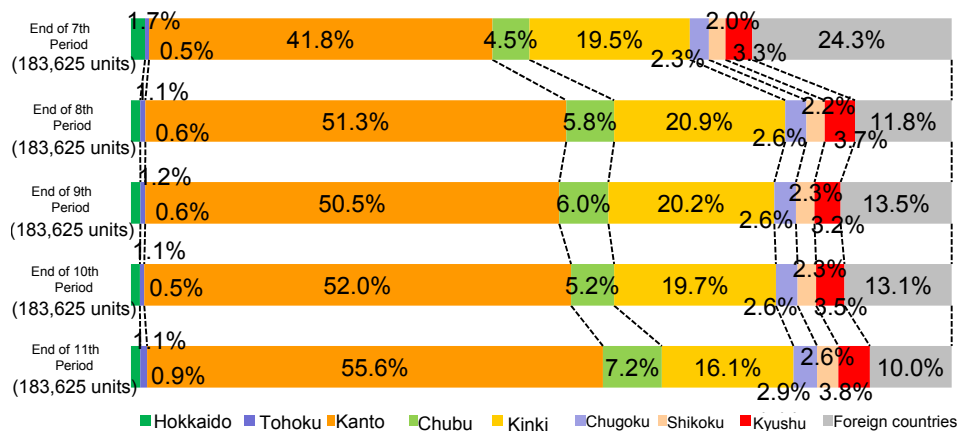


Analysis of Investor Attributes (Distribution of Number of Units Held)

Analysis by Type of Investor



Analysis by Region



MID REIT, Inc.

Top Unitholders

Top 10 Companies (as of the end of December 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)	27,861	15.17	-3,631
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	10,644	5.80	-519
MID Urban Development Co., Ltd.	9,200	5.01	0
The Fuji Fire and Marine Insurance Co., Ltd.	8,607	4.69	0
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,208	2.84	-188
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	4,959	2.70	-1,068
Nomura Bank (Luxembourg) S.A.	3,783	2.06	-2,800
Shikoku Railway Company	2,117	1.15	0
The Hiroshima Bank, Ltd.	1,892	1.03	0
Sekai Shindokyo provision for amortization	1,856	1.01	1,698
Total	76,127	41.46	-

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

Status of Large Unitholding Reports Submitted (as of February 10, 2012)

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.	16,969	9.24	August 18, 2011
The Fuji Fire and Marine Insurance Co., Ltd.	9,714	5.29	October 7, 2008
MID Urban Development Co., Ltd.	9,200	5.01	January 10, 2007
The Sumitomo Trust & Banking Co., Ltd. Nikko Asset Management Co., Ltd.	8,496	4.63	February 6, 2012

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

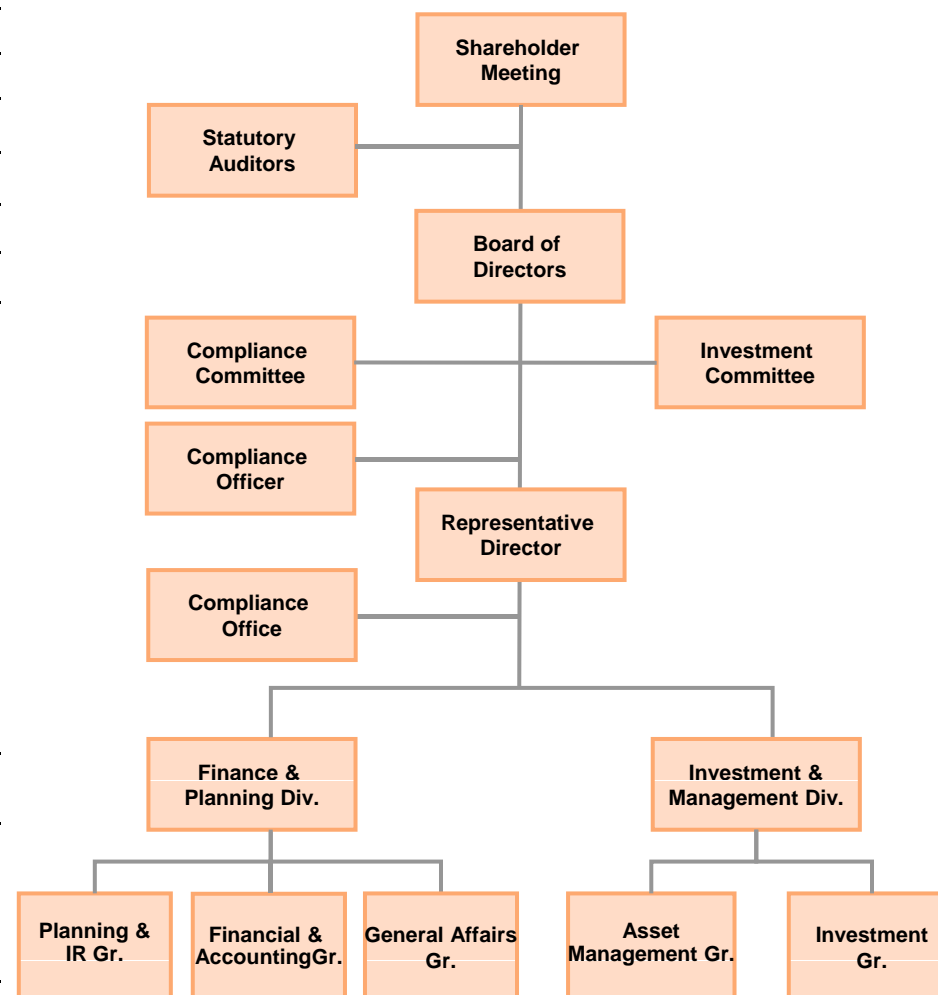
Board members were dispatched from Kansai Electric Power, strengthening the cooperation system with our sponsor



Company Overview

Company Overview (As of Feb. 1, 2012)		
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	33 (inclusive of 2 temporary workers)	
Officers	President & CEO	Tomoyuki Gotou
	Managing Director General Manager, Finance & Planning Division	Hiroataka Saito
	Managing Director General Manager, Investment & Management Division	Noriyuki Iijima
	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	<p>(a) Interested persons as defined by the Investment Trust Law</p> <p>(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))</p> <p>(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))</p> <p>(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))</p>	
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	<pre> graph LR A[Each Group Proposal drafting] --> B[Compliance Officer Approval] B --> C[Compliance Committee (Notes 1 and 2) Approval] C --> D[Investment Committee (Notes 1 and 3) Examination, decision] D --> E[Board of Directors (Note 1) Examination, decision] E --> F[MID REIT Board of Directors Reporting] </pre> <p>Notes:</p> <ol style="list-style-type: none"> Those who have status as a board member of sponsor related parties (excl. employees on loan or employees after transfer to the asset management company) cannot join resolutions. An external expert (lawyer) is included in deliberations as a member. An external expert (real estate appraiser) is included in deliberations as a member. 	

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