

**For Translation Purpose Only****REIT Financial Report for the 8th Fiscal Period (January 1, 2010 to June 30, 2010)**

MID REIT, Inc. (URL: <http://www.midreit.jp/>) is listed on the Tokyo Stock Exchange with the securities code 3227.

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Planned commencement of cash distribution payment: September 13, 2010

[Monetary amounts in million yen are rounded down]

**1. PERFORMANCE FOR THE 8th FISCAL PERIOD (January 1, 2010 to June 30, 2010)****(1) Business Results**

[Percentage figures show the period-on-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
8th fiscal period	6,012	(4.4)	2,413	(6.9)	1,520	(13.2)	1,518	(13.2)
7th fiscal period	6,289	(1.7)	2,593	(6.2)	1,750	(15.8)	1,748	(15.8)

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
	yen	%	%	%
8th fiscal period	8,268	1.7	0.9	25.3
7th fiscal period	9,524	1.9	1.0	27.8

**(2) Distributions**

	Distribution per unit [excluding distribution in excess of earnings]	Total distributions	Distribution in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets
	yen	million yen	yen	million yen	%	%
8th fiscal period	8,269	1,518	0	—	100.0	1.7
7th fiscal period	9,524	1,748	0	—	99.9	1.9

Note: The payout ratio is rounded down to the first decimal place.

**(3) Financial Position**

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
8th fiscal period	177,294	91,891	51.8	500,427
7th fiscal period	178,515	92,121	51.6	501,682

**(4) Cash Flows**

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
8th fiscal period	2,737	(1,801)	(1,754)	11,795
7th fiscal period	2,104	(1,061)	(2,073)	12,614

**2. FORECAST OF RESULTS FOR THE 9th FISCAL PERIOD (July 1, 2010 to December 31, 2010)**

[Percentage figures show the period-on-period increase (decrease)]

	Operating revenue	Operating income	Ordinary income	Net income
	million yen %	million yen %	million yen %	million yen %
9th fiscal period	5,847 (2.7)	2,110 (12.6)	1,297 (14.6)	1,295 (14.7)

  

	Distribution per unit [excluding distribution in excess of earnings]	Distribution in excess of earnings per unit
	yen	yen
9th fiscal period	7,056	0

[Reference] Estimated net income per unit for the 9th fiscal period: ¥7,056

**3. OTHER****(1) Changes in Accounting Policies**

- (a) Changes due to revisions in accounting and other standards: None
- (b) Changes other than in (a): None

**(2) Number of Investment Units Issued and Outstanding**

- (a) Number of investment units issued and outstanding (including own investment units) at end of period:
- 8th fiscal period: 183,625 units
- 7th fiscal period: 183,625 units
- (b) Number of own investment units at end of period:
- 8th fiscal period: 0 units
- 7th fiscal period: 0 units

**\*Explanation on Appropriate Use of Forecast of Business Results, and Other Matters of Special Note**

The forecast and outlook of business results and other forward-looking statements contained in this report are based on information currently available to and certain preconditions and assumptions deemed reasonable by MID REIT, Inc. Accordingly, actual business results and other performance may differ materially due to a variety of factors.

Moreover, the forecasts should not be construed as a guarantee of distribution amounts.

For the preconditions and assumptions underlying the forecast of business results, matters of note in the use of the forecast of business results, and other matters of special note, please refer to “2. Asset Management Conditions; (2) Outlook of Next Fiscal Period; (b) Outlook of Business Results” on page 6.

## 1. Asset Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Target” and “Distribution Policy” presented in the most recent *yuka shoken hokokusho* (securities report) (submitted on March 26, 2010).

## 2. Asset Management Conditions

### (1) Overview of Fiscal Period under Review

#### (a) Brief Background to MID REIT

MID REIT, Inc. (hereafter, “MID REIT”) was established by MID REIT Management Co., Ltd. (hereafter, the “Asset Management Company”) on June 1, 2006 under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951, including amendments thereto) (hereafter, the “ITL”), and listed on the Tokyo Stock Exchange, Inc.’s Real Estate Investment Trust Section (Securities Code: 3227) on August 29, 2006.

As of the end of the fiscal period under review (8th fiscal period: January 1, 2010 to June 30, 2010), the total number of investment units issued and outstanding was 183,625 investment units.

During the 8th fiscal period, MID REIT’s portfolio comprised of 12 properties (however, excluding silent partnership interests) with the sum total of acquisition prices amounting to ¥161,170 million.

MID REIT conducts asset management with investment focused on office buildings in the Osaka area under the basic policy of managing assets in pursuit of securing stable revenue and achieving steady growth of its assets under management from a medium- to long-term perspective.

#### (b) Investment Environment and Management Performance

##### (i) Investment Environment

In the 8th fiscal period, the Japanese economy was making steady recovery, but this lacks autonomy as many parts were also dependent on the government’s economic stimulus measures. The Greek crisis and other impacts, too, cast a shadow over the global economy. In such an environment, severe circumstances continued as evident, for example, by unemployment rates also hovering at high levels.

In the real estate transaction market, while the increase in transaction yields tended to be smaller, there was still limited information on the transaction of blue-chip properties and the transaction volume hovered on a weak note. However, there were also signs of transactions regaining lost ground, as exemplified by some funds and J-REITs resuming property acquisitions.

According to the Ministry of Land, Infrastructure, Transport and Tourism’s Land Price LOOK Report for the first quarter (January 1 to April 1) of 2010, the land price of intensively used land of major cities in Japan decreased in almost all districts (123 of the 150 districts), but the number of districts with a quarter-on-quarter decrease fell and the decrease also tended to be smaller. In addition, quarter-on-quarter increases were recorded in 2 districts and the number of districts with no change also grew significantly from the previous survey’s 5 districts to 25 districts. However, the land price decreased in all districts of the business area of Osaka City, which is MID REIT’s key investment region. In the Osaka Business Park (hereafter, the “OBP”), too, while transaction yields remained unchanged, rent levels were on a downward trend and the trend of land prices was also on the decline as a consequence.

In the office leasing market, vacancy rates remained on the rise, but that rise tended to be smaller. Concerning the Osaka area as well, with the state being one in which the recent new supply of office buildings is not fully balanced out by demand in the office leasing market, tenants’ perspective on rent levels has grown harsher and the needs for decreases in the amount of rent are strong, causing persistent severity in terms of rent revenue.

##### (ii) Asset Management Performance

###### <Investment Performance>

Against the backdrop of the described investment environment, MID REIT did not conduct any acquisitions or transfers of real estate, etc. during the 8th fiscal period. MID REIT’s portfolio at the end of the 8th fiscal period was comprised of 12 properties, the investment ratios (based on acquisition price) of which are distributed in terms of geographic region with 83.1% in the Osaka area and 16.9% in the Tokyo metropolitan area and other areas and are distributed in terms of property type with 82.1% being office buildings and 17.9% being retail facilities.

###### <Performance of Management of Portfolio Assets>

In view of securing stable revenue from a medium- to long-term perspective pursuant to its basic policy,

MID REIT is promoting the heightening of tenant satisfaction levels in seeking to attract new tenants and making its relationship of trust with existing tenants even stronger by working together with MID Property Management Co., Ltd., which is the company to which MID REIT outsources property management operations (hereafter, “MID Property Management”).

Amid the severe office leasing market, MID REIT conducts activities for favorable tenant relations and to attract new tenants, with dedicated efforts made toward prompt tenant response and discerning of tenant needs by MID Property Management, follow-up activities, appropriate building management by building management companies, and renovation of common-area spaces and other provision of comfortable office environments suited to tenant needs.

Concerning leasing, through the various measures and policies of MID Property Management described above, appropriate leasing activities are carried out by striving to maintain and boost occupancy rates, along with flexibly reviewing rent, among other initiatives. Notably, with regard to MID REIT’s core assets of Twin 21 and Matsushita IMP Building, new tenants are being attracted by drawing on the characteristics of their location being the OBP – Osaka’s representative conglomerate business area.

Among efforts made during the 8th fiscal period, proactive leasing activities by MID Property Management proved effective in attracting large tenants, such as an affiliated company of a major tenant and an affiliated company of a core business of the OBP. In addition, at MID REIT Kyobashi Building, flow from exit by a major tenant to occupancy by the next tenant went smoothly. Moreover, at Twin 21, although decreased revenue is expected following the conclusion of a memorandum of change of lease contract on leased units on April 30, 2010 with Panasonic Corporation, MID REIT pursued extension of the lease contract period and maintaining of occupancy.

As a result, occupancy rates for the entire portfolio was 97.4% as at the end of the 8th fiscal period, achieving an increase of 0.7 percentage points compared with the end of the previous fiscal period.

(c) Overview of Fund Procurement

MID REIT procures funds pursuant to its financial policy that considers the maintaining of a balance between fund procurement flexibility and financial stability, including keeping the LTV at a conservative level, reducing refinancing risks and mitigating interest rate fluctuation risks. Furthermore, all existing debt financing became unsecured as a result of release of the security interests pertaining to existing debt financing on March 31, 2010.

MID REIT has borrowed from 11 financial institutions in the amount of ¥72,300 million (short-term loans payable: ¥5,500 million; current portion of long-term loans payable: ¥23,500 million; long-term loans payable: ¥43,300 million). Of this, a long-term loan payable in the amount of ¥11,000 million was procured in the 8th fiscal period to fund the repayment of debt financing that became due for repayment during the 8th fiscal period. In addition, of the loans payable, the interest rates have been fixed for ¥41,300 million via interest rate swap agreements that have been executed for the purpose of hedging against interest rate fluctuation risks.

Accordingly, as of the end of the 8th fiscal period, the ratio of interest-bearing liabilities to total assets stands at 40.8%, 92.4% of loans payable are long-term loans payable (of which, current portion of long-term loans payable account for 32.5%), and 57.1% of loans payable have fixed interest rates.

(d) Overview of Business Performance and Distributions

As a result of the abovementioned asset management, MID REIT posted operating revenue of ¥6,012 million, operating income of ¥2,413 million, ordinary income of ¥1,520 million and net income of ¥1,518 million in its performance for the 8th fiscal period.

Concerning distributions, to ensure that distributions of retained earnings would be deductible for tax purposes based on application of Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto), MID REIT decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of the distribution per unit that are less than ¥1. Accordingly, MID REIT declared a distribution per unit of ¥8,269.

(2) Outlook of Next Fiscal Period

(a) Future Asset Management Policy and Challenges to Address

(i) Investment Environment

Amid prolonged global economic stagnation, there are expectations that the Japanese economy will be headed for recovery in light of such factors as the economy being backed by weakening downward pressure for inventory adjustments and the fruit of economic stimulus measures. Nevertheless, factors, such as the deterioration in employment being forecast to continue for some time yet, suggest that the unpredictable situation will remain ongoing.

In the real estate transaction market, despite the upward trend in transaction yields becoming more moderate, the sense of uncertainty lingers from rent continuing to be on the decline as the office leasing market worsens. While there are signs of some investors regaining their investment motivation on the one hand, there is still a gap between the price eyed by investors and the price eyed by sellers and thus the stagnant situation will likely persist for some time yet.

In the office leasing market, the rise in vacancy rates will likely tend to be smaller. On the other hand, new supply of office buildings will continue even in the Osaka area. Consequently, the market will be in an unpredictable situation. In addition, there still remain strong cost reduction needs aimed at reducing fixed costs on the tenant side. Accordingly, the pressures for lower rent are likely to continue for a while longer.

Under such circumstances, MID REIT will continue to manage assets with the aim of securing stable revenue and steady growth of assets under management from a medium- to long-term perspective.

Furthermore, as the memorandum of change of lease contract on leased units concluded on April 30, 2010 with Panasonic Corporation also impacts the next and subsequent fiscal periods, operating revenue is expected to decrease compared to that of the 8th fiscal period.

## (ii) Internal Growth Strategy

In view of maintaining and enhancing revenue over the medium and long term, MID REIT will remain dedicated to its efforts aimed at heightening the tenant satisfaction levels of existing tenants through the provision of comfortable office environments and services, as well as maintaining and boosting rent income and occupancy rates through initiatives for attracting new tenants.

### <Strategy on Existing Tenants Aimed at Maintaining High Occupancy Rates>

As an initiative for discerning the needs and heightening the satisfaction levels of existing tenants, the Asset Management Company conducts a survey of satisfaction levels on the tenants of Twin 21 and other multi-tenant buildings in MID REIT's portfolio. Since the start of the survey with the first survey conducted in the 1st fiscal period, the survey has been conducted a total of four times.

The results of the concerned survey are used as the base in instructing MID Property Management and building management companies, as well as in considering and carrying out repair and maintenance, value-enhancement and other construction work that fulfills tenant needs.

Moreover, proactive efforts are being made to suggest floor space expansion and other proposals in response to tenant needs, on the basis of various opinions and requests that can be obtained from the fine-tuned relationship MID Property Management keeps with existing tenants in its daily operations.

By proceeding to conduct such initiatives, MID REIT will keep striving to heighten tenant satisfaction levels and remain committed to maintaining and boosting occupancy rates.

### <Strategy on Leasing to Attract New Tenants>

The OBP area, in which such buildings as MID REIT's core assets of Twin 21 and Matsushita IMP Building are situated, is a conglomerate business area adjacent to Osaka Castle Park and its lush greenery, and features outstanding access as it is within walking distance of six stations serving four railway lines, including one of Osaka's leading terminal stations Kyobashi Station. In addition to these locational advantages, the properties have spacious floor space and are able to secure ample parking space, exhibiting strong capacity to attract tenants. For Twin 21 and Matsushita IMP Building, initiatives are taken to attract new tenants, or proactive initiatives are taken to attract group companies or partners of existing tenants, by drawing on these properties' strength of being large office buildings situated in the OBP.

Moreover, initiatives are also taken at other portfolio assets to attract new tenants in line with the geographic region and size.

The Asset Management Company will conduct market analyses, etc. by utilizing tenant information, etc. that MID Property Management has acquired in working closely with the site and, based on the results, will develop strategies for attracting tenants, including value-enhancement plans that lead to increased competitiveness of MID REIT's portfolio assets, in order to carry out effective attracting of new tenants.

### <Boost Property Competitiveness>

MID REIT will carry out such initiatives as systematic upgrading that reflect tenant satisfaction survey results, matters pointed out and requested by tenants, etc.

### <Address Energy and CO<sub>2</sub> Savings>

MID REIT will appropriately respond to the requests of society via CO<sub>2</sub> reduction efforts through the introduction of energy-saving facilities and equipment.

## (iii) External Growth Strategy

MID REIT will proceed to aim to enhance the quality of its portfolio via such measures as acquiring assets under management in view of minimizing asset and building management costs through economies of scale, mitigating risks of fluctuations in revenue with the effects of diversifying its portfolio of assets under management, and such.

Acquisitions of assets under management will proceed to be examined with a focus on office buildings in the Osaka area, but MID REIT will also consider acquiring properties deemed appropriate as an investment target in light of the location, size, etc. from among office buildings, etc. situated in the Tokyo metropolitan area, government-designated cities, etc.

Moreover, the pipeline support from MID Urban Development Co., Ltd. (hereafter, “MID Urban Development”), MID Asset Management Co., Ltd. and Aetos Japan, LLC will continue to be proactively leveraged.

Given the current ongoing uncertain investment environment as evident by the financial market stagnation and other factors, however, prudent judgment will be exercised in making actual acquisitions of assets under management and other moves by weighing the respective properties’ revenue projections, etc. and giving top priority to enhancing the quality of the portfolio.

## (iv) Financial Strategy

Ongoing efforts will be made to keeping the LTV at a conservative level, stable fund procurement, diversifying repayment dates for interest-bearing liabilities, promoting the addition of lending banks, etc. with the goal of maintaining financial stability. In addition, measures will be taken to hedge against interest rate fluctuation risks by fixing interest rates depending on interest rate trends.

Furthermore, MID REIT completed the conclusion of agreements on March 31, 2010 for fund procurement to borrow the funds for refinancing of the ¥29,000 million in loans payable that will become due for repayment in the 9th fiscal period (due for repayment on August 31, 2010).

## (b) Outlook of Business Results

MID REIT expects the following business results for its 9th fiscal period (July 1, 2010 to December 31, 2010). For the assumptions underlying the forecast of business results, please refer to the “Assumptions Regarding Business Results Forecasts for the 9th Fiscal Period (July 1, 2010 to December 31, 2010) and the 10th Fiscal Period (January 1, 2011 to June 30, 2011)” below.

Operating revenue	¥5,847 million
Operating income	¥2,110 million
Ordinary income	¥1,297 million
Net income	¥1,295 million
Distribution per unit	¥7,056
Distribution in excess of earnings per unit	¥0

In addition, assuming that the “Assumptions Regarding Business Results Forecasts for the 9th Fiscal Period (July 1, 2010 to December 31, 2010) and the 10th Fiscal Period (January 1, 2011 to June 30, 2011)” remain unchanged, MID REIT expects the following business results forecasts for its 10th fiscal period (January 1, 2011 to June 30, 2011).

Operating revenue	¥5,778 million
Operating income	¥2,111 million
Ordinary income	¥1,323 million
Net income	¥1,321 million
Distribution per unit	¥7,197
Distribution in excess of earnings per unit	¥0

[Note] The business results forecasts presented herein are current expectations calculated based on certain assumptions. Accordingly, actual operating revenue, operating income, ordinary income, net income and distribution per unit may differ from the forecasts due to changes in the conditions. Moreover, the forecasts should not be construed as a guarantee of distribution amounts.

Assumptions Regarding Business Results Forecasts  
for the 9th Fiscal Period (July 1, 2010 to December 31, 2010)  
and the 10th Fiscal Period (January 1, 2011 to June 30, 2011)

Item	Assumption(s)
Assets under Management	<ul style="list-style-type: none"> <li>Assumes there will be no changes (new property acquisition, sale of existing property, etc.) in MID REIT's assets under management from the 12 properties it owns as at June 30, 2010.</li> <li>The actual assets under management may vary due to changes in the property portfolio and other factors.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>Rent revenue (rent revenue – real estate) is calculated based on lease agreements effective as at June 30, 2010, with due consideration given to such factors as the market environment, the characteristics and market competitiveness of individual properties, status of individual tenants and recent deterioration of the real estate market. Furthermore, as announced in the “Notice Regarding Conclusion of Memorandum to Change Lease Agreement on Leased Units with a Major Tenant” dated April 30, 2010, MID REIT reached an agreement with Panasonic Corporation to set up floors exempt from payment of rent and common-area fees (free rent) (no more than 10 floors). Rent revenue (rent revenue – real estate) is calculated assuming exemption from payment of rent and common-area fees for the maximum number of floors eligible for free rent (10 floors) for the 9th fiscal period and 10th fiscal period.</li> <li>Operating revenue is calculated assuming there are no tenant defaults or non-payments of rent.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Of the expenses related to rent business, which constitute a principal component of operating expenses, expenses other than depreciation and amortization are calculated based on historical data and reflecting seasonal and other factors that may cause fluctuations in expenses.</li> <li>Property management fees in the amount of ¥729 million are expected for the 9th fiscal period, and ¥725 million are expected for the 10th fiscal period.</li> <li>Property taxes, etc. in the amount of ¥604 million are expected for the 9th fiscal period, and ¥604 million are expected for the 10th fiscal period.</li> <li>The amount expected to be necessary for building repair costs in the respective fiscal period is recorded as expenses. MID REIT expects repair costs for the 9th fiscal period will be ¥77 million more than the 8th fiscal period to amount to ¥184 million. Furthermore, please note that actual repair costs may differ significantly from the forecasted amounts due to various reasons, including repair costs possibly arising from damages, etc. to buildings due to unexpected causes.</li> <li>Depreciation and amortization are calculated based on the straight-line method inclusive of associated costs and future additional capital expenditures. MID REIT estimates approximately ¥1,065 million for the 9th fiscal period and ¥1,059 million for the 10th fiscal period.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses of ¥567 million are expected for the 9th fiscal period and ¥557 million are expected for the 10th fiscal period.</li> <li>Borrowing related expenses of ¥248 million are expected for the 9th fiscal period and ¥234 million are expected for the 10th fiscal period.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>Assumes the balance of interest-bearing liabilities outstanding will be ¥72,300 million at the end of the 9th fiscal period and ¥72,175 million at the end of the 10th fiscal period.</li> <li>Assumes the ¥29,000 million in loans payable that will be due for repayment in the 9th fiscal period (due for repayment on August 31, 2010) will be refinanced in the same amount, as announced in the “Notice Concerning Debt Financing” dated March 31, 2010.</li> <li>Assumes the scheduled repayment of ¥125 million in the 10th fiscal period (due for repayment on January 31, 2011) will be repaid using cash reserves.</li> </ul>
Number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>Assumes the number of investment units issued and outstanding will be the 183,625 units as at June 30, 2010 and no additional investment units will be issued through to June 30, 2011.</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>Distribution per unit is calculated assuming the cash distribution policy set forth in the Articles of Incorporation of MID REIT.</li> <li>Distribution per unit could change due to various factors, including changes in assets under management, fluctuations in rent income associated with tenant changes, etc., incurrence of unexpected repairs, fluctuations in interest rates, and the issuance of additional investment units.</li> </ul>
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>Assumes there will be no cash distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>Assumes no changes will be made to laws, the tax system, accounting standards, listing regulations, rules of The Investment Trusts Association, Japan, etc. affecting the aforementioned forecasts.</li> <li>Assumes there will be no major and unforeseen changes in general economic trends, real estate market conditions, etc.</li> </ul>

### 3. Investment Risks

Disclosure is omitted because there are no significant changes from the “Investment Risks” presented in the most recent *yuka shoken hokokusho* (securities report) (submitted on March 26, 2010).

## 4. Financial Statements

## (1) Balance Sheets

	[Unit: thousand yen]	
	7th Fiscal Period [as of Dec. 31, 2009]	8th Fiscal Period [as of June 30, 2010]
Assets		
Current assets		
Cash and deposits	9,321,792	8,561,292
Cash and deposits in trust	5,371,178	5,312,807
Operating accounts receivable	145,832	147,702
Income taxes receivable	147	58
Prepaid expenses	162,317	45,101
Deferred tax assets	33	31
Total current assets	15,001,301	14,066,994
Noncurrent assets		
Property, plant and equipment		
Construction in progress	2,415	–
Buildings in trust	58,967,526	59,789,983
Accumulated depreciation	(5,990,059)	(7,018,751)
Buildings in trust, net	52,977,466	52,771,231
Structures in trust	92,815	99,700
Accumulated depreciation	(4,235)	(5,618)
Structures in trust, net	88,580	94,082
Tools, furniture and fixtures in trust	243,332	270,472
Accumulated depreciation	(45,048)	(60,706)
Tools, furniture and fixtures in trust, net	198,284	209,766
Land in trust	109,210,052	109,210,052
Total property, plant and equipment	162,476,799	162,285,132
Intangible assets		
Software	1,211	913
Right of trademark	1,121	1,057
Total intangible assets	2,333	1,971
Investments and other assets		
Investment securities	197,454	197,602
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	827,148	732,837
Total investments and other assets	1,034,603	940,439
Total noncurrent assets	163,513,735	163,227,543
Total assets	178,515,037	177,294,537



	[Unit: thousand yen]	
	7th Fiscal Period	8th Fiscal Period
	[as of Dec. 31, 2009]	[as of June 30, 2010]
Liabilities		
Current liabilities		
Operating accounts payable	263,738	257,622
Short-term loans payable	5,500,000	5,500,000
Current portion of long-term loans payable	34,500,000	23,500,000
Accounts payable – other	1,519,219	649,304
Accrued expenses	106,961	106,717
Distribution payable	24,530	18,458
Income taxes payable	976	1,005
Accrued consumption taxes	1,382	43,653
Advances received	742,566	713,042
Other	256,904	238,312
Total current liabilities	42,916,278	31,028,115
Noncurrent liabilities		
Long-term loans payable	32,300,000	43,300,000
Tenant leasehold and security deposits	9,097,399	8,987,165
Tenant leasehold and security deposits in trust	2,079,825	2,088,176
Total noncurrent liabilities	43,477,225	54,375,341
Total liabilities	86,393,503	85,403,457
Net assets		
Unitholders' equity		
Unitholders' capital	90,372,613	90,372,613
Surplus		
Unappropriated retained earnings (undisposed loss)	1,748,920	1,518,466
Total surplus	1,748,920	1,518,466
Total unitholders' equity	92,121,533	91,891,080
Total net assets	92,121,533	91,891,080
Total liabilities and net assets	178,515,037	177,294,537

## (2) Statements of Income

	[Unit: thousand yen]	
	7th Fiscal Period	8th Fiscal Period
	[July 1, 2009 to Dec. 31, 2009]	[Jan. 1, 2010 to June 30, 2010]
Operating revenue		
Rent revenue – real estate	5,875,999	5,624,170
Other lease business revenue	413,636	387,997
Dividends distribution from silent partnership	–	147
Total operating revenue	6,289,636	6,012,315
Operating expenses		
Expenses related to rent business	3,095,730	3,016,313
Asset management fee	448,927	437,032
Asset custody fee	8,892	8,867
Administrative service fees	49,101	47,409
Directors' compensations	10,800	10,800
Other operating expenses	82,955	78,529
Total operating expenses	3,696,406	3,598,951
Operating income	2,593,229	2,413,364
Non-operating income		
Interest income	4,269	3,520
Reversal of distribution payable	–	6,207
Other	9	50
Total non-operating income	4,278	9,778
Non-operating expenses		
Interest expenses	576,768	558,971
Borrowing related expenses	269,792	343,746
Other	382	382
Total non-operating expenses	846,942	903,099
Ordinary income	1,750,565	1,520,042
Income before income taxes	1,750,565	1,520,042
Income taxes – current	1,682	1,649
Income taxes – deferred	(2)	1
Total income taxes	1,680	1,651
Net income	1,748,885	1,518,391
Retained earnings brought forward	35	75
Unappropriated retained earnings (undisposed loss)	1,748,920	1,518,466

## (3) Statements of Cash Flows

	[Unit: thousand yen]	
	7th Fiscal Period	8th Fiscal Period
	[July 1, 2009 to Dec. 31, 2009]	[Jan. 1, 2010 to June 30, 2010]
Net cash provided by (used in) operating activities		
Income before income taxes	1,750,565	1,520,042
Depreciation and amortization	1,008,905	1,050,478
Amortization of long-term prepaid expenses	199,860	220,626
Interest income	(4,269)	(3,520)
Interest expenses	576,768	558,971
Loss on retirement of noncurrent assets	31,735	9,545
Decrease (increase) in operating accounts receivable	(2,505)	(1,869)
Increase (decrease) in accrued consumption taxes	(49,189)	42,271
Increase (decrease) in operating accounts payable	(29,033)	(6,116)
Increase (decrease) in advances received	(33,939)	(29,524)
Decrease (increase) in prepaid expenses	(130,031)	117,215
Decrease (increase) in long-term prepaid expenses	(684,075)	(126,315)
Other	16,671	(57,284)
Subtotal	2,651,462	3,294,521
Interest income received	4,269	3,520
Interest expenses paid	(551,195)	(559,215)
Income taxes paid	326	(1,533)
Net cash provided by (used in) operating activities	2,104,862	2,737,293
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(970,205)	(1,720,899)
Proceeds from tenant leasehold and security deposits	270,575	261,317
Proceeds from tenant leasehold and security deposits in trust	207,623	269,668
Repayments of tenant leasehold and security deposits	(299,483)	(350,017)
Repayments of tenant leasehold and security deposits in trust	(270,400)	(261,317)
Net cash provided by (used in) investing activities	(1,061,890)	(1,801,248)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	5,500,000	—
Proceeds from long-term loans payable	14,500,000	11,000,000
Repayment of long-term loans payable	(20,000,000)	(11,000,000)
Dividends paid	(2,073,237)	(1,754,916)
Net cash provided by (used in) financing activities	(2,073,237)	(1,754,916)
Net increase (decrease) in cash and cash equivalents	(1,030,264)	(818,871)
Cash and cash equivalents at beginning of period	13,644,763	12,614,498
Cash and cash equivalents at end of period	12,614,498	11,795,627

## 5. Real Estate for Investment

The following summarizes the assets (12 properties) owned by MID REIT as of June 30, 2010.

Use	Region [Note 1]	Property		Type of Asset	Acquisition Price	Book Value	Appraisal Value	Appraisal Company	Investment Ratio	Collateral
		No.	Name		[Note 2] [million yen]	[Note 3] [million yen]	[Note 4] [million yen]	[Note 5]	[Note 6] [%]	[Note 7]
Office Building	Osaka area	1	Twin 21 [Note 8]	Trust beneficiary interest	68,700	69,730	59,100	Morii	42.6	None
		2	Matsushita IMP Building		24,600	24,403	20,100	Tanizawa	15.3	None
		3	Panasonic Denko Building		7,620	7,596	6,990	Morii	4.7	None
		4	Midosuji MID Building		8,290	9,085	7,440	Tanizawa	5.1	None
		5	MID REIT Kyobashi Building		2,300	2,251	1,190	Tanizawa	1.4	None
		10	MID Imabashi Building		3,270	3,365	2,480	Tanizawa	2.0	None
		11	MID Midosujikawaramachi Building		2,000	2,020	1,410	Tanizawa	1.2	None
		12	Kitahama MID Building		10,800	10,938	9,400	JREI	6.7	None
		13	MID Nishihommachi Building		3,550	3,558	2,290	JREI	2.2	None
	Other	7	MID Shibakanasugibashi Building	1,160	1,143	1,180	Tanizawa	0.7	None	
	Subtotal				132,290	134,093	111,580		82.1	
Retail Facility	Osaka area	8	Konami Sports Club Kyobashi	Trust beneficiary interest	2,780	2,667	2,790	Daiwa	1.7	None
	Other	9	AEON Tsudanuma Shopping Center		26,100	25,523	23,800	Daiwa	16.2	None
	Subtotal				28,880	28,191	26,590		17.9	
Total					161,170	162,285	138,170		100.0	

[Note 1] “Other” refers to the Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities.

[Note 2] “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).

[Note 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.

[Note 4] “Appraisal Value” is the appraisal value at the end of the fiscal period based on the appraisal report with June 30, 2010 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.

[Note 5] Morii: Morii Appraisal & Investment Consulting, Inc.

Tanizawa: Tanizawa Sogo Appraisal Co., Ltd.

JREI: Japan Real Estate Institute

Daiwa: Daiwa Real Estate Appraisal Co., Ltd.

[Note 6] “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.

[Note 7] “Collateral” states whether or not a pledge has been established for the real estate trust beneficiary interest.

[Note 8] Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).

[Note 9] Monetary amounts are rounded down to the nearest million yen.

[Note 10] In addition to the assets listed in the table above, MID REIT acquired silent partnership interests on November 29, 2007, January 30, 2008, September 29, 2008 and February 26, 2009.