



16th Fiscal Period

Business Report

January 1, 2014 to June 30, 2014



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



MID REIT, Inc.

1-4-4 Dojimahama, Kita-ku, Osaka



Leadership Message

Executive Director, MID REIT, Inc.
President & CEO, MID REIT Management Co., Ltd.

Tomoyuki Goto

With the end of the 16th fiscal period (January 1, 2014 to June 30, 2014) and start of the 17th fiscal period of MID REIT, Inc. (MID REIT), Tomoyuki Goto, President & CEO of MID REIT Management Co., Ltd. (MID REIT Management), was interviewed on the activities of the 16th fiscal period and the outlook for the next fiscal period onward in light of Kansai economy trends and real estate market conditions.

Q.1 The Japanese economy is said to be on a recovering trend due to the effects of Abenomics and other factors, and Tokyo has been experiencing various effects including the movement of people and products. How do you view the situation in Osaka?

A.1 We feel steady improvement in Osaka's economy though it may not be as strong as that of Tokyo. The rising number of Osaka-based listed companies which have recently achieved increases in profits is indicative of such a trend. The recovery in major home appliance

manufacturers can have a large ripple effect on parts manufacturing companies and other related businesses, so there are high hopes for further progress going forward.

Q.2 Do you see any effects from the tourism industry that seems to be enjoying good business propelled partially by the popularity of Universal Studios Japan?

A.2 We think some positive effects are beginning to be gradually reflected in businesses targeting tourists. The number of visitors to Osaka using Kansai International Airport from the Asian region such as China and South Korea, which had dropped temporarily, is picking up again, and the number of foreign visitors on international flights reached a record high in April. Due in part to such, hotel occupancy rates and the average unit price are on a rising trend and we hear that reserving hotel rooms has become more difficult. Furthermore, some LCCs (low-cost carriers) are increasing their market presence by opening offices in prime areas along main streets.

Q.3 How have the operations at Abeno Harukas and Grand Front Osaka, which garnered significant attention, been after their recent completions?

A.3 As for Abeno Harukas, it had a great head start with around 90% occupancy achieved at the time of completion.

As for Grand Front Osaka, the occupancy rate began to gradually increase after some time elapsed from its completion. Considering that it has floor space as large as approximately 46,000 tsubos, it is performing well. These properties are multipurpose developments that include not only offices but also enticing retail facilities, and are triggering development of other new stores in the surrounding area leading to further rejuvenation of these areas.

Even considering major office buildings on their own, 2013 saw a large supply of 56,000 tsubos including Grand Front Osaka, which is 2.3 times more than the previous year, and 2014 had the new supply of Abeno Harukas. However, properties owned by MID REIT have so far experienced no major impact on their occupancy rates. Since location characteristics of the area where Abeno Harukas is located differ from that of central Osaka, we believe it will not directly compete with properties in central Osaka. Grand Front Osaka and OBP (Osaka Business Park) are also unlikely to directly compete with each other as they are located in areas with different regional characteristics and rent

Contents

Leadership Message	1	Portfolio Map	10
Financial Status	6	Osaka real estate report	11
Internal Growth	7	Asset Management Report	13
About MID REIT	8	Investment Unit Status	14
Portfolio Overview / Portfolio Analysis	9		

Cover: View of Osaka Business Park from Nakanoshima, Osaka
"The Legend of Heisei OSAKA Amanogawa (Milky Way)"

16th Fiscal Period Financial Highlights

(January 1, 2014 to June 30, 2014)

	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period (Forecast) ^(Note)	18th Fiscal Period (Forecast) ^(Note)
Operating revenue	5,265 million yen	5,157 million yen	5,175 million yen	5,166 million yen
Ordinary income	1,177 million yen	1,161 million yen	1,067 million yen	1,067 million yen
Net income	1,175 million yen	1,160 million yen	1,065 million yen	1,065 million yen
Number of units	183,625 units	183,625 units	183,625 units	183,625 units
Distribution per unit	6,404 yen	6,318 yen	5,800 yen	5,800 yen

Asset size: **157.6** billion yen Number of properties: **12** Occupancy rate: **98.0%**

(Note) The forecast figures above were calculated as of August 19, 2014 under certain assumptions and may change according to changes of circumstances. Furthermore, the forecasts do not guarantee the full amount of distributions.

levels. However, there seem to be cases of vacancies caused by tenant relocations from existing properties. Even though occupancy rates in Osaka City are on the rise, a certain amount of vacancies still remain at Grand Front Osaka. Therefore, we must draw up leasing strategies with an eye on the impact of the office leasing market.

Q.4 With ongoing movements in the office leasing market in Osaka as evidenced by the development of new office buildings such as Shin Daibiru, do you think such supply will be absorbed by increased demand and such?

A.4 Although vacancies are steadily being filled and vacancy rates are declining, including that of new buildings scheduled to be supplied, the situation has not yet reached the point where a rise in rents is experienced at most buildings in accordance with the improvements in vacancy rates. However, lessees do not have the unilateral advantage in rent negotiations as they did before. The large office building supply in Osaka will decrease going forward and the situation is expected to settle down. In the traditional office districts of central Osaka such as the Hommachi area and the Semba area, where many old buildings are located, cases of old buildings being rebuilt into apartments have become apparent against the backdrop of the increase in the number of residents in central Osaka. This phenomenon can also encourage improvements in the supply-demand balance of the office leasing market, and we are anticipating a positive trend in Osaka's office leasing market in the future.

Q.5 How is the internal growth of MID REIT's office buildings progressing?

A.5 A large tenant, who signed a contract last December, moved in as scheduled at Matsushita IMP Building during the 16th fiscal period, pushing up its occupancy rate at the end of the fiscal period to around the 97% level from 82.5% at the end of the previous fiscal period. Favorable movements such as expansion of leased space by existing tenants and relocation from buildings other than MID REIT buildings for floor expansion have been increasing at other MID REIT buildings as well.

On the other hand, cost reduction efforts among tenants still remain and there are requests for rent reductions and relocations to company-owned properties. For this reason, we are working to further strengthen relationships with existing tenants to prevent move-outs and to minimize the margin of rent reduction.

Q.6 Have there been any changes in the negotiations of rent terms and such with tenants?

A.6 Yes, the overall impression is that it is changing for the better. Until the previous fiscal period, our top priority was to raise occupancy rates and we responded flexibly to terms such as rents. With improvement of the occupancy rate in sight, we were able to attract tenants with better rent terms through thorough negotiations in the 16th fiscal period. We feel that there are more contracts which were concluded at what we view to be an appropriate rent level. Going forward, we will strive to attract more tenants who understand the value of properties managed by MID REIT.

Q.7 Could you tell us about current initiatives for further internal growth?

A.7 As a leasing strategy, we have prepared and utilized pamphlets over the past two years that appeal OBP's superior capability in withstanding disasters in order to gain recognition for OBP's attractiveness. These efforts succeeded in drawing the attention of companies that are conscious of business continuity planning (BCP) centering on foreign companies, and OBP was chosen as a final relocation candidate more often, resulting in actual move-ins. We believe that our BCP-conscious proposals were effective with companies considering relocations.

During the 17th fiscal period, we intend to enhance tenant satisfaction by appealing OBP's attractiveness to people working there with the concept of "comfort at the office" in addition to BCP. Due to it being adjacent Osaka Castle Park and such, one of the attractive features of OBP's business environment is abundant water and greenery. We would like to bring in new tenants by presenting this attractiveness to people working at places outside OBP.

As the first phase of the initiatives, we renewed the entrance and inner walls of Twin 21 with a concept of "green." We installed a shop-guide sign and event-guide board with LED frame at

the entrance, and refurbished it to create a bright atmosphere matching the surrounding environment. Easier to understand guiding signage has also been set in the building for smoother flow to the retail zone and office zone. We plan to also improve the environment surrounding the building going forward.

We are also considering launching advertisements to appeal the attractiveness of Twin 21 along with the aforementioned initiatives. We anticipate such actions will enhance the comfort of the working environment for people working at Twin 21, bolstering their morale and having a favorable impact on human resource development at companies, thus contributing to the internal growth of Twin 21.

Q.8 What is your view on the trends of the real estate transaction market in Osaka?

A.8 There is very little supply of quality properties that can meet the robust investment demand from the increased amount of capital flowing into the real estate market causing the prices to rise. As investment demand in Tokyo is overflowing into Osaka and other



2nd floor entrance of Twin 21 after renewal work

major regional cities, competition for acquisitions seems to be intensifying in Osaka as well. We intend to carefully monitor price movement when considering property acquisitions.

Q.9 With regard to your financial strategy, borrowings of 13.8 billion yen were refinanced this July, but were there any changes in the terms and conditions, etc. compared to the refinancing conducted last year?

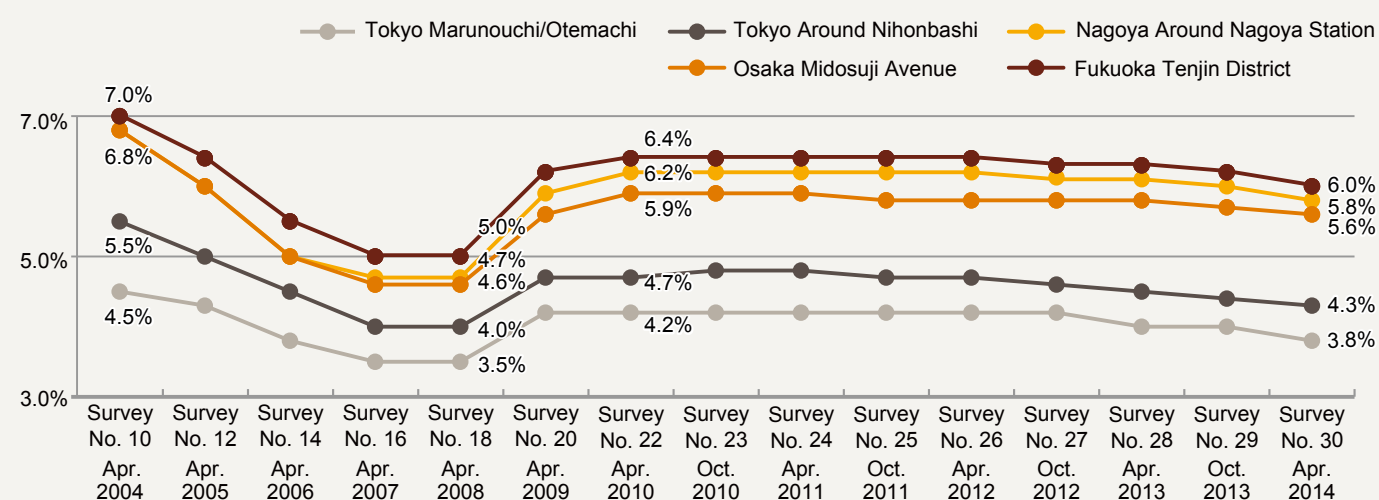
A.9 Three-year loans were subject to refinancing this time, and the repayment dates of the refinanced loans have been diversified and extended to three years, five years, six years and seven years from the viewpoint of stable financing. As a result, we were able to extend the average remaining years of borrowings to 2.8 years as of July 31 from 2.4 years as of the end of the previous fiscal period. The interest spread has been successfully contracted leading to a reduction of financing costs. We

also worked on inviting new financial institutions and two new banks were added in the refinancing this time around.

Q.10 Did you receive any suggestions for future activities at the General Meeting of Unitholders held in May?

A.10 Proposed agenda on the amendment of Articles of Incorporation and appointment of directors were approved without any problems. We hold business report briefing sessions after each General Meeting of Unitholders that give us the opportunity to talk directly with unitholders. Since this is one of the few chances to talk directly with individual unitholders, it was very meaningful to receive many questions and encouragement at the briefing. Going forward, we will make efforts on a daily basis to realize steady growth by identifying the optimum growth strategy for MID REIT while placing value on communication with all stakeholders, including unitholders.

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



Source: Japan Real Estate Institute

Financial Status

MID REIT completed refinancing of 13.8 billion yen in loans in July 2014. The following is the status of debt financing as of July 31, 2014.

Breakdown of Debt Financing

Type	Lender		Balance (million yen)	Interest Rate	Drawdown Date	Repayment Date	Repayment Method	Remarks
Long-term loans payable (Note 1)	Term loan (4 years and 11 months)	Mizuho Bank, Resona Bank, Shinkin Central Bank, Nanto Bank	6,500	JBA Japanese Yen TIBOR + 1.0% (Note 2)	Aug. 31 2010	July 31 2015	Bullet payment	Unsecured Unguaranteed
	Term loan (6 years and 11 months)	Development Bank of Japan	4,000	1.79507% (Note 8)	Aug. 31 2010	July 31 2017	(Note 9)	Unsecured Unguaranteed
	Term loan (5 years)	Mizuho Bank, Development Bank of Japan	4,000	1.36375% (Note 8)	July 29 2011	July 31 2016	Bullet payment	Unsecured Unguaranteed
	Term loan (3 years)	Mizuho Bank, Sumitomo Mitsui Banking, Resona Bank, Mitsubishi UFJ Trust and Banking, Senshu Ikeda Bank	8,500	JBA Japanese Yen TIBOR + 0.6% (Note 3)	July 31 2012	July 31 2015	Bullet payment	Unsecured Unguaranteed
	Term loan (5 years)	Sumitomo Mitsui Trust Bank, Aozora Bank	4,300	JBA Japanese Yen TIBOR + 0.8% (Note 3)	July 31 2012	July 31 2017	Bullet payment	Unsecured Unguaranteed
	Term loan (7 years)	Development Bank of Japan	1,700	1.52375% (Note 8)	July 31 2012	July 31 2019	Bullet payment	Unsecured Unguaranteed
	Term loan (3 years)	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank, Mitsubishi UFJ Trust and Banking, Shinkin Central Bank, Senshu Ikeda Bank, Nishi-Nippon City Bank, Hyakugo Bank	15,900	JBA Japanese Yen TIBOR + 0.6% (Note 4)	July 31 2013	July 29 2016	Bullet payment	Unsecured Unguaranteed
	Term loan (5 years)	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Aozora Bank	4,800	JBA Japanese Yen TIBOR + 0.8% (Note 4)	July 31 2013	July 31 2018	Bullet payment	Unsecured Unguaranteed
	Term loan (7 years)	Development Bank of Japan, Minato Bank	1,800	1.70875% (Note 8)	July 31 2013	July 31 2020	Bullet payment	Unsecured Unguaranteed
	Term loan (3 years)	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Shinkin Central Bank, Senshu Ikeda Bank	6,000	JBA Japanese Yen TIBOR + 0.5% (Note 5)	July 31 2014	July 31 2017	Bullet payment	Unsecured Unguaranteed
	Term loan (5 years)	Mizuho Bank, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking, Resona Bank	4,000	JBA Japanese Yen TIBOR + 0.7% (Note 6)	July 31 2014	July 31 2019	Bullet payment	Unsecured Unguaranteed
	Term loan (6 years)	Mizuho Bank, Hiroshima Bank, Sony Bank	2,000	JBA Japanese Yen TIBOR + 0.8% (Note 7)	July 31 2014	July 31 2020	Bullet payment	Unsecured Unguaranteed
	Term loan (7 years)	Mizuho Bank, Aozora Bank	1,800	1.47806% (Note 8)	July 31 2014	July 31 2021	Bullet payment	Unsecured Unguaranteed
	TOTAL			65,300				

(Note 1) Loans are co-financed by the banks in the list.

(Note 2) In accordance with the interest-rate swap agreement, the actual interest rate is 1.447% (p.a.) up to the principal repayment date.

(Note 3) In accordance with the interest-rate swap agreement, the actual interest rate is 1.141% (p.a.) up to the principal repayment date.

(Note 4) In accordance with the interest-rate swap agreement, the actual interest rate is 1.297% (p.a.) up to the principal repayment date.

(Note 5) In accordance with the interest-rate swap agreement, the actual interest rate is 0.707% (p.a.) up to the principal repayment date.

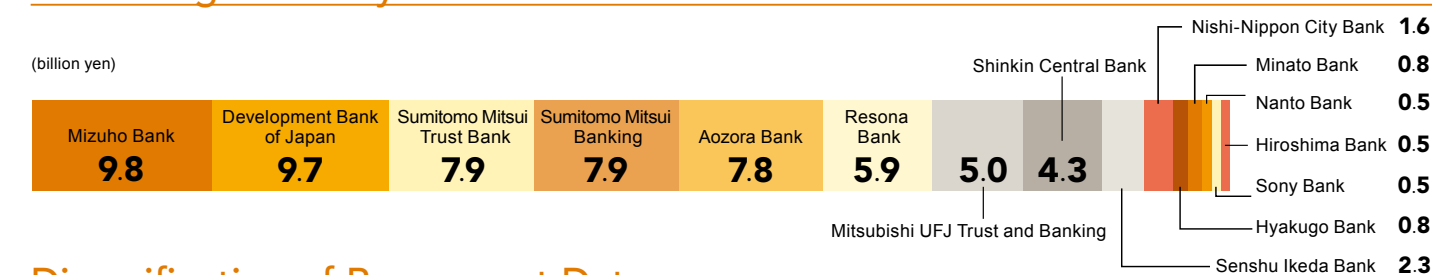
(Note 6) In accordance with the interest-rate swap agreement, the actual interest rate is 0.962% (p.a.) up to the principal repayment date.

(Note 7) In accordance with the interest-rate swap agreement, the actual interest rate is 1.24% (p.a.) up to the principal repayment date.

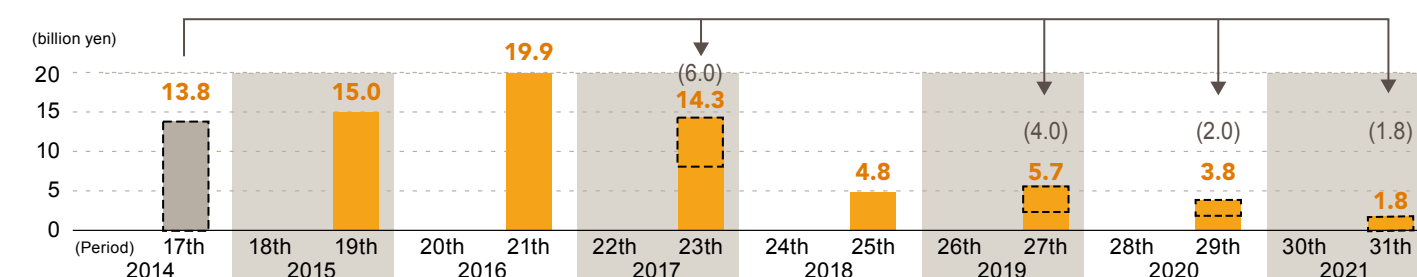
(Note 8) Interest rates are fixed.

(Note 9) Repayment of 125 million yen shall be made respectively at the end of January and July every year, starting on January 31, 2011, and the final repayment shall be made on July 31, 2017 for 3,375 million yen.

Borrowing Status by Bank



Diversification of Repayment Dates



(Note) Repayment method of the 4 billion yen (Term Loan for 6 years and 11 months) out of 14.3 billion yen due for repayment in the 23rd fiscal period will be; the first repayment on January 31, 2011, followed by subsequent repayments on the last day of January and July of each year (repayment of 125 million yen each time), with the final repayment on July 31, 2017 (repayment of 3,375 million yen).

Reconstruction of Osaka Business Park (OBP) Brand Image

Approximately 30 years have passed since the launch of the development as an innovative business area representing Osaka. Change can be seen in “the position as a business area” compared to the time of its completion due in part to the effects of the new supply of office buildings, etc. in the Umeda area.

With the reconstruction of the brand image of OBP in mind, MID REIT will focus on proactively dispatching information to convey the area’s attractive features in addition to renewing Twin 21 owned by MID REIT. We will strive to enhance OBP’s position as a business area and to raise the competitiveness of our properties.

Efforts up to 16th Fiscal Period (Results)

- Prepared pamphlets to appeal superiority of disaster-resistant capabilities due to locational characteristics
- Facilities maintenance: Renewed the entrance and the tenant board



Twin 21, 2nd floor entrance



Twin 21 MID Tower, 1st floor tenant board

Efforts in and after 17th Fiscal Period (Plans)

- Conduct advertisement activities appealing the new concept and excellent environment
- Prepare new pamphlets from the viewpoint of office workers
- Implement renewal work for outdoor facilities including the green space

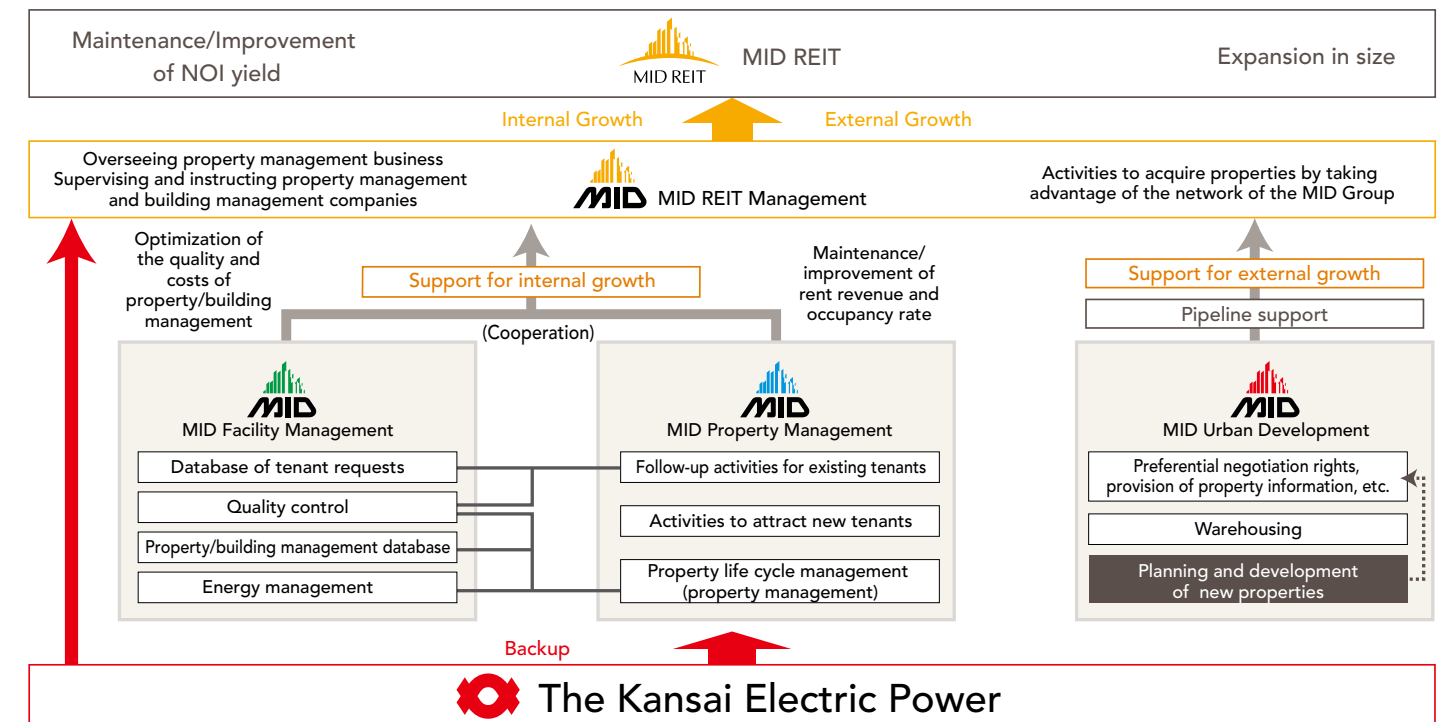


Platform sign at Yodoyabashi Station on the Osaka Municipal Subway Midosuji Line

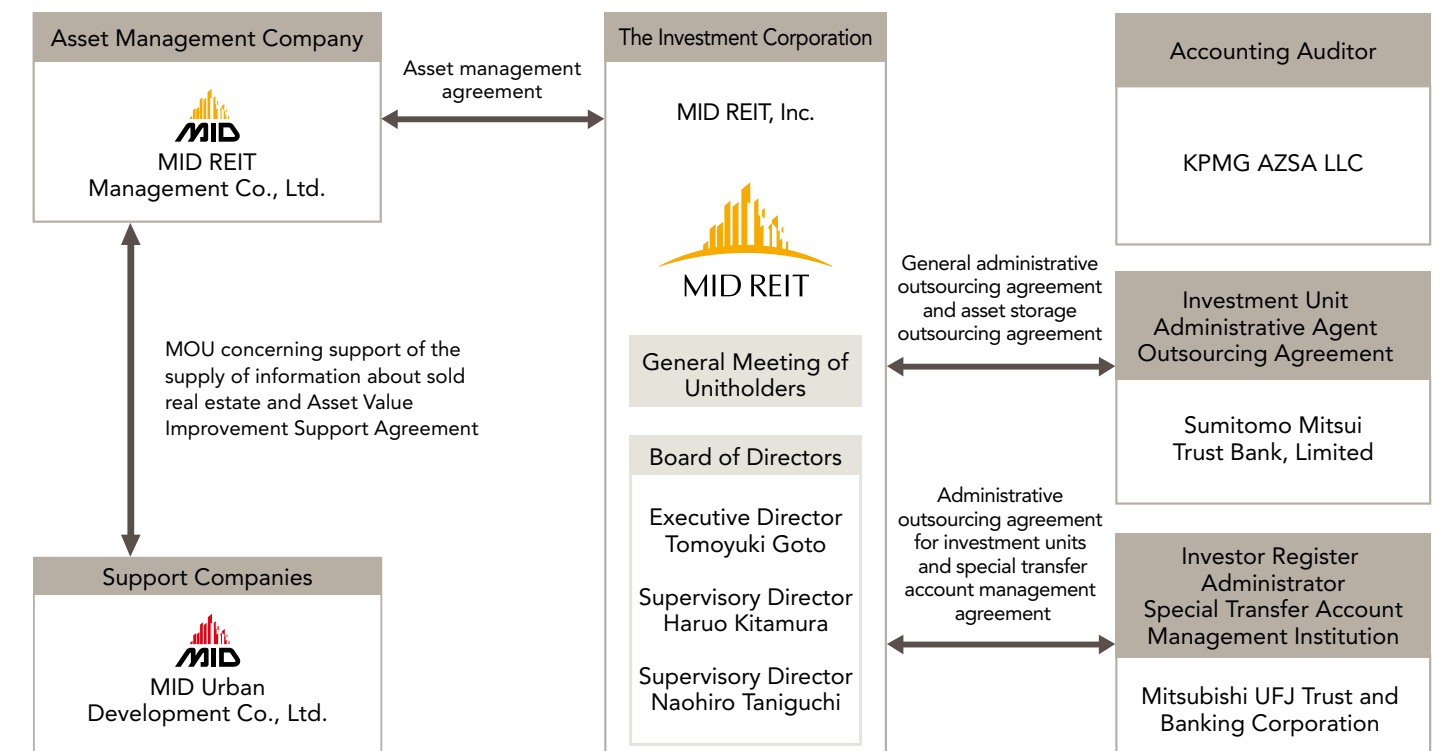


Growth Strategy in Cooperation with the MID Group

MID REIT intends to realize both internal growth and external growth in cooperation with the MID Group and, by virtue of the cooperation, aims to secure stable revenues and achieve steady growth of the portfolio from a medium- to long-term perspective.



Organization of MID REIT



Portfolio Overview

The following is the status of MID REIT's portfolio as of June 30, 2014.

Investment Category	Investment Area	Property Name	Location	Acquisition Price (million yen) (Note 1)	Investment Ratio (%) (Note 2)	Acquisition Date	Leasable Space (m ²) (Note 3)	Occupancy Rate (%) (Note 4)
Office Bldg.	Osaka area	Twin 21 (Note 5)	Chuo-ku, Osaka	68,700	43.6	August 2006	82,396.80	95.5
		Matsushita IMP Bldg.	Chuo-ku, Osaka	24,600	15.6	August 2006	37,375.89	96.9
		Midosuji MID Bldg.	Chuo-ku, Osaka	8,290	5.3	August 2006 October 2007	10,461.32	100.0
		MID REIT Kyobashi Bldg.	Miyakojima-ku, Osaka	2,300	1.5	August 2006	4,833.88	100.0
		MID Imabashi Bldg.	Chuo-ku, Osaka	3,270	2.1	April 2007	4,277.65	100.0
		MID Midosujikawaramachi Bldg.	Chuo-ku, Osaka	2,000	1.3	May 2007	3,097.39	92.5
		Kitahama MID Bldg.	Chuo-ku, Osaka	10,800	6.8	April 2008	10,189.49	96.9
		MID Nishihommachi Bldg.	Nishi-ku, Osaka	3,550	2.3	October 2008	3,877.38	96.7
		Higobashi MID Bldg.	Nishi-ku, Osaka	3,000	1.9	June 2013	4,655.57	96.8
		Subtotal (9 properties)		126,510	80.2		161,165.37	96.5
Other	Osaka area	Konami Sports Club Kyobashi	Miyakojima-ku, Osaka	2,780	1.8	August 2006	9,586.26	100.0
	Other major cities	AEON MALL Tsudanuma	Narashino-shi, Chiba	26,100	16.6	August 2006	101,210.44	100.0
		Dormy Inn Hakata Gion	Hakata-ku, Fukuoka	2,280	1.4	September 2013	5,554.91	100.0
		Subtotal (3 properties)		31,160	19.8		116,351.61	100.0
		Total (12 properties)		157,670	100.0		277,516.98	98.0

(Note 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.)

(Note 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.

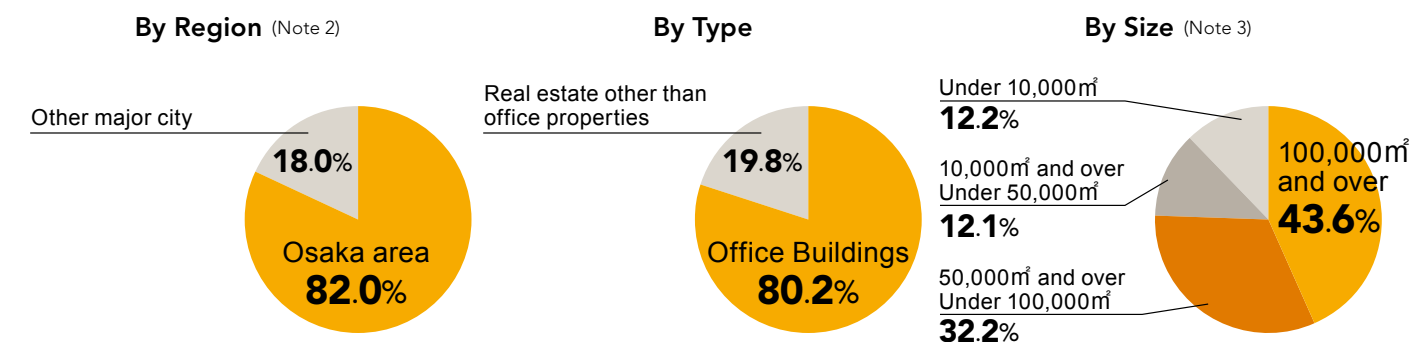
(Note 3) "Leasable Space" represents the total leasable floor space as of June 30, 2014. (Figures are for leasable units only and exclude the floor space for storage, halls, parking, etc. However, the leasable space of Konami Sports Club Kyobashi and AEON MALL Tsudanuma include the floor space for common areas and parking, while the leasable space of the MID REIT Kyobashi Bldg. and Dormy Inn Hakata Gion include the floor space for common areas, each of which is leased in its entirety to a sole tenant.)

(Note 4) "Occupancy Rate" is presented as percentage figures, which are obtained by dividing the leased space as of June 30, 2014 by the leasable space. In addition, the figures in the "Subtotal" and the "Total" rows are presented as percentages that are obtained by dividing the sum of the leased space of each property group by the sum of the group's leasable space and rounded to the first decimal place.

(Note 5) Including the trust beneficiary interest of Twin 21 (partial ownership of leased land).

Portfolio Analysis

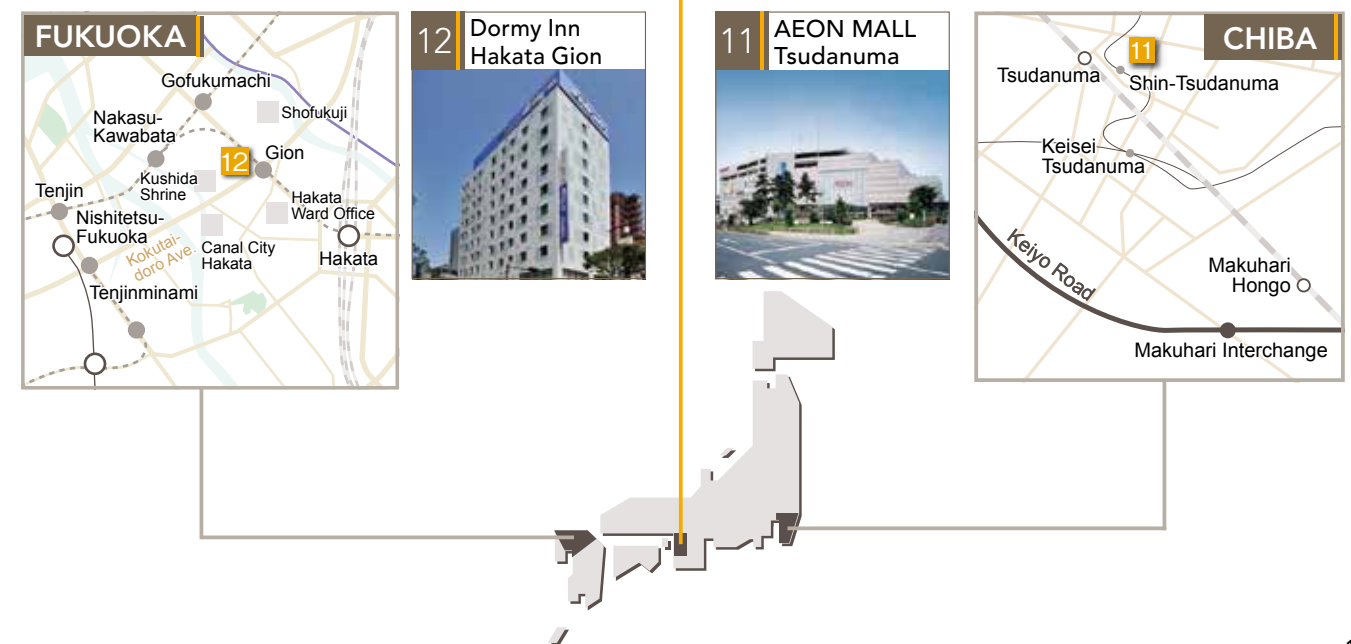
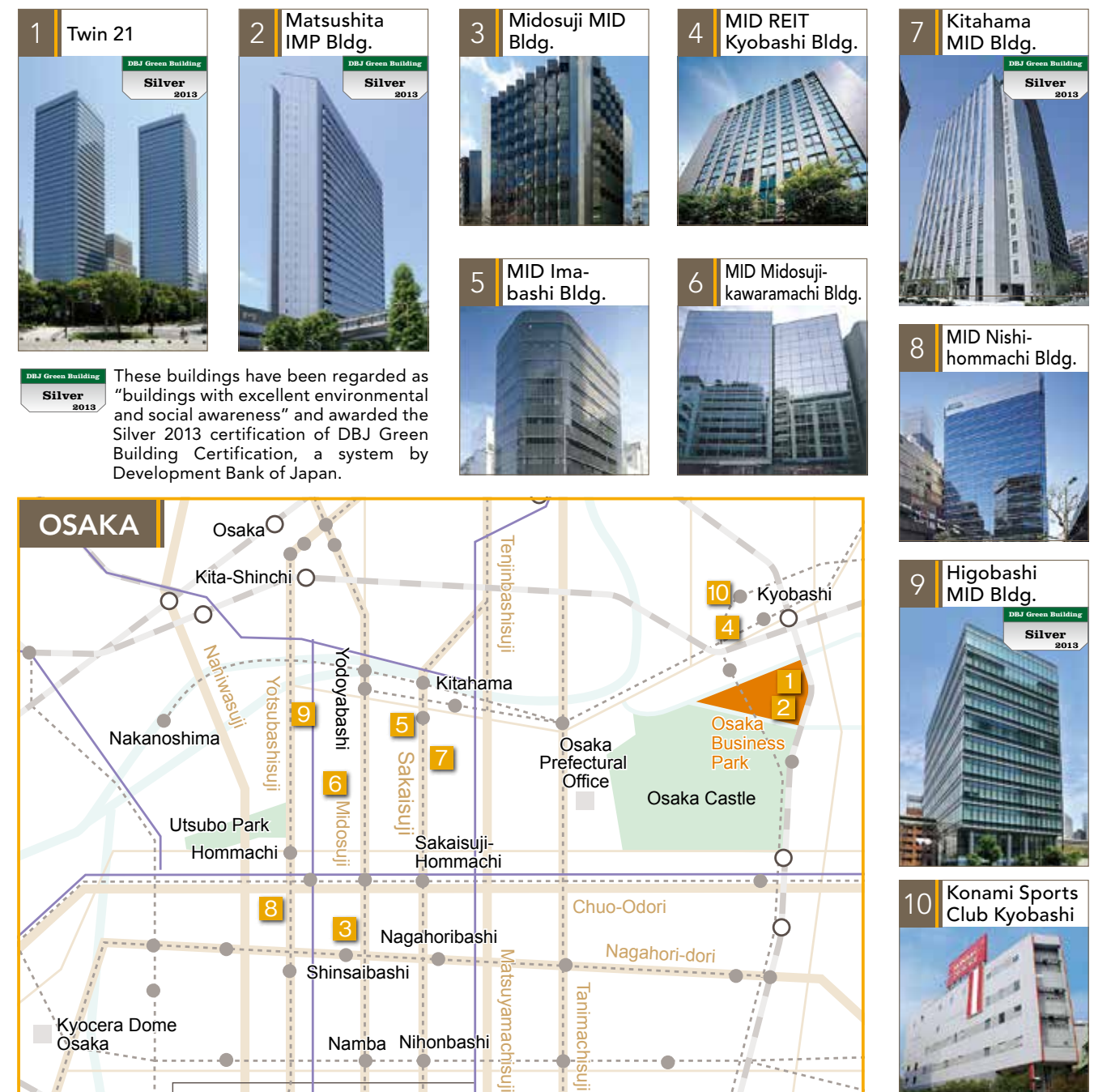
The following is the diversification of MID REIT's portfolio by respective category. (Note 1)



(Note 1) The ratios represent the ratios of the combined acquisition prices for respective categories over the total acquisition price, and are rounded to the first decimal place. Accordingly, the total of such figures is not necessarily 100%.

(Note 2) "Osaka area" refers to Osaka Prefecture, Hyogo Prefecture and Kyoto Prefecture, and "Other major cities" refers to government-designated cities and other major cities in Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.

(Note 3) The area sizes shown in "By Size" are based on the total floor space of the buildings recorded on the registry.



Although new supply of leasable space increased, vacancy rates maintained a declining trend

The new supply of leasable space in Osaka in 2013 was 56,347 tsubos, 2.3 times larger than that of the preceding year. The increase/decrease of demand for new space was 48,807 tsubos, surpassing the past average level of 20,000 tsubos for the third consecutive year.

Companies have been reviewing office locations and facilities such as BCP measures and many have started to consider various options including relocations. In addition to Umeda, Nakanoshima, Yodoyabashi and Hommachi, which are known as major office areas in Osaka, Osaka Business Park is gaining in popularity. This is believed to be attributable to its locational characteristics as having one of the most disaster-resistant capabilities against earthquakes and floods among business areas in Osaka.

Although the new supply of leasable space in 2014 is expected to reach 22,385 tsubos, 90% of this has already secured tenants and an increase in the vacancy rate is unlikely. Demand for these new buildings is led not only by relocation needs for floor expansion due to office integration or opening of new offices, but also by the desire to upgrade locations or facilities. As the demand is strong, vacancy rates in Osaka could decline at a faster pace.

Foreign firms eyeing Osaka tend to place emphasis on facilities, transportation access to other business areas, rent levels and the surrounding environment (including residential environment).

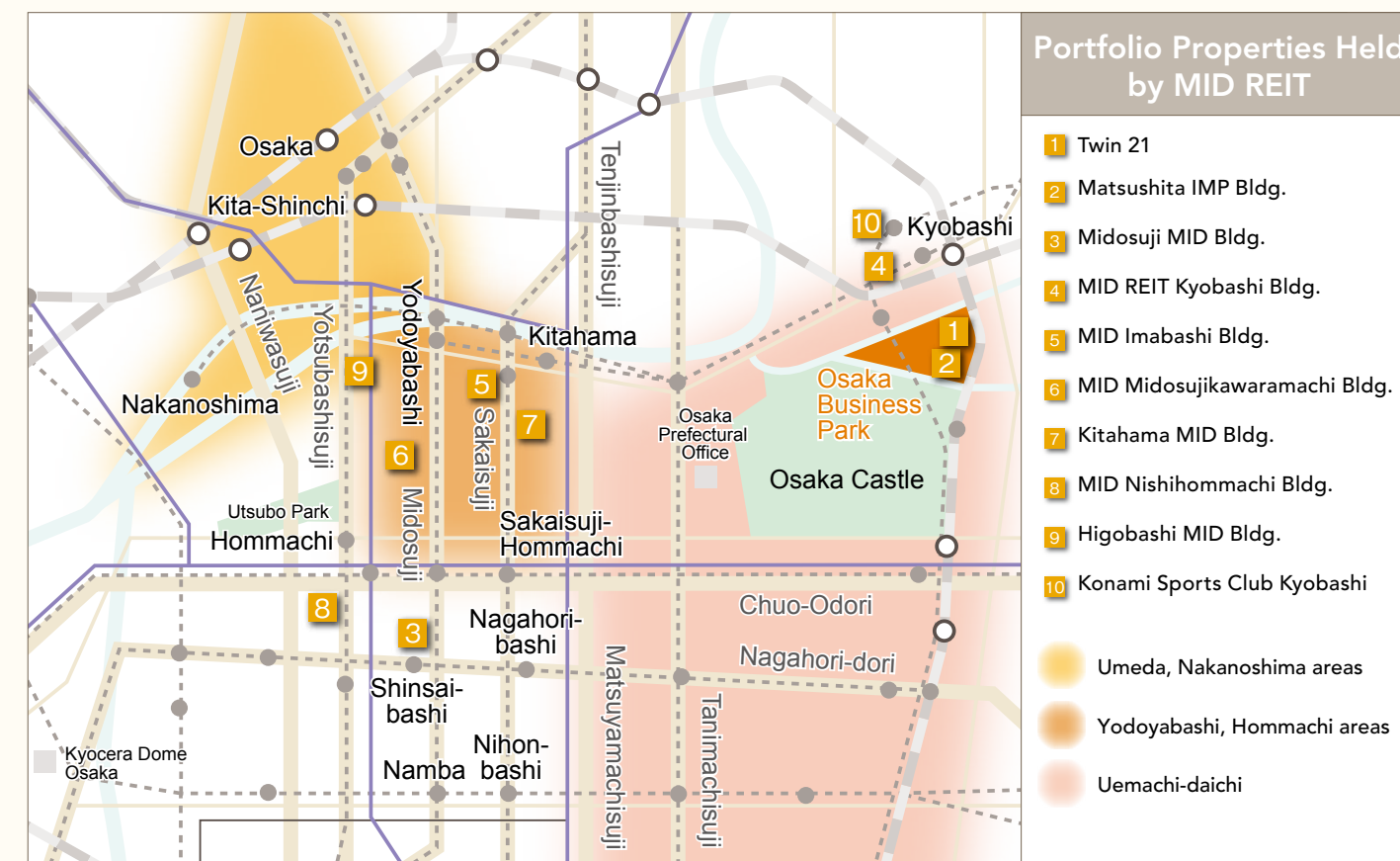
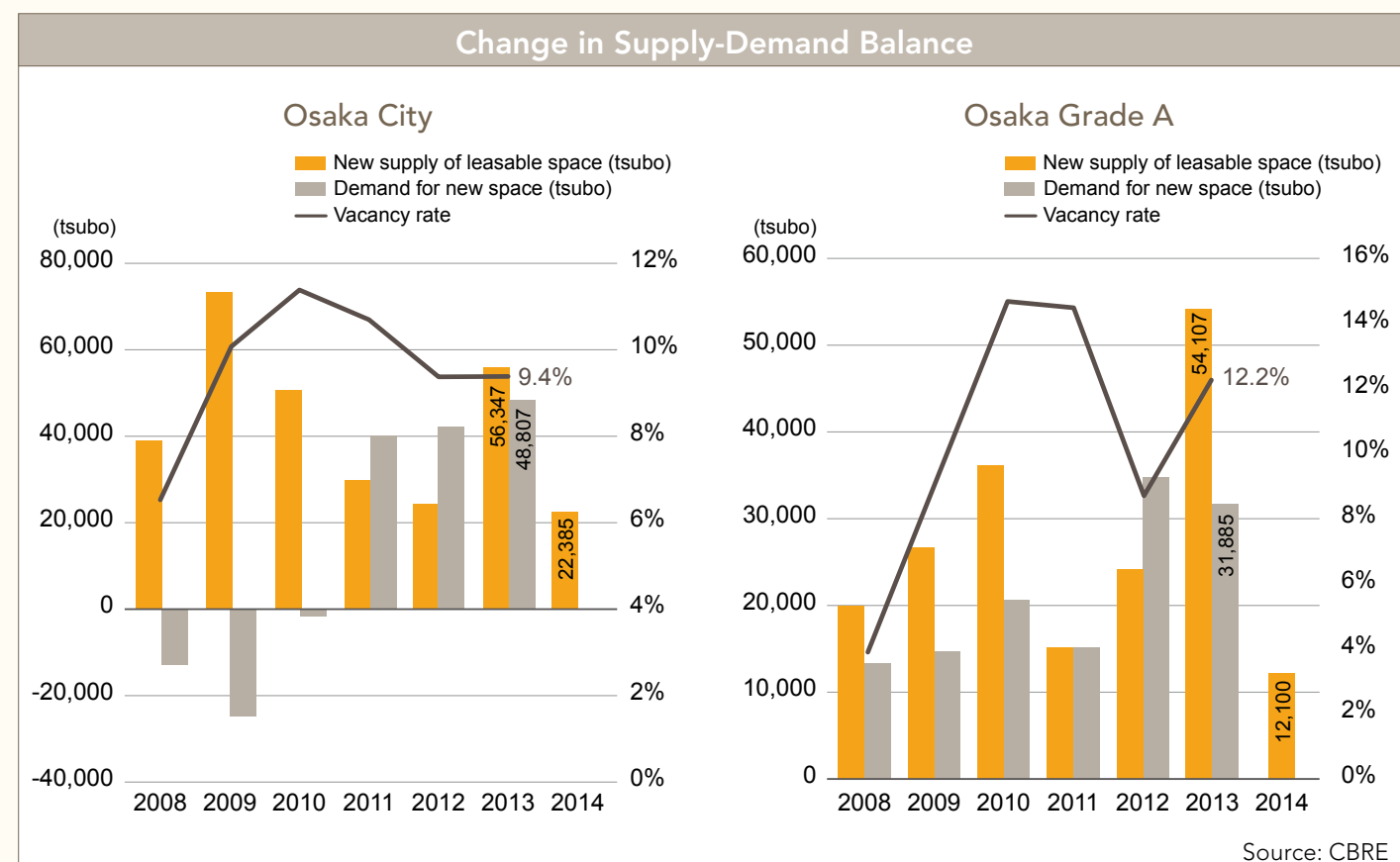
The vacancy rate for the entire of Osaka has declined to as low as 7.5% as of the end of 2Q 2014. Vacant spaces at large buildings have been rapidly filled except for in areas with particularly high rent levels. The filling of vacant spaces has also been spreading from central business areas to surrounding business areas. The vacancy rate for Class A office buildings reached 9.4%, down 0.9% from the end of the previous fiscal period, indicating a significant improvement of 17.7% from about a year ago. The decline in vacancy rates is more apparent with large prime properties and rents for Class A buildings are projected to rise towards the end of the year.

Looking at Osaka with a longer-term perspective, we find that the recent new supply has been concentrated in new office areas such as Umeda

and Nakanoshima, rather than Osaka's representative traditional office areas along Midosuji Street such as in the Yodoyabashi and Hommachi areas. More cases of large scale building developments have also been seen in other areas.

Some companies take earthquake resistance into account upon selecting a property. If a massive earthquake centered on the Nankai Trough occurs, all office areas in Osaka are likely to sustain the same level of damage. However, Uemachi-daichi that stretches from Chuo ward to Sumiyoshi ward is believed to be more resistant against water-related damage that would follow such an earthquake.

Hiroshi Okubo
Executive Director, CBRE Japan



Historical Results of Operations for MID REIT

Overview of Asset Management

Period		12th Period	13th Period	14th Period	15th Period	16th Period
Fiscal period		Jan. 1, 2012 June 30, 2012	July 1, 2012 Dec. 31, 2012	Jan. 1, 2013 June 30, 2013	July 1, 2013 Dec. 31, 2013	Jan. 1, 2014 June 30, 2014
Operating revenue	(million yen)	5,717	5,628	5,457	5,265	5,157
(Real estate rental revenues)	(million yen)	(5,717)	(5,550)	(5,457)	(5,265)	(5,157)
Operating expenses	(million yen)	3,644	3,747	4,810	3,615	3,543
(Real estate rental expenses)	(million yen)	(3,065)	(3,194)	(3,020)	(2,979)	(3,023)
Operating income	(million yen)	2,072	1,881	646	1,650	1,614
Ordinary income	(million yen)	1,441	1,325	105	1,177	1,161
Net income	(million yen)	1,439	1,323	104	1,175	1,160
Total assets (Period-on-period variation)	(million yen) (%)	176,300 (-0.1)	175,445 (-0.5)	173,711 (-1.0)	168,939 (-2.7)	168,762 (-0.1)
Net assets (Period-on-period variation)	(million yen) (%)	91,812 (0.0)	91,696 (-0.1)	90,476 (-1.3)	91,548 (1.2)	91,532 (-0.0)
Interest-bearing liabilities	(million yen)	71,925	71,800	71,675	65,550	65,425
Unitholders' capital	(million yen)	90,372	90,372	90,372	90,372	90,372
Total investment units issued and outstanding	(units)	183,625	183,625	183,625	183,625	183,625
Net assets per unit	(yen)	499,998	499,369	492,726	498,563	498,477
Total distributions	(million yen)	1,439	1,323	104	1,175	1,160
Distribution per unit	(yen)	7,840	7,210	567	6,404	6,318
(Earnings distribution per unit)	(yen)	(7,840)	(7,210)	(567)	(6,404)	(6,318)
(Distribution in excess of earnings per unit)	(yen)	(-)	(-)	(-)	(-)	(-)
Return on assets (ROA)	(Note 1) (Note 2) (%)	0.8 (1.6)	0.8 (1.5)	0.1 (0.1)	0.7 (1.4)	0.7 (1.4)
Return on unitholders' equity	(Note 1) (Note 3) (%)	1.6 (3.1)	1.4 (2.9)	0.1 (0.2)	1.3 (2.6)	1.3 (2.6)
Unitholders' equity ratio at end of period (Period-on-period variation)	(Note 4) (%)	52.1 (0.1)	52.3 (0.2)	52.1 (-0.2)	54.2 (2.1)	54.2 (0.0)
Interest-bearing liabilities ratio at end of period	(Note 5) (%)	40.8	40.9	41.3	38.8	38.8
Payout ratio	(%)	100.0	100.0	100.0	100.0	100.0
Number of investment properties	(properties)	12	11	11	12	12
Leasable space	(Note 6) (m ²)	281,761.16	279,755.90	271,963.95	277,516.99	277,516.98
Number of tenants at end of period	(Note 7) (tenants)	214	217	230	236	235
Occupancy rate at end of period	(Note 8) (%)	97.0	97.6	96.3	96.1	98.0
Depreciation and amortization for the period	(million yen)	1,077	1,089	1,113	1,107	1,127
Capital expenditures for the period	(million yen)	505	343	538	266	418
NOI from property leasing	(Note 9) (million yen)	3,789	3,474	3,568	3,395	3,268

(Note 1) Figures in parenthesis have been annualized.

(Note 2) Ordinary income ÷ ((Total assets at beginning of period + Total assets at end of period) ÷ 2) × 100

(Note 3) Net income ÷ ((Net assets at beginning of period + Net assets at end of period) ÷ 2) × 100

(Note 4) Net assets at end of period ÷ Total assets at end of period × 100

(Note 5) Interest-bearing liabilities at end of period ÷ Total assets at end of period × 100

(Note 6) "Leasable space" represents the total leasable floor space as of the end of each fiscal period. (Figures are for leasable units only and exclude the floor space for storage, halls, parking, etc., but include the floor space for common areas and parking, etc. when leased to tenants.)

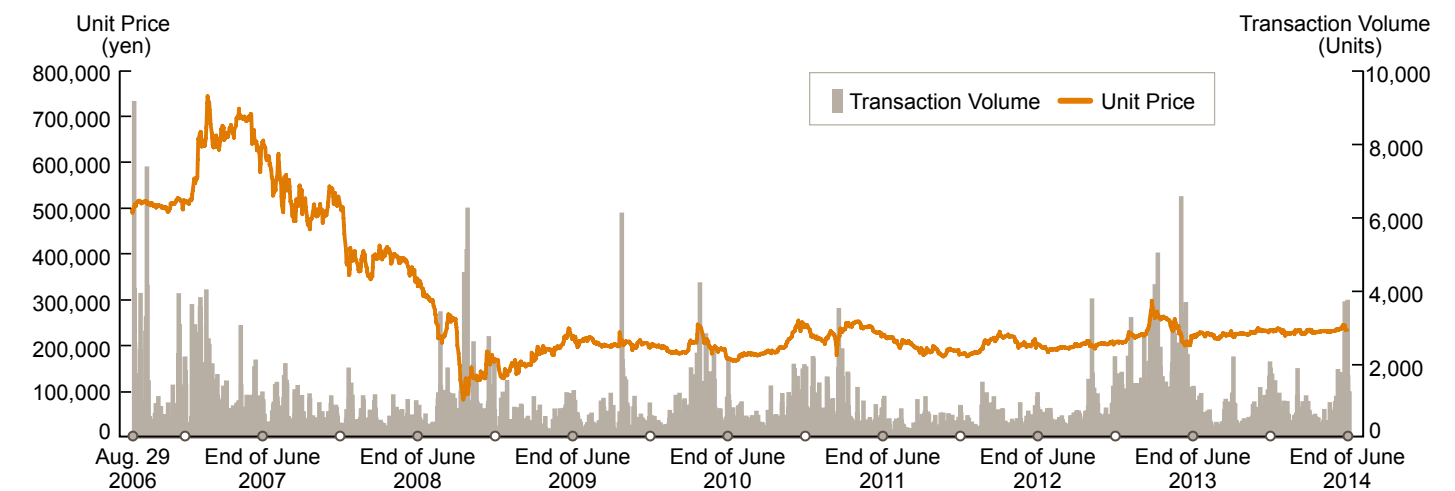
(Note 7) "Number of tenants at end of period" represents the number of tenants based on lease agreements that are valid as of the end of each fiscal period. (Figures are for leasable units only and exclude the tenants who lease only the floor space for storage, halls, parking, etc.). When one tenant leases multiple rooms for rent in the same property, it is regarded as one tenant, and when in multiple properties, it is regarded as multiple tenants (one tenant for each property) and counted as such.

(Note 8) "Occupancy rate at end of period" is the figure obtained by dividing the total leased space of respective properties at the end of each fiscal period by the total leasable floor space, and is expressed as a percentage.

(Note 9) Rental income for the period (Real estate rental revenues – Real estate rental expenses) + Depreciation and amortization for the period + Loss on retirement of noncurrent assets for the period

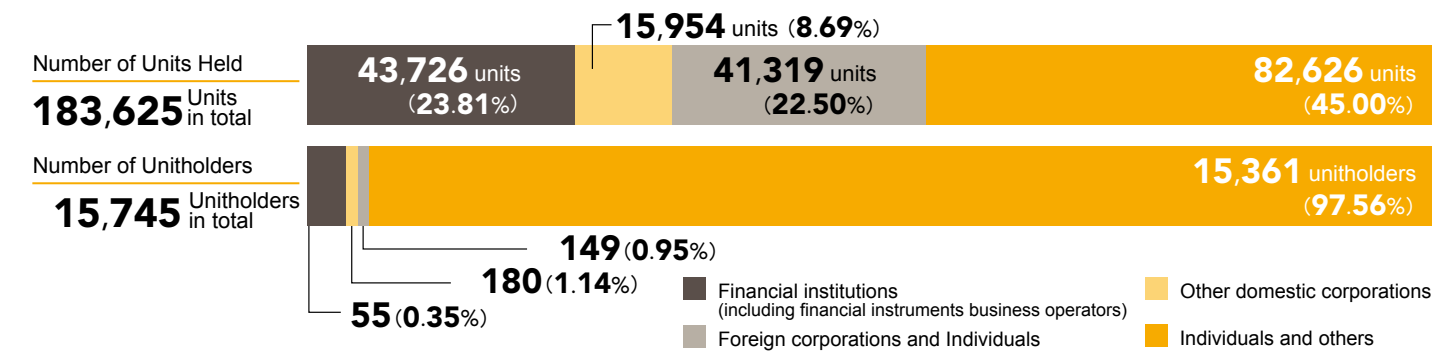
Unit Price Performance

The following is the history of investment unit prices (closing prices) and transaction volumes of MID REIT on the Tokyo Stock Exchange from the date of listing (August 29, 2006) to June 30, 2014.



Breakdown of Unitholders

The following is the breakdown of MID REIT's unitholders as of June 30, 2014.



Overview of Asset Management Company (as of June 30, 2014)

Name	MID REIT Management Co., Ltd.
Location	1-4-4 Dojimahama, Kita-ku, Osaka
Capital	210 million yen
Shareholder	MID Urban Development Co., Ltd. (shareholding: 100%)
Representative	President & CEO, Tomoyuki Goto
Business Description	Investment management business
Company History	<p>September 1, 2005: MID REIT Management Co., Ltd. established</p> <p>October 5, 2005: Acquired real estate brokerage license (License Number: 2-51806, Osaka Governor)</p> <p>February 2, 2006: Obtained grant for agency by discretionary trust, based on the Building Lots and Buildings Transaction Business Law (Grant Number: 50, Minister of Land, Infrastructure, Transport and Tourism)</p> <p>May 26, 2006: Obtained grant for asset management under the Investment Trust and Investment Corporation Law (Grant Number: 64, Prime Minister of Japan)</p> <p>September 30, 2007: Registered as an investment management business under the Financial Instruments and Exchange Law of Japan (the "FIE Law") (Registration No. 43 [FIE], Director-General, Kinki Local Finance Bureau) (Note)</p> <p>(Note) Subject to the stipulation under Article 159, Paragraph 1 of the Supplementary Provisions of the Law Concerning the Amendments of the Securities and Exchange Law and Other Financial Laws, the Asset Management Company is deemed to have been registered in accordance with Article 29 of the FIE Law, effective as of September 30, 2007, the date of the FIE Law implementation.</p>