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For Translation Purpose Only

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Notice Concerning Execution of Debt Financing Contract and Interest-Rate Swap Agreement

MID REIT, Inc. (hereafter “MID REIT”) announced today that it entered into a debt-financing contract and interest-rate swap agreement. The details are as follows.

1. Term Loan

A. Rationale

MID REIT intends to apply the proceeds from the loans to a portion of the scheduled acquisition of initial assets recorded in the Prospectus Concerning the Issue and Sale of New Investment Units, published in July 2006, as well as the payment of related expenses.

B. Details of Borrowings

(1) Borrowings (Two-year contracts)

- | | |
|--------------------|---|
| (a) Lenders: | Mizuho Corporate Bank, Ltd., The Sumitomo Trust and Banking Co, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd., Resona Bank, Ltd., The Bank of Ikeda, Ltd., The Hyakugo Bank, Ltd., The Tokio Marine and Fire Insurance Co., Ltd. and The Yamaguchi Bank, Ltd. |
| (b) Amount: | ¥21.3 billion |
| (c) Interest Rate: | The three-month TIBOR (Tokyo Interbank Official Rate) for Japanese Yen published by the Japanese |

Note: This press release provides information regarding MID REIT's debt financing, and is not prepared as an inducement or invitation for investment. All readers are advised to consult their own investment advisors before investing in MID REIT. Investment decisions are investors' sole discretion and responsibility and are made at their own risk. MID REIT and its affiliates disclaim any responsibility or liability for the consequence of investment in MID REIT.



Bankers Association (JBA) + 0.3% *

The interest rate applicable to borrowings from August 31, 2006 to December 29, 2006 (including these dates) shall be 0.76182%. Applicable interest rates for December 30, 2006 and after have not yet been determined and will be disclosed as and when determined.

- (d) Drawdown Date: August 31, 2006
- (e) Borrowing Method: The debt financing is based on a Basic Loan Agreement executed on August 29, 2006 between MID REIT and lenders for each loan (Term Loan) described in B. and for commitment lines of credit described in 2. below (hereafter “Basic Loan Agreement”), as well as individual term loan agreements (hereafter “Term Loan Agreements [Two-year contracts]”) executed between MID REIT and lenders described in (a) above on the same day.
- (f) Interest Payment Date: The first payment shall be December 29, 2006, followed by subsequent payments on the last business days of March, June, September and December of each year, as well as the principal repayment date
- (g) Principal Repayment Date: August 31, 2008 (However, in the event that this date is not a business day, the repayment date shall be the final business day preceding the principal repayment date.)
- (h) Repayment Method: Principal repayment in full on maturity
- (i) Collateral: Secured

(2) Details of Borrowings (Three-year contracts)

- (a) Lenders: Mizuho Corporate Bank, Ltd., The Sumitomo Trust and Banking Co, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd., Resona Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Aozora Bank, Ltd., The Bank of Ikeda, Ltd. and Sompo Japan Insurance Inc.
- (b) Amount: ¥20.0 billion



- (c) Interest Rate: The three-month TIBOR for Japanese Yen published by the JBA + 0.35% *
The interest rate applicable to borrowings from August 31, 2006 to December 29, 2006 (including these dates) shall be 0.81182%. Applicable interest rates for December 30, 2006 and after have not yet been determined and will be disclosed as and when determined.
- (d) Drawdown Date: August 31, 2006
- (e) Borrowing Method: The debt financing is based on the Basic Loan Agreement and individual term loan agreements (hereafter “Term Loan Agreements [Three-year contracts]”) concluded on August 29, 2006 between MID REIT and lenders described in (a) above.
- (f) Interest Payment Date: The first payment shall be December 29, 2006, followed by subsequent payments on the last business days of March, June, September and December of each year, as well as the principal repayment date.
- (g) Principal Repayment Date: August 31, 2009 (However, in the event that this date is not a business day, the repayment date shall be the final business day preceding the principal repayment date.)
- (h) Repayment Method: Principal repayment in full on maturity
- (i) Collateral: Secured
- (3) Details of borrowings (Four-year contract)
- (a) Lenders: Mizuho Corporate Bank, Ltd., The Sumitomo Trust and Banking Co, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd., Resona Bank, Ltd., Aozora Bank, Ltd. and The Bank of Ikeda, Ltd.
- (b) Amount: ¥20.0 billion
- (c) Interest Rate: The three-month TIBOR for Japanese Yen published by the JBA + 0.40% *
The interest rate applicable to borrowings from August 31, 2006 to December 29, 2006 (including these dates) shall be 0.86182%. Applicable interest rates for December 30, 2006 and after have not yet been



determined and will be disclosed as and when determined

- (d) Drawdown Date: August 31, 2006
- (e) Borrowing Method: The debt financing is based on the Basic Loan Agreement and individual term loan agreements (hereafter “Term Loan Agreements [Four-year contracts]”) executed on August 29, 2006 between MID REIT and lenders described in (a) above.
- (f) Interest Payment Date: The first payment shall be December 29, 2006, followed by subsequent payments on the last business days of March, June, September and December of each year, as well as the principal repayment date
- (g) Principal Repayment Date: August 31, 2010 (However, in the event that this date is not a business day, the repayment date shall be the final business day preceding the principal repayment date.)
- (h) Repayment Method: Principal repayment in full on maturity
- (i) Collateral: Secured

* The four-month TIBOR for Japanese Yen published by the JBA shall be applied for the period from August 31, 2006 to December 29, 2006.

C. Use of funds

Proceeds from the loans outlined above will be utilized for a portion of the scheduled acquisition of initial assets that are recorded in MID REIT’s Prospectus Concerning the Issue and Sale of New Investment Units, published in July 2006, and for the payment of related expenses as deemed reasonably necessary.

2. Interest-Rate Swap Agreement

A. Rationale

This agreement was reached for the purpose of fixing interest rates payable and hedging against the risk of interest-rate volatility in relation to loans outlined in 1. Term Loans above, namely, B. (2) Details of borrowings (Three-year contracts) and B. (3) Details of borrowings (Four-year contracts).

B. Details of Interest-Rate Swap Agreements

(1) Interest-Rate Swap Agreement (Three-year contracts)



- (a) Lender: Mizuho Corporate Bank, Ltd.
 - (b) Notional Principal Amount: ¥20.0 billion
 - (c) Interest Rate: Fixed interest payable: 1.097%
Floating interest rate receivable: The three-month TIBOR for Japanese Yen published by the JBA* (However, the first interest calculation period shall be from August 31, 2006 through December 29, 2006, with an interest rate of 0.46182%)
 - (d) Commencement Date: August 31, 2006
 - (e) Termination Date: August 31, 2009 (However, in the event that this date is not a business day, the repayment date shall be the final business day preceding the termination date.)
 - (f) Interest Payment Date: The first payment shall be December 29, 2006, followed by subsequent payments on the last business days of March, June, September and December of each year, as well as the termination date.
- (2) Interest-Rate Swap Agreement (Four-year contracts)
- (a) Lender: Mizuho Corporate Bank, Ltd.
 - (b) Notional Principal Amount: ¥20.0 billion
 - (c) Interest Rate: Fixed interest payable: 1.299%
Floating interest rate receivable: The three-month TIBOR for Japanese Yen published by the JBA* (However, the first interest calculation period shall be from August 31, 2006 through December 29, 2006, with an interest rate of 0.46182%)
 - (d) Commencement Date: August 31, 2006
 - (e) Termination Date: August 31, 2010 (However, in the event that this date is not a business day, the repayment date shall be the final day preceding the termination date.)
 - (f) Interest Payment Date: The first payment shall be December 29, 2006, followed by subsequent payments on the last business days of March, June, September and December of each year, as well as the termination date.

* The four-month TIBOR for Japanese Yen published by the JBA shall be applied for the period between August 31, 2006 and December 29, 2006.



3. Relationship with the Investment Management Company with Regard to Borrowings and Interest-Rate Swap Agreement

None