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For Translation Purpose Only

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**Notice Regarding Forecast of Business Results for the Fiscal Periods Ending
December 31, 2006 and June 30, 2007**

The following is the business results outlook (forecast data) of MID REIT, Inc. (hereafter “MID REIT”) for the fiscal periods ending December 31, 2006 (begun June 1, 2006) and June 30, 2007 (beginning January 1, 2007).

	Operating revenues	Ordinary income	Net income	Distributions per unit	Distributions in excess of earnings per unit
Period ending December 31, 2006 (First fiscal period)	¥4,111 million	¥1,609 million	¥1,607 million	¥8,495 million	—
Period ending June 30, 2007 (Second fiscal period)	¥5,982 million	¥2,425 million	¥2,423 million	¥12,809 million	—

Reference:

Fiscal period ending December 31, 2006: Forecast number of investment units issued and outstanding: 189,200 (Note: Forecast net income per investment unit: ¥8,495)

Fiscal period ending June 30, 2007: Forecast number of investment units issued and outstanding: 189,200 (Note: Forecast net income per investment unit: ¥12,809)

Note: This press release provides information regarding MID REIT's forecasts of the results of operation for the first and second fiscal periods, 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.



Notes:

1. The forecast data of the business results referred to above are our current expectations calculated per the assumptions described in the attached document titled, "Assumption(s) for forecasts of business results for the fiscal periods ending December 31, 2006 and June 30, 2007."

Actual operating revenues, ordinary income, net income and distributions per unit may differ substantially from the forecasts due to changes in the operating environment and other factors, which include future acquisition or disposition of properties and fluctuations in the real estate and other markets. Furthermore, MID REIT does not guarantee payment of any distributions.

2. MID REIT reserves the right to revise the aforementioned forecasts in the event that a significant discrepancy between actual results and forecasts is anticipated.

3. MID REIT's first fiscal period (the period ending December 31, 2006), commenced June 1, 2006, will end on December 31, 2006. After the first fiscal period, MID REIT will have six-month fiscal periods from January 1 through June 30 and July 1 through December 31, annually.

4. Figures below the specified unit are rounded down.



Attachment

Assumption(s) for forecasts of business results for the fiscal periods ending December 31, 2006 and June 30, 2007

Item	Assumption(s)
Property portfolio	<p>MID REIT plans to acquire nine beneficial interests in real estate held in trust (hereafter, collectively referred to as “Initial Assets to Be Acquired”). MID REIT will acquire these assets with funds acquired through the issue of new investment units and debt financing.</p> <p>The forecasts of the business results presented herein are based on the assumption that MID REIT will acquire the Initial Assets to Be Acquired on August 31, 2006, and will neither acquire new assets nor dispose of existing assets before June 30, 2007. Notwithstanding the aforementioned, forecasts may be revised due to changes in the property portfolio.</p> <p>The actual duration of the operating period of the first fiscal period, ending December 31, 2006, is 123 days.</p>
Operating revenues	<p>Real estate rental revenues for the Initial Assets to Be Acquired are calculated on the basis of information provided by their current owners, after taking into account the real estate market conditions and the characteristics of each property.</p> <p>The forecast of the revenues is made on the assumption that no tenants will delay or default on rental payments.</p>
Operating expenses	<p>Lease business expenses (other than depreciation and amortization costs) that are the principal operating expenses applicable to the Initial Assets to Be Acquired are based on data provided by the current owners of each property and are calculated to reflect expense fluctuation factors based on historical performance values.</p> <p>In general, property tax, city planning tax and other related taxes applicable in the first year of acquisition are calculated on a pro rata basis as of the date of acquisition and shared accordingly between buyer and seller. MID REIT, however, capitalizes the amount of these taxes into the acquisition price, and therefore will not record the tax amount as real estate-related expenses for the fiscal period ending December 31, 2006. The projected amount of property tax, city planning tax and other related taxes recorded against the cost of acquisition of the Initial Assets to Be Acquired is approximately ¥370 million. For the fiscal period ending June 30, 2007, MID REIT estimates the amount of property tax, city planning tax and other related taxes to be recorded as real estate-related expenses to be</p>

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	<p>approximately ¥277 million.</p> <p>An estimate for repairs and maintenance of the buildings for each fiscal period is allocated to expenses during such relevant fiscal period. MID REIT estimates ¥55 million and ¥122 million for the amounts of repair and maintenance expenses to be recorded for the fiscal periods ending December 31, 2006 and June 30, 2007, respectively. The actual repair and maintenance expenses may, however, differ significantly from the amount estimated herein in the event that a substantial amount of unexpected contingent repair and maintenance expenses is required.</p> <p>Depreciation and amortization expenses, including associated costs and future capital expenditures, are calculated based on the straight-line method. MID REIT estimates approximately ¥550 million and ¥840 million for the amounts of the depreciation and amortization expenses for the fiscal periods ending December 31, 2006 and June 30, 2007, respectively.</p>
Non-operating expenses	<p>One-off costs incurred during the fiscal period ending December 31, 2006 in connection with the public listing and offering of investment units are estimated to total approximately ¥278 million.</p> <p>MID REIT also estimates ¥408 million and ¥566 million for the amount of debt-financing-related expenses, such as interest payments, for the first and second fiscal periods, respectively.</p>
Debt financing	<p>MID REIT estimates its forecasts of debt financing based on the following assumptions: MID REIT will take out a loan (with fixed and floating interest rates) of approximately ¥61,300 million in August 2006 from qualified institutional investors, pursuant to Sub-paragraph 1, Paragraph 3, Article 2 of the Securities and Exchange Law; repayment of ¥7,000 million in loans using residual income and other income from the additional issue of new investment units by way of third-party allocation related to offerings by over-allotment in the fiscal period ending December 31, 2006 as a principal resource; and the balance of the loan from repayment during the first fiscal period (ending December 31, 2006) to the end of the second fiscal period (June 30, 2007) shall remain unchanged.</p>
Investment units issued and outstanding	<p>The forecasts presented herein are based on the assumption that in addition to 200 investment units that were issued and outstanding on July 27, 2006, MID REIT will issue a total of 189,000 units consisting of 180,000 additional new investment units and 9,000 units under third-party allotment in accordance with an over-allotment of a maximum of 9,000 units, pursuant to the resolution approved at the meeting of the Investment Corporation's Board of Directors held on July 27, 2006. Additionally, it is assumed that there will be no further issue of investment units issued and outstanding by the last date of the second fiscal period.</p>

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Distributions per unit	<p>Distributions per unit are calculated in accordance with MID REIT's distribution policy stipulated under its Articles of Incorporation.</p> <p>Distributions per unit are subject to change depending on fluctuations in rental revenues caused by changes in the property portfolio and tenants, unanticipated repair and maintenance expenses, interest rate fluctuations, additional issue of new investment units and other factors.</p>
Distributions in excess of earnings per unit	MID REIT, in principle, does not anticipate distributions in excess of earnings per unit.
Other	<p>Forecasts are based on the assumption that there will be no material changes in laws, regulations, taxation systems, accounting standards, public listing requirements or rules of investment trust association that could impact the forecasts presented herein.</p> <p>Forecasts are based on the assumption that there will be no material changes in economic and real estate market conditions in Japan.</p>

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