



August 31, 2006

**For Translation Purpose Only**

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### Notice Regarding Acquisition of Properties

MID REIT, Inc. (hereafter “MID REIT”) today acquired the following properties, detailed below.

#### 1. Reason for Acquisition

Upon the start of asset management operations by MID REIT, and in accordance with the targeted assets and investment policies stipulated in its articles of incorporation, MID REIT today acquired the nine properties recorded in its Prospectus Concerning the Issue and Sale of New Investment Units (published in July 2006).

#### 2. Acquisition Overview

(1) Assets acquired: Trust beneficiary interest in entrusted real estate (Trust beneficiary interest in real estate) for nine properties

| Property Number | Property Name                         | Acquisition Price (¥Millions) | Seller                                   |
|-----------------|---------------------------------------|-------------------------------|--|
| 1-1             | Twin 21                               | 61,700                        | MID Urban Development Co., Ltd.          |
| 1-2             | Twin 21 (Partial limited land rights) | 7,000                         | Matsushita Electric Industrial Co., Ltd. |
| 2               | Matsushita IMP Building               | 24,600                        | MID Asset Holdings TMK Limited           |
| 3               | Matsushita Denko Building             | 7,620                         | MID Urban Development Co., Ltd.          |
| 4               | Midosuji MID Building                 | 7,500                         | Matsushita Electric Industrial Co., Ltd. |
| 5               | Higashinoda MID Building              | 2,300                         | MID Asset Holdings TMK Limited           |
| 6               | Kyobashi MID Building                 | 5,690                         | MID Asset Holdings TMK Limited           |
| 7               | MID Shibakanasugibashi Building       | 1,160                         | MID Asset Holdings TMK Limited           |
| 8               | Konami Sports Club Kyobashi           | 2,780                         | MID Asset Holdings TMK Limited           |
| 9               | AEON Tsudanuma Shopping Center        | 26,100                        | MID Asset Holdings TMK Limited           |

Note: This press release provides information regarding MID REIT's acquisition of properties, 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.



|  |       |         |  |
|--|-------|---------|--|
|  | Total | 146,450 |  |
|--|-------|---------|--|

\*Note: Through the acquisition of trust beneficiary interest for Twin 21 and partial limited rights to the land of Twin 21, MID REIT owns trust beneficiary interest covering the entire building and land area.

- (2) Acquisition date: August 31, 2006
- (3) Funding: Cash received through the issue and public offering of investment units, and a portion of borrowings (term loans) described in the press release of August 29, 2006 regarding borrowings.

### 3. Details of Properties Acquired

Details of the assets acquired are as follows. For more full and specific details, please refer to MID REIT's Prospectus Concerning the Issue and Sale of New Investment Units (published in July 2006), part two "Fund Information," chapter two "Investment Policies," section two "Targets of Investment," point three "Overview of Assets Scheduled for Acquisition."

Trust beneficiary interest in entrusted real estate (Trust beneficiary interest in real estate)

#### 1-1 Twin 21

|                                |                  |  |
|--------------------------------|------------------|--|
| Type of Asset                  |                  | Trust beneficiary interest in real estate  |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.   |
| Trust Expiration Date          |                  | March 31, 2017   |
| Location (Residential Address) |                  | 2-1-61 Shiromi, Chuo-ku, Osaka   |
| Use                            |                  | Offices, retail facilities, machine room, parking, conference hall   |
| Structure                      |                  | B1/38F building of steel- reinforced concrete (SRC) and sheet glass; B1/6F building of steel(S); B1 structure of reinforced concrete (RC); and B1 structure of RC and copper sheet |
| Site Area                      | Total Site Area  | 28,163.07m <sup>2</sup> (note 2)   |
|                                | Total Floor Area | 146,034.98m <sup>2</sup>   |
| Type of Ownership              | Land             | Fee simple   |
|                                | Building         | Fee simple   |
| Completion Date                |                  | March 14, 1986   |
| Probable Maximum Loss (PML)    |                  | 3.2%   |
| Acquisition Price              |                  | ¥61,700 million  |
| Appraisal                      | Appraisal Value  | ¥61,700 million  |
|                                | Appraisal Date   | April 1, 2006  |
|                                | Appraiser        | Morii Appraisal & Investment Consulting, Inc.  |

\*1 Information for "Use," "Structure," "Total Site Area," "Total Floor Area" and "Completion Date" is based upon that recorded in MID REIT's registered documents. 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)]/procurement costs for restoring expected damages to the building. 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. However, figures for estimated loss represent direct loss only to the building (structural and non-structural materials, building equipment) as a result of an earthquake and do not include secondary damages such as that to equipment, furniture and fixtures, losses incurred due to water or fire following an earthquake, compensation to victims or operating losses due to the interruption of business operations. These notes also apply to all acquisition assets listed below.

\*2 Includes the site area for Twin 21 (partial limited rights to land)

#### 1-2 Twin 21 (partial limited rights to land)

|                                |                  |   |
|--------------------------------|------------------|---|
| Type of Asset                  |                  | Trust beneficiary interest in real estate |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.    |
| Trust Expiration Date          |                  | March 31, 2017                            |
| Location (Residential Address) |                  | —   |
| Use                            |                  | —   |
| Structure                      |                  | —   |
| Site Area                      | Total Site Area  | 13,840.00m <sup>2</sup>                   |
|                                | Total Floor Area | —   |
| Type of Ownership              | Land             | Fee simple                                |
|                                | Building         | —   |
| Completion Date                |                  | —   |
| PML                            |                  | —   |
| Acquisition Price              |                  | ¥7,000 million                            |
| Appraisal                      | Appraisal Value  | ¥7,207 million                            |
|                                | Appraisal Date   | April 1, 2006                             |
|                                | Appraiser        | Tanizawa Sogo Appraisal Co., Ltd.         |

#### 2 Matsushita IMP Building

|                                |                  |  |
|--------------------------------|------------------|--|
| Type of Asset                  |                  | Trust beneficiary interest in real estate            |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.               |
| Trust Expiration Date          |                  | March 31, 2017                                       |
| Location (Residential Address) |                  | 1-3-7 Shiromi, Chuo-ku, Osaka                        |
| Use                            |                  | Offices, retail facilities, parking                  |
| Structure                      |                  | S, SRC, B2/26F                                       |
| Site Area                      | Total Site Area  | 14,963.66m <sup>2</sup>                              |
|                                | Total Floor Area | 84,952.57m <sup>2</sup>                              |
| Type of Ownership              | Land             | Fee simple   |
|                                | Building         | Fee simple   |
| Completion Date                |                  | February 23, 1991<br>November 26, 2003: Improvements |
| PML                            |                  | 3.0%   |

|                   |                 |                                   |
|-------------------|-----------------|-----------------------------------|
| Acquisition Price |                 | ¥24,600 million                   |
| Appraisal         | Appraisal Value | ¥24,600 million                   |
|                   | Appraisal Date  | April 1, 2006                     |
|                   | Appraiser       | Tanizawa Sogo Appraisal Co., Ltd. |

### 3 Matsushita Denko Building

|                                |                  |   |
|--------------------------------|------------------|---|
| Type of Asset                  |                  | Trust beneficiary interest in real estate     |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.        |
| Trust Expiration Date          |                  | March 31, 2017                                |
| Location (Residential Address) |                  | 2-1-3 Shiromi, Chuo-ku, Osaka                 |
| Use                            |                  | Offices, parking                              |
| Structure                      |                  | SRC, B1/8F                                    |
| Site Area                      | Total Site Area  | 3,698.55m <sup>2</sup>                        |
|                                | Total Floor Area | 17,143.04m <sup>2</sup>                       |
| Type of Ownership              | Land             | Fee simple                                    |
|                                | Building         | Fee simple                                    |
| Completion Date                |                  | August 30, 1974                               |
| PML                            |                  | 7.0%  |
| Acquisition Price              |                  | ¥7,620 million                                |
| Appraisal                      | Appraisal Value  | ¥7,620 million                                |
|                                | Appraisal Date   | April 1, 2006                                 |
|                                | Appraiser        | Morii Appraisal & Investment Consulting, Inc. |

### 4 Midosuji MID Building

|                                |                  |   |
|--------------------------------|------------------|---|
| Type of Asset                  |                  | Trust beneficiary interest in real estate |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.    |
| Trust Expiration Date          |                  | March 31, 2017                            |
| Location (Residential Address) |                  | 4-3-2 Minamisenba, Chuo-ku, Osaka         |
| Use                            |                  | Offices                                   |
| Structure                      |                  | S, RC, B2/12F                             |
| Site Area                      | Total Site Area  | 1,705.26m <sup>2</sup>                    |
|                                | Total Floor Area | 16,289.44m <sup>2</sup>                   |
| Type of Ownership              | Land             | Fee simple                                |
|                                | Building         | Fee simple                                |
| Completion Date                |                  | October 20, 1980                          |
| PML                            |                  | 13.4%                                     |
| Acquisition Price              |                  | ¥7,500 million                            |
| Appraisal                      | Appraisal Value  | ¥7,520 million                            |
|                                | Appraisal Date   | April 1, 2006                             |
|                                | Appraiser        | Tanizawa Sogo Appraisal Co., Ltd.         |

### 5 Higashinoda MID Building

|               |   |
|---------------|---|
| Type of Asset | Trust beneficiary interest in real estate |
|---------------|---|

|                                |                  |  |
|--------------------------------|------------------|--|
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.       |
| Trust Expiration Date          |                  | March 31, 2017                               |
| Location (Residential Address) |                  | 1-5-14 Higashinoda-cho, Miyakojima-ku, Osaka |
| Use                            |                  | Offices, parking                             |
| Structure                      |                  | S, Iron alloy plating 9F                     |
| Site Area                      | Total Site Area  | 1,062.53m <sup>2</sup>                       |
|                                | Total Floor Area | 4,833.88m <sup>2</sup>                       |
| Type of Ownership              | Land             | Fee simple                                   |
|                                | Building         | Fee simple                                   |
| Completion Date                |                  | February 29, 2000                            |
| PML                            |                  | 6.7%   |
| Acquisition Price              |                  | ¥2,300 million                               |
| Appraisal                      | Appraisal Value  | ¥2,300 million                               |
|                                | Appraisal Date   | April 1, 2006                                |
|                                | Appraiser        | Tanizawa Sogo Appraisal Co., Ltd.            |

#### 6 Kyobashi MID Building

|                                |                  |  |
|--------------------------------|------------------|--|
| Type of Asset                  |                  | Trust beneficiary interest in real estate  |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.   |
| Trust Expiration Date          |                  | March 31, 2017   |
| Location (Residential Address) |                  | 2-13-10 Kyobashi, Chuo-ku, Tokyo   |
| Use                            |                  | Offices, retail facilities<br>(Adjacent building) parking  |
| Structure                      |                  | SRC, B1/9F<br>(Adjacent building) S, galvanized steel sheet, flat building                         |
| Site Area                      | Total Site Area  | 926.53m <sup>2</sup>   |
|                                | Total Floor Area | 6,831.90m <sup>2</sup><br>(Adjacent building) 44.94m <sup>2</sup><br>Total 6,876.84 m <sup>2</sup> |
| Type of Ownership              | Land             | Fee simple   |
|                                | Building         | Fee simple   |
| Completion Date                |                  | May 28, 1981<br>March 19, 1982 expanded  |
| PML                            |                  | 14.7%  |
| Acquisition Price              |                  | ¥5,690 million   |
| Appraisal                      | Appraisal Value  | ¥5,690 million   |
|                                | Appraisal Date   | April 1, 2006  |
|                                | Appraiser        | Tanizawa Sogo Appraisal Co., Ltd.  |

#### 7 MID Shibakanasugibashi Building

|               |  |   |
|---------------|--|---|
| Type of Asset |  | Trust beneficiary interest in real estate |
| Trustee       |  | The Sumitomo Trust & Banking Co., Ltd.    |

|                                |                  |  |
|--------------------------------|------------------|--|
| Trust Expiration Date          |                  | March 31, 2017   |
| Location (Residential Address) |                  | 1-4-3 Shiba, Minato-ku, Tokyo  |
| Use                            |                  | Retail facilities, offices, parking  |
| Structure                      |                  | SRC, B1/9F   |
| Site Area                      | Total Site Area  | 430.21m <sup>2</sup>   |
|                                | Total Floor Area | 2,921.29m <sup>2</sup><br>(Adjacent building) 44.94m <sup>2</sup><br>Total 6,876.84 m <sup>2</sup> |
| Type of Ownership              | Land             | Fee simple   |
|                                | Building         | Fee simple   |
| Completion Date                |                  | January 31, 1995   |
| PML                            |                  | 8.8%   |
| Acquisition Price              |                  | ¥1,160 million   |
| Appraisal                      | Appraisal Value  | ¥1,160 million   |
|                                | Appraisal Date   | April 1, 2006  |
|                                | Appraiser        | Tanizawa Sogo Appraisal Co., Ltd.  |

#### 8 Konami Sports Club Kyobashi

|                                |                  |   |
|--------------------------------|------------------|---|
| Type of Asset                  |                  | Trust beneficiary interest in real estate       |
| Trustee                        |                  | The Sumitomo Trust & Banking Co., Ltd.          |
| Trust Expiration Date          |                  | March 31, 2017                                  |
| Location (Residential Address) |                  | 1-8-17 Higashinoda-cho,<br>Miyakojima-ku, Osaka |
| Use                            |                  | Sports center, parking                          |
| Structure                      |                  | Zinc-plated steel, 7F                           |
| Site Area                      | Total Site Area  | 2,339.35m <sup>2</sup>                          |
|                                | Total Floor Area | 9,433.34m <sup>2</sup>                          |
| Type of Ownership              | Land             | Fee simple                                      |
|                                | Building         | Fee simple                                      |
| Completion Date                |                  | June 22, 2001                                   |
| PML                            |                  | 8.9%  |
| Acquisition Price              |                  | ¥2,780 million                                  |
| Appraisal                      | Appraisal Value  | ¥2,780 million                                  |
|                                | Appraisal Date   | April 1, 2006                                   |
|                                | Appraiser        | DAIWA REAL ESTATE<br>APPRAISAL CO., LTD.        |

#### 9 AEON Tsudanuma Shopping Center

|                                |                 |   |
|--------------------------------|-----------------|---|
| Type of Asset                  |                 | Trust beneficiary interest in real estate |
| Trustee                        |                 | The Sumitomo Trust & Banking Co., Ltd.    |
| Trust Expiration Date          |                 | March 31, 2017                            |
| Location (Residential Address) |                 | 1-23-1 Tsudanuma, Narashino, Chiba        |
| Use                            |                 | Retail facilities, parking, warehousing   |
| Structure                      |                 | S, B1/5F                                  |
| Site Area                      | Total Site Area | 29,397.03m <sup>2</sup>                   |

|                   |                  |                                       |
|-------------------|------------------|---------------------------------------|
|                   | Total Floor Area | 95,743.99m <sup>2</sup>               |
| Type of Ownership | Land             | Fee simple                            |
|                   | Building         | Fee simple                            |
| Completion Date   |                  | September 19, 2003                    |
| PML               |                  | 6.5%                                  |
| Acquisition Price |                  | ¥26,100 million                       |
| Appraisal         | Appraisal Value  | ¥26,100 million                       |
|                   | Appraisal Date   | April 1, 2006                         |
|                   | Appraiser        | DAIWA REAL ESTATE APPRAISAL CO., LTD. |

#### 4. Overview of Sellers

|                          |   |
|--------------------------|---|
| Company Name             | MID Urban Development Co., Ltd.   |
| Principal Businesses     | Real estate development and investment, asset management, intermediary services, condominium development                                      |
| Relationship to MID REIT | Owns all ordinary shares issued by MID REIT Management Co., Ltd. (hereafter “MID REIT Management,” the Investment Corporation’s asset manager |

|                          |  |
|--------------------------|--|
| Company Name             | Matsushita Electric Industrial Co., Ltd.   |
| Principal Businesses     | Comprehensive manufacturer of electronics engaged in the manufacture of consumer-use electronics, electric appliances, FA equipment, information and communication equipment, and home appliances, as well as marketing and services |
| Relationship to MID REIT | No capital ties to the Investment Corporation or the asset manager   |

|                          |   |
|--------------------------|---|
| Company Name             | MID Asset TMK Limited   |
| Principal Businesses     | Acquisition, leasing and sale of real estate, and acquisition, holding and sale of trust beneficiary interests  |
| Relationship to MID REIT | This SPC is entrusted with the asset management operations of MID Urban Development Co., Ltd., which owns all ordinary shares issued by MID REIT Management, the Investment Corporation’s asset manager. In addition, Aetos Japan LLC, which is entrusted with the management of a fund that indirectly owns 87.6% of the ordinary shares issued by MID Urban Development Co., Ltd., also is entrusted with the management of |



|  |  |
|--|--|
|  | another fund that indirectly owns all outstanding shares of MID Asset TMK Limited. |
|--|--|

**5. Relationship with the Asset Manager in Relation to Property Acquisitions**

With the aim of eliminating potential conflicts of interest and thereby enabling it to perform efficient asset management to the benefit of MID REIT’s unitholders, the asset manager has formulated internal regulations that provide guidelines for transactions between its sponsor companies and MID REIT. Among the sellers listed above, MID Urban Development and MID Asset TMK Limited are sponsor companies. Accordingly, upon entering into agreements with such sponsor companies, the asset manager follows certain procedures stipulated in the aforementioned internal regulations, including the following: approval by its Compliance Committee, which includes a number of outside experts; deliberation and resolution by its Investment Committee; deliberation and resolution at a meeting of its Board of Directors; and a report to the Board of Directors of MID REIT.

In addition, MID REIT consigns property management operations for some of the above real estate assets to sponsor companies, MID Property Management Co., Ltd. and MID Facility Management Co., Ltd. Consignment of operations to these sponsor companies has been undertaken after conducting the aforementioned deliberations and resolutions, pursuant to internal regulations concerning transactions with sponsor companies.

**6. Acquisition Schedule**

Please refer to 2. (2) above.

**7. Outlook**

For details regarding forecasts of MID REIT’s operating results for the fiscal periods ending December 31, 2006 (June 1, 2006 to December 31, 2006) and June 30, 2007 (January 1, 2007 to June 30, 2007), please refer to the press release of August 29, 2006 titled, “Notice Regarding Forecast of Business Results for the Fiscal Periods Ending December 31, 2006 and June 30, 2007.”