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For Translation Purposes Only

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Notice Regarding Results of Seismic Risk Analysis of Property Portfolio

MID REIT Inc. (hereafter “MID REIT”), as part of its due diligence in its acquisition of buildings, has commissioned Engineering & Risk Services Corporation and OYO RMS Corporation to undertake an assessment of the results of a seismic risk analysis. Said analysis will calculate building PML (Probable Maximum Loss) value (Note 1) from earthquakes based on a comprehensive assessment of results including a building’s capacity to resist earthquakes, its seismic risk, and the ground conditions.

Following the updating of the seismic risk analysis methods of Engineering & Risk Services Corporation and OYO RMS Corporation, PML values have been assigned to the buildings under MID REIT’s management based on these updated methods, and the results are reported below.

1. Details of Seismic Risk Analysis Revision Results

Property Name	PML Inspector	PML Value (%) (Note 1)		Replacement Cost (Thousands of yen) (Note 2)
		Pre-Revision	Post-Revision	
Twin 21	Engineering and Risk Services Corporation and OYO RMS Corporation	3.2	3.5	39,888,000
Matsushita IMP Building	Engineering and Risk Services Corporation and OYO RMS Corporation	3.0	3.2	21,643,000
Matsushita Denko Building	Engineering and Risk Services Corporation and OYO RMS Corporation	7.0	7.7	3,512,000
Midosuji MID Building	Engineering and Risk Services Corporation and OYO RMS Corporation	13.4	8.7	3,800,000

Note: This press release provides information regarding MID REIT’s “Notice Regarding Results of Seismic Risk Analysis of Property Portfolio” 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 made at the investor’s 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.

Higashinoda MID Building	Engineering and Risk Services Corporation and OYO RMS Corporation	6.7	7.8	1,228,000
Kyobashi MID Building	Engineering and Risk Services Corporation and OYO RMS Corporation	14.7	9.7	1,485,700
MID Shibakanasugibashi Building	Engineering and Risk Services Corporation and OYO RMS Corporation	8.8	6.0	698,000
Konami Sports Club Kyobashi	Engineering and Risk Services Corporation and OYO RMS Corporation	8.9	5.7	2,013,000
AEON Tsudanuma Shopping Center	Engineering and Risk Services Corporation and OYO RMS Corporation	6.5	4.0	10,869,000
MID Imabashi Building (Note 4)	Engineering and Risk Services Corporation and OYO RMS Corporation	—	6.2	2,005,000
Total	Engineering and Risk Services Corporation and OYO RMS Corporation	—	2.8 (Note 3)	87,141,700

Notes:

(1) “PML” refers to “Probable Maximum Loss” in the real estate and insurance industries and is used as an index for evaluating the seismic risk of buildings. However, its definition has not been rigorously standardized, and thus a variety of definitions based on purposes and use exist.

From the “risk curve,” which shows the relationship between loss and annual exceedance probability as calculated by Engineering & Risk Services Corporation and OYO RMS Corporation, divide the “probable loss for a building with a recurrence interval of 475 years” by the “replacement cost” and calculate the percentage. The result of this calculation determines “Probable Maximum Loss (PML).”

Using the natural disaster risk analysis software RiskLink® of OYO RMS Corporation in the analysis, we are undertaking our own structural inspections by conducting onsite inspections, assessing building conditions and verification of consistency with drawings and specifications, inspecting the seismic vulnerability of individual buildings and evaluating the characteristic rate-of-loss curve in buildings. The 475-year recurrence interval referred to here is the equivalent of a 10% probability of an event occurring during a 50-year period of building use.

However, probable loss is limited to indirect losses to buildings (structural and nonstructural components and construction equipment) caused by earthquakes and does not include secondary damage such as damage to such items as machinery, furniture, and fixtures, losses caused by fire or water damage after the earthquake, compensation to victims, and business losses due to the interruption of business.

(2) Replacement cost refers to an appropriate total cost necessary in cases where replacement had been assumed at the time the building targeted for assessment was inspected.

(3) The PML total refers to the PML for the entire portfolio.

(4) The acquisition of the Imabashi Building is scheduled for April 3, 2007. Please refer to today’s announcement, “Notice Regarding Acquisition of Properties” for details.

2. Seismic Risk Assessment Method Update

The risk analysis performed by Engineering & Risk Services Corporation and OYO RMS Corporation has been updated by the addition of new knowledge to assessment methods related to the capacity of buildings to withstand earthquakes, seismic risk, and assessments of ground conditions. Information regarding important changes is contained in the following chart.

Point of Revision		Pre-Revision	Post-Revision
Seismic vulnerability assessment		Model constructed based on knowledge as of 1999	Model reconstructed based on knowledge of “Probabilistic Seismic Hazard Map of Japan”※
Distance attenuation of seismic activity		Assessment of the rate of ground acceleration	Response spectrum assessment of the rate of ground acceleration
Ground assessment and assessment of structural vulnerability in the event of an earthquake	Amplification of vibration from seismic movement	Amplification factor assessment based on hardness of subsurface ground. Simple amplification factor assessment based on a building’s time cycle.	Amplification factor assessment based on hardness of subsurface ground and building’s time cycle
	Assessment of capacity of a building to withstand earthquake and of damages	Analysis of building strength and permanence and assessment based on loss rate of past seismic activity and other factors. (Assessment based on partial response analysis)	Analysis using response spectrum in addition to building strength and permanence and assessment based on loss rate of past seismic activity

※ In March 2005, The Headquarters for Earthquake Research Promotion in the Ministry of Education, Culture, Sports, Science and Technology conducted a comprehensive assessment of Japan’s seismic activity, and as a result, the “Probabilistic Seismic Hazard Map of Japan” was released.