



June 27, 2007

For Translation Purpose Only

MID REIT, Inc.
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Executive Officer
(Securities Code: 3227)

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Notice Regarding Agreement with Sponsor Company

MID REIT, Inc. (hereafter “MID REIT”) today announced that it had decided to sign a lease space agreement with the sponsor company (hereafter “the Sponsor,”) of MID REIT Management Co., Ltd. (hereafter “the Asset Management Company”) as defined under the terms of the Investment Trust and Investment Corporation Law. Overviews of the agreement and the Sponsor are set out below.

1. Overview of Lease Space Agreement

- (1) Property name: Matsushita IMP Building
- (2) Lessee: MID Facility Management Co., Ltd.
- (3) Space rented to tenant: 1,546.78 m² (unit area only, excluding storage space, etc.)
- (4) Space rented as a percentage of total rented space for the entire MID REIT portfolio: 0.6% (Note)
- (5) Contract duration: September 1, 2007 to August 31, 2010 (renewable)
- (6) Contracted leasing rate: 7,412,008 yen per month (including leasing rates, common service expenses, storage lease rates, etc.)

Note: Calculated based on total rented space as at May 31, 2007

2. Overview of the Sponsor

Company Name	MID Facility Management Co., Ltd.
Headquarters Location	2-3-6 Keihan Hondori Moriguchi, Osaka
Representative	Yoshitaka Hayashi, President, Member of the Board
Paid-in Capital	900,000,000 yen
Major Shareholder	MID Urban Development Co. Ltd.
Primary Business	General building management; parking area operation and management; building maintenance; design, construction and management
Relationship to MID REIT	MID Urban Development Co., Ltd. holds all the issued ordinary shares of MID Facility Management Co., Ltd., which in turn holds all

Note: This press release provides information regarding MID REIT's “Notice Regarding Agreement with Sponsor Company,” 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 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.

	the issued ordinary shares of the Asset Management Company of MID REIT. As such, MID Facility Management Co., Ltd. falls under the category of a sponsor company of the Asset Management Company, as defined by the Investment Trust and Investment Corporation Law.
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3. Procedures Governing Transactions between Sponsor Companies and MID REIT

The Asset Management Company has formulated internal regulations that provide guidelines for transactions between its sponsor companies and MID REIT 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. Under these internal regulations, the lessee listed above falls into the category of a sponsor company. Accordingly, upon entering into an agreement with the lessee, the Asset Management Company shall follow 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; and deliberation and resolution at a meeting of its Board of Directors.