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For Translation Purpose Only

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Notice Regarding Transfer of Property (Kyobashi MID Building)

MID REIT, Inc. (hereafter “MID REIT”) today announced its decision to transfer the following property, detailed below.

1. Overview of Transfer

- (1) Asset to be Transferred: Trust beneficiary interest in entrusted real estate (trust beneficiary interest in real estate)
- (2) Property name: Kyobashi MID Building
- (3) Location: 2-13-10 kyobashi, Chuo-ku, Tokyo (indicated for residence)
- (4) Transfer price: ¥7,100 million
(Excluding adjustments for amounts equivalent to property taxes and city planning taxes, and consumption tax)
- (5) Book Value: ¥5,743 million (Book Value as of December 31, 2007)
- (6) Difference Between Transfer price and Book Value: ¥1,357 million (Difference Between(4) and (5) above)
- (7) Contract date: March 26, 2008 (Planned)
- (8) Transfer date: April 17, 2008 (Planned)
- (9) Transferee: MID Urban Development Co. Ltd. (See “4. Transferee Overview ” below)
- (10) Transfer Method: Trust beneficiary interest in real estate will be sold to the Transferee indicated above.

The aforementioned property to be sold is referred to hereinafter as “the Property.”

2. Reason for Transfer

Based on investment targets and policies stipulated in its Articles of Incorporation, MID REIT conducted a comprehensive review of the following: the Property’s future profitability; forecasts concerning changes in the Property’s value; and trends in the real estate market, etc. Also, reflecting careful consideration of the timing and pricing of the possible Transfer of the Property, MID REIT concluded that such Transfer would best contribute to the overall growth of its portfolio.

The Property is 26 years old. Therefore, MID REIT has searched for an optimal

way to improve the Property's value. MID Urban Development Co., Ltd., the Transferee of the Property, which has steadily built a track record in the development of large-scale office buildings, entered into an agreement with MID REIT Management Co., Ltd., MID REIT's asset management company (hereinafter, the "Asset Management Company"), for the provision of information concerning real estate for Transfer. With due consideration given to these factors, MID REIT reached the conclusion that MID Urban Development taking the lead in the management of the Property would be the most effective way to increase the Property's value. Also influencing MID REIT's decision in this matter was its recognition of the potential for achieving a sufficient gain from the Transfer.

3. Details of Property for Transfer

| | | |
|---|-------------------------|---|
| Property Name | | Kyobashi MID Building |
| Type of Assets | | Trust beneficiary interest in entrusted real estate (trust beneficiary interest in real estate) |
| Trustee | | The Sumitomo Trust & Banking Co., Ltd. |
| Location (1) | Lot number | 2-13-5 Kyobashi, Chuo-ku, Tokyo, and 12 lots nearby |
| | Indicated for residence | 2-13-10 Kyobashi, Chuo-ku, Tokyo |
| Completion Date | | May 28, 1981 March 19, 1982 expanded |
| Use | | Offices, Retail facilities (Adjacent building) Parking |
| Structure | | SRC, B1/9F (Adjacent building) S, galvanized steel sheet, flat building |
| Area | Land | 926.53 m ² |
| | Building | 6,831.90 m ² (Adjacent building) 44.94m ² Total 6,876.84 m ² |
| Type of Ownership | Land | Fee simple |
| | Building | Fee simple |
| Floor-area ratio / Building-to-land ratio | | 800% / 100% |
| Date of Acquisition | | August 31, 2006 |
| Acquisition Price | | ¥5,690 million |
| Appraisal Value (Appraisal method, etc) | | ¥6,790 million (capitalization method date of value estimate: March 1, 2008) (Appraisal agency: Tanizawa Sogo Appraisal Co., Ltd.) |
| Rental status (as of March 25, 2008) | | |
| Total Tenants | | 10 |
| Rentable Area | | 5,195.99 m ² |
| Rental Area | | 4,842.00 m ² |
| Occupancy Rate | | 93.2% |

4. Transferee Overview

| | |
|-----------------------|---|
| Company Name | MID Urban Development Co. Ltd. |
| Headquarters Location | 1-4-4 Dojimahama, Kita-ku, Osaka |
| Representative | Isao Yamamoto, President, Member of the Board |
| Capital | ¥7,500 million (as of March 25, 2008) |
| Shareholders | Perseus Financial, LLC, Themis Financial, LLC, others |
| Primary Business | Building, residential and investment and development businesses |

Note: This press release provides information regarding MID REIT's "Notice Regarding Transfer of Property (Kyobashi MID Building)," 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.

| | |
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| Relationship to MID REIT or Asset Management Company | MID Urban Development Co., Ltd. is the sole unitholder of MID REIT Management Co., Ltd., the asset management company of MID REIT, with complete ownership of all of its units of common stock issued and outstanding. |
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5. Interest of the Asset Management Company in the Property

With the aim of eliminating potential conflicts of interest and thereby enabling it to perform efficient asset management that will benefit MID REIT's unitholders, the Asset Management Company has formulated internal regulations that provide guidelines for transactions between its sponsor companies and MID REIT. Under the internal regulations, the Transferee listed above falls under the category of a sponsor company. Accordingly, upon entering into an agreement with the Transferee, the Asset Management Company followed certain procedures stipulated in the aforementioned internal regulations, including the following: approval by its Compliance Committee, which includes outside experts; deliberation and resolution by its Investment Committee; and deliberation and resolution at a meeting of its Board of Directors.

6. Schedule for Transfer

| | |
|----------------|---|
| March 25, 2008 | Reached decision to sell the Property |
| March 26, 2008 | Conclude an agreement concerning the transfer of the trust beneficiary interest (Planned) |
| April 17, 2008 | Sell the trust beneficiary interest (Planned) |

8. Outlook

For details regarding the impact of the Transfer of the Property on MID REIT's performance for the 4th fiscal period (January 1, 2008 – June 30, 2008) and the 5th fiscal period (July 1 – December 31, 2008), please refer to the March 25, 2008 press release entitled "Notice Regarding Revision of Business Results for the 4th Fiscal Period, Ending June 30, 2008, and the 5th Fiscal Period, Ending December 31, 2008."

<Attachments>

Attachment 1: Property Portfolio after Transfer of Kyobashi MID Building

Attachment 2

Property Portfolio after Transfer of Kyobashi MID Building

| Type | Region | Property No. | Property Name | Acquisition Price (Millions of Yen) | Investment Ratio (%) | Acquisition Date |
|-----------------------|---|--------------|--------------------------------|-------------------------------------|----------------------|--------------------------------|
| Office Properties | Osaka Area | 1 | Twin 21 | 68,700 | 46.8 | Aug. 31, 2006 |
| | | 2 | Matsushita IMP Bldg. | 24,600 | 16.8 | Aug. 31, 2006 |
| | | 3 | Matsushita Denko Bldg. | 7,620 | 5.2 | Aug. 31, 2006 |
| | | 4 | Midosuji MID Bldg. | 8,290 | 5.6 | Aug. 31, 2006 Oct. 31, 2007 |
| | | 5 | Higashinoda MID Bldg. | 2,300 | 1.6 | Aug. 31, 2006 |
| | | 10 | MID Imabashi Bldg. | 3,270 | 2.2 | April 3, 2007 |
| | | 11 | MID Midosujikawaramachi Bldg. | 2,000 | 1.4 | May 16, 2007 |
| | Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities | 6 | Kyobashi MID Bldg. | — | — | Aug. 31, 2006 |
| | | 7 | MID Shibakanasugibashi Bldg. | 1,160 | 0.8 | Aug. 31, 2006 |
| | Subtotal (8 Properties) | | | | 117,940 | 80.3 |
| Non-office properties | Osaka area | 8 | Konami Sports Club Kyobashi | 2,780 | 1.9 | Aug. 31, 2006 |
| | Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities | 9 | AEON Tsudanuma Shopping Center | 26,100 | 17.8 | Aug. 31, 2006 |
| | Subtotal (2 Properties) | | | | 28,880 | 19.7 |
| Total (10 Properties) | | | | 146,820 | 100.0 | |

Note 1: Investment ratios presented in the table above have been rounded to the nearest decimal place. Accordingly, the sum of the investment ratio figures may not add up to 100.0%.

Note 2: Data for Twin 21 includes the trust beneficiary interest of Twin21 (partial ownership of leased land)

Note 3: Data for Midosuji MID Bldg. includes that of the adjoining land.

Note 4: In addition to the portfolio properties listed in the table above, MID REIT has acquired an interest in the silent partnership operated by Sakura Dori Development Limited Liability Company that will develop the Sakura Dori MID Building (tentative name) on November 29, 2007 and January 30, 2008. In line with the acquisition of the silent partnership interest, MID REIT has been granted a preferential negotiation right, effective over a

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six-month period after the completion of construction, to purchase a trust beneficiary interest in the Sakura Dori MID Building.

Note 5: MID REIT plans to conclude an agreement concerning the Transfer of the trust beneficiary interest in the Kitahama MID Building on March 26, 2008 and to acquire said interest on April 24, 2008.