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For Translation Purpose Only

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Notice Regarding Acquisition of Property (Kitahama MID Building)

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

1. Acquisition Overview

- (1) Asset to be acquired: Trust beneficiary interest in entrusted real estate (trust beneficiary interest in real estate)
- (2) Property name: Kitahama MID Building
- (3) Location: 1-6-7 Doshomachi, Chuo-ku, Osaka (indicated for residence)
- (4) Acquisition price: ¥10,800 million
(Excludes various acquisition expenses, property taxes, city planning taxes, consumption taxes, etc.)
- (5) Contract date: March 26, 2008 (Planned)
- (6) Acquisition completion date: April 24, 2008 (Planned)
- (7) Seller: Hull Asset TMK Limited (See “4. Seller Overview” below)
- (8) Acquisition funding: Borrowings

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

2. Reason for Acquisition

The acquisition is being made to enhance MID REIT’s property portfolio in accordance with the targeted assets and investment policies stipulated in its articles of incorporation.

In addition, the following points were evaluated in the decision to acquire the Property.

(1) Location

Located close to the Sakaisuji Street, one of Osaka’s main arteries, and a two-minute walk from Kitahama Station on the Sakaisuji Line of the Osaka Municipal Subway or a four-minute walk from Kitahama Station on the Keihan Main Line, the Property boasts superior transportation access. The Kitahama area is a business district with high concentration of mid- and high-rise office buildings, and is home to the Osaka Securities

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Exchange as well as head offices and branches of securities and pharmaceutical companies. Therefore, MID REIT expects demand for lease space in the area to remain consistently high, with the Property attracting affiliated parties of the aforementioned companies.

(2) Building Features

Newly constructed in February 2008, the Property is an office building that offers state-of-the-art functions, and is therefore expected to accommodate a range of tenant needs over the medium and long terms.

Each floor of the Property's rental area features 176 tsubo (approximately 582 m²) of pillarless space that can be divided into smaller segments, providing for a range of layout and spacing needs. The office space within the Property boasts air conditioning that can be regulated at the individual office level, a power capacity of 50VA/m² (can be upgraded up to 100VA/m²) and office-automation (OA) floors with ample free space underneath for computer and other office equipment wires and cables and a security system using non-contact IC card for monitored 24-hour access, thus providing a leading-edge office environment. In addition, the building's vibration control structure effectively reduces potential earthquake damage to office areas.

Given these features, MID REIT expects the Property to retain its market competitiveness over the medium and long terms while contributing to internal growth. For these reasons, MID REIT believes that the Property will contribute to improving the quality of its portfolio.

3. Details of Property for Acquisition

Property Name		Kitahama MID Building
Type of Assets		Trust beneficiary interest in entrusted real estate (trust beneficiary interest in real estate)
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)
Trust Expiration Date		April 24, 2008–March 31, 2018
Location (1)	Lot number	1-1-2, Doshomachi, Chuo-ku, Osaka , etc.
	Indicated for residence	1-6-7, Doshomachi, Chuo-ku, Osaka
Transportation		Two-minute walk from Kitahama Station on the Sakaisuji Line of the Osaka Municipal Subway, and a Four-minute walk from the Kitahama Station on the Keihan Main Line
Completion Date		February 22, 2008
Use (1)		Offices, Parking
Structure (1)		S, SRC, B1/18F
PML (2)		3.0% (Based on a detailed earthquake risk analysis report dated March 17 2008, created by Engineering & Risk Services Corporation and OYO RMS Corporation).
Architect		Kajima Corporation
Structural designer		Kajima Corporation
Builder		Kajima Corporation
Agency authorizing building construction		General Building Research Corporation of Japan
Area (Note 1)	Land	1,802.49 m ²
	Building	14,648.13 m ²
Type of Ownership	Land	Fee simple
	Building	Fee simple
Floor-area ratio / Building-to-land ratio (3)		925.4% / 100%
Mortgage		To be provided (plan)

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Special Instructions	Because a part of the Property is scheduled for siting on vacant public land, it has obtained an easing in the floor-area ratio (see Note 3 below). In addition, the vacant public land will be used for general thoroughfare and will require maintenance.
Acquisition Price	¥10,800 million
Appraisal Value (Appraisal method, etc)	¥10,800million (capitalization method date of value estimate: March 1, 2008) (Appraisal agency: Japan Real Estate Institute)
Rental Status(estimate as of the date of acquisition) (Note 4)	
Total Tenants (5)	7
Total Annual Rent (6)	¥575,701 thousand
Security Deposit/Guarantee, etc. (7)	¥456,381 thousand
Rentable Area (8)	10,189.50 m ²
Rental Area (9)	9,320.00 m ²
Occupancy Rate (10)	91.5%

Notes:

- 1.“Location (lot number),” “Completion Date,” “use,” “structure,” and “area” are listed based on recorded registration.
- 2.“PML” is translated as “Projected Maximum Loss” in the real estate/insurance industries and is used as a rating index for earthquake risk in buildings. 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 “projected loss for a building with a recurrence interval of 475 years” by the “replacement cost” and calculate the percentage. The result of this calculation defines “Projected Maximum Loss (PML).” A 475-year recurrence interval is the equivalent of a 10% certainty of an event occurring during the 50-year period of building use.
- 3.“Floor-area ratio is stipulated in Article 52 of the Building Standard Law and is the ratio of the area of floor space to site area, and the value specified in urban planning based on zoning and other factors is listed. In addition, the floor-area ratio of the Property’s land was originally 800%, but due to the application of an integrated design system, the floor-area ratio was expanded to 925.4%.
- “Building-to-land ratio” is stipulated in Article 53 of the Building Standard Law and is the ratio of building area to site area, and the value specified in urban planning based on zoning and other factors is listed. In addition, the building-to-land ratio of the Property’s land was originally 80%, because the location was within a commercial zone, but because it was a fireproof building in a fire zone, its ratio was increased, and its applicable building-to-land ratio came to 100%.
- 4.“Rental Status (estimate as of the date of acquisition)” presented in the above table is based on data and information provided by the seller of the Property. In more specific terms, the status factors in the tenants whose lease periods have already commenced as of March 25, 2008 and other tenants who have signed lease agreements as of March 25, 2008 and whose lease periods are scheduled to have commenced on the date of acquisition of the Property.
- 5.“Total Tenants” presented in the table above is based on the assumption that the lessee on the applicable master lease agreement has agreed to serve as the lessor to the end-tenants of the Property. The figure cited is the sum of the number of end-tenants who are already leasing space in the Property and any other end-tenants who have signed lease agreements as of March 25, 2008 and whose lease periods are scheduled to have commenced on the date of acquisition of the Property. Not included are end-tenants whose leases or scheduled leases are limited to such items as storage and parking spaces.
- 6.“Total Annual rent” lists the total monthly rent, including monthly rent, monthly common-area fee, storage-area fee, and facility usage fee, multiplied by twelve and rounded down to the nearest one thousand yen.
- 7.“Security Deposit/Guarantee, etc.” lists the security deposit and guarantee (including room, storage space, parking space, etc.) balance rounded to the nearest decimal place.
- 8.“Rentable Area” lists the rentable area of the Property’s building (excluding storage space, parking space, etc.)
- 9.“Rental Area” lists the area (room area only) displayed in the end Tenant Lease Agreement

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10. "Occupancy rate" is listed as a percentage, rounded to the nearest decimal place, obtained by dividing rental area by rentable area.

4. Seller Overview

Company Name	Hull Asset TMK Limited
Headquarter Location	Seikou Building 6F, 7-2-1 Minami Aoyama, Minato-ku, Tokyo
Representative	Koichi Yokoyama, Representative Director
Primary Business	1. Transfer, management, and disposal of specified assets in accordance with asset liquidation plans based on laws related to asset liquidation. 2. Other work incidental to the liquidation of the aforementioned specified assets.
Relationship to MID REIT	78.7% of the outstanding shares of the the MID Urban Development Co., Ltd., the parent company of MID REIT Management Co., Ltd., MID REIT's asset management company, are indirectly held by a fund managed by Aetos Capital, LLC. This special-purpose company is a company established by said fund. In addition, the MID Urban Development Co., Ltd. has been entrusted with the management of assets from this special-purpose company.

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 Seller listed above falls under the category of a sponsor company. Accordingly, upon entering into an agreement with the Seller, 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. Information on property owners, etc

Property Name	Kitahama MID Building	
Status of Building Owner	Previous owner / Trust beneficiary	Owner prior to the previous owner / Trust beneficiary
Corporate Name	Hull Asset TMK Limited	None
Relationship with related parties	See 4. above	—
Background and Reason for Acquisition	Newly constructed in February 2008	—
Acquisition Price (including other expenses)	—	—
Acquisition date	—	—

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7. Overview of brokerage

Company Name	MID Urban Development Co. Ltd.
Headquarters Location	1-4-4 Dojimahama, Kita-ku, Osaka
Representative	Isao Yamamoto, President, Member of the Board
Commission	¥216million (Excluding consumption taxes and local consumption taxes payable)
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. This relationship applies to related parties of the asset management company as stipulated by the Law for Investment Trusts and Investment Corporations.

8. Settlement Method

The acquisition price will be paid to the seller in full using borrowings at the time the property is handed over (scheduled for April 24, 2008).

9. Schedule for Acquisition

- March 25, 2008 Reached decision to acquire the Property
March 26, 2008 Conclude an agreement concerning the transfer of the trust beneficiary interest (Planned)
April 24, 2008 Acquire the trust beneficiary interest (Planned)

10. Outlook

For details regarding the impact of the acquisition 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: Appraisal Summary
Attachment 2: Property Portfolio after Acquisition of Kitahama MID Building
Attachment 3: Photograph of Kitahama MID Building
Attachment 4: Map of Kitahama MID Building (Japanese Ver.)

Appraisal Summary

Unit: Thousands of yen, unless otherwise stated (1)

Appraiser	Japan Real Estate Institute
Final Appraisal Value	10,800,000
Appraisal Date	March 1, 2008
Value Calculated Using Direct Capitalization (DC) Method	10,900,000
Operating Revenues	630,154
Gross Potential Revenues	656,744
Vacancy Loss, etc.	−26,590
Operating Expenses	135,089
Maintenance and Management Expenses, etc. (2)	66,600
Real Estate Taxes	44,014
Other Expenses	24,475
Net Operating Income (NOI)	495,065
Gains from Management of One-time Proceeds	9,901
CAPEX	14,020
Net Cash Flows (NCF)	490,946
Overall Capitalization Rate	4.5%
Value Calculated Using Discount Cash Flow (DCF) Method	10,600,000
Discount Rate	4.3%
Terminal Capitalization Rate	4.6%
Value Calculated Using the Cost Method	8,740,000
Ratio of Land Price	48.8%
Ratio of Building Price	51.2%
Location- and Building-Specific Considerations	The Property is an office building located approximately 150 meters southeast of Kitahama Station on the Sakaisuji Line on the Osaka Municipal Subway. The Kitahama area has developed as a financial center with a high concentration of banks and securities companies. More recently, redevelopment projects in the area have been vigorously promoted. In particular, situated in the Kitahama Renovation Block, a multipurpose development area that hosts offices, hotels, residences and commercial facilities, the Property stands out and boasts superior transportation access and living environment. The building of the Property has been newly constructed based on a total design system. Equipped with such leading-edge facilities as Vibration control structure, decentralized air-conditioning and OA floors, the Property demonstrates high potential to sustain stable demand from various tenants.

Note 1: Amounts presented in the table above have been rounded to the nearest one-thousandth. Accordingly, the sum of the line items for each group may not add up to the amount shown in the subtotal.

Note 2: Maintenance and Management expenses include utility expenses.

Attachment 2

Property Portfolio after Acquisition of Kitahama 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	43.6	Aug. 31, 2006
		2	Matsushita IMP Bldg.	24,600	15.6	Aug. 31, 2006
		3	Matsushita Denko Bldg.	7,620	4.8	Aug. 31, 2006
		4	Midosuji MID Bldg.	8,290	5.3	Aug. 31, 2006 Oct. 31, 2007
		5	Higashinoda MID Bldg.	2,300	1.5	Aug. 31, 2006
		10	MID Imabashi Bldg.	3,270	2.1	April 3, 2007
		11	MID Midosujikawaramachi Bldg.	2,000	1.3	May 16, 2007
		12	Kitahama MID Bldg.	10,800	6.9	April 24, 2008 (planned)
		Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities	6	Kyobashi MID Bldg.	—	—
		7	MID Shibakanasugibashi Bldg.	1,160	0.7	Aug. 31, 2006
Subtotal (9 Properties)				128,740	81.7	
Non-office properties	Osaka area	8	Konami Sports Club Kyobashi	2,780	1.8	Aug. 31, 2006
	Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities	9	AEON Tsudanuma Shopping Center	26,100	16.6	Aug. 31, 2006
	Subtotal (2 Properties)				28,880	18.3
Total (11 Properties)				157,620	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: The Kyobashi MID Building is scheduled for sale on April 17, 2008.

Note 5: 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

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

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Photograph of the Kitahama MID Building



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Map of Kitahama MID Building (Japanese Ver.)



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