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For Translation Purpose Only

MID REIT, Inc.
1-4-4 Dojimahama, Kita-ku, Osaka
Yukinobu Izumi
Executive Director
(Securities Code: 3227)

MID REIT Management Co., Ltd.
Nobuo Moroizumi
President and CEO
Inquiries:
Hiroshi Uemura
Director
General Manager, Planning & Finance Division
TEL. +81-6-6456-0700

Notice Regarding Acquisition of Property (Nomura Nishihommachi 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: Nomura Nishihommachi Building
- (3) Location: 1-6-1 Awaza, Nishi-ku, Osaka (indicated for residence)
- (4) Acquisition price: ¥3,550 million
(Excludes various acquisition expenses, property taxes, city planning taxes, consumption taxes, etc.)
- (5) Contract date: September 12, 2008 (Planned)
- (6) Acquisition completion date: October 30, 2008 (Planned)
- (7) Seller: Nomura Real Estate Development Co., Ltd. (See “4. Seller Overview” below)
- (8) Acquisition funding: Cash on hand (Planned)

Note: As of September 10, 2008, the asset to be acquired stands as physical real estate. By the time of the planned acquisition completion date, however, the asset is expected to stand as a trust beneficiary interest in entrusted real estate.

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

The Hommachi area, where the Property is located, is one of Osaka’s major business

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districts. Along Yotsubashisuji Street, which is one of the main arteries in the area, there are many high-spec, relatively large-scale buildings. Due to these locational characteristics, MID REIT assesses the area as having the potential to maintain constant tenancy needs. Facing two of Osaka's main arterial roads—namely, the aforementioned Yotsubashisuji Street and Chuo-Odori Street—the Property also provides superior transportation access, being just a one-minute walk away from Hommachi Station on the Midosuji, Yotsubashi and Chuo lines of the Osaka Municipal Subway, which is the principal public transportation network in Osaka City.

(2) Building Features

Thanks to the glass curtain walls applied to its exterior and its excellent location on a corner of two arterial roads, the Property can be easily and conveniently recognized even from a distance. The Property's rental area features approximately 120 tsubo (397 m²) of pillarless, square office space on the standard floor, providing for various tenant needs. The office space also features air conditioning that can be regulated at the individual office level and "office-automation" (OA) floors with ample free space underneath to accommodate the wiring and cabling for computer and other office equipment, as well as a ceiling height of 2,630 mm. These basic features will be sufficient to accommodate the various needs of today's tenants. In addition, the Property's common areas, including the entrance and shared bathrooms, were renovated in March 2008.

As described above, MID REIT expects the Property to retain its market competitiveness over the medium and long terms and believes that the Property will contribute to improving the quality of its portfolio.

3. Details of Property for Acquisition

Property Name		Nomura Nishihommachi Building
Type of Assets		Trust beneficiary interest in entrusted real estate (trust beneficiary interest in real estate)
Trustee		The Sumitomo Trust and Banking Co., Ltd. (planned)
Trust Expiration Date		October 30, 2008 – September 28, 2018 (planned)
Location (1)	Lot number	1-23, Awaza, Nishi-ku, Osaka
	Indicated for residence	1-6-1, Awaza, Nishi-ku, Osaka
Transportation		One-minute walk from Hommachi Station on the Midosuji Line, the Yotsubashi Line and the Chuo Line of the Osaka Municipal Subway.
Completion Date(1) (2)		March 15, 1989
Use (1)		Offices, Retail facilities, Parking
Structure (1)		S, RC, B3/9F
PML (3)		5.6% (Based on a detailed earthquake risk analysis report dated July 25, 2008, created by Engineering & Risk Services Corporation and OYO RMS Corporation).
Architect		Takenaka Corporation
Structural designer		Takenaka Corporation
Builder		Takenaka Corporation
Agency authorizing building construction		City of Osaka
Area (1)	Land	659.86 m ²
	Building	6,260.16 m ²
Type of Ownership	Land	Fee simple
	Building	Fee simple

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Floor-area ratio/Building-to-land ratio (4)	800%/100%
Mortgage (5)	None
Special Instructions	None
Acquisition Price	¥3,550million
Appraisal Value (Appraisal method, etc)	¥3,430million (capitalization method date of value estimate: August 1, 2008) (Appraisal agency: Japan Real Estate Institute)
Rental Status(As of September 10, 2008) (6)	
Total Tenants (7)	12
Total Annual Rent (8)	¥228,779 thousand
Security Deposit/Guarantee, etc. (9)	¥181,168 thousand
Rentable Area (10)	3,855.61 m ²
Rental Area (11)	3,855.61 m ²
Occupancy Rate (12)	100.0%

Notes:

- 1.“Location (lot number),” “Completion Date,” “use,” “structure,” and “area” are listed based on recorded registration.
2. The Property was reconstructed and renovated in 1989 based on the underground portion of an original structure (RC, B3/3F) constructed on February 20, 1967.
- 3.“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.
- 4.“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.
“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%.
5. “Mortgage” in the table above shows the status of mortgage settlements as of the acquisition date.
- 6.“Rental Status (As of September 10, 2008)” 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 September 10, 2008.
- 7.“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. Not included are end-tenants whose leases or scheduled leases are limited to such items as storage and parking spaces.
- 8.“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.
- 9.“Security Deposit/Guarantee, etc.” lists the security deposit and guarantee (including room, storage space, parking space, etc.) balance rounded to the nearest decimal place.
- 10.“Rentable Area” lists the rentable area of the Property’s building (excluding storage space, parking space, etc.)
- 11.“Rental Area” lists the area (room area only) displayed in the end Tenant Lease Agreement
- 12.“Occupancy rate” is listed as a percentage, rounded to the nearest decimal place, obtained by dividing rental area by rentable area.

4. Seller Overview

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Company Name	Nomura Real Estate Development Co., Ltd.
Headquarter Location	1-26-2 Nishi-Shinjuku, Shinjuku-Ku, Tokyo
Representative	Hirohisa Suzuki, President
Capital	¥ 2,000 million (As of April 1, 2008)
Major Shareholder	Nomura Real Estate Holdings, Inc. (100% of the shares)
Primary Business	residential development, corporate real estate brokerage, commercial property development, building leasing, architectural design, investment management, etc.
Relationship to MID REIT	None

5. Information on Property Owners, etc

The seller described above does not fall within the category of “interested parties” of MID REIT Management Co., Ltd., MID REIT’s asset management company. Accordingly, the presentation of the information is omitted.

6. Overview of Brokerage

None

7. Settlement Method

The acquisition price will be paid to the seller in full using cash on hand by MID REIT at the time the property is handed over (scheduled for October 30, 2008).

8. Schedule for Acquisition

September 10, 2008	Reached decision to acquire the Property
September 12, 2008	Conclude an agreement concerning the transfer of the trust beneficiary interest (Planned)
October 30, 2008	Acquire the trust beneficiary interest (Planned)

9. Outlook

MID REIT has not revised forecasts of its business results for the fiscal period ending December 31, 2008 (July 1, 2008 – December 31, 2008) and the fiscal period ending June 30, 2009 (January 1, 2009 – June 30, 2009) owing to the acquisition of the Property.

<Attachments>

Attachment 1: Appraisal Summary

Attachment 2: Property Portfolio after Acquisition of Nomura Nishihommachi Building

Attachment 3: Photograph of Nomura Nishihommachi Building

Attachment 4: Map of Nomura Nishihommachi Building (Japanese Ver.)

Appraisal Summary

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

Appraiser	Japan Real Estate Institute
Final Appraisal Value	3,430,000
Appraisal Date	August 1, 2008
Value Calculated Using Direct Capitalization (DC) Method	3,470,000
Operating Revenues	226,843
Gross Potential Revenues	240,061
Vacancy Loss, etc.	13,218
Operating Expenses	52,427
Maintenance and Management Expenses, etc. (2)	20,741
Real Estate Taxes	17,790
Other Expenses	13,896
Net Operating Income (NOI)	174,416
Gains from Management of One-time Proceeds	3,563
CAPEX	11,550
Net Cash Flows (NCF)	166,429
Overall Capitalization Rate	4.8%
Value Calculated Using Discount Cash Flow (DCF) Method	3,380,000
Discount Rate	4.6%
Terminal Capitalization Rate	5.0%
Value Calculated Using the Cost Method	2,960,000
Ratio of Land Price	66.5%
Ratio of Building Price	33.5%
Location- and Building-Specific Considerations	The Property is an office building located approximately 70 meters south of Hommachi Station on the Yotsubashi Line on the Osaka Municipal Subway. The Nishi-Hommachi area, where the Property is located, is a business district accommodating many medium- and small-sized office buildings. Meanwhile, there are many high-spec, relatively large-scale office buildings along Yotsubashisuji Street. The Property is characterized by its superior locational advantage, underpinned by its proximity to a subway station and location on a corner of the Yotsubashisuji and Chuo-Odori Streets, which make it highly recognizable even from a distance. Although the Property is 19 years old, its building quality and facility standards have been maintained through recent large-scale renovations so that they are capable of providing for the various needs of today's tenants. Due to these characteristics, MID REIT expects the Property to enjoy stable demand from businesses.

Notes:

- 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.
- 2.Maintenance and Management expenses include utility expenses.

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**Property Portfolio after Acquisition of
Nomura Nishihommachi 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	42.6	Aug. 31, 2006
		2	Matsushita IMP Bldg.	24,600	15.3	Aug. 31, 2006
		3	Matsushita Denko Bldg.	7,620	4.7	Aug. 31, 2006
		4	Midosuji MID Bldg.	8,290	5.1	Aug. 31, 2006 Oct. 31, 2007
		5	Higashinoda MID Bldg.	2,300	1.4	Aug. 31, 2006
		10	MID Imabashi Bldg.	3,270	2.0	Apr. 3, 2007
		11	MID Midosujikawaramachi Bldg.	2,000	1.2	May 16, 2007
		12	Kitahama MID Bldg.	10,800	6.7	Apr. 24, 2008
		13	Nomura Nishihommachi Bldg.	3,550	2.2	Oct. 30, 2008 (planned)
		Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities	7	MID Shibakanasugibashi Bldg.	1,160	0.7
Subtotal (10 Properties)				132,290	82.1	
Non-office properties	Osaka area	8	Konami Sports Club Kyobashi	2,780	1.7	Aug. 31, 2006
	Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities	9	AEON Tsudanuma Shopping Center	26,100	16.2	Aug. 31, 2006
	Subtotal (2 Properties)				28,880	17.9
Total (12 Properties)				161,170	100.0	

Note:

- 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%.
- Data for Twin 21 includes the trust beneficiary interest of Twin21 (partial ownership of leased land)
- Data for Midosuji MID Bldg. includes that of the adjoining land.

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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 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 Nomura Nishihommachi Building



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Map of Nomura Nishihommachi Building (Japanese Ver.)



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