



October 29, 2008

**For Translation Purpose Only**

MID REIT, Inc.  
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(Securities Code: 3227)

MID REIT Management Co., Ltd.  
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**Notice Regarding Transaction with Interested Party**

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

**1. Overview of Lease Space Agreement with the Interested Party**

- (1) Property Name  
Midosuji MID Building
- (2) Overview of Lease Space Agreement

Lessee	MID Property Management Co., Ltd.
Space rented to tenant	1,807.18 m <sup>2</sup>
Space rented as a percentage of total rented space for the entire MID REIT portfolio	0.6% (Note)
Contract duration	April 1, 2009 to March 31, 2014 (renewable)
Contracted leasing rate	8,199,900 yen per month (including leasing rates, common service expenses, storage lease rates, etc.)

Note: Calculated based on total rented space as at September 30, 2008

- (3) Rationale behind Signing the Agreement  
MID REIT believes that leasing space in the aforementioned property to the Interested Party will facilitate the stable operation of the property. The Interested Party plans to use the space leased under the agreement as rental halls and conference rooms. MID REIT also believes that such use of the leased space will contribute to the improvement of both the quality of tenant services and asset value.

**2. Overview of the Interested Party**

(As of September 30, 2008)

Company Name	MID Property Management Co., Ltd.
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Note: This press release provides information regarding MID REIT’s “Notice Regarding Transaction with Interested Party,” 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.

Headquarters Location	2-1-61 Shiromi, Chuo-Ku, Osaka
Representative	Mitsuo Myose, President, Member of the Board
Paid-in Capital	25,000,000 yen
Major Shareholder	MID Urban Development Co. Ltd.
Primary Business	Property management; real estate consulting; real estate brokerage; operation and management of rental halls and rental conference rooms; and event planning and production
Relationship to MID REIT	MID Urban Development Co., Ltd. holds all the issued ordinary shares of MID Property Management Co., Ltd., which in turn holds all the issued ordinary shares of the Asset Management Company of MID REIT. As such, MID Property Management Co., Ltd. falls under the category of an interested party of the Asset Management Company, as defined under the Investment Trust and Investment Corporation Law.

### 3. Procedures Governing Transactions between Interested Parties and MID REIT

The Asset Management Company has formulated internal regulations that provide guidelines for transactions between its interested parties 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 an interested party. 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; deliberation and resolution by its Investment Committee; and deliberation and resolution at a meeting of its Board of Directors. Members of the Compliance Committee and the Investment Committee include external experts.