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**For Translation Purposes Only**

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## **Notice Concerning the Situation of Silent Partnership Interests**

MID REIT, Inc. (hereafter “MID REIT”) today announces that there have been certain changes to details of the silent partnership it acquired and has held interests (hereafter “Silent Partnership Interests”) operated by Sakura Dori Development Limited Liability Company (hereafter “Sakura Dori LLC”) announced on November 29, 2007 in “Notice Regarding Acquisition of Silent Partnership Interests,” and on February 26, 2009 in “Notice Regarding Completed Acquisition of Silent Partnership Interests.”

### **1. Overview of the Silent Partnership Interests**

The Silent Partnership Interests is operated by Sakura Dori LLC, the party that developed and owns the Sakura Dori MID Building (hereafter “the Property”).

Between November 2007 and February 2009, MID REIT acquired the Silent Partnership Interests (¥211 million in total) and accordingly acquired preferential negotiating rights for the acquisition of trust beneficiary interests in the Property over a certain period (a six-month period commencing upon completion of the Property’s construction). However, the period for exercising preferential negotiating rights has expired without MID REIT having exercised said rights.

Even after the expiration of period to exercise preferential negotiating rights, MID REIT has continued to hold the Silent Partnership Interests.

### **2. Details of Changes**

Sakura Dori LLC has recently decided to refinance its borrowings (senior loan) on the repayment date. MID REIT judged that approving this refinancing was the best option to take for MID REIT and so has approved this refinancing.

With the approval of the aforementioned refinancing, MID REIT has acquired certain negotiating rights for the acquisition of trust beneficiary interests in the Property along with other investors of the silent partnership. The aforementioned negotiating rights do not obligate MID REIT to purchase trust beneficiary interests in the Property and there are no

Note: This press release provides information regarding MID REIT’s “Notice Concerning the Situation of Silent Partnership Interests” 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 investor’s sole discretion and responsibility and are made at their own risk. MID REIT and its affiliates disclaim any responsibility or liability for the consequences of investment in MID REIT.



clauses stipulating monetary penalty, etc. attached.

Moreover, with the aforementioned refinancing, a mezzanine loan will be contributed in addition to the senior loan and capital contributed to this silent partnership thus far, as shown in the figure below. Thus, there are changes to the structure in relation to the Silent Partnership Interests, but no new burdens will arise for MID REIT in relation to this structural change and contribution of mezzanine loan.

(Before Changes)

Real Estate (Sakura Dori MID Building)	Senior Loan
	Silent Partnership Interests

(After Changes)

Real Estate (Sakura Dori MID Building)	Senior Loan
	Mezzanine Loan
	Silent Partnership Interests

\* MID REIT's interests in the silent partnership amounts to 10% of total contributions or investment.

### 3. Outlook

MID REIT has not revised forecasts of its business results for the fiscal period ending June 30, 2010 (January 1, 2010 – June 30, 2010) and the fiscal period ending December 31, 2010 (July 1, 2010 – December 31, 2010) owing to the abovementioned changes.