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**For Translation Purpose Only**

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### **Notice Concerning Comprehensive Basic Agreement on Discussing the Introduction of Utility Services**

MID REIT, Inc. (hereafter “MID REIT”) today announced its asset management company, MID REIT Management Co., Ltd. (hereafter “the Asset Management Company”), has executed a comprehensive basic agreement on discussing the introduction of utility services (hereafter “the Agreement”) with Kanden Energy Solution Co., Inc. (hereafter “Kanden Energy Solution”) as the counterparty.

#### **1. Overview on Execution of the Agreement**

- (1) Parties to the Agreement: Kanden Energy Solution (Note 1) and the Asset Management Company
- (2) Contract date: April 30, 2010
- (3) Effective period: 3 years after contract date (automatically renewed every year thereafter)
- (4) Details: Kanden Energy Solution and the Asset Management Company will deliberate and discuss the introduction of utility services (Note 2) to be provided by Kanden Energy Solution with the aim of realizing reduction of facility life cycle costs, reduction of CO<sub>2</sub> emissions, etc. in properties held by MID REIT. Targeted properties and details of services (scope, fees and other conditions of the agreement) will be decided after conducting separate deliberations.
- (5) Reason for executing the agreement: Since characteristics of the utility services are as follows, while introduction of utility services may lead to a short-term increase of expenses, MID REIT considers that in the long term, it should help stabilize management which in turn should contribute to its income.
  - (i) Realization of energy conservation and reduction of CO<sub>2</sub> emission by optimizing facility management and maintenance
  - (ii) Long-term equalization of future facility renewal costs through Kanden Energy Solution’s ownership of facilities
  - (iii) Reduction of required funds by decreasing capital expenditures

(Note 1) Kanden Energy Solution is a wholly owned subsidiary of Kansai Electric Power Co., Inc., which is a major shareholder of MID REIT’s sponsor (MID Urban Development Co., Ltd.). Their primary business is the utility business, such as utility services, ESCO services and on-site energy services. Furthermore, they also carry out energy management services,

Note: This press release provides information regarding MID REIT’s “Notice Concerning Comprehensive Basic Agreement on Discussing the Introduction of Utility Services” 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 consequences of investment in MID REIT.



such as energy diagnostics, etc., facility services, such as management and maintenance of electric facilities, etc., and gas and fuel oil sales services.

(Note 2) Utility services refers to the collective implementation of optimum system design, construction, fund procurement, ownership, maintenance, performance management, energy conservation management and optimum tuning for energy-related utilities (electricity and heat reservoirs). Its purpose is to support the optimum management of the energy-related business.

## 2. 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 execution of the Agreement.