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For Translation Purpose Only

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Notice Regarding Conclusion of Memorandum to Change Lease Agreement on Leased Units with a Major Tenant

MID REIT, Inc. (hereafter “MID REIT”) announces the conclusion today of a memorandum to change a lease agreement on leased units with a major tenant (hereafter the “Memorandum”).

1. Conclusion of the Memorandum

- (1) Tenant: Panasonic Corporation (hereafter the “Tenant”) (Note 1)
- (2) Building: Twin 21 OBP Panasonic Tower (hereafter the “Property”)
- (3) Leased space: 40,787.33 m²
- (4) Agreement period: April 1, 2009 to March 31, 2013 (Note 2)
- (5) Main details of the Memorandum:

- (i) Setting up floors exempt from payment of rent and common-area fees
Payment of rent and common-area fees will be exempted for a limited period from April 1, 2010 to March 31, 2012 (hereafter the “Revised Period”) for floors eligible for free rent as authorized by MID REIT that can be confirmed to meet all certain conditions, such as the return of the key and security card to MID REIT and downtime of lighting and air-conditioning (hereafter the “Free-Rent Floors”). This shall be premised on the Tenant and the Tenant’s Group (including subsidiaries and affiliated companies; hereafter the “Tenant Group”) promoting utilization of those leased units of the Property that are not in use by the Tenant Group, with the Tenant and MID REIT working together so that the Tenant Group can continue to lease and use the Property in its entirety into the future. Free-Rent Floors shall not include the floors from 1F through 3F, and shall be no more than 10 floors (leased space: 10,298.40 m²).
- (ii) Incentives for encouraging the elimination of Free-Rent Floors
Of Free-Rent Floors, the floors that the Tenant Group resumes use of are no longer Free-Rent Floors and thus become floors for which rent and common-area fees will apply. The Tenant will be ensured incentives for promoting the utilization of Free-Rent Floors, which shall take the form of reductions in the amount of the unit price of rent for the Tenant in proportion to the number of floors that use has been resumed.

Note: This press release provides information regarding MID REIT’s “Notice Regarding Conclusion of Memorandum to Change Lease Agreement on Leased Units with a Major Tenant” 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.



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- (iii) Prohibiting agreement cancellation
The agreement on leased units of the Property may not be cancelled or terminated in part by the Tenant during the period up to March 31, 2013; except in cases where a lease agreement is separately concluded between the Tenant Group and MID REIT for Free-Rent Floors and certain conditions are met.
 - (iv) Other
MID REIT and the Tenant shall be able to terminate or change the details of the Memorandum on or after April 1, 2012 when agreed to upon consultation between both parties.
- (6) Reason for conclusion of the Memorandum:
Given the circumstances of there being several floors that are currently not in use, the Tenant lodged a request with MID REIT for consultation over the reduction of the amount of rent and other matters in seek of MID REIT's cooperation in cost reduction efforts to cope with such floors.
In light of the current real estate market situation and other factors, MID REIT believes that leasing the Property in its entirety to the Tenant for its continued use of the Property into the future would contribute to MID REIT's income as well as long-term and stable asset management. The Memorandum was concluded for this reason, premised on the Tenant striving to eliminate unused floors.
- (7) Other:
MID REIT's asset management company MID REIT Management Co., Ltd. today concluded an "Agreement on Promoting the Use of and Discussing Redevelopment of Osaka Business Park" with the Tenant and other concerned parties. For an overview of such, please refer to the "Notice Concerning Execution of Agreement concerning Property, etc. that MID REIT Owns through Ownership of Trust Beneficiary Interests (Agreement on Promoting the Use of and Discussing Redevelopment of Osaka Business Park)" announced today.
- (8) Status of leasing after conclusion of the Memorandum:
The Free-Rent Floors scheduled to be applicable for the period between April 1, 2010 and June 30, 2010 are 10 floors (leased space: 10,298.40 m²) with the monthly rent reduction for that period amounting to ¥55,294,800 (about 24.3% of the total amount of monthly rent and common-area fees of the Property prior to the change based on the Memorandum). Concerning the rent and common-area fees for June 2010, however, the degree of reduction in amount may possibly decrease depending on the status of resumed use by the Tenant Group as on May 25, 2010.

Note 1: The Property is currently leased in its entirety to the Tenant.

Note 2: The agreement period of the original agreement is from April 1, 2009 to March 31, 2011. The Memorandum shall have retroactive effect from April 1, 2010.

2. Outlook

For the outlook of business results for the fiscal period ending June 30, 2010 (January 1, 2010 to June 30, 2010) and the fiscal period ending December 31, 2010 (July 1, 2010 to December 31, 2010), please refer to the "Notice Regarding Revision of Business Results Forecasts for the 8th Fiscal Period, Ending June 30, 2010, and the 9th Fiscal Period, Ending December 31, 2010" announced today.

In the event of future change in the status of Free-Rent Floors, etc., MID REIT will promptly consider disclosure by taking into account such factors as the degree of impact.

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