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**For Translation Purpose Only**

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**Notice Regarding Acquisition of Property  
(Higobashi MID Building)**

MID REIT, Inc. (hereafter “MID REIT”) announces its decision today to acquire property, as detailed below.

**1. Overview of Acquisition**

- |                           |  |
|---------------------------|--|
| (1) Asset to be acquired: | Trust beneficiary interest in entrusted real estate<br>(Trust beneficiary interest in real estate)                                 |
| (2) Property name:        | Higobashi MID Building   |
| (3) Location:             | 1-5-16 Edobori, Nishi-ku, Osaka (Indicated for residence)  |
| (4) Acquisition price:    | ¥3,000 million (Planned)<br>(Excluding various acquisition expenses, property taxes, city planning taxes, consumption taxes, etc.) |
| (5) Contract date:        | May 29, 2013   |
| (6) Acquisition date:     | June 21, 2013 (Planned)  |
| (7) Seller:               | MID Urban Development Co., Ltd. (See “4. Seller Overview” below)   |
| (8) Acquisition funding:  | Cash on hand (Planned)   |

Hereafter, the aforementioned asset to be acquired is referred to as the “Asset” and the Asset’s trust property is referred to as the “Property.”

**2. Reason for Acquisition**

MID REIT concluded that a replacement of its assets in which it will acquire the Asset in accordance with the asset management target and policy stipulated in its Articles of Incorporation, along with implementing the asset transfer that was separately announced today, would be the optimal way to maintain and enhance the profitability and quality of its portfolio in the medium to long term.

In addition, the following points were evaluated in the decision to acquire the Asset.

- (1) Location

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Facing Yotsubashisuji, which is a major arterial road in Osaka, and located a one-minute walk from Higobashi Station on the Osaka Municipal Subway Yotsubashi Line, six-minute walk from Yodoyabashi Station on the Osaka Municipal Subway Midosuji Line and six-minute walk from Watanabebashi Station on the Keihan Nakanoshima Line, the Property boasts superior transportation access. The Higobashi area, where the Property stands, is a business area lined with office buildings that is also in close proximity from Yodoyabashi, where there is a concentration of financial institutions, etc., and is home to the head offices of chemical, machinery and other long-established manufacturers of Osaka. In light of these and other factors, MID REIT assesses the area as having the potential to maintain constant tenancy needs.

## (2) Building Features

Constructed in January 2010, the Property is an office building equipped with specifications that are expected to accommodate tenant needs over the medium to long term.

Each floor of the Property's rental area features 139 tsubo of pillarless space that can be divided into smaller segments, providing for a range of layout and spacing needs. The equipment specifications include 24-hour air conditioning that can be regulated at the individual office level, a power capacity of 50VA/m<sup>2</sup> (can be upgraded up to 75VA/m<sup>2</sup>), office-automation (OA) floors with 100mm of free space underneath for computer and other office equipment wires and cables, and a security system using non-contact IC card readers for monitored 24-hour access, thus providing a leading-edge office environment.

In addition, the Property has been assigned with the DBJ Green Building Certification rank of "Silver 2012" by Development Bank of Japan Inc., in recognition of employing highly-efficient lighting for exclusive-use areas and employing an automatic control system for modulated light by installing "brightness sensors," employing energy conservation through space designing that lets in natural light to common areas and other measures, as well as having outstanding earthquake resistance performance in that employment of a vibration control construction method using corrugated steel plate vibration control walls mitigates the vibration of the building in the event of an earthquake. Moreover, the Property has been assigned with the rank of "A Class" by the City of Osaka's Comprehensive Assessment System for Building Environmental Efficiency (CASBEE Osaka), which is a tool for comprehensive assessment and rating of not only consideration for the environment, such as use of energy-conserving and low-environmental-load resources and materials, but also consideration for the indoor and outdoor built environment and other building quality and performance.

These features suggest that the Property is a property that can retain high market competitiveness over the medium to long term and that internal growth can also be anticipated. Therefore, MID REIT assesses the Property as being a property that will contribute to enhancing the quality of its portfolio.

## 3. Details of Property for Acquisition

Property Name		Higobashi MID Building
Type of Specified Asset		Trust beneficiary interest in entrusted real estate (Trust beneficiary interest in real estate)
Trustee		Sumitomo Mitsui Trust Bank, Limited (Planned)
Trust Period		June 21, 2013 to June 20, 2023 (Planned)
Location (Note 1)	Lot Number	1-1-38 Edobori, Nishi-ku, Osaka
	Indicated for Residence	1-5-16 Edobori, Nishi-ku, Osaka

Transportation		One-minute walk from Higobashi Station on the Osaka Municipal Subway Yotsubashi Line, six-minute walk from Yodoyabashi Station on the Osaka Municipal Subway Midosuji Line and six-minute walk from Watanabebashi Station on the Keihan Nakanoshima Line
Completion Date (Note 1)		January 18, 2010
Use (Note 1)		Offices
Structure (Note 1)		S with flat roof, B1F/11F
PML (Note 2)		6.0% (Based on the earthquake risk analysis report (detailed) dated April 3, 2013, created by Engineering and Risk Services Corporation and OYO RMS Corporation.)
Architect		Takenaka Corporation
Structural Designer		Takenaka Corporation
Builder		Takenaka Corporation
Agency Authorizing Building Construction		Nihon Kakunin Kensa Center K.K.
Area (Note 1)	Land	797.86 m <sup>2</sup>
	Building	6,519.63 m <sup>2</sup>
Type of Ownership	Land	Fee simple
	Building	Fee simple
Floor-Area Ratio / Building-to-Land Ratio (Note 3)		800% / 100%
Mortgage		None
Special Instructions		None
Acquisition Price		¥3,000 million
Appraisal Value		¥3,130 million (Appraisal date: April 15, 2013) (Appraiser: Japan Real Estate Institute)
Status of Tenants (Estimate at planned acquisition date) (Note 4)		
Total Tenants (Note 5)		10
Total Annual Rent (Note 6)		¥207,385 thousand
Security Deposit / Guarantee, Etc. (Note 7)		¥117,474 thousand
Rentable Area (Note 8)		4,655.58 m <sup>2</sup>
Rental Area (Note 9)		4,332.47 m <sup>2</sup>
Occupancy Rate (Note 10)		93.1%

Notes:

- “Location (Lot Number),” “Completion Date,” “Use,” “Structure” and “Area” are listed based on recorded registration.
- “PML” is translated as “Probable 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 and Risk Services Corporation and OYO RMS Corporation, divide the “probable 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 “Probable Maximum Loss (PML)” herein. A 475-year recurrence interval is the equivalent of a 10% certainty of an event occurring during the 50-year period of building use.
- “Floor-Area Ratio” is as stipulated in Article 52 of the Building Standards Law and is the ratio of floor area to site area, and the value specified in urban planning based on zoning and other factors is listed.  
“Building-to-Land Ratio” is as stipulated in Article 53 of the Building Standards 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.

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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%.

4. "Status of Tenants (Estimate at planned acquisition date)" is based on data and information provided by the seller. The status factors in the tenants whose lease periods have already commenced as at April 30, 2013 and the tenants who have signed lease agreements as at April 30, 2013 and whose lease periods are scheduled to have commenced as at the planned acquisition date.
5. "Total Tenants" is based on the assumption that the lessee on the master lease agreement has agreed to serve as the lessor. The figure cited is the sum of the number of end-tenants who are subleasing from the lessee on the master lease agreement and the number of end-tenants who have signed lease agreements as at April 30, 2013 and whose lease periods are scheduled to have commenced as at the planned acquisition date. Not included are end-tenants whose leases or scheduled leases are limited to such items as storage and parking spaces.
6. "Total Annual Rent" lists the total monthly rent, including monthly rent, monthly common-area fee, storage-area fee and facility usage fee, displayed in the lease agreement, etc., multiplied by twelve and rounded down to the nearest thousand yen.
7. "Security Deposit / Guarantee, Etc." lists the security deposit and guarantee (including room, storage space, parking space, etc.) balance displayed on the lease agreement, etc., rounded down to the nearest thousand yen.
8. "Rentable Area" lists the rentable area of the Property's building (excluding storage space, parking space, etc.).
9. "Rental Area" lists the area (room area only) displayed on the lease agreement, etc. with end-tenants.
10. "Occupancy Rate" lists the percentage, rounded to the nearest first decimal place, obtained by dividing rental area by rentable area.

#### 4. Seller Overview

Name	MID Urban Development Co., Ltd.
Headquarters Location	1-4-4 Dojimahama, Kita-ku, Osaka
Name and Title of Representative	Ryoichi Hanai, President, Member of the Board
Primary Business	Building business and housing business
Capital	¥100 million
Date of Establishment	April 1, 1999
Relationship with MID REIT or Asset Management Company	
Capital Ties	The seller is a unitholder holding MID REIT investment units (5.01%) (at the end of the fiscal period ended December 31, 2012). In addition, the seller is a shareholder holding all of the Asset Management Company shares issued and outstanding and thus falls under the category of an interested person, etc. of the Asset Management Company as defined in the Law Concerning Investment Trusts and Investment Corporations (hereafter the "TIL").
Personnel Ties	There are no personnel ties to be stated between the seller and MID REIT. 1 director concurrently serves the seller and the Asset Management Company, and 26 directors/employees of the Asset Management Company are seconded from the seller.
Business Ties	There are no business ties to be stated between the seller and MID REIT or the Asset Management Company.
Status of Classification as Related Party	The seller does not fall under the category of a related party of MID REIT. The seller is a shareholder holding all of the Asset Management Company shares issued and outstanding and thus falls under the category of a related party of the Asset Management Company.

## 5. Transactions with Interested Persons, Etc.

The Asset Management Company has formulated internal regulations that provide guidelines for transactions with related parties of its sponsors with the aim of eliminating potential conflicts of interest and thereby enabling it to appropriately perform asset management to the benefit of MID REIT's unitholders. Under the internal regulations, the seller listed above falls under the category of a sponsor related party. Accordingly, upon entering into an agreement on acquisition of the Asset with the seller, the Asset Management Company followed certain procedures stipulated in the aforementioned internal regulations, including the following: deliberation and approval by its Compliance Committee, which includes outside experts; deliberation and decision by its Investment Committee; and deliberation and resolution by its Board of Directors.

## 6. Status of Property Buyers, Etc.

The seller of the Asset falls under the category of an interested person, etc. as defined in the ITL of MID REIT. Accordingly, the status of property buyers, etc. is presented.

Property Name	Higobashi MID Building	
Status of Property Owners, Etc.	Current Owner / Trust Beneficiary	Previous Owner / Trust Beneficiary
Name	MID Urban Development Co., Ltd.	Land: Other than a party having particular vested interest Building: None
Relationship with Parties having Particular Vested Interest	See 4. above	—
Background and Reason for Acquisition	Land: Development purposes Building: Property developed by the current owner	—
Acquisition Price (Including other expenses)	Concerning the land, ownership by the current owner exceeds one year and the price is thus omitted.	—
Acquisition Date	Land: Feb. 2007 Building: Jan. 2010	—

## 7. Overview of Brokerage

None.

## 8. Settlement Method

MID REIT plans to settle the acquisition by making a single payment of the entire amount of the acquisition price to the seller using cash on hand at the time the Asset is handed over (scheduled for June 21, 2013).

## 9. Schedule for Acquisition

May 29, 2013 Decision to acquire

May 29, 2013 Conclusion of an agreement concerning the transfer of the trust beneficiary interest

June 21, 2013 Acquisition of the trust beneficiary interest in real estate (Planned)

## 10. Outlook

For the outlook of MID REIT's business results for the fiscal period ending June 30, 2013 (January 1, 2013 to June 30, 2013) and the fiscal period ending December 31, 2013 (July 1, 2013 to December 31, 2013) as a result of acquisition of the Asset, please refer to the "Notice Regarding Revision of Business Results and Distributions Forecast for the 14th Period Ending June 30, 2013" and the "Notice Regarding Revision of Distributions Forecast for the 15th Period Ending December 31, 2013" separately announced today.

## <Attachments>

- Attachment 1: Appraisal Summary
- Attachment 2: Property Portfolio after Acquisition of the Asset
- Attachment 3: Photograph of Higobashi MID Building
- Attachment 4: Map of Higobashi MID Building

## Appraisal Summary

Unit: Thousands of yen (Note 1)

Appraiser	Japan Real Estate Institute
Final Appraisal Value	3,130,000
Appraisal Date	April 15, 2013
Value Calculated Using Direct Capitalization (DC) Method	3,170,000
Operating Revenues	233,314
Gross Potential Revenues	245,842
Vacancy Loss, etc.	-12,528
Operating Expenses	69,016
Maintenance and Management Expenses, etc. (Note 2)	35,000
Real Estate Taxes	24,636
Other Expenses	9,380
Net Operating Income (NOI)	164,298
Gains from Management of One-time Proceeds	2,469
CAPEX	4,928
Net Cash Flows (NCF)	161,839
Overall Capitalization Rate	5.1%
Value Calculated Using Discount Cash Flow (DCF) Method	3,080,000
Discount Rate	4.9%
Terminal Capitalization Rate	5.3%
Value Calculated Using the Cost Method	3,040,000
Ratio of Land Price	41.3%
Ratio of Building Price	58.7%

Notes:

1. Amounts presented in the table above have been rounded to the nearest thousand yen. 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, etc. include utility expenses.

### Property Portfolio after Acquisition of the Asset

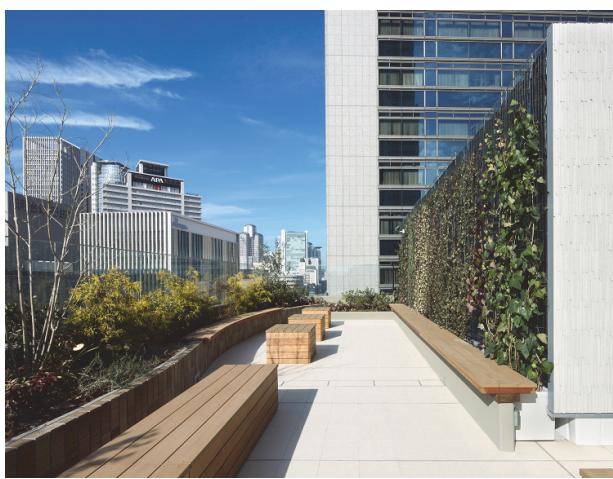
Type	Region	Property Name	Acquisition Price (Millions of Yen)	Investment Ratio (%) (Note 1)	Acquisition Date
Office properties	Osaka area	Twin 21 (Note 2)	68,700	44.2	Aug. 31, 2006
		Matsushita IMP Bldg.	24,600	15.8	Aug. 31, 2006
		Panasonic Osaka Kyobashi Bldg. (Note 3)	—	—	Aug. 31, 2006
		Midosuji MID Bldg.	8,290	5.3	Aug. 31, 2006 Oct. 31, 2007
		MID REIT Kyobashi Bldg.	2,300	1.5	Aug. 31, 2006
		MID Imabashi Bldg.	3,270	2.1	Apr. 3, 2007
		MID Midosujikawaramachi Bldg.	2,000	1.3	May 16, 2007
		Kitahama MID Bldg.	10,800	7.0	Apr. 24, 2008
		MID Nishihommachi Bldg.	3,550	2.3	Oct. 30, 2008
		Higobashi MID Bldg.	3,000	1.9	June 21, 2013 (Planned)
Subtotal (9 properties)			126,510	81.4	
Non-office properties	Osaka area	Konami Sports Club Kyobashi	2,780	1.8	Aug. 31, 2006
	Tokyo metropolitan area, Government-designated cities (excluding the Osaka area) and other major cities	AEON MALL Tsudanuma	26,100	16.8	Aug. 31, 2006
	Subtotal (2 properties)		28,880	18.6	
Total (11 properties)			155,390	100.0	

## Notes:

1. Investment ratios presented in the table above have been rounded to the nearest first decimal place. Accordingly, the sum of the investment ratio figures may not add up to 100.0%.
2. Data for Twin 21 includes the trust beneficiary interest of Twin 21 (partial ownership of leased land).
3. Panasonic Osaka Kyobashi Building is scheduled to be transferred on June 21, 2013.
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 on November 29, 2007, January 30, 2008, September 29, 2008 and February 26, 2009.

**Attachment 3**

**Photograph of Higobashi MID Building**



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### Map of Higobashi MID Building

