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**MORI TRUST Sogo Reit, Inc.**  
**MORI TRUST Asset Management Co., LTD.**



**19th Fiscal Period**  
**(April 1, 2011 to September 30, 2011)**  
**Information Package**

*8961*

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# **Part 1**

## **19th Fiscal Period Highlights**

## 19th Fiscal Period Highlights

19th Fiscal Period Highlights

Dividends: The dividend remained stable and high, exceeding the forecast.

19th fiscal period dividend: **¥18,819** +¥169 vs. plan, -¥1,667 vs. prior period

- Property tax (¥1,500) on Tokyo Shiodome Building
- Cost saving through an improvement in borrowing terms
- Recovery work for Ito Yokado Shin-Urayasu associated with the earthquake was completed as early as possible, ahead of schedule

Dividend Forecast: Both revenues and income will rise in the 20th fiscal period with an expected capital gain from the disposition of part of Frespo Inage

20th fiscal period forecast: **¥19,200** +¥381 vs. 19th fiscal period, +¥100 vs. initial forecast

21st fiscal period forecast: **¥19,000**

- Effects of the disposition of part of underlying Frespo Inage under a basic agreement with a lessee expected

20th fiscal period: Capital gain from the disposition : 245 million yen

Based on the assumption that the gain from the disposition, 147 million yen, will be added to retained earnings under the special provision concerning taxation relating to advance acquisitions of land in 2009 and 2010.

21st fiscal period: Rental revenues will decline as a result of the disposition of part of the property.

# Recovery from the Great East Japan Earthquake – Ito-Yokado Shin-Urayasu

19th Fiscal Period Highlights

Recovery work for Ito-Yokado Shin-Urayasu associated with the earthquake completed as early as possible, ahead of schedule

Estimated cost of construction work: (Million yen)

	Actual costs in the 18th fiscal period	Actual costs in the 19th fiscal period	Planned costs in the 20th fiscal period	Total
Results and forecast	30 (15)	75 (30)	10 (10)	115 (55)
Previous forecast	30 (15)	40 (20)	30 (15)	100 (50)

Not only restoring functions but also improving them

- Repair the entrance to give an impression of openness
- Install a flowerbed for aesthetic purposes

\* Figures in parentheses are repair expenses of estimated construction expenses.

Plumbing improvement work (completed)  
Laid most of the mains above ground to avoid the effect of ground sinking

(Before improvement work)



(September 2011)



Entrance repair work (completed)  
Repaired an uneven surface caused by ground sinking

(Immediately after the earthquake)



(September 2011)



## Basic Agreement on partial sale of Frespo Inage Land

19th Fiscal Period Highlights

### Background to the Basic agreement

- On September 18, 2009, the Lessee, Daiwa Lease, filed an action for rent reduction. MTR has not agreed to the rent reduction because of the Lease Agreement.
- Through discussions with Daiwa Lease, we agreed that both will benefit from restructuring the ownership of the land for operation over the medium and long terms, by splitting the land into two equal parcels. Daiwa Lease will benefit from rent reduction and MTR will benefit from a capital gain with the sale of half of the land while still retaining the rent income.
- On November 14, 2011, MTR signed Basic Agreement with Daiwa Lease. An outline of the Agreement is provided below.

### Outline of the Basic agreement

- (1) Part of the land disposed to Daiwa Lease
  - ◆ Planned type of asset: real estate (50% of the Property)
    - \* The land will be divided into two parts, the part to be disposed and the part to be retained, having the same area.
  - ◆ Planned sale price: 2,450 million yen (the capital gain from the disposition is to be 245 million yen)
  - ◆ Planned contract date: by February 29, 2012
  - ◆ Planned closing date: February 29, 2012
- (2) Revision to the land lease agreement
 

The amendment to the Lease Agreement New monthly rent will be 20,646,000yen, which is half of the past rent plus 1,000,000 yen and represents a rent increase of approximately 5%.
- (3) Daiwa Lease has **withdrawn its rent reduction litigation in accordance with (1) and (2)**

### Effect on future operation

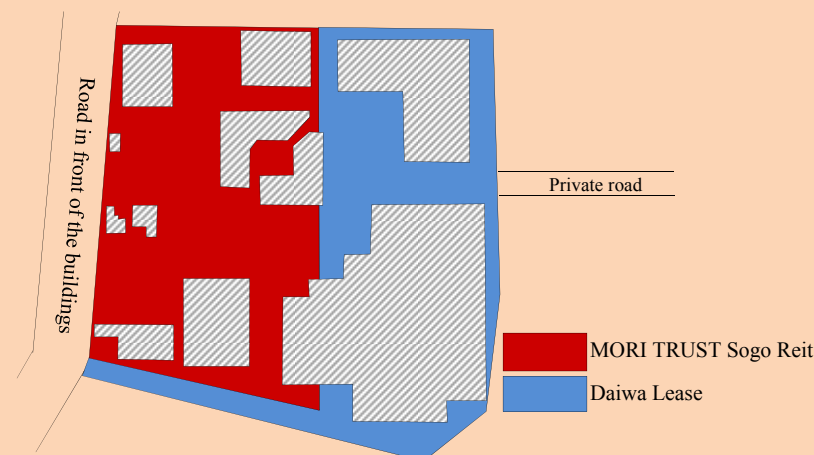
- Main points on the operation of the property after the disposition
  - ◆ MTR will **benefit from a 1 million yen** monthly rent increase for ownership of half of the current property until the lease agreement expires on June 2, 2023.
  - ◆ The land that MTR retains after the transfer (disposition ) faces the main road, and MTR has the right to develop by itself or co-develop the whole property with Daiwa Lease after the Lease Agreement.
- Effect on dividends
 

20th fiscal period: **Part (about 147 million yen) of a gain from the disposition (about 245 million yen) is planned to be added to retained earnings.**

(Note)

MTR assumes that a gain from the disposition will be added to retained earnings under the special provision concerning taxation relating to advance acquisitions of land in 2009 and 2010 and that it will post income taxes-deferred of about 57 million yen with the remaining amount disposed to reserve for advanced depreciation (about 89 million yen).

### Map of land showing ownership after the disposition



**Part 2**  
**Summary of the 19th Fiscal Period**  
**(ended September 30, 2011) Settlement**

## Overview of the 19th Fiscal Period Settlement

## Summary of the 19th Fiscal Period Settlement

(Million yen)

	19th fiscal period Actual	18th fiscal period Actual	Change (Over previous period)		19th fiscal period Forecast (Note)
Operating revenues	8,801	8,886	-84	-0.9%	8,809
Operating income	5,497	5,976	-479	-8.0%	5,460
Income before income taxes	4,555	4,958	-417	-8.4%	4,514
Net income	4,554	4,957	-403	-8.1%	4,513
Dividend per share (yen)	18,819	20,486	-1,667	-8.1%	18,650
Number of shares issued	242,000	242,000	-	-	242,000

(Note) Announced on May 13, 2011

The dividend for the 19th fiscal period declined, mainly because of property tax on Tokyo Shiodome Building, but still exceeded the forecast.

(Main factor for changes over the previous period)

- ◆ Property tax on Tokyo Shiodome Building -¥360 million
- ◆ Increase in revenues from rents through the filling of vacancies and the full-period effect of decreases in rents -¥84 million
- ◆ Decrease in interest expenses +¥68 million
- ◆ Recovery work for Ito Yokado Shin-Urayasu associated with the earthquake -¥15 million

# Interest-Bearing Liabilities and Rating

Interest-bearing liabilities  
(as of the end of the 19th fiscal period)

Total interest-bearing liabilities (million yen)	133,200
Short-term loans	22,500
Long-term loans (including loans expected to be repaid within one year)	105,700
Investment corporation bonds	5,000
LTV (Loan To Value ratio)	46.1%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	83.1%
Fixed interest-bearing liabilities ratio	83.1%
Average interest for borrowings during fiscal period	1.41%
Short-term loans	0.73%
Long-term loans and investment corporation bonds	1.54%

Rating  
(as of the end of the 19th fiscal period)

Rating
Rating agency: Japan Credit Rating Agency, Ltd. (JCR)
Liabilities rated: Long-term senior debts
Rating (outlook): AA (stable)

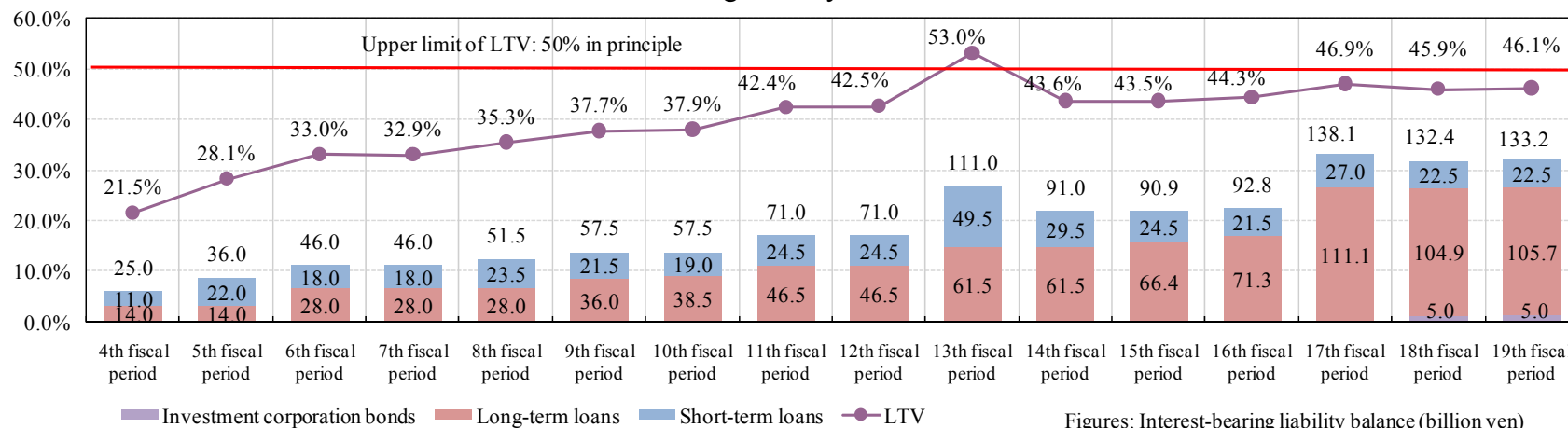
## Summary of the 19th Fiscal Period Settlement

Breakdown of interest-bearing liabilities  
(as of the end of the 19th fiscal period)

Classification	Lender	Balance of borrowings (million yen)	(%)
Loans	Mizuho Corporate Bank, Ltd.	27,500	20.6%
	Sumitomo Mitsui Banking Corporation	21,000	15.8%
	Development Bank of Japan Inc.	18,200	13.7%
	The Sumitomo Trust & Banking Corporation	17,500	13.1%
	Mitsubishi UFJ Trust and Banking Corporation	17,000	12.8%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,500	9.4%
	Aozora Bank, Ltd.	3,000	2.3%
	The Bank of Fukuoka, Ltd.	3,000	2.3%
	The Dai-ichi Life Insurance Company, Limited	2,500	1.9%
	ORIX Trust and Banking Corporation (Note)	2,000	1.5%
	Nippon Life Insurance Company	1,500	1.1%
	Resona Bank, Limited.	1,500	1.1%
	The Hachijuni Bank, Ltd.	1,000	0.8%
Subtotal		128,200	96.2%
Investment corporation bonds		5,000	3.8%
Total investment-bearing liabilities		133,200	100.0%

(Note) The business name changed to ORIX Bank Corporation on October 1, 2011.

Interest-bearing liability balance and LTV



Figures: Interest-bearing liability balance (billion yen)

# Investors

## Summary of the 19th Fiscal Period Settlement

### Top 10 Shareholders

### Composition of Shareholders

18th Fiscal Period (242,000 shares issued)

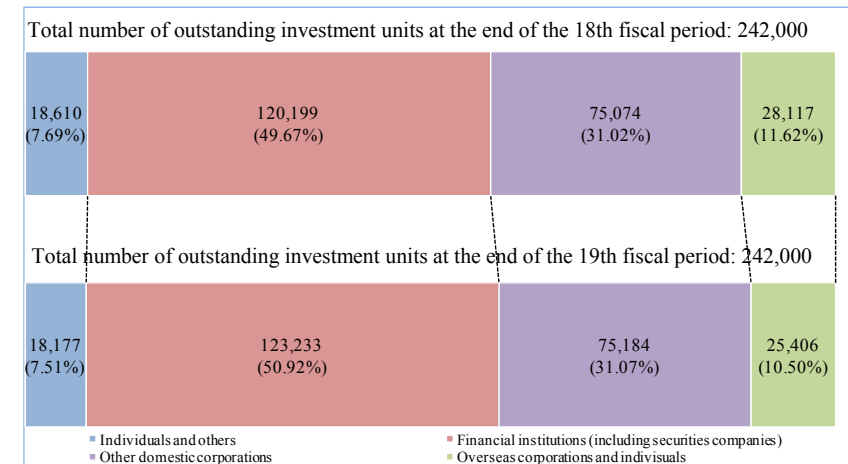
Shareholders	Number of shares held	Ownership ratio
MORI TRUST Holdings, Inc.	70,000	28.93%
Japan Trustee Services Bank, Ltd. (trust account)	34,261	14.16%
The Nomura Trust and Banking Co., Ltd. (investment trust)	21,194	8.76%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	17,373	7.18%
The Master Trust Bank of Japan, Ltd. (trust account)	9,531	3.94%
Nomura Bank (Luxembourg) S.A.	4,958	2.05%
North Pacific Bank, Ltd.	3,831	1.58%
AIG Edison Life Insurance Company GA Equity PIM	3,532	1.46%
American Life Insurance Company G-A-L	3,064	1.27%
Kansai Urban Banking Corporation	2,660	1.10%
<b>Total of top 10 shareholders</b>	<b>170,404</b>	<b>70.41%</b>

19th Fiscal Period (242,000 shares issued)

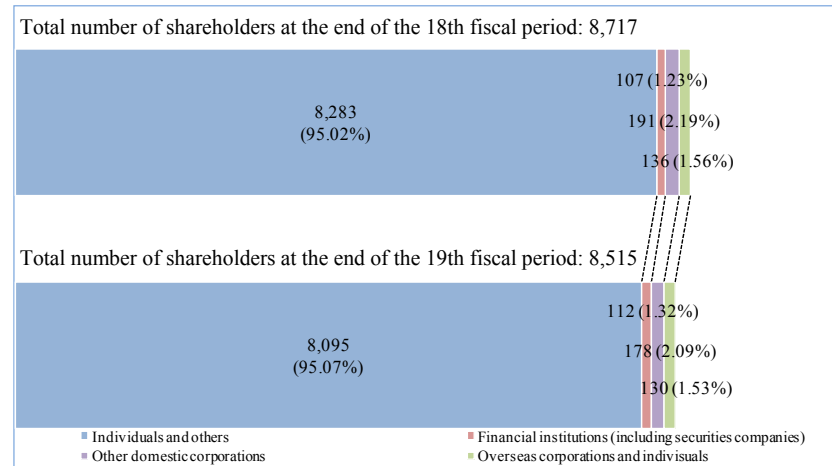
Shareholders	Number of shares held	Ownership ratio
MORI TRUST Holdings, Inc.	70,000 (Note)	28.93%
Japan Trustee Services Bank, Ltd. (trust account)	39,373	16.27%
The Nomura Trust and Banking Co., Ltd. (investment trust)	19,076	7.88%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	15,820	6.54%
The Master Trust Bank of Japan, Ltd. (trust account)	9,518	3.93%
Nomura Bank (Luxembourg) S.A.	4,706	1.94%
North Pacific Bank, Ltd.	3,831	1.58%
American Life Insurance Company GA Company JPY	3,464	1.43%
Trust & Custody Services Bank, Ltd. (money trust tax account)	2,885	1.19%
The Senshu Ikeda Bank, Ltd.	2,820	1.17%
<b>Total of top 10 shareholders</b>	<b>171,493</b>	<b>70.86%</b>

(Note) MORI TRUST Holdings sold 10,000 shares of 70,000 shares it held to MA Platform, Inc. on October 27, 2011. MA Platform, Inc. is an asset management company of which Akira Mori, president & representative director of MORI TRUST Co., Ltd. and MORI TRUST Holdings Inc., has all the shares.

### Investment share ratios



### Investment share holder ratio



## Forecast for the 20th and 21st Fiscal Periods

## Summary of the 19th Fiscal Period Settlement

### Forecast for the 20th Fiscal Period

Forecast dividend for the 20th fiscal period: ¥19,200

Main factors: Effects of the disposition of part of Frespo Inage  
(a gain from the disposition, a decline in rents after the disposition,  
and litigation costs)  
Increase in repair expenses  
Decrease in interest expenses

(Million yen)

		20th Fiscal Period Forecast	19th Fiscal Period Actual	Difference	
				Amount	%
Operating revenues	(a)	9,033	8,801	231	2.6%
Property-related revenues	(b)	8,787	8,801	-14	-0.2%
Rental revenues		8,542	8,528	13	
Other rental revenues		245	273	-27	
Profit on sale of real estate		245	-	245	-
Operating expenses	(c)	3,343	3,304	39	1.2%
Property-related expenses	(d)	2,915	2,904	11	0.4%
Rental expenses		2,915	2,904	11	
Property and other taxes		914	923	-9	
Overhead expenses		694	639	54	
Depreciation and amortization (e)		1,306	1,341	-34	
Service, general and administrative expenses		428	400	28	7.0%
Profit from real estate rental business	(f)=(b)-(d)	5,872	5,897	-25	-0.4%
Earnings before depreciation and amortization (NOI)	(e)+(f)	7,179	7,239	-60	-0.8%
Operating income	(a)-(c)	5,689	5,497	192	3.5%
Non-operating revenues		0	1	-1	-68.5%
Non-operating expenses		895	943	-48	-5.1%
Interest expense		870	918	-48	
Interest on investment corporation bonds		20	20	-0	
Amortization of investment corporation bond-issuing expenses		3	3	-0	
Ordinary income		4,794	4,555	239	5.3%
Income before income taxes		4,794	4,555	239	5.3%
Net income		4,735	4,554	181	4.0%

	19th Fiscal Period Actual	20th Fiscal Period Forecast	21st Fiscal Period Forecast
	(April 1, 2011 to September 30, 2011)	(October 1, 2011 to March 31, 2012)	(April 1, 2012 to September 30, 2012)
Operating revenues (million yen)	8,801	9,033	8,744
Operating income (million yen)	5,497	5,689	5,458
Ordinary income (million yen)	4,555	4,794	4,599
Net income (million yen)	4,554	4,735	4,598
Dividend per share (yen)	18,819	19,200	19,000
No. of shares issued	242,000	242,000	242,000

### Assumptions

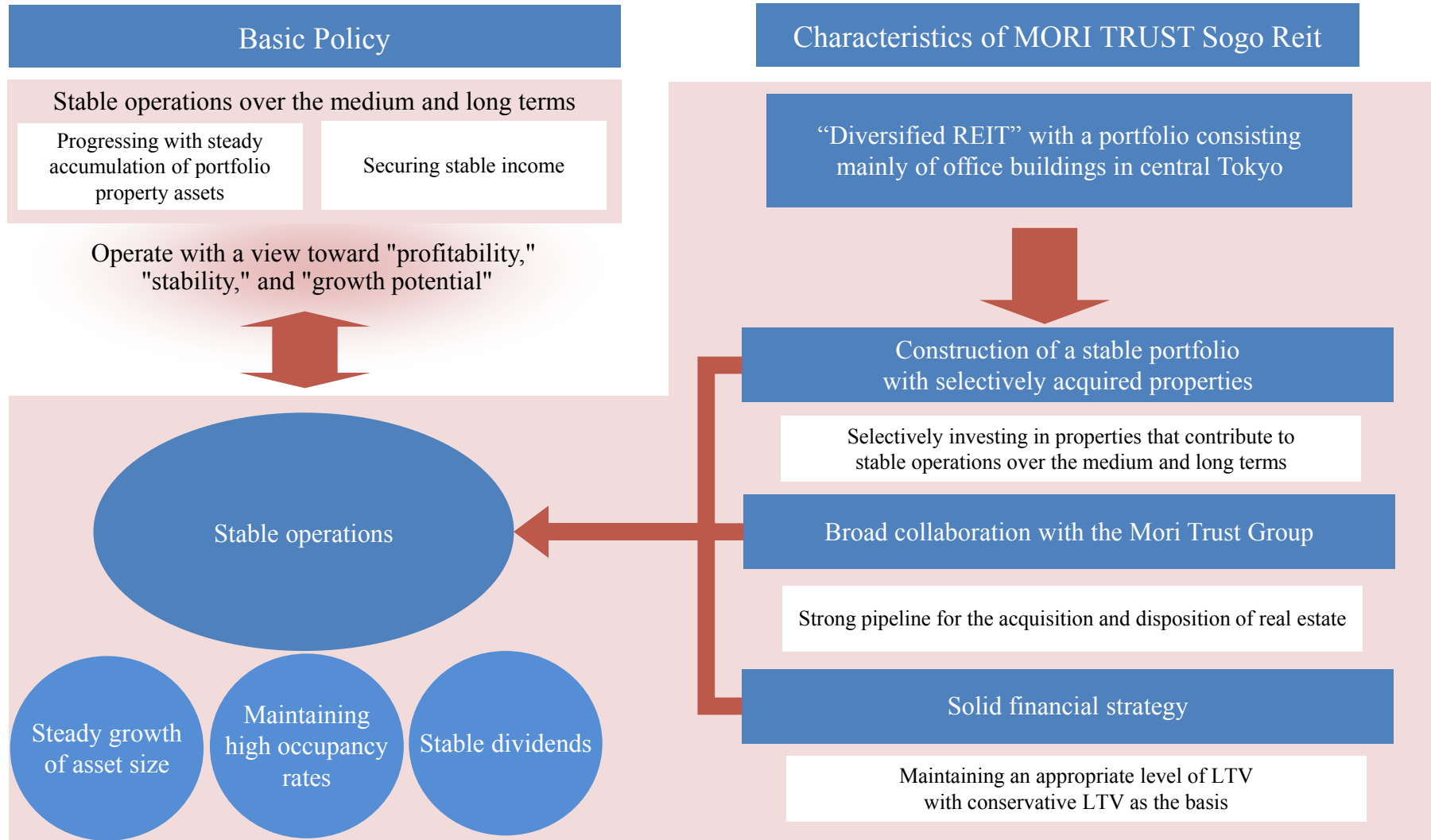
- Of properties that MTR has under ownership, MTR plans to dispose 50% of the land of Frespo Inage at the end of February 2012. MTR assumes that there will be no other changes in the properties under ownership in the 20th and 21st fiscal periods and that it will retain the same 13 properties that it has as of September 30, 2011.
- Assumes the 242,000 investment shares issued and outstanding as of September 30, 2011.
- A gain from the disposition of Frespo Inage of about 245 million yen, which is planned to be posted in the 20th fiscal period, is based on the assumption that it will be added to retained earnings under the special provision concerning taxation relating to advance acquisitions of land in 2009 and 2010. MTR assumes that it will post income taxes-deferred and that the remaining amount will be disposed to reserve for advanced depreciation.

The business forecast for the 20th and 21st fiscal periods has been calculated based on the preceding assumptions. This is not a guarantee of actual operating revenues, operating income, ordinary income, net income, and/or per-share dividends, and such may differ according to circumstances occurring in the future.

**Part 3**  
**Basic Policy and Status of Operations**

# Basic Policy and Characteristics of MORI TRUST Sogo Reit

Basic Policy and Status of Operations



## Portfolio Allocation Policy

Basic Policy and  
Status of Operations

### Target portfolio and actual performance

		Region				Total	
		Central Tokyo (Note 1)		Other areas (Note 2)			
		Target	Actual	Target	Actual	Target	Actual
Use	Office Buildings	60 to 70%	69.1%	10 to 20%	6.9%	70 to 90%	75.9%
	Retail Facilities	0 to 10%	7.5%	10 to 20%	16.6%	10 to 30%	24.1%
	Other (Note 3)						
Total		60 to 80%	76.6%	20 to 40%	23.4%	100%	

(Note 1) “Central Tokyo” refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku Wards.

(Note 2) “Other Areas” refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area excluding central Tokyo) and other major regional cities.

(Note 3) Restricted to investments in residential properties and hotels for the foreseeable future.

(Note 4) The investment ratios are based on acquisition prices.

# Financial Policy and Strategy

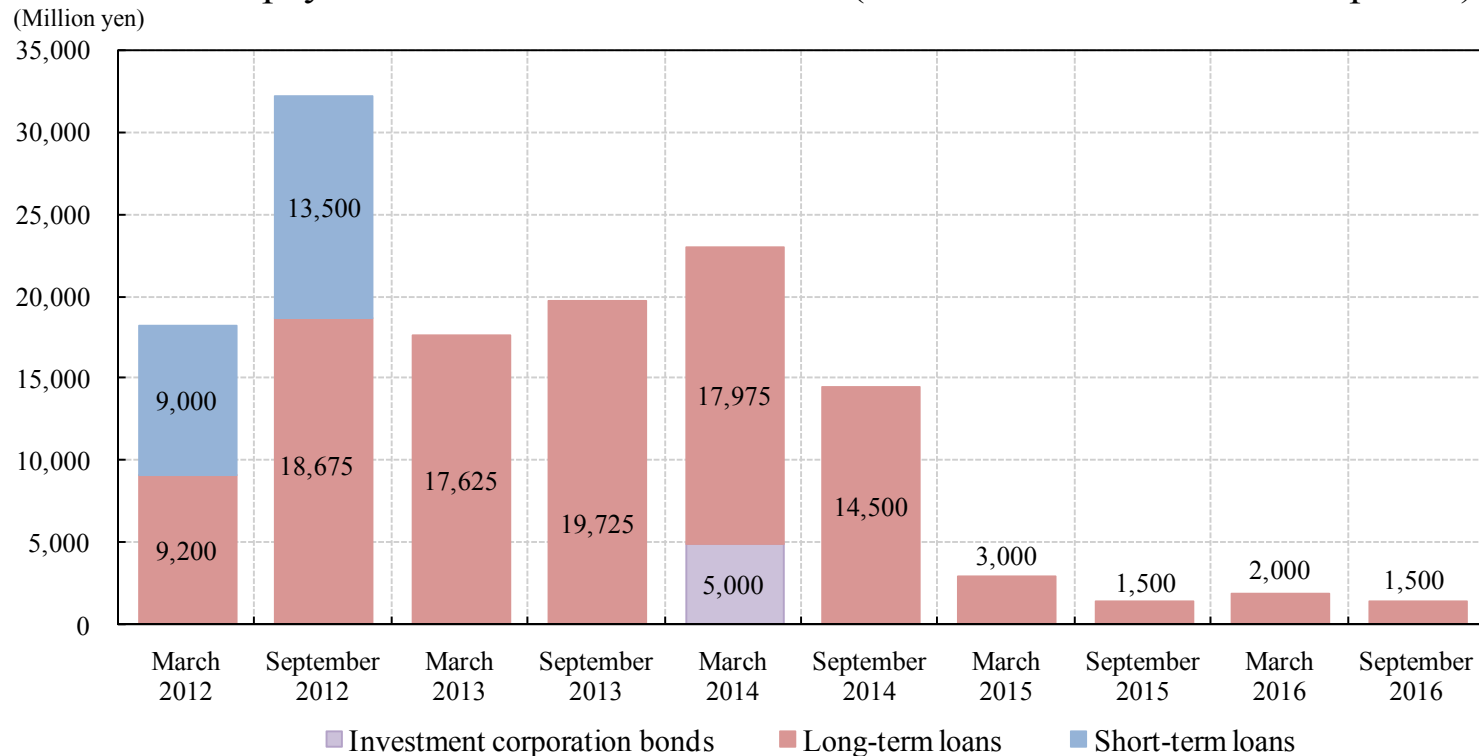
Basic Policy and Status of Operations

## Financial Policy and Strategy

- ◆ Conservative LTV is the basis, and the 50% upper limit of LTV is the benchmark
- ◆ Diversify repayment maturities
- ◆ Procure short-term borrowings and long-term debt in a balanced manner, paying attention to reducing financing costs and the effect of changes in the financial environment
- ◆ Consider issuing investment corporation bonds
- ◆ Establish a credit line to ensure flexible fundraising

Mizuho Corporate Bank: 10 billion yen    Sumitomo Mitsui Banking: 10 billion yen

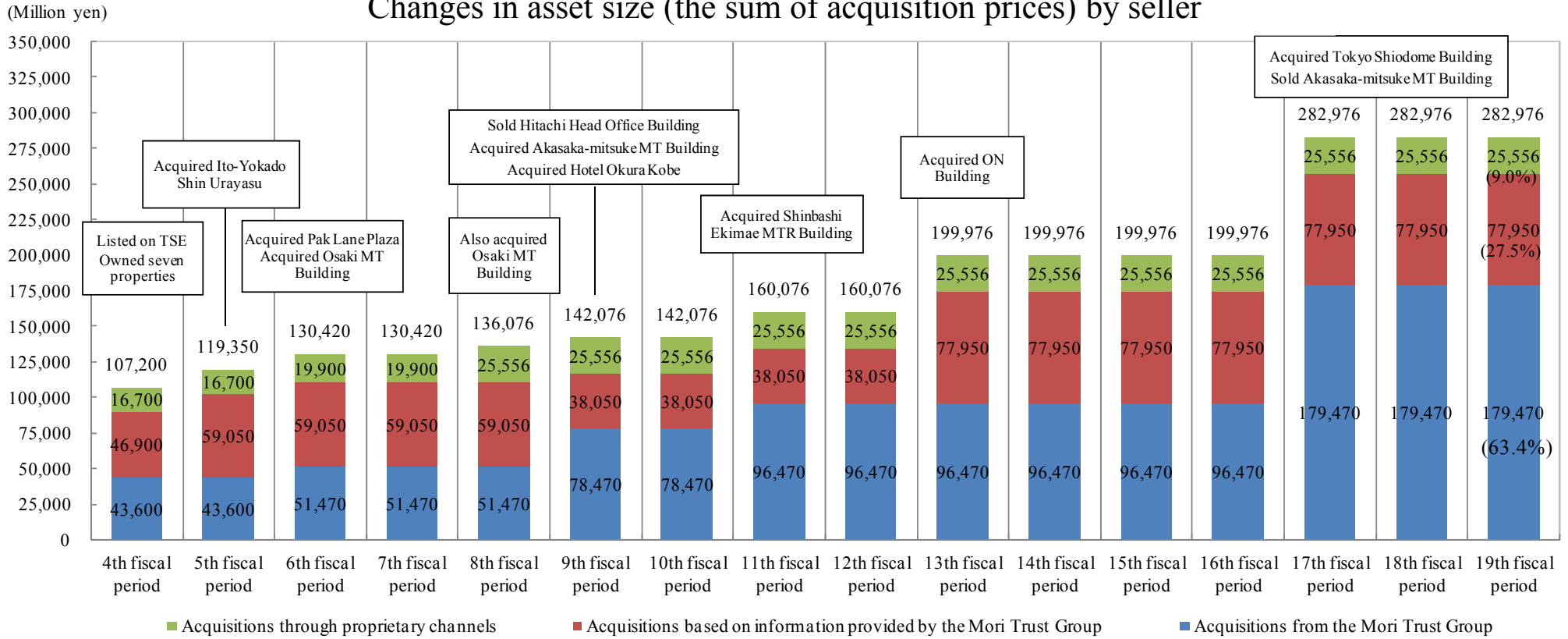
Loan repayment schedule diversification (at the end of the 19th fiscal period)



# Status of Operations 1: Changes in Asset Size

Basic Policy and Status of Operations

Changes in asset size (the sum of acquisition prices) by seller



## Property acquisitions

Acquisitions from the Mori Trust Group	Acquisitions Based on Information Provided by the Mori Trust Group	Acquisitions through Proprietary Channels
Ginza MTR Bldg.	Ito-Yokado Shin-Urayasu	Marubeni Osaka Headquarters Bldg.
Mita MT Bldg.	Shin-Yokohama TECH Bldg.	Frespo Inage
Osaki MT Bldg.	Hotel Okura Kobe	Park Lane Plaza
Ito-Yokado Shonandai	ON Bldg.	Osaki MT Bldg. (additional acquisition)
Shinbashi Ekimae MTR Bldg.		
Tokyo Shiodome Building		

: Acquisitions through sale-and-lease-back

## Status of Operations 2: Portfolio Summary (At the end of the 19th Fiscal Period)

Basic Policy and  
Status of Operations

Use	Name	Location	Construction completion	Acquisition date	Acquisition Price (Million yen)	19th fiscal period Book value at the end of fiscal period (Million yen)	19th fiscal period End-of-period calculation (Million yen)	Floor Area (m <sup>2</sup> )	PML (Note 5)	NOI yield (Note 6)
Office Buildings	Ginza MTR Bldg.	Chuo Ward, Tokyo	March 1982 (Renovated in 2010)	March 31, 2003	16,000	16,600	15,400	38,901.73 (Note 1)	8.1%	6.0%
	Mita MT Bldg.	Minato Ward, Tokyo	September 1974 (Renovated in 1997)	December 1, 2003	16,000	15,894	21,300	21,043.02	10.5%	8.0%
	Marubeni Osaka Headquarters Bldg.	Chuo Ward, Osaka	March 1984	September 30, 2002	12,500	12,082	9,940	41,574.47	3.4%	8.0%
	Shin-Yokohama TECH Bldg.	Kohoku Ward, Yokohama City	February 1986	November 14, 2003	6,900	6,836	3,960	25,187.22	8.7%	6.0%
	Osaki MT Bldg.	Shinagawa Ward, Tokyo	July 1994 (Renovated in 2008)	(1) March 31, 2005 (2) October 28, 2005 (Additional acquisition)	13,526	13,094	16,000	26,980.68 (Note 2)	11.5%	5.5%
	ON Bldg.	Shinagawa Ward, Tokyo	November 1990	August 29, 2008	39,900	40,197	31,400	32,812.27	8.0%	3.7%
	Tokyo Shiodome Building	Minato Ward, Tokyo	January 2005	April 13, 2010	110,000	109,625	111,500	191,394.06 (Note 3)	6.0%	4.4%
Retail Facilities	Ito-Yokado Shonandai	Fujisawa City, Kanagawa Prefecture	November 2002	March 28, 2003	11,600	10,749	11,800	53,393.66	14.0%	5.8%
	Frespo Inage	Inage Ward, Chiba City	-	March 28, 2002	4,200	4,386	4,950	(79,113.42) (Note 4)	-	10.4%
	Ito-Yokado Shin-Urayasu	Urayasu City, Chiba Prefecture	September 2000	July 30, 2004	12,150	11,741	11,100	57,621.38	18.9%	4.8%
	Shinbashi Ekimae MTR Bldg.	Minato Ward, Tokyo	April 1999	April 25, 2007	18,000	17,823	18,200	7,820.45	12.2%	4.7%
Residential	Park Lane Plaza	Shibuya Ward, Tokyo	June 1988	December 24, 2004	3,200	3,316	3,010	5,246.78	14.9%	5.0%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe City	March 1989	September 20, 2006	19,000	17,786	15,400	72,246.86	17.8%	5.5%
Total	-	-	-	-	282,976	280,135	273,960	-	4.3%	5.1%

(Note 1) MTR has acquired part ownership of the Ginza MTR Building. The floor area owned by MTR totals 23,614.49 m<sup>2</sup>.

(Note 2) MTR has acquired co-ownership of the building. The ownership share is calculated at the ratio of 838,899/1,000,000.

(Note 3) The Tokyo Shiodome Building is owned under joint ownership, with MTR owning a 50% interest.

(Note 4) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.

(Note 5) Probable Maximum Loss (PML) refers to the expected maximum loss ratio caused by an earthquake based on a loss confidence value of 90%. The expected maximum-level earthquake refers to an earthquake that occurs once every 50 years with a 10% excess-probability. This means that an earthquake of this magnitude statistically occurs once every 475 years.

(Note 6) NOI earnings yield is calculated by converting NOI in the 19th fiscal period to an annual basis.

## Status of Operations 3: Appraisal Values of Portfolio Properties at the Fiscal Period-End

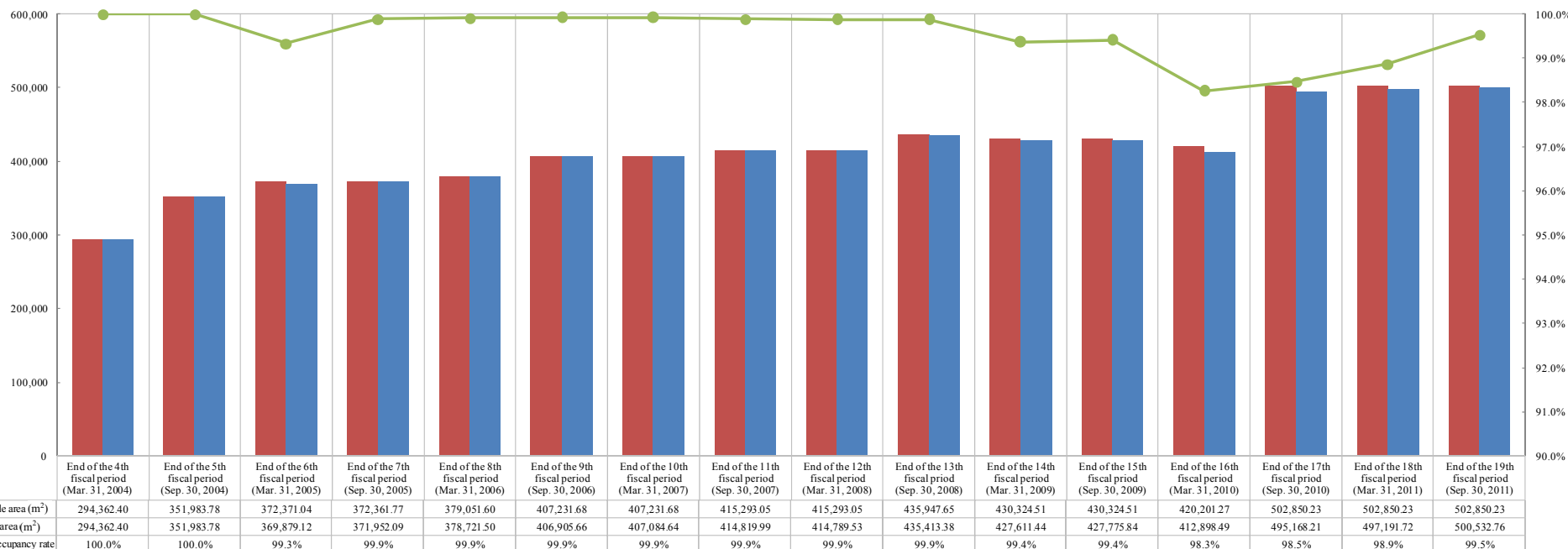
Basic Policy and  
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Use	Name	18th fiscal period End-of-period appraisal value (Million yen)	19th fiscal period End-of-period appraisal value (Million yen)	Difference (Million yen)	Direct reduction method		Discounted cash flow (DCF) method		Appraiser
					Cap rate	Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
Office Buildings	Ginza MTR Bldg.	15,900	15,400	-500	4.4%	-0.6%	4.3%	4.8%	Japan Real Estate Institute
	Mita MT Bldg.	20,600	21,300	700	5.9%	+0.3%	5.7%	6.1%	Japan Real Estate Institute
	Marubeni Osaka Headquarters Bldg.	11,700	9,940	-1,760	5.2%	-3.3%	5.3%	5.7%	Japan Real Estate Institute
	Shin-Yokohama TECH Bldg.	4,700	3,960	-740	6.0%	-0.1%	5.8%	6.3%	Nippon Tochi-Tatemono Co., Ltd.
	Osaki MT Bldg.	14,600	16,000	1,400	4.5%	-0.6%	4.2%	4.7%	Japan Real Estate Institute
	ON Bldg.	31,000	31,400	400	4.6%	-0.1%	4.3%	4.8%	Japan Real Estate Institute
	Tokyo Shiodome Building	111,500	111,500	-	4.4%	-	4.4%	4.6%	Rich Appraisal Institute K.K.
Retail Facilities	Ito-Yokado Shonandai	12,500	11,800	-700	5.6%	-	5.3%	5.8%	Japan Real Estate Institute
	Frespo Inage	4,960	4,950	-10	9.0%	-	8.4%	-(Note)	Japan Real Estate Institute
	Ito-Yokado Shin-Urayasu	11,400	11,100	-300	5.7%	+0.2%	5.5%	6.0%	Japan Real Estate Institute
	Shinbashi Ekimae MTR Bldg.	17,900	18,200	300	4.7%	-0.1%	4.5%	4.9%	Nippon Tochi-Tatemono Co., Ltd.
Residential	Park Lane Plaza	3,020	3,010	-10	4.6%	-0.1%	5.2%	4.2%	Nippon Tochi-Tatemono Co., Ltd.
Hotel	Hotel Okura Kobe	16,600	15,400	-1,200	5.6%	-	5.4%	5.7%	Rich Appraisal Institute K.K.
Total end-of-period appraisal value (1)		276,380	273,960	-2,420					
Total end-of-period book value (2)		281,340	280,135	-1,204					
Difference (1)-(2)		-4,960	-6,175	-1,215					

(Note) The terminal cap rate for Frespo Inage has not been established.

# Status of Operations 4: Occupancy Rate

Basic Policy and Status of Operations



Ginza MTR Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	64.0%	85.6%	85.6%	99.9%
Mita MT Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Marubeni Osaka Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Shin-Yokohama TECH Bldg.	100%	100%	91%	100%	100%	100%	100%	100%	100%	100%	90.7%	90.7%	90.7%	73.4%	83.1%	89.5%
Osaki MT Bldg. (Note)	-	-	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(85.3%)	(89.5%)
ON Bldg.	-	-	-	-	-	-	-	-	-	100%	100%	100%	100%	100%	100%	100%
Tokyo Shiodome Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	100%
Hitachi Headquarters Bldg. (Sold)	100%	100%	100%	100%	100%	-	-	-	-	-	-	-	-	-	-	-
Akasaka-mitsuke MT Bldg. (Sold)	-	-	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	-	-	-
Ito-Yokado Shonandai	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Frespo Inage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shin-Urayasu	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Shinbashi Ekimae MTR Bldg.	-	-	-	-	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%
Park Lane Plaza	-	-	82.7%	90.8%	92.6%	92.7%	96.7%	89.4%	88.7%	88.0%	77.5%	81.2%	83.7%	81.2%	86.7%	91.4%
Hotel Okura Kobe	-	-	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(Note) A master lease agreement under which rent income is linked to rents under the sublease agreements has been concluded for Osaki MT Bldg. The figures in parentheses in the table show occupancy rates under the sublease agreements.

## Status of Operations 5: Overview of Lease Contracts

Basic Policy and  
Status of Operations

(As of September 30, 2011)

Use	Name	Tenant/Masterlessee		Type of lease contract		Lease contract expiry
		Major tenant/master lessee	Total			
Office Buildings	Ginza MTR Bldg.	Hanwa Co., Ltd.	5	Direct lease	Fixed-term building lease and building lease	March 31, 2015 (Lease contract with Hanwa)
	Mita MT Bldg.	Hitachi Eletronics Services Co., Ltd. (Note 1)	3	Direct lease	Building lease and fixed-term building lease	November 30, 2013 (Lease contract with Hitachi Eletronics Services (Note 1))
	Marubeni Osaka Headquarters Bldg.	Marubeni Corporation	1	Master lease	Fixed-term building lease	September 30, 2012
	Shin-Yokohama TECH Bldg.	Fujitsu Co., Ltd.	7	Direct lease	Building lease	Feburary 28, 2013 (Lease contract with Fujitsu)
	Osaki MT Bldg.	Mori Trust Co., Ltd.	1 (Note 2)	Master lease	Fixed-term building lease	March 31, 2013
	ON Bldg.	Kobe Steel Ltd.	1	Direct lease	Building lease	March 31, 2013
	Tokyo Shiodome Building	Mori Trust Co., Ltd.	1	Master lease	Fixed-term building lease	(Offices/retailers) April 12, 2020 (Hotel) December 31, 2035
Retail Facilities	Ito-Yokado Shonandai	Ito-Yokado Co., Ltd.	1	Master lease	Building lease	November 20, 2022 (No cancellation prior to November 20, 2017)
	Frespo Inage	Daiwa Lease Co, Ltd.	1	Direct lease	Land lease (Note 3)	June 2, 2023
	Ito-Yokado Shin-Urayasu	Ito-Yokado Co., Ltd.	1	Master lease	Building lease	July 29, 2020 (No cancellation prior to July 29, 2017)
	Shinbashi Ekimae MTR Bldg.	Kimuraya Select	1	Direct lease	Building lease	May 31, 2013
Residential	Park Lane Plaza	-	16	Direct lease	Building lease and fixed-term building lease	(Lease contracts of not more than 4 years)
Hotel	Hotel Okura Kobe	Hotel Okura Kobe	1	Direct lease	Fixed-term building lease	March 31, 2022

(Note 1) Hitachi Electronics Services Co., Ltd. was merged with Hitachi Information Systems, Ltd. on October 1, 2011, and the business name has become Hitachi Systems, Ltd.

(Note 2) A master lease agreement under which rent income is linked to rents under the sublease agreements has been concluded for Osaki MT Bldg. The number of tenants under the sublease agreements is seven.

(Note 3) Land lease rights stipulated in Article 24 of the pre-amendment Law of Land and Building Lease, which was subsequently amended by the Law to Partially Amend the Law of Land and Building Lease (Law No. 132 of 2007).

# Status of Operations 6: The Current Real Estate Market and Our Strategy

Basic Policy and  
Status of Operations

## Current Real Estate Market

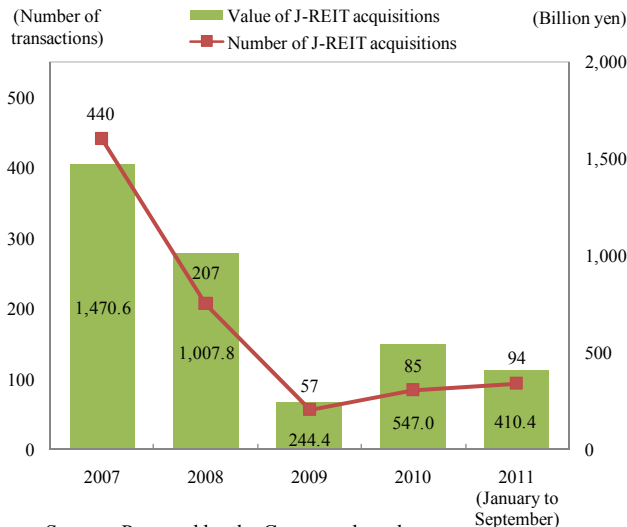
- Investment market**  
 Domestic Investors: Investment sentiment with respect to existing properties in metropolitan Tokyo is strong and the number of transactions is increasing.  
 Foreign Investors: From a wait-and-see attitude, investment sentiment started to move for core properties.  
 Existing large office buildings: Investment activity is still fairly weak because of the price gap between sellers and buyers based on considerations of possible rent reductions. The refinancing market is healthier and looks to be holding firm.
- Leasing market**  
 Large new buildings in the Tokyo CBD: With appropriate rent level given past rent reductions and the strong suitability of the building facilities for BCP, the vacancy rate is steadily decreasing. The rent level has begun to bottom out in prime areas, despite concerns about an oversupply of new office space in 2012.  
 Existing buildings in the Tokyo CBD: As net absorption of office space is minimal, office buildings with old equipment and facilities or non-core locations will need to respond to tenant's requirements and will need to have a flexible lease plan to accommodate the market.



## MTR's Strategy

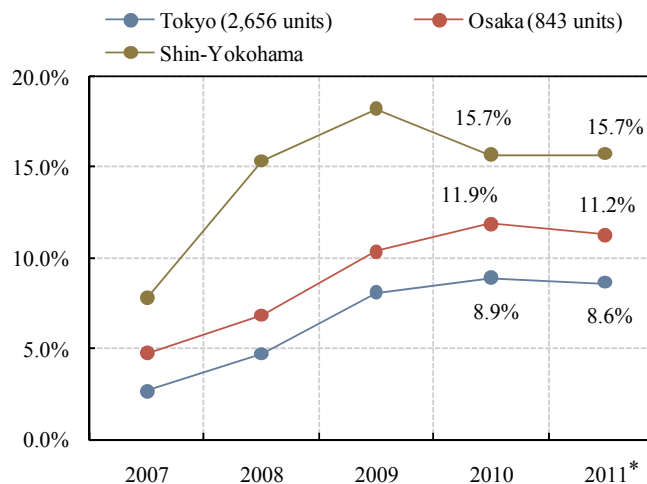
- We will continue to pursue a very selective investment policy, focusing on premier properties in the Tokyo CBD. As premier property information is very limited, we will continue to concentrate on developing a strong information network and acting quickly for good investment opportunities.
- We will take a flexible approach to attract tenants at Osaki MT Bldg, Shin-Yokohama Bldg, and Park Lane Plaza Bldg to maintain a high occupancy rate, considering market conditions and property characteristics.
- We will focus on tenant satisfaction with the aim of maintaining a high occupancy rate and stable income stream.

Amount and number of REIT property acquisition



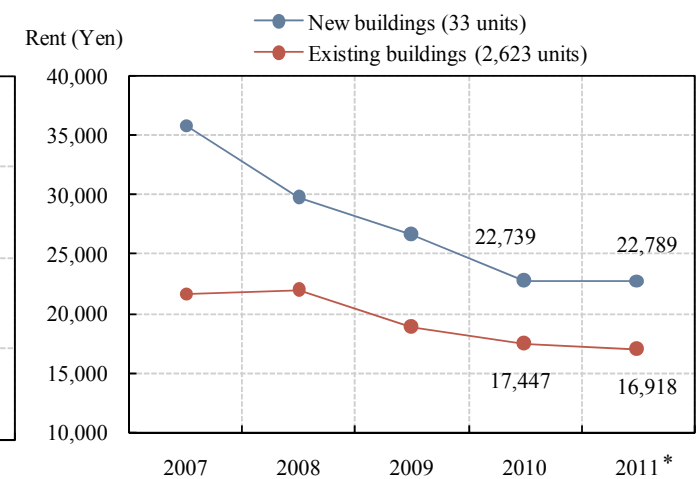
Source: Prepared by the Company based on published data

Vacancy rates for office buildings in Tokyo, Osaka and Shin-Yokohama (year-end)



Source: Prepared by the Company based on published data of Miki Shoji Co., Ltd.

Average rents for office buildings in Tokyo (year-end)

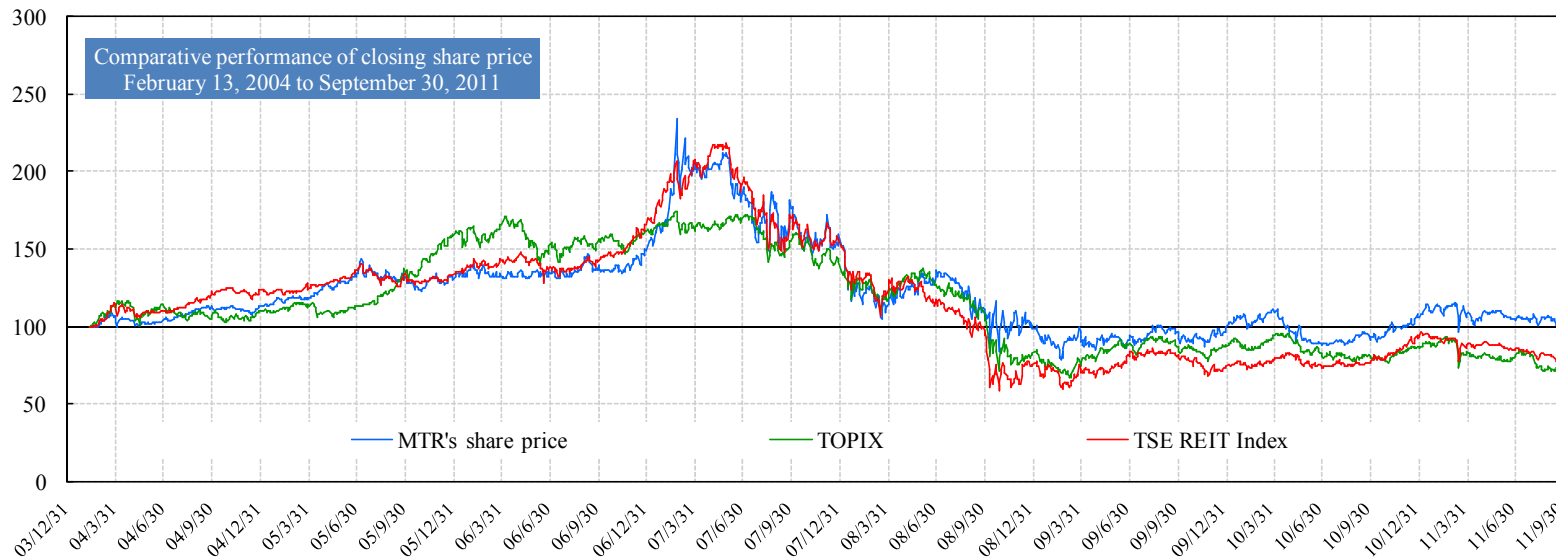
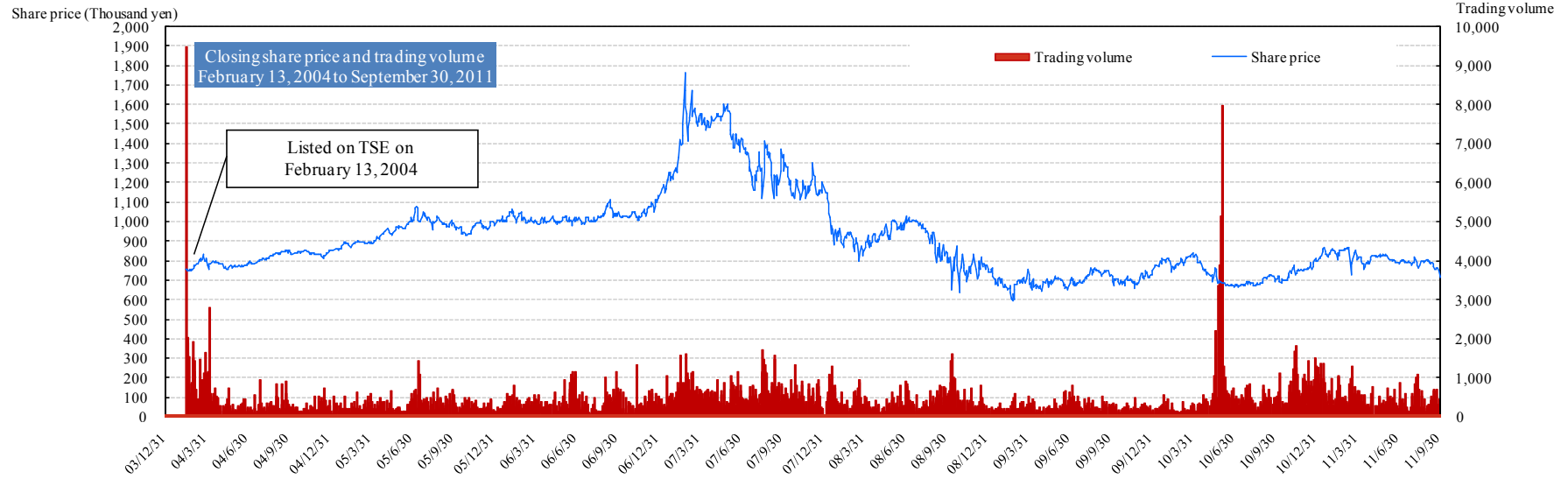


Source: Prepared by the Company based on published data of Miki Shoji Co., Ltd.

## **Part 4 Reference**

# Trends in Share Prices

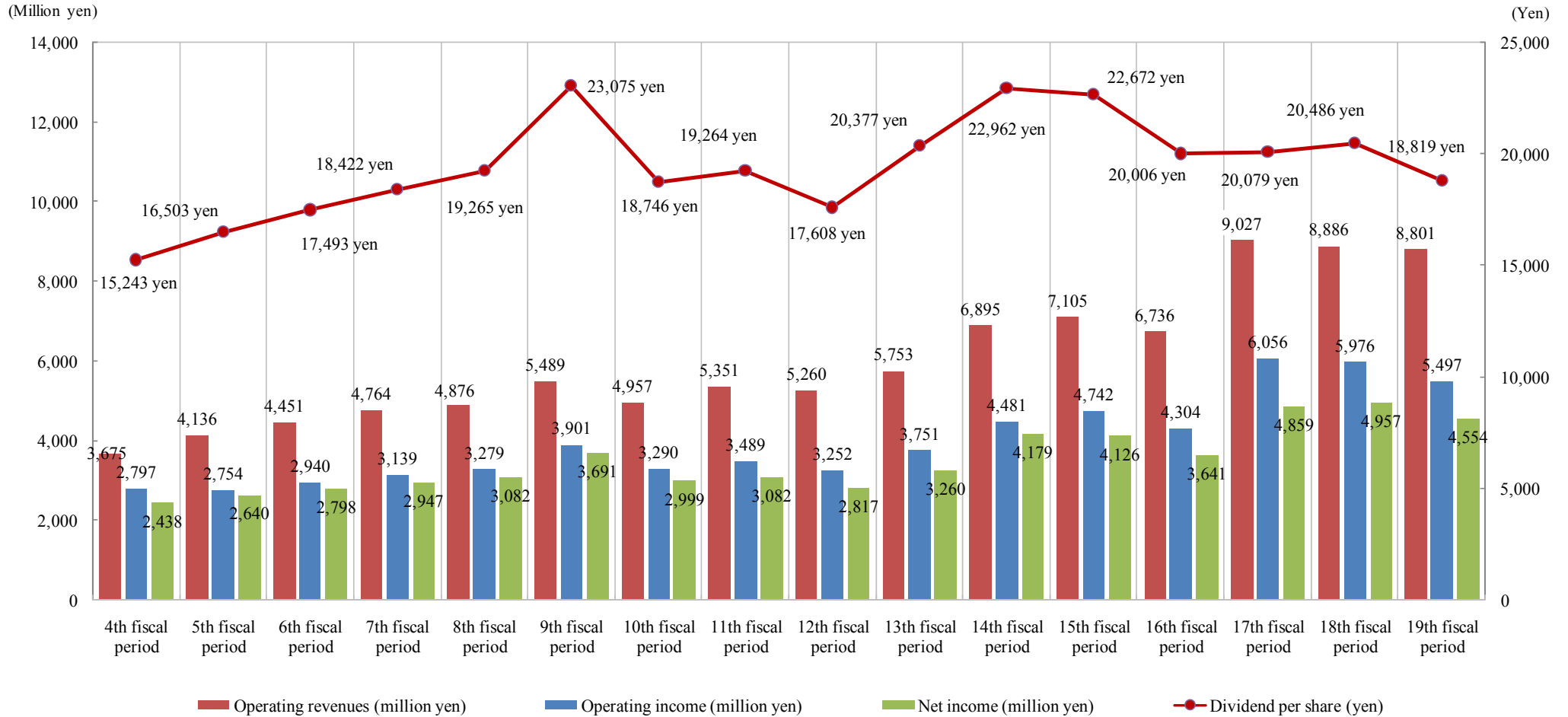
Reference



\* A base of 100 is used to compare MTR's share price at IPO with the TSE REIT Index and TOPIX.

# Performance

Reference



# Breakdown of Property-Related Revenues and Expenses

Reference

(Thousand yen)

	Total		Ginza MTR Bldg.		Mita MT Bldg.		Marubeni Osaka Headquarters Bldg.		Shin-Yokohama TECH Bldg.		Osaki MT Bldg.		ON Bldg.	
	19th	18th	19th	18th	19th	18th	19th	18th	19th	18th	19th	18th	19th	18th
<b>Rental revenues</b>	8,801,972	8,886,297	(Note) -	(Note) -	797,339	832,803	600,182	600,177	380,669	373,955	420,074	506,650	(Note) -	(Note) -
Rent	8,028,826	8,119,122	-	-	662,110	694,322	600,177	600,177	241,422	239,782	420,074	506,650	-	-
Common charges	263,984	259,581	-	-	-	-	-	-	81,442	77,039	-	-	-	-
Land leasing revenues	235,914	236,076	-	-	-	-	-	-	-	-	-	-	-	-
Other rental revenues	273,247	271,517	-	-	135,228	138,481	4	-	57,804	57,133	-	-	-	-
<b>Property-related expenses</b>	2,904,056	2,515,224	(Note) -	(Note) -	204,379	202,335	142,282	142,296	218,110	211,363	131,506	139,617	(Note) -	(Note) -
Property and other taxes	923,065	565,961	-	-	45,053	45,510	94,931	94,940	33,896	33,924	38,373	38,567	-	-
Property taxes	919,779	564,608	-	-	44,964	45,421	94,931	94,940	33,896	33,924	38,373	38,567	-	-
Other taxes	3,286	1,353	-	-	89	89	-	-	-	-	-	-	-	-
Overhead expenses	639,774	601,583	-	-	108,566	106,594	2,334	2,339	140,864	134,686	11,223	7,227	-	-
Property management fees	276,679	259,821	-	-	52,061	52,061	-	-	68,762	70,703	7,574	-	-	-
Utilities	210,431	201,297	-	-	52,116	47,554	-	-	53,787	54,153	-	-	-	-
Casualty insurance	29,714	29,804	-	-	913	908	2,287	2,274	1,116	1,110	917	912	-	-
Trust fees	7,562	7,625	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	115,385	103,034	-	-	3,474	6,069	47	64	17,198	8,719	2,731	6,315	-	-
Depreciation and amortization	1,341,217	1,347,680	-	-	50,759	50,230	45,016	45,016	43,349	42,753	81,910	93,822	-	-
Profits and losses from real estate business	5,897,915	6,371,072	420,447	388,734	592,959	630,468	457,899	457,881	162,558	162,591	288,567	367,032	613,707	636,933
Earnings before depreciation and amortization (NOI)	7,239,132	7,718,753	480,193	447,913	643,719	680,698	502,916	502,897	205,908	205,345	370,478	460,855	733,636	756,954

	Tokyo Shiodome Building		Ito-Yokado Shonandai		Frespo Inage		Ito-Yokado Shin-Urayasu		Shinbashi Ekimae MTR Bldg.		Park Lane Plaza		Hotel Okura Kobe	
	19th	18th	19th	18th	19th	18th	19th	18th	19th	18th	19th	18th	19th	18th
<b>Rental revenues</b>	2,795,000	2,795,000	395,045	395,050	235,914	236,076	378,165	378,165	459,000	459,000	104,677	105,545	646,817	647,427
Rent	2,795,000	2,795,000	395,000	395,000	-	-	378,165	378,165	459,000	459,000	92,889	95,309	646,817	647,427
Common charges	-	-	-	-	-	-	-	-	-	-	9,043	9,043	-	-
Land leasing revenues	-	-	-	-	235,914	236,076	-	-	-	-	-	-	-	-
Other rental revenues	-	-	45	49	-	-	-	-	-	-	2,743	1,191	-	-
<b>Property-related expenses</b>	919,188	558,627	139,830	151,305	17,570	17,898	156,645	127,373	75,240	75,246	38,288	40,233	306,079	318,131
Property and other taxes	360,537	-	42,791	42,932	15,070	15,398	40,353	47,408	32,684	32,688	7,035	6,946	102,410	102,373
Property taxes	360,537	-	42,791	42,932	15,070	15,398	40,353	47,408	32,684	32,688	7,035	6,946	102,410	102,373
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead expenses	4,434	4,412	14,651	26,024	2,500	2,500	45,731	9,239	1,479	1,482	17,936	17,980	24,720	42,773
Property management fees	-	-	1,800	1,800	-	-	1,800	1,800	1,200	1,200	9,652	9,803	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	2,519	2,940	10	13
Casualty insurance	4,434	4,412	1,353	1,346	-	-	2,779	2,764	279	278	216	214	12,280	12,462
Trust fees	-	-	-	-	2,500	2,500	-	-	-	-	-	-	4,062	4,125
Other expenses	-	-	11,498	22,878	-	-	41,151	4,675	-	4	5,548	5,020	8,367	26,173
Depreciation and amortization	554,215	554,214	82,387	82,349	-	-	70,561	70,726	41,076	41,076	13,316	15,307	178,948	172,983
Profits and losses from real estate business	1,875,811	2,236,372	255,214	243,744	218,343	218,177	221,519	250,791	383,759	383,753	66,388	65,311	340,737	329,295
Earnings before depreciation and amortization (NOI)	2,430,027	2,790,587	337,602	326,093	218,343	218,177	292,081	321,517	424,836	424,829	79,705	80,618	519,685	502,279

(Note) For reasons beyond the control of the Company, rental revenues and property-related expenses for Ginza MTR Building and for ON Building are not disclosed.

# Interest-Bearing Liabilities at the End of the Period

Reference

## (1) Short-term loans

Lender	Outstanding balance at end of period (million yen)	Average interest rate	Drawdown date	Repayment date
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,500	0.68%	February 28, 2011	February 29, 2012
Mizuho Corporate Bank, Ltd.	3,000	0.63%	February 28, 2011	February 29, 2012
The Sumitomo Trust & Banking Corporation	500	0.63%	February 28, 2011	February 29, 2012
Mizuho Corporate Bank, Ltd.	3,500	0.63%	April 13, 2011	April 13, 2012
Resona Bank, Limited	500	0.58%	May 31, 2011	May 31, 2012
Mitsubishi UFJ Trust and Banking Corporation	5,000	0.53%	August 31, 2011	August 31, 2012
The Sumitomo Trust & Banking Corporation	2,000	0.53%	August 31, 2011	August 31, 2012
Mizuho Corporate Bank, Ltd.	1,500	0.53%	August 31, 2011	August 31, 2012
Resona Bank, Limited	1,000	0.53%	August 31, 2011	August 31, 2012
Total	22,500			

Floating

## (3) Investment corporation bonds

Issue	Balance at end of period (million yen)	Interest rate	Issue date	Time of maturity
First unsecured investment corporation bonds	5,000	0.83%	February 25, 2011	February 25, 2014
Total	5,000			

Total interest-bearing liabilities at the end of the period:  
133,200 million yen

(Note 1) 75 million yen will be repaid at the end of every six months beginning on August 31, 2009 and 2,550 million yen will be repaid on August 31, 2012.

(Note 2) The business name changed to ORIX Bank Corporation on October 1, 2011.

(Note 3) 50 million yen will be repaid at the end of every six months beginning on February 26, 2010 and 1,650 million yen will be repaid on August 30, 2013.

(Note 4) 75 million yen will be repaid on the 12th of every 6 months beginning on September 12, 2010 and 2,475 million yen will be repaid on March 12, 2014.

(Note 5) The short-term loans, long-term loans, and investment corporation bonds above are all unsecured and unguaranteed.

## (2) Long-term loans

Lender	Outstanding balance at end of period (million yen)	Average interest rate	Drawdown date	Repayment date
Development Bank of Japan Inc.	4,000	1.44%	February 28, 2005	February 29, 2012
The Sumitomo Trust & Banking Corporation	3,000	1.62%	August 31, 2009	February 29, 2012
Development Bank of Japan Inc.	2,000	1.74%	April 25, 2007	February 29, 2012
Mitsubishi UFJ Trust and Banking Corporation	5,000	1.42%	April 13, 2010	April 13, 2012
The Sumitomo Trust & Banking Corporation	4,000	1.42%	April 13, 2010	April 13, 2012
Mizuho Corporate Bank, Ltd.	4,000	1.67%	August 31, 2009	August 31, 2012
Mitsubishi UFJ Trust and Banking Corporation	3,000	1.67%	August 31, 2009	August 31, 2012
Development Bank of Japan Inc.	2,625	1.81%	March 25, 2009	(Note 1) August 31, 2012
Sumitomo Mitsui Banking Corporation	5,000	1.58%	February 26, 2010	February 28, 2013
Mizuho Corporate Bank, Ltd.	3,000	1.58%	February 26, 2010	February 28, 2013
Mitsubishi UFJ Trust and Banking Corporation	3,000	1.58%	February 26, 2010	February 28, 2013
The Sumitomo Trust & Banking Corporation	2,500	1.58%	February 26, 2010	February 28, 2013
Aozora Bank, Ltd.	2,000	1.56%	March 12, 2010	March 12, 2013
ORIX Trust and Banking Corporation (Note 2)	2,000	1.50%	March 19, 2010	March 19, 2013
Mizuho Corporate Bank, Ltd.	5,000	1.59%	April 13, 2010	April 12, 2013
Sumitomo Mitsui Banking Corporation	5,000	1.59%	April 13, 2010	April 12, 2013
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,000	1.38%	August 31, 2010	August 30, 2013
Development Bank of Japan Inc.	1,800	1.83%	September 25, 2009	(Note 3) August 30, 2013
Mizuho Corporate Bank, Ltd.	1,000	1.38%	August 31, 2010	August 30, 2013
Sumitomo Mitsui Banking Corporation	1,000	1.38%	August 31, 2010	August 30, 2013
Sumitomo Mitsui Banking Corporation	5,000	1.69%	April 13, 2010	October 11, 2013
Mizuho Corporate Bank, Ltd.	4,000	1.69%	April 13, 2010	October 11, 2013
Aozora Bank, Ltd.	1,000	1.69%	April 13, 2010	October 11, 2013
The Bank of Fukuoka, Ltd.	2,000	1.04%	January 25, 2011	January 24, 2014
The Dai-ichi Life Insurance Company, Limited	2,500	1.92%	February 28, 2007	February 28, 2014
The Hachijuni Bank, Ltd.	1,000	1.04%	February 28, 2011	February 28, 2014
Development Bank of Japan Inc.	2,775	1.69%	March 12, 2010	(Note 4) March 12, 2014
Sumitomo Mitsui Banking Corporation	5,000	1.79%	April 13, 2010	April 11, 2014
Development Bank of Japan Inc.	2,000	1.79%	April 13, 2010	April 11, 2014
The Bank of Fukuoka, Ltd.	1,000	0.85%	May 31, 2011	May 31, 2014
The Sumitomo Trust & Banking Corporation	5,500	0.79%	August 31, 2011	August 29, 2014
Mitsubishi UFJ Trust and Banking Corporation	1,000	0.79%	August 31, 2011	August 29, 2014
Development Bank of Japan Inc.	3,000	1.96%	August 29, 2008	February 27, 2015
Mizuho Corporate Bank, Ltd.	1,500	0.89%	August 31, 2011	August 31, 2015
Nippon Life Insurance Company	1,000	1.55%	October 29, 2010	October 30, 2015
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000	1.38%	February 28, 2011	February 29, 2016
Mizuho Corporate Bank, Ltd.	1,000	1.01%	August 31, 2011	August 31, 2016
Nippon Life Insurance Company	500	1.48%	February 28, 2011	August 31, 2016
Total	105,700			

Fixed

# BALANCE SHEETS (As of September 30, 2011 and March 31, 2011)

Reference

(Thousand yen)

	September 30, 2011	March 31, 2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	¥8,618,609	¥7,040,207
Rental and other receivables	100,404	84,250
Other current assets	49,861	33,591
Total current assets	8,768,874	7,158,048
<b>Property and Equipment, at Cost:</b>		
Buildings and structures including trust accounts	64,985,343	64,851,515
Machinery and equipment including trust accounts	130,835	130,835
Tools, furniture and fixtures including trust accounts	118,622	116,065
Land including trust accounts	227,086,220	227,086,220
Less: accumulated depreciation	(12,185,029)	(10,843,813)
Net property and equipment	280,135,991	281,340,822
<b>Investments and Other Assets:</b>		
Deposits	10,000	10,000
Deferred investment corporation bond issuance costs	18,901	22,840
Other	3,392	3,392
Total investments and other assets	32,293	36,232
<b>Total Assets</b>	<b>¥288,937,158</b>	<b>¥288,535,102</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	¥217,676	¥304,302
Short-term loans	22,500,000	22,500,000
Long-term loans due within one year	27,875,000	18,400,000
Distributions payable	17,293	15,539
Consumption taxes payable	121,527	371,085
Rents received in advance	1,411,656	1,406,130
Accrued expenses and other current liabilities	609,301	455,280
Total current liabilities	52,752,453	43,452,336
<b>Long-Term Liabilities:</b>		
Investment corporation bonds	5,000,000	5,000,000
Long-term loans	77,825,000	86,500,000
Leasehold and security deposits including trust accounts	12,195,874	12,015,542
Total long-term liabilities	95,020,874	103,515,542
<b>Total Liabilities</b>	<b>147,773,327</b>	<b>146,967,878</b>
<b>Net Assets:</b>		
Shareholders' equity:		
Shares authorized: 2,000,000 shares		
Shares issued and outstanding: 242,000 shares	136,609,600	136,609,600
Retained earnings	4,554,231	4,957,624
<b>Total Net Assets</b>	<b>141,163,831</b>	<b>141,567,224</b>
<b>Total Liabilities and Net Assets</b>	<b>¥288,937,158</b>	<b>¥288,535,102</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF INCOME AND RETAINED EARNINGS

(For the six-month periods ended September 30, 2011 and March 31, 2011)

Reference

(Thousand yen)

	April 1, 2011 to September 30, 2011	October 1, 2010 to March 31, 2011
<b>Operating Revenues:</b>		
Rental revenues	¥8,801,972	¥8,886,298
<b>Operating Expenses:</b>		
Property-related expenses	2,904,057	2,515,225
Asset management fees	275,746	284,063
Custodian and administrative service fees	62,113	55,087
Other operating expenses	62,997	55,790
<b>Operating Income</b>	5,497,059	5,976,133
<b>Non-Operating Revenues:</b>		
Interest income	764	1,771
Interest on tax refund	-	3,931
Receipt insurance	-	1,879
Other non-operating revenues	825	867
<b>Non-Operating Expenses:</b>		
Interest expense	918,503	1,007,217
Interest expense on investment corporation bonds	20,977	3,866
Amortization of investment corporation bond issuance costs	3,939	732
<b>Extraordinary loss</b>		
Loss on disaster	-	14,240
<b>Income before Income Taxes</b>	4,555,229	4,958,526
<b>Income Taxes:</b>		
Current	1,012	962
Deferred	(2)	2
<b>Net Income</b>	4,554,219	4,957,562
<b>Retained Earnings at the Beginning of Period</b>	12	62
<b>Retained Earnings at the End of Period</b>	¥4,554,231	¥4,957,624

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

(For the six-month periods ended September 30, 2011 and March 31, 2011)

Reference

(Thousand yen)

	April 1, 2011 to September 30, 2011	October 1, 2010 to March 31, 2011
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	¥4,555,229	¥4,958,526
Depreciation and amortization	1,341,217	1,347,681
Amortization of investment corporation bond issuance costs	3,939	732
Interest income	(764)	(1,771)
Interest expense	939,480	1,011,083
Loss on disaster	-	14,240
Changes in assets and liabilities:		
Rental and other receivables	(16,154)	17,361
Accounts payable and accrued expenses	(3,832)	(14,556)
Consumption taxes refundable	(712)	817,819
Consumption taxes payable	(249,558)	371,085
Rents received in advance	5,527	(23,980)
Other	141,345	(36,106)
Subtotal	6,715,717	8,462,114
Interest received	779	1,793
Interest paid	(943,337)	(1,016,386)
Payment for loss on disaster	(14,240)	-
Income taxes paid	(763)	(782)
Net cash provided by operating activities	5,758,156	7,466,739
<b>Cash Flows from Investing Activities:</b>		
Proceeds from withdrawal of time deposits	-	500,000
Purchases of property and equipment including trust accounts	(204,229)	(575,820)
Repayment of leasehold and security deposits	(10,220)	(638,918)
Proceeds from leasehold and security deposits including trust accounts	190,553	42,007
Other	-	(3,153)
Net cash used in investing activities	(23,896)	(675,884)
<b>Cash Flows from Financing Activities:</b>		
Net (decrease) increase in short-term loans	-	(4,500,000)
Proceeds from long-term loans	10,000,000	5,500,000
Repayment of long-term loans	(9,200,000)	(11,700,000)
Proceeds from issuance of investment corporation bonds	-	5,000,000
Payments of investment corporation bond issuance costs	-	(23,571)
Distributions paid to shareholders	(4,955,858)	(4,854,583)
Net cash (used in) provided by financing activities	(4,155,858)	(10,578,154)
<b>Net Change in Cash and Cash Equivalents</b>	1,578,402	(3,807,299)
<b>Cash and Cash Equivalents at the Beginning of Period</b>	7,040,207	10,847,506
<b>Cash and Cash Equivalents at the End of Period</b>	¥8,618,609	¥7,040,207

The accompanying notes form an integral part of these financial statements.

## Indicators

Reference

		Unit	15th fiscal period	16th fiscal period	17th fiscal period	18th fiscal period	19th fiscal period
Total assets	(1)	Million yen	208,884	209,634	294,374	288,535	288,937
Interest-bearing liabilities	(2)	Million yen	90,925	92,800	138,100	132,400	133,200
Total net assets	(3)	Million yen	101,726	101,241	141,468	141,567	141,163
Profits from real estate rental business	(4)	Million yen	5,099	4,618	6,278	6,371	5,897
Gain on sale of real estate	(5)	Million yen	-	-	185	-	-
Depreciation and amortization	(6)	Million yen	863	806	1,347	1,347	1,341
NOI	(7) = (4)+(6)	Million yen	5,962	5,424	7,625	7,718	7,239
Capital improvements	(8)	Million yen	84	1,284	237	181	136
Net cash flows	(9) = (7)-(8)	Million yen	5,878	4,140	7,388	7,537	7,102
Income before income taxes	(10)	Million yen	4,127	3,642	4,860	4,972	4,555
Net income	(11)	Million yen	4,126	3,641	4,859	4,957	4,554
FFO	(12) = (11)+(6)-(5)	Million yen	4,990	4,447	6,021	6,305	5,895
Total distribution	(13)	Million yen	4,126	3,641	4,859	4,957	4,554
Shares issued and outstanding	(14)	Shares	182,000	182,000	242,000	242,000	242,000
Total net assets per share	(15) = (3)/(14)	Yen	558,936	556,270	584,581	584,988	583,321
Dividend per share	(16) = (13)/(14)	Yen	22,672	20,006	20,079	20,486	18,819
FFO per share	(17) = (12)/(14)	Yen	27,418	24,436	24,881	26,054	24,361
ROA (annualized)	(18) = (10)/(1)/6×12		4.0%	3.5%	3.3%	3.4%	3.2%
ROE (annualized)	(19) = (11)/(3)/6×12		8.1%	7.2%	6.9%	7.0%	6.5%
LTV ratio	(20) = (2)/(1)		43.5%	44.3%	46.9%	45.9%	46.1%

## Asset Management Company Remuneration Methods

Reference

	Agreement with MTR	Calculation rate for remuneration as of the end of the 19th fiscal period	Calculation method
Remuneration Method 1	For each operation period, the average amount of the total appraisal value of assets at the end of the settlement period under review and the total appraisal value of assets at the end of the previous settlement period shall be multiplied by up to 0.2%, being the percentage determined by the Board of Management meeting, multiplied by one half.	0.15% (Note 1)	(Total appraisal value of assets at relevant fiscal period-end + Total appraisal value of assets at prior fiscal period-end) ÷ 2 x 0.15% x 1/2
Remuneration Method 2	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 3% of distributable income for the relevant fiscal period. Based on standard accounting principles generally accepted in Japan, distributable income is determined as the sum of net income before income taxes and losses carried forward.	1.5% (Note 2)	Distributable income x 1.5%
Remuneration Method 3	In the event MTR acquires specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be a set percentage of the acquisition price of each property acquisition (excluding consumption tax, local consumption tax and transaction-related expenses), as listed below. The percentages listed below may be reduced depending upon surrounding circumstances. - For acquisitions up to ¥15 billion, remuneration is 0.4% of the amount - For acquisitions from ¥15 billion to ¥30 billion, remuneration is 0.1% of the amount - For acquisitions above ¥30 billion, remuneration is 0.05% of the amount	Refer to left column	Total amount of the acquisition price percentage listed in the left column
Remuneration Method 4	In the event MTR transfers specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be 0.05% of the transfer amount of each asset transfer (excluding consumption tax, local consumption tax and transaction-related expenses).	Refer to left column	Transfer amount x 0.05%

(Note 1) At a Board of Management meeting held on September 29, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.

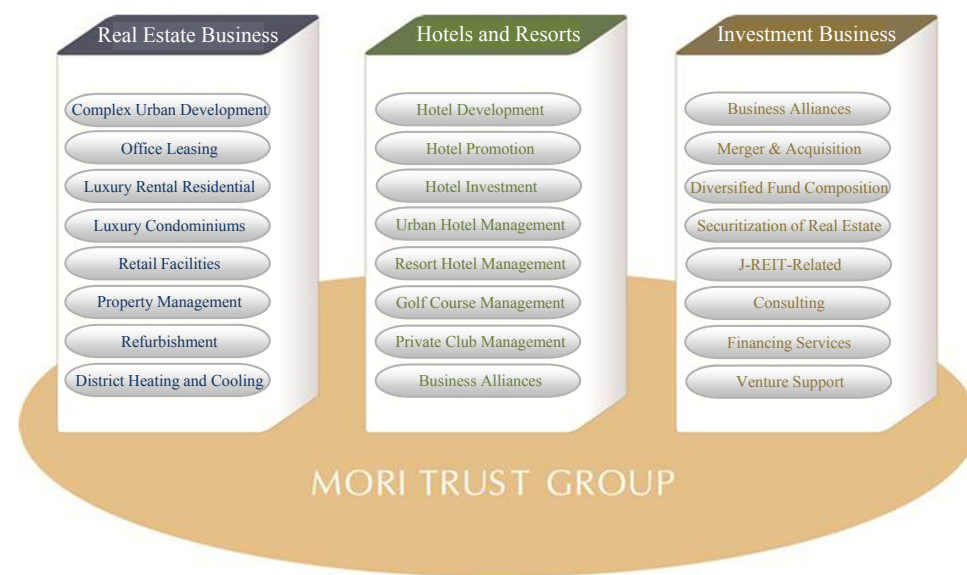
(Note 2) At a Board of Management meeting held on November 27, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.

# Mori Trust Group

Reference

## Mori Trust Group Profile & Overview of Business Activities

Name	MORI TRUST Co., Ltd.
Consolidated Results	Net sales: ¥111.9 billion    Income before income taxes: ¥17.1 billion (Fiscal period ended March 31, 2011)
Leased Facilities	Rental properties: 68    Hotel and resort facilities: 29 (as of September 30, 2011)
Leased Area	Approx. 2,060,000 m <sup>2</sup> (Rental properties: approx. 1,360,000 m <sup>2</sup> , Hotel rooms: approx. 6,800) (as of September 30, 2011)
Principal Properties Owned	<ul style="list-style-type: none"> <li>●Urban Development Business Marunouchi Trust City (Marunouchi Trust Tower Main Tower, North: offices, hotel, shopping area, others) Sendai Trust City (Sendai Trust Tower: offices, hotel, shopping area, The Residence Ichiban-cho: residence) Shiroyama Garden (Shiroyama Trust Tower, Shiroyama Trust Court, embassy, others) Gotenyama Garden (Gotenyama Trust Tower, Gotenyama Trust Court, Hotel Laforet Tokyo, others) (Tokyo Shiodome Building (offices, hotel, shopping area: Pedi Shiodome, others))</li> <li>●Other Redevelopment Business (office buildings) Akasaka Twin Towers, ATT New Tower Toranomom 2-chome Tower, others</li> <li>●Hotel/resort facilities Laforet Hotels &amp; Resort (Resort hotels, 12 golf courses, 2 urban hotels) Westin Hotel Sendai (Sendai Trust Tower) Manpei Hotel (Karuizawa City) Conrad Tokyo (Tokyo Shiodome Bldg.) RIHGA Royal Hotel Group &amp; Associate Hotels (capital and business alliances among 10 hotels nationwide) (Shangri-La Hotel Tokyo (Marunouchi Trust Tower Main (Lease contract))</li> </ul>



## Contact Information

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(Financial instruments and exchange business registration with the Kanto Local Finance Bureau,  
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MORI TRUST Sogo Reit, Inc. Web Site

URL: <http://www.mt-reit.jp/english/>



The screenshot shows the homepage of the MORI TRUST Sogo Reit, Inc. website. At the top left is the MORI TRUST REIT logo and the company name. To the right are links for 'Share Price', 'Site Map', and 'Japanese'. Below these is a 'Text Size' selector with buttons for 'S', 'M', and 'L', and a search bar. The main content area features a blue background with the text: "Growth Potential" "Profitability" "Stability" The Power of MORI TRUST Sogo Reit, Inc. Below this is a large, stylized number '8961'. To the right is a photograph of the 'Osaki MT Building', a modern glass skyscraper. At the bottom, there is a navigation menu with four items: 'Overview', 'Press Release', 'IR Library', and 'Portfolio'.

## Disclaimer

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