



Press Release

Tokyo, May 27, 2004

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MTR Announces Financial Results for its 4th Fiscal Period

Tokyo, May 27, 2004 – Mori Trust Sogo Reit, Inc. (MTR) has announced financial results for its 4th fiscal period (from October 1, 2003 to March 31, 2004). For the period, MTR recorded operating revenues of 3,675 million yen and income before income taxes of 2,439 million yen. Net income was 2,438 million yen. As a result, distribution per share was 15,243 yen (shares issued and outstanding: 160,000 shares).

At the end of the 4th period, total assets were 116,074 million yen while total shareholders' equity was 82,438 million yen. Net assets per share were 515,243 yen.

As of the end of the period, MTR had seven properties with a total book value of 110,607 million yen. All real estate owned by MTR has a 100% occupancy rate.

Highlights of the period

In November 2003, MTR acquired the Shin-Yokohama TECH Building, and in December 2003 it purchased the Mita MT Building. In both cases, at the time of acquisition the properties were leased at fair market rental levels and had a 100% occupancy rate.



Shin-Yokohama TECH Building

Location: Yokohama, Kanagawa Prefecture; Acquisition price: 6,900 million yen; Type of asset: Real estate; Ownership: (land) title, (building) title; Total rentable area: 18,368.73 sq. m

Mita MT Building

Location: Minato-ku, Tokyo; Acquisition price: 16,000 million yen; Type of asset: Real estate; Ownership: (land) title, (building) title; Total rentable area: 21,043.02 sq. m

Portfolio profile

As of the end of the 4th period, MTR owned seven properties with total rentable area of 294,362.40 sq. m, occupied by ten tenants. The occupancy rate for all properties at the end of the period was 100%.

Financing

Through the issuance of new shares in the prior period, MTR redeemed secured loans of 34,010 million yen on October 31, 2003, and acquired the Shin-Yokohama TECH Building and the Mita MT Building.

In addition, on March 26, 2004, MTR obtained new unsecured loans of 25,000 million yen and redeemed the total remaining balance of its secured loans.

As a result, total loans outstanding as of the end of the 4th period were 25,000 million yen (including 14,000 million yen in long-term loans). The loan to value ratio at the end of the 4th period was 21.5%.

Forecasts

Based on the assumptions and information available at the end of the 4th period, MTR's projection of operating results for the next period (5th period: April 1, 2004 - September 30, 2004) are as follows.

Operating revenues	4,053 million yen
Ordinary income	2,489 million yen
Net income	2,488 million yen
Distribution per share	15,553 yen



Disclaimer:

This report contains translations of selected information described in the Financial Release (Kessan-Tanshin) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and the Performance Information Report for the 4th fiscal period from October 1, 2003 to March 31, 2004 of Mori Trust Sogo Reit, Inc. (MTR) prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

This English language document was prepared solely for the convenience of and reference by investors and neither corresponds to the original Japanese documents nor is it intended to constitute a disclosure document. The Japanese language Kessan-Tanshin and the Financial Statements and the Performance Information Report for the aforementioned should always be referred to as originals of this document.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English statements contained herein, the original Japanese documents will always govern the meaning and interpretation.

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The financial statements are a translation of the audited financial statements of MTR, that were prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP) which may materially differ in certain respects from generally accepted accounting principles and practices in other jurisdictions. In preparing the financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan.

Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the real estate market, interest rate fluctuations, competition with our properties, and the impact of changing regulations or taxation.

MTR does not intend and is under no obligation to update any particular forward-looking statement included in this document. The forward-looking statements contained in this press release speak only as of the date of release, May 27, 2004, and MTR does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.



MORI TRUST Sogo Reit, Inc.
BALANCE SHEETS

	End of 3rd Period (as of September 30, 2003)	End of 4th Period (as of March 31, 2004)
	(thousands of yen)	
Assets		
Current Assets:		
Cash and cash equivalents	60,280,166	5,153,366
Rental and other receivables	53,842	20,016
Consumption tax refundable	-	221,695
Other current assets	26,487	27,942
Total current assets	60,360,495	5,423,019
Property and equipment, at cost:		
Land	72,330,294	90,921,294
Buildings and structures	15,234,948	20,607,949
Machinery and equipment	3,360	32,959
Less: accumulated depreciation	(509,042)	(955,086)
Net property and equipment	87,059,560	110,607,116
Investments and other assets:		
Deposits	10,000	10,000
Organization costs	41,066	34,222
Total Assets	147,471,121	116,074,357
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	792,399	178,430
Short-term loans	59,010,000	11,000,000
Accrued consumption taxes	168,120	-
Rents received in advance	523,302	669,502
Other current liabilities	49	3,769
Total current liabilities	60,493,870	11,851,701
Long-Term Liabilities:		
Long-term loans	-	14,000,000
Leasehold and security deposits	6,127,168	7,783,693
Total long-term liabilities	6,127,168	21,783,693
Total Liabilities	66,621,038	33,635,394
Shareholders' Equity		
Shareholders' capital	80,000,000	80,000,000
Shares Authorized: 2,000,000 shares		
Shares Issued and Outstanding: 160,000 shares		
Retained earnings	850,083	2,438,963
Total Shareholders' Equity	80,850,083	82,438,963
Total Liabilities and Shareholders' Equity	147,471,121	116,074,357



MORI TRUST Sogo Reit, Inc.
STATEMENTS OF INCOME AND RETAINED EARNINGS

	3rd Period (April 1, 2003 to September 30, 2003)	4th Period (October 1, 2003 to March 31, 2004)
	(thousands of yen)	
Operating Revenues:		
Rental revenues	3,200,090	3,675,442
Operating Expenses:		
Property-related expenses	584,772	659,483
Asset management fees	123,289	109,361
Custodian and general administration fees	31,432	72,053
Other operating expenses	53,630	36,726
Net loss on sale of property	554,751	-
Operating Income	1,852,216	2,797,819
Non-Operating Revenues:		
Interest income	34	526
Other non-operating revenues	1,494	-
Non-Operating Expenses:		
Interest expense	256,466	129,357
Amortization of organization costs	6,844	6,844
Issuance costs of new shares	11,000	-
Initial public offering related costs	-	222,538
Other non-operating expenses	-	41
Income before Income Taxes	1,579,434	2,439,565
Income Taxes:		
Current	707,672	605
Deferred	21,718	-
Net Income	850,044	2,438,960
Retained Earnings at the beginning of Period	39	3
Retained Earnings at the end of Period	850,083	2,438,963



MORI TRUST Sogo Reit, Inc.
STATEMENTS OF CASH FLOWS (Unaudited)

	3rd Period (April 1, 2003 to September 30, 2003)	4th Period (October 1, 2003 to March 31, 2004)
	(thousands of yen)	
Cash Flows from Operating Activities:		
Income before income taxes	1,579,434	2,439,565
Depreciation and amortization	373,652	446,043
Amortization of organization costs	6,844	6,844
Interest income	(34)	(526)
Interest expense	256,466	129,357
Net loss on sale of property	554,751	-
Rental and other receivables	(53,842)	33,931
Consumption tax refundable	578,249	(221,695)
Prepaid expenses and other assets	(11,744)	(1,455)
Accounts payable and accrued expenses	(5,014)	82,251
Accrued consumption taxes	168,120	(168,120)
Rents received in advance	(12,084)	146,200
Other liabilities	(16,186)	3,719
Subtotal	3,418,612	2,896,114
Interest received	34	526
Interest paid	(257,950)	(128,033)
Income taxes paid	(238,308)	(707,770)
Net cash provided by operating activities	2,922,388	2,060,837
Cash Flows from Investing Activities:		
Purchases of property and equipment	(540,209)	(23,984,083)
Proceeds from sale of property and equipment	2,788,200	-
Proceeds from leasehold and security deposits	380,000	1,656,526
Repayment of leasehold and security deposits	(89,780)	-
Net cash provided by (used in) investing activities	2,538,211	(22,327,557)
Cash Flows from Financing Activities:		
Net decrease in short-term loans	(2,310,000)	(48,010,000)
Proceeds from long-term loans	-	14,000,000
Proceeds from issuance of new shares	53,300,000	-
Distributions paid to shareholders	(304,327)	(850,080)
Net cash provided by (used in) financing activities	50,685,673	(34,860,080)
Net Change in Cash and Cash Equivalents	56,146,272	(55,126,800)
Cash and Cash Equivalents at the beginning of Period	4,133,894	60,280,166
Cash and Cash Equivalents at the end of Period	60,280,166	5,153,366

Portfolio Overview

(as of March 31, 2004)

Property Name	Location	Appraisal Value (millions of yen)	Rent Area (sq. m)	Rentable Area (sq. m)	Occupancy Rate	Number of Tenants	Rental Revenues in 4th Fiscal Period (thousands of yen)	% of Total
Hitachi Headquarters Building	Chiyoda-ku, Tokyo	40,238	57,254.61	57,254.61	100.0%	1	1,316,065	35.8%
Nissan Motors New Headquarters Building	Chuo-ku, Tokyo	15,930	23,614.49	23,614.49	100.0%	1	450,472	12.3%
Mita MT Building	Minato-ku, Tokyo	16,000	21,043.02	21,043.02	100.0%	1	332,813	9.1%
Marubeni Osaka Headquarters Building	Osaka, Osaka	12,600	41,574.47	41,574.47	100.0%	1	600,177	16.3%
Shin-Yokohama TECH Building	Yokohama, Kanagawa	6,980	18,368.73	18,368.73	100.0%	4	340,908	9.3%
Ito-Yokado Shonandai	Fujisawa, Kanagawa	11,400	53,393.66	53,393.66	100.0%	1	395,004	10.7%
Cresse Inage	Chiba, Chiba	5,000	79,113.42	79,113.42	100.0%	1	240,000	6.5%
Total		108,148	294,362.40	294,362.40	100.0%	10	3,675,441	100.0%