



Press Release

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MTR Announces Financial Results for its 8th Fiscal Period

Tokyo, May 19, 2006 – MORI TRUST Sogo Reit, Inc. (MTR) has announced financial results for its 8th fiscal period (from October 1, 2005 to March 31, 2006). For the period, MTR recorded operating revenues of 4,876 million yen and income before income taxes of 3,083 million yen. Net income was 3,082 million yen. As a result, distribution per share was 19,265 yen (shares issued and outstanding: 160,000 shares).

At the end of the 8th period, total assets were 145,726 million yen while total shareholders' equity was 83,082 million yen. Net assets per share were 519,265 yen.

As of the end of the period, MTR had ten properties with a total book value of 138,132 million yen. The occupancy rate on a total rentable area basis for the entire portfolio was 99.9% as of March 31, 2006.

Highlights of the period

MTR acquired additional ownership in the Osaki MT Building of 5,656 million yen on October 28, 2005. Operating revenues and net income have increased 2.4% and 4.6%, respectively, from the previous period.

Distribution per share of 19,265 yen is 843 yen higher than the previous fiscal period.

The occupancy rate for the entire portfolio was 99.9% at the end of the 8th period.

Portfolio profile

As of the end of the 8th period, MTR owned ten properties with total rentable area of 379,051.60 sq. m, occupied by 29 tenants.

*See disclaimer at the end of the document.



Financing

Total loans outstanding as of the end of the 8th period were 51,500 million yen, of which long-term loans totaled 22,500 million yen (excluding long-term loans scheduled for repayment within one year).

Forecasts

Based on the assumptions and information available at the end of the 8th period, MTR's projections of operating results for the next period (9th period: April 1, 2006 – September 30, 2006) are as follows:

Operating revenues	5,440 million yen
Income before income taxes	3,657 million yen
Net income	3,656 million yen
Distribution per share	22,850 yen

*Assumptions include the sale of the Hitachi Headquarters Building and the acquisition of the Akasaka-mitsuke MT Building. (Please refer to the press releases on May 11, 2006)

*Actual operating revenues, income before income taxes, net income, and distribution per share may differ materially from forecasts due to changes in the operating environment. Accordingly, MTR does not guarantee the accuracy of forecast amounts.



BALANCE SHEETS
As of March 31, 2006 and September 30, 2005

	March 31, 2006	September 30, 2005
	Thousands of yen	
Assets		
Current Assets:		
Cash and cash equivalents	¥7,487,891	¥6,470,747
Rental and other receivables	31,257	35,286
Consumption tax refundable	16,052	-
Other current assets	40,244	38,595
Total current assets	7,575,444	6,544,628
Property and Equipment, at Cost:		
Land including trust accounts	112,658,500	108,037,264
Buildings and structures	28,721,605	27,560,539
Machinery and equipment	46,013	43,553
Tools, furniture and fixtures	4,061	1,543
Construction in progress	714	292,775
Less: accumulated depreciation	(3,297,404)	(2,688,951)
Net property and equipment	138,133,489	133,246,723
Investments and Other Assets:		
Deposits	10,000	10,000
Organization costs	6,844	13,688
Other	240	240
Total investments and other assets	17,084	23,928
Total Assets	¥145,726,017	¥139,815,279
Liabilities		
Current Liabilities:		
Accounts payable	¥93,925	¥44,596
Short-term loans	23,500,000	18,000,000
Current portion of long-term loans	5,500,000	3,000,000
Distribution payable	12,762	12,359
Consumption taxes payable	33,193	177,474
Rents received in advance	824,242	809,051
Accrued expenses and other current liabilities	103,612	123,029
Total current liabilities	30,067,734	22,166,509
Long-Term Liabilities:		
Long-term loans	22,500,000	25,000,000
Leasehold and security deposits	10,075,828	9,701,185
Total long-term liabilities	32,575,828	34,701,185
Total Liabilities	62,643,562	56,867,694
Shareholders' Equity		
Shareholders' capital		
Shares Authorized: 2,000,000 shares		
Shares Issued and Outstanding: 160,000 shares	80,000,000	80,000,000
Retained earnings	3,082,455	2,947,585
Total Shareholders' Equity	83,082,455	82,947,585
Total Liabilities and Shareholders' Equity	¥145,726,017	¥139,815,279



STATEMENTS OF INCOME AND RETAINED EARNINGS
For the six-month periods ended March 31, 2006 and September 30, 2005

	October 1, 2005 to March 31, 2006	April 1, 2005 to September 30, 2005
Thousands of yen		
Operating Revenues:		
Rental revenues	¥4,876,369	¥4,764,017
Operating Expenses:		
Property-related expenses	1,336,433	1,341,655
Asset management fees	154,119	146,615
Custodian and administrative service fees	43,158	71,810
Other operating expenses	63,192	64,826
Operating Income	3,279,467	3,139,111
Non-Operating Revenues:		
Interest income	32	28
Other non-operating revenues	-	-
Non-Operating Expenses:		
Interest expense	189,274	183,736
Amortization of organization costs	6,844	6,844
Income before Income Taxes	3,083,381	2,948,559
Income Taxes:		
Current	990	1,014
Deferred	1	-
Net Income	3,082,390	2,947,545
Retained Earnings at the Beginning of Period	65	40
Retained Earnings at the End of Period	¥3,082,455	¥2,947,585



STATEMENTS OF CASH FLOWS

For the six-month periods ended March 31, 2006 and September 30, 2005

	October 1, 2005 to March 31, 2006	April 1, 2005 to September 30, 2005
	Thousands of yen	
Cash Flows from Operating Activities:		
Income before income taxes	¥3,083,381	¥2,948,559
Depreciation and amortization	608,451	631,245
Amortization of organization costs	6,844	6,844
Interest income	(32)	(28)
Interest expense	189,274	183,736
Changes in assets and liabilities		
Rental and other receivables	4,029	(2,721)
Consumption tax refundable	(16,052)	-
Other assets	(1,650)	(3,541)
Accounts payable and accrued expenses	12,777	5,049
Consumption taxes payable	(144,281)	144,949
Rents received in advance	15,191	24,876
Other liabilities	(1,406)	2,308
Subtotal	3,756,526	3,941,276
Interest received	32	28
Interest paid	(187,763)	(183,255)
Income taxes paid	(1,014)	(1,014)
Net cash provided by operating activities	3,567,781	3,757,035
Cash Flows from Investing Activities:		
Purchases of property and equipment	(5,477,763)	(384,951)
Repayments of leasehold and security deposits	(6,736)	(110,041)
Proceeds from leasehold and security deposits	380,979	88,973
Net cash used in investing activities	(5,103,520)	(406,019)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term loans	5,500,000	-
Proceeds from long-term loans	3,000,000	-
Repayment of long-term loans	(3,000,000)	-
Distributions paid to shareholders	(2,947,117)	(2,797,893)
Net cash provided by (used in) financing activities	2,552,883	(2,797,893)
Net Change in Cash and Cash Equivalents	1,017,144	553,123
Cash and Cash Equivalents at the Beginning of Period	6,470,747	5,917,624
Cash and Cash Equivalents at the End of Period	¥7,487,891	¥6,470,747



Portfolio Overview

(As of March 31, 2006)

Property Name	Location	Appraisal Value (Millions of yen)	Rent Area (sq. m)	Rentable Area (sq. m)	Occupancy Rate	Number of Tenants	Rental Revenues in 8th Fiscal Period (Thousands of yen)	% of Total
Hitachi Headquarters Building	Chiyoda-ku, Tokyo	41,418	57,254.61	57,254.61	100.0%	1	1,316,052	27.0%
Nissan Motor New Headquarters Building	Chuo-ku, Tokyo	16,600	23,614.49	23,614.49	100.0%	1	448,730	9.2%
Mita MT Building	Minato-ku, Tokyo	17,600	21,043.02	21,043.02	100.0%	1	503,278	10.3%
Osaki MT Building	Shinagawa-ku, Tokyo	14,700	22,634.06	22,634.06	100.0%	1	364,287	7.5%
Park Lane Plaza	Shibuya-ku, Tokyo	3,350	4,112.93	4,443.03	92.6%	17	108,798	2.2%
Marubeni Osaka Headquarters Building	Osaka, Osaka	13,300	41,574.47	41,574.47	100.0%	1	600,177	12.3%
Shin-Yokohama TECH Building	Yokohama, Kanagawa	8,450	18,359.46	18,359.46	100.0%	4	524,071	10.7%
Ito-Yokado Shonandai	Fujisawa, Kanagawa	13,500	53,393.66	53,393.66	100.0%	1	395,045	8.1%
Cresse Inage	Chiba, Chiba	5,630	79,113.42	79,113.42	100.0%	1	237,762	4.9%
Ito-Yokado Shin-Urayasu	Urayasu, Chiba	13,000	57,621.38	57,621.38	100.0%	1	378,165	7.8%
Total		147,548	378,721.50	379,051.60	99.9%	29	4,764,017	100.0%

Notes: Both the total rent and total rentable areas of the Osaki MT Building as of March 31, 2006 are 26,980.68 sq. m. The rent area and rentable area identified in the above table represent MTR's co-ownership portion calculated at a ratio of 838,899/1,000,000.



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 8th fiscal period from October 1, 2005 to March 31, 2006, 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 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.

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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.

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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 19, 2006, and MTR does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.