



## Press Release

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## **MTR Announces Financial Results for its 11th Fiscal Period**

**Tokyo, November 21, 2007** – MORI TRUST Sogo Reit, Inc. (MTR) has announced financial results for its 11th fiscal period (from April 1, 2007 to September 30, 2007). For the period, MTR recorded operating revenues of 5,351 million yen and income before income taxes of 3,083 million yen. Net income totaled 3,082 million yen. As a result, distribution per share was 19,264 yen (shares issued and outstanding: 160,000 shares).

At the end of the 11th period, total assets amounted to 167,639 million yen while total net assets were 83,082 million yen. Net assets per share were 519,264 yen.

### **Portfolio profile**

As of the end of the 11th period, MTR had 12 properties with a total book value of 160,017 million yen and total rentable area of 41,529.05 m<sup>2</sup>. The occupancy rate on a total rentable area basis for the entire portfolio was 99.9% as of September 30, 2007.

### **Financing**

Total loans outstanding as of the end of the 11th period were 71,000 million yen, of which long-term loans totaled 46,500 million yen.

\*See disclaimer at the end of the document.



## Forecasts

Based on the assumptions and information available at the end of the 11th period, MTR's projections of operating results for the next period (12th period: October 1, 2007 to March 31, 2008) are as follows:

Operating revenues	5,209 million yen
Income before income taxes	2,737 million yen
Net income	2,736 million yen
Distribution per share	17,100 yen

\*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 September 30, 2007 and March 31, 2007

September 30, 2007                      March 31, 2007

Thousands of yen

	September 30, 2007	March 31, 2007
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	¥7,535,653	¥9,186,658
Rental and other receivables	40,793	35,233
Other current assets	29,601	44,617
Total current assets	7,606,047	9,266,508
<b>Property and Equipment, at Cost:</b>		
Buildings and structures including trust accounts	35,614,397	34,166,049
Machinery and equipment	129,414	53,821
Tools, furniture and fixtures	15,354	11,312
Land including trust accounts	128,854,043	112,102,220
Construction in progress	5,369	-
Less: accumulated depreciation	(4,595,376)	(3,846,586)
Net property and equipment	160,023,201	142,486,816
<b>Investments and Other Assets:</b>		
Deposits	10,000	10,000
Other	276	276
Total investments and other assets	10,276	10,276
<b>Total Assets</b>	<b>¥167,639,524</b>	<b>¥151,763,600</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	¥237,562	¥97,074
Short-term loans	24,500,000	19,000,000
Distributions payable	10,400	13,264
Consumption taxes payable	52,207	193,121
Rents received in advance	903,052	824,774
Accrued expenses and other current liabilities	172,516	250,946
Total current liabilities	25,875,737	20,379,179
<b>Long-Term Liabilities:</b>		
Long-term loans	46,500,000	38,500,000
Leasehold and security deposits	12,181,495	9,884,995
Total long-term liabilities	58,681,495	48,384,995
<b>Total Liabilities</b>	<b>84,557,232</b>	<b>68,764,174</b>
<b>Net Assets:</b>		
Shareholders' equity:		
Shares authorized: 2,000,000 shares		
Shares issued and outstanding: 160,000 shares	80,000,000	80,000,000
Retained earnings	3,082,292	2,999,426
<b>Total Net Assets</b>	<b>83,082,292</b>	<b>82,999,426</b>
<b>Total Liabilities and Net Assets</b>	<b>¥167,639,524</b>	<b>¥151,763,600</b>



**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**For the six-month periods ended September 30, 2007 and March 31, 2007**

	April 1, 2007 to September 30, 2007	October 1, 2006 to March 31, 2007
Thousands of yen		
<b>Operating Revenues:</b>		
Rental revenues	¥5,351,252	¥4,957,479
<b>Operating Expenses:</b>		
Property-related expenses	1,557,826	1,395,241
Asset management fees	178,268	164,911
Custodian and administrative service fees	53,790	44,656
Other operating expenses	72,002	62,208
<b>Operating Income</b>	<b>3,489,366</b>	<b>3,290,463</b>
<b>Non-Operating Revenues:</b>		
Interest income	14,274	8,721
Other non-operating revenues	1,774	1,966
<b>Non-Operating Expenses:</b>		
Interest expense	422,200	300,256
Other non-operating expenses	-	491
<b>Income before Income Taxes</b>	<b>3,083,214</b>	<b>3,000,403</b>
<b>Income Taxes:</b>		
Current	987	1,017
Deferred	1	(1)
<b>Net Income</b>	<b>3,082,226</b>	<b>2,999,387</b>
<b>Retained Earnings at the Beginning of Period</b>	<b>66</b>	<b>39</b>
<b>Retained Earnings at the End of Period</b>	<b>¥3,082,292</b>	<b>¥2,999,426</b>



## STATEMENTS OF CASH FLOWS

For the six-month periods ended September 30, 2007 and March 31, 2007

	April 1, 2007 to September 30, 2007	October 1, 2006 to March 31, 2007
	Thousands of yen	
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	¥3,083,214	¥3,000,403
Depreciation and amortization	748,790	733,5251
Interest income	(14,274)	(8,721)
Interest expense	422,200	300,256
Changes in assets and liabilities		
Rental and other receivables	(5,560)	6,354
Consumption taxes refundable	-	143,417
Accounts payable and accrued expenses	88,759	(243,994)
Consumption taxes payable	(140,914)	143,150
Rents received in advance	78,278	(1,805)
Other	46,397	(56,859)
Subtotal	4,306,890	4,015,726
Interest received	13,203	8,721
Interest paid	(405,925)	(282,830)
Income taxes paid	(1,869)	(2,344)
Net cash provided by operating activities	3,912,299	3,739,273
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment including trust accounts	(18,233,444)	(396,240)
Repayment of leasehold and security deposits	(287,724)	-
Proceeds from leasehold and security deposits	2,460,088	4,620
Net cash used in investing activities	(16,061,080)	(391,620)
<b>Cash Flows from Financing Activities:</b>		
Net increase (decrease) in short-term loans	5,500,000	(2,500,000)
Proceeds from long-term loans	8,000,000	8,000,000
Repayment of long-term loans	-	(5,500,000)
Distributions paid to shareholders	(3,002,224)	(3,690,802)
Net cash provided by (used in) financing activities	10,497,776	(3,690,802)
<b>Net Change in Cash and Cash Equivalents</b>	(1,651,005)	(343,149)
<b>Cash and Cash Equivalents at the Beginning of Period</b>	9,186,653	9,529,807
<b>Cash and Cash Equivalents at the End of Period</b>	¥7,535,653	¥9,186,658

## Portfolio Overview

(As of September 30, 2007)

Property Name	Location	Appraisal Value (Millions of yen)	Rent Area (m <sup>2</sup> )	Rentable Area (m <sup>2</sup> )	Occupancy Rate	Number of Tenants	Rental Revenues in 11th Fiscal Period (Thousands of yen)	Percent of Total
Nissan Motor New Headquarters Building	Chuo-ku, Tokyo	18,900	23,614.49	23,614.49	100.0%	1	438,302	8.2%
Mita MT Building	Minato-ku, Tokyo	20,800	21,043.02	21,043.02	100.0%	1	503,278	9.4%
Osaki MT Building	Shinagawa-ku, Tokyo	19,100	22,634.06	22,634.06	100.0%	1	380,618	7.1%
Akasaka-mitsuke MT Building	Minato-ku, Tokyo	28,600	13,194.20	13,194.20	100.0%	1	755,770	14.1%
Park Lane Plaza	Shibuya-ku, Tokyo	3,720	4,443.03	4,443.03	89.4%	15	113,168	2.1%
Marubeni Osaka Headquarters Building	Osaka, Osaka	15,600	41,574.47	41,574.47	100.0%	1	600,177	11.2%
Shin-Yokohama TECH Building	Yokohama, Kanagawa	9,900	18,359.46	18,359.46	100.0%	4	545,338	10.2%
Ito-Yokado Shonandai	Fujisawa, Kanagawa	15,100	53,393.66	53,393.66	100.0%	1	395,068	7.4%
Frespo Inage	Chiba, Chiba	5,760	79,113.42	79,113.42	100.0%	1	236,487	4.4%
Ito-Yokado Shin-Urayasu	Urayasu, Chiba	13,800	57,621.38	57,621.38	100.0%	1	378,165	7.1%
Hotel Okura Kobe	Kobe, Hyogo	19,000	72,246.86	72,246.86	100.0%	1	643,211	12.0%
Shinbashi Ekimae MTR Building	Minato-ku, Tokyo	18,600	8,055.00	8,055.00	100.0%	1	361,666	6.8%
Total		188,880	415,293.05	415,293.05	99.9%	29	5,351,251	100.0%

### Notes:

- Both the total rent and total rentable areas of the Hotel Okura Kobe include an area of a storehouse addition (6.37 m<sup>2</sup>) that was completed during the 11th fiscal period.
- Both the total rent and total rentable areas of the Osaki MT Building as of September 30, 2007 are 26,980.68 m<sup>2</sup>. 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 11th fiscal period from April 1, 2007 to September 30, 2007, 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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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, November 21, 2007, and MTR does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.