



Press Release

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MTR Announces Financial Results for its 12th Fiscal Period

Tokyo, May 14, 2008 – MORI TRUST Sogo Reit, Inc. (MTR) has announced financial results for its 12th fiscal period (from October 1, 2007 to March 31, 2008). For the period, MTR recorded operating revenues of 5,260 million yen and income before income taxes of 2,818 million yen. Net income totaled 2,817 million yen. As a result, distribution per share was 17,608 yen (shares issued and outstanding: 160,000 shares).

At the end of the 12th period, total assets amounted to 167,186 million yen while total net assets were 82,817 million yen. Net assets per share were 517,608 yen.

Portfolio profile

As of the end of the 12th period, MTR had 12 properties with a total book value of 159,788 million yen and total rentable area of 415,293.05 m². The occupancy rate on a total rentable area basis for the entire portfolio was 99.9% as of March 31, 2008.

Financing

Total loans outstanding as of the end of the 12th 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 12th period, MTR's projections of operating results for the 13th and 14th periods (13th period: April 1, 2008 to September 30, 2008; 14th period: October 1, 2008 to March 31, 2009) are as follows:

	13th Fiscal period	14th Fiscal period
Operating revenues	5,561 million yen	5,780 million yen
Income before income taxes	3,138 million yen	3,254 million yen
Net income	3,137 million yen	3,253 million yen
Distribution per share	19,609 yen	20,334 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 March 31, 2008 and September 30, 2007

	March 31, 2008	September 30, 2007
	Thousands of yen	
Assets		
Current Assets:		
Cash and cash equivalents	¥7,320,558	¥7,535,653
Rental and other receivables	37,855	40,793
Other current assets	29,860	29,601
Total current assets	7,388,273	7,606,047
Property and Equipment, at Cost:		
Buildings and structures including trust accounts	36,132,812	35,614,397
Machinery and equipment	135,155	129,414
Tools, furniture and fixtures	19,738	15,354
Land including trust accounts	128,854,043	128,854,043
Construction in progress	-	5,369
Less: accumulated depreciation	(5,353,554)	(4,595,376)
Net property and equipment	159,788,194	160,023,201
Investments and Other Assets:		
Deposits	10,000	10,000
Other	276	276
Total investments and other assets	10,276	10,276
Total Assets	¥167,186,743	¥167,639,524
Liabilities		
Current Liabilities:		
Accounts payable	¥210,797	¥237,562
Short-term loans	24,500,000	24,500,000
Long-term loans due within one year	3,000,000	-
Distributions payable	9,621	10,400
Consumption taxes payable	89,129	52,207
Rents received in advance	836,851	903,052
Accrued expenses and other current liabilities	142,954	172,516
Total current liabilities	28,789,352	25,875,737
Long-Term Liabilities:		
Long-term loans	43,500,000	46,500,000
Leasehold and security deposits	12,080,051	12,181,495
Total long-term liabilities	55,580,051	58,681,495
Total Liabilities	84,369,403	84,557,232
Net Assets:		
Shareholders' equity:		
Shares authorized: 2,000,000 shares		
Shares issued and outstanding: 160,000 shares	80,000,000	80,000,000
Retained earnings	2,817,340	3,082,292
Total Net Assets	82,817,340	83,082,292
Total Liabilities and Net Assets	¥167,186,743	¥167,639,524



STATEMENTS OF INCOME AND RETAINED EARNINGS
For the six-month periods ended March 31, 2008 and September 30, 2007

	October 1, 2007 to March 31, 2008	April 1, 2007 to September 30, 2007
Thousands of yen		
Operating Revenues:		
Rental revenues	¥5,260,109	¥5,351,252
Operating Expenses:		
Property-related expenses	1,727,998	1,557,826
Asset management fees	185,721	178,268
Custodian and administrative service fees	45,820	53,790
Other operating expenses	48,190	72,002
Operating Income	3,252,380	3,489,366
Non-Operating Revenues:		
Interest income	13,289	14,274
Other non-operating revenues	2,586	1,774
Non-Operating Expenses:		
Interest expense	449,963	422,200
Income before Income Taxes	2,818,292	3,083,214
Income Taxes:		
Current	1,004	987
Deferred	(1)	1
Net Income	2,817,289	3,082,226
Retained Earnings at the Beginning of Period	51	66
Retained Earnings at the End of Period	¥2,817,340	¥3,082,292



STATEMENTS OF CASH FLOWS

For the six-month periods ended March 31, 2008 and September 30, 2007

	October 1, 2007 to March 31, 2008	April 1, 2007 to September 30, 2007
	Thousands of yen	
Cash Flows from Operating Activities:		
Income before income taxes	¥2,818,292	¥3,083,214
Depreciation and amortization	758,178	748,790
Interest income	(13,289)	(14,274)
Interest expense	449,963	422,200
Changes in assets and liabilities		
Rental and other receivables	4,432	(5,560)
Accounts payable and accrued expenses	(83,529)	88,759
Consumption taxes payable	36,922	(140,914)
Rents received in advance	(66,201)	78,278
Other	(34,593)	46,397
Subtotal	3,870,175	4,306,890
Interest received	13,509	13,203
Interest paid	(446,869)	(405,925)
Income taxes paid	(1,040)	(1,869)
Net cash provided by operating activities	3,435,775	3,912,299
Cash Flows from Investing Activities:		
Purchases of property and equipment including trust accounts	(466,407)	(18,233,444)
Repayment of leasehold and security deposits	(1,263,287)	(287,724)
Proceeds from leasehold and security deposits	1,161,843	2,460,088
Net cash used in investing activities	(567,851)	(16,061,080)
Cash Flows from Financing Activities:		
Net increase in short-term loans	-	5,500,000
Proceeds from long-term loans	-	8,000,000
Distributions paid to shareholders	(3,083,019)	(3,002,224)
Net cash (used in) provided by financing activities	(3,083,019)	10,497,776
Net Change in Cash and Cash Equivalents	(215,095)	(1,651,005)
Cash and Cash Equivalents at the Beginning of Period	7,535,653	9,186,653
Cash and Cash Equivalents at the End of Period	¥7,320,558	¥7,535,653



Portfolio Overview

(As of March 31, 2008)

Property Name	Location	Appraisal Value (Millions of yen)	Rent Area (m ²)	Rentable Area (m ²)	Occupancy Rate	Number of Tenants	Rental Revenues in 12 th Fiscal Period (Thousands of yen)	Percent of Total
Nissan Motor New Headquarters Building	Chuo-ku, Tokyo	19,100	23,614.49	23,614.49	100.0%	1	438,302	8.3%
Mita MT Building	Minato-ku, Tokyo	21,700	21,043.02	21,043.02	100.0%	1	503,278	9.6%
Marubeni Osaka Headquarters Building	Osaka, Osaka	15,800	41,574.47	41,574.47	100.0%	1	600,177	11.4%
Shin-Yokohama TECH Building	Yokohama, Kanagawa	9,910	18,359.46	18,359.46	100.0%	4	530,757	10.1%
Osaki MT Building	Shinagawa-ku, Tokyo	20,100	22,634.06	22,634.06	100.0%	1	248,509	4.7%
Akasaka-mitsuke MT Building	Minato-ku, Tokyo	28,700	13,194.20	13,194.20	100.0%	1	751,411	14.3%
Ito-Yokado Shonandai	Fujisawa, Kanagawa	15,100	53,393.66	53,393.66	100.0%	1	395,045	7.5%
Frespo Inage	Chiba, Chiba	5,750	79,113.42	79,113.42	100.0%	1	236,406	4.5%
Ito-Yokado Shin-Urayasu	Urayasu, Chiba	13,800	57,621.38	57,621.38	100.0%	1	378,165	7.2%
Shinbashi Ekimae MTR Building	Minato-ku, Tokyo	19,100	8,055.00	8,055.00	100.0%	1	420,000	8.0%
Park Lane Plaza	Shibuya-ku, Tokyo	3,770	3,939.51	4,443.03	88.7%	15	114,840	2.2%
Hotel Okura Kobe	Kobe, Hyogo	19,000	72,246.86	72,246.86	100.0%	1	643,215	12.2%
Total		191,830	414,789.53	415,293.05	99.9%	29	5,260,109	100.0%

Notes: Both the total rent and total rentable areas of the Osaki MT Building as of March 31, 2008 are 26,980.68 m². 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 12th fiscal period from October 1, 2007 to March 31, 2008, 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.

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.

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