



Press Release

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Increase in Existing Ownership — Osaki MT Building

Tokyo, September 16, 2005 – Mori Trust Sogo Reit, Inc. (MTR) has announced its decision to acquire additional ownership in the Osaki MT Building.

1. Acquisition Summary (Planned)

- 1) Type of asset: real estate
- 2) Property name: Osaki MT Building
(hereafter the aforementioned property shall be referred to as “the Property.”)
- 3) Acquisition price: 5,656,760,000 yen (excluding purchase overheads and taxes)
- 4) Contract date: September 16, 2005
- 5) Acquisition date (planned): October 28, 2005
- 6) Seller: UFJ Trust Bank Limited (please refer to item 5. Seller’s Profile)
- 7) Acquisition financing: cash on hand and loans
- 8) Settlement method: payment in full at the time of acquisition
(a deposit will be paid at the time of contract execution)

2. Reason for Acquisition

MTR acquired a portion of the land and co-ownership of the building of the Property on March 31, 2005 (for details please refer to the press release “Acquisition of Asset — Osaki MT Building,” dated March 31, 2005). On this occasion, MTR has decided to increase its

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co-ownership ratio in the building and related land of the Property (hereafter referred to as the “additional acquisition”) in accordance with its fundamental investment policies set forth in MTR’s rules and regulations and its stance toward investment. This serves to further advance MTR’s efforts toward diversified investment in office buildings in central Tokyo and to enhance MTR’s co-ownership position and stability.

The following matters were of particular importance in MTR’s decision to undertake the additional acquisition.

(1) Location

The Property is located in the Osaki Area, serviced by JR Osaki Station at its center. The area is distinguished for its many office and other buildings, which form part of a large-scale redevelopment project. The area also boasts intensive land use attributed to the application of the Comprehensive Design System.

The Property is located in the “Osaki Business Garden,” a key component of the redevelopment project. Together with a neighboring office building, the Property is part of a unified office zone.

(2) Building specifications and facilities

The building stands 14 stories high, and has three levels underground. The standard rentable floor area is approximately 1,157 sq. m., with each floor virtually free of pillars.

Exterior walls are decorated with special-order tiles, and the entrance hall is adorned with granite, providing for a refined atmosphere. The standard floor has a free-access floor height of 70 mm and can withstand weights of up to 500 kg/sq. m (up to 800 kg/sq. m in certain areas), making it a highly competitive building.

3. Background of Acquisition

Pursuant to an agreement between the co-owners and the preferred right of first refusal, the seller (identified in item 5.) informed MTR of its intention to sell a portion of the building and related land. Following due diligence, MTR decided to exercise its rights under the aforementioned agreement and to acquire an additional portion of the Property.

4. Acquisition Details

1) Asset overview (additional portion for acquisition)

Location	Land	5-745-8 Kita-Shinagawa, Shinagawa-ku
	Building	5-746-1 Kita-Shinagawa, Shinagawa-ku
	Registered Address	5-9-11 Kita-Shinagawa, Shinagawa-ku
Real estate usage		Office building (Registered types of use: office, store and parking)
Ownership	Land	Title (MTR's co-ownership ratio: 159,861/1,000,000))
	Building	Title (MTR's co-ownership ratio: 247,949/1,000,000)
Area	Land	10,850.67 sq. m (Registered land area)
	Building	26,980.68 sq. m (Registered floor area)
Construction		Steel frame, steel-framed reinforced concrete, 14 floors above ground, three floors below ground (Registered structure)
Parking lot capacity		65 vehicles
Completion date		July 1994
Construction company		Obayashi Corporation
Appraisal value of the real estate		5,030 million yen as of August 31, 2005
Appraisal agency		Nippon Tochi-Tatemono Co., Ltd.
Seismic risk (PML)		11.5% (according to a building seismic risk investigation report produced by Takenaka Corporation)
Collateral		None
Special notes		<p>A portion of the boundary between the Property and an adjoining property has yet to be determined.</p> <p>In connection with the transfer of all or part of the Property, MTR and the other co-owners have agreed to grant one another a preferred right of first refusal for each area of the Property under co-ownership.</p> <p>The Property's fence crosses a portion of the boundary of an adjoining piece of land. In addition, a possibility exists for trees in an adjoining piece of land to cross the Property's boundary.</p>

Note:

MTR has decided to increase its co-ownership in the building by a ratio of 247,949/1,000,000, or 6,689.83 sq. m. MTR's co-ownership ratio in the building including its existing co-ownership portion will rise to 838,899/1,000,000, or 22,634.06 sq. m.

2) Lease overview (change after additional acquisition) (planned)

In connection with the additional acquisition, MTR plans to execute an amendment to the existing fixed-term building master lease contract (hereafter referred to as "the existing master lease contract") with Mori Trust Co., Ltd. (hereafter referred to as "Mori Trust") as master

lessee to include the additional acquisition. Brief details are as follows.

Number of tenants	1 (Mori Trust)
Contract type	Fixed-term building lease (master lease contract)
Contract period	5 years, from March 31, 2005 to March 31, 2010 Effective date for the amendment to the existing master lease contract: October 28, 2005 (planned)
Monthly rent after the amendment (excluding consumption tax)	63,436,337 yen
Deposit after the amendment	1,260,227,042 yen
Total rent area	22,634.06 sq. m (Note 1)
Total rentable area	22,643.06 sq. m (Note 2)
Occupancy rate	100%
Remarks	The entire building is currently rented as the headquarters of Sumitomo Heavy Industries, Ltd.. The monthly rent and security deposit are subject to change based upon revisions to the sub-lease contract (the lease contract between the master lessee and the existing tenant).

Notes:

1. The total rent area of the building is 26,980.68 sq. m. After the additional acquisition, MTR's co-ownership portion will increase to 838,899/1,000,000.
2. The total rentable area of the building is 26,980.68 sq. m. After the additional acquisition, MTR's co-ownership portion will increase to 838,899/1,000,000.

5. Seller Overview

- 1) Business name: UFJ Trust Bank Limited
- 2) Headquarters: 1-4-3 Marunouchi, Chiyoda-ku, Tokyo
- 3) Representative: Shintaro Yasuda, President and Representative Director
- 4) Capital: 280,536 million yen (as of March 31, 2005)
- 5) Principal business: Trust bank
- 6) Relationship with MTR: None in particular

6. Transaction with Interested Parties

While the master lease, identified in 4.2, falls within the definition of a transaction with an interested party, MTR's asset management company, Mori Trust Asset Management Co., Ltd., has carried out all appropriate steps and procedures in accordance with its "Regulations on Transactions with Interested Parties," the Investment Trust Law, and MTR's rules and regulations. These steps included obtaining the approval of MTR's Board of Directors regarding



the terms and conditions of the master lease.

7. Operating Forecasts

The additional acquisition is scheduled to take place on October 28, 2005. Accordingly, MTR believes there will be no impact on its status of operation in the fiscal period ending September 30, 2005.

[Attachments]

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| Reference 1 | Assumptions relating to revenue and expenditure for the Property |
| Reference 2 | Portfolio after acquisition of the Property |
| Reference 3 | Photograph of the Property |

Assumptions relating to revenue and expenditure for the Property

Revenue	761 million yen
Expenses (excluding depreciation)	137 million yen
NOI (Net Operating Income)	624 million yen

Preconditions:

1. The above values are the annual revenue and expenditure for the Property after additional acquisition (building co-ownership ratio of 838,899/1,000,000) and exclude special factors in the fiscal year of acquisition.
2. Revenue is based on an occupancy rate of 100%.
3. Expenses include taxes and public dues, insurance premiums, and cost of repairs, etc.

Portfolio after acquisition of the Property

Area	Usage	No.	Property name	Acquisition date	Acquisition price (millions of yen)	% of total	
Central Tokyo	Office buildings	A-1	Hitachi Headquarters Building	2003.3.31	40,000	29.4%	
		A-2	Nissan Motors New Headquarters Building	2003.3.31	16,000	11.8%	
		A-3	Mita MT Building	2003.12.1	16,000	11.8%	
		A-6	Osaki MT Building	2005.3.31	7,870	5.8%	
				2005.10.28 (planned)	5,656	4.2%	
		Total			13,526	9.9%	
	Subtotal					85,526	62.9%
	Other (Residential properties)	C-1	Park Lane Plaza	2004.12.24	3,200	2.4 %	
	Subtotal					3,200	2.4%
	Subtotal					88,726	65.2%
Other	Office buildings	A-4	Marubeni Osaka Headquarters Building	2002.9.30	12,500	9.2%	
		A-5	Shin-Yokohama TECH Building	2003.11.14	6,900	5.1%	
	Subtotal					19,400	14.3%
	Retail facilities	B-1	Ito-Yokado Shonandai	2003.3.28	11,600	8.5%	
		B-2	Cresse Inage	2002.3.28	4,200	3.1%	
		B-3	Ito-Yokado Shin-Urayasu	2004.7.30	12,150	8.9%	
Subtotal					27,950	20.5%	
Subtotal					47,350	34.8%	
Total					136,076	100.0%	

Note: Acquisition price is stated in millions of yen rounded down.

Photograph of the Property

