



Press Release

Tokyo, December 24, 2004

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Acquisition of Asset — Park Lane Plaza

Tokyo, December 24, 2004 – Mori Trust Sogo Reit, Inc. (MTR) has announced the acquisition of an asset as follows.

1. Acquisition Summary

- 1) Type of asset: real estate
- 2) Property name: Park Lane Plaza
- 3) Acquisition price: 3,200 million yen (excluding purchase overheads and taxes)
- 4) Contract date: December 24, 2004
- 5) Acquisition date: December 24, 2004
- 6) Seller: Japan Pulp and Paper Company Limited
- 7) Acquisition financing: cash on hand and loans
- 8) Settlement method: payment in full at the time of acquisition

Hereinafter the aforementioned property acquired shall be referred to as “the Property.”

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation. The forward-looking statements contained herein involve risks and uncertainties that could cause actual results to differ from expectations. These forward-looking statements are applicable as of the date of this release and shall not be updated to reflect future events or circumstances.

2. Reason for Acquisition

MTR has acquired the Property in accordance with its fundamental investment policies set forth in MTR's articles of incorporation. The Property is MTR's first investment in residential property and serves to diversify investment and contribute to a balanced portfolio.

The following matters were of particular importance in our decision to acquire the Property.

(1) Location

The Property is located in Jingumae, an important, upscale lease housing area in central Tokyo. Jingumae has high name value as a residential area, with demand from major foreign corporations, foreign embassies and others contributing to comparatively stable marketability.

In addition, the Property is nine minutes on foot from Harajuku Station on the JR Yamanote Line, and is within walking distance of four other stations on four railway lines. This offers superior access to the prestigious and fashionable retailers arrayed in the Aoyama, Harajuku, and Omotesando areas, while the Meiji Shrine, Yoyogi Park, the Outer Garden of the Meiji Shrine, the Shinjuku Imperial Gardens, and other oases of green are within a short walk. All of this adds up to a congenial residential environment.

For these reasons, there are a number of other upscale lease housing properties in the area of the Property, and a number of firms in the fashion industry have business offices, design offices, and brand-name merchandise shops nearby.

(2) The structure and building facilities

The first and second floors of the building are utilized as office and store space for business use, and floors three through seven are for residential use. Exterior walls are decorated with porcelain tiles, giving the building an elegant appearance.

On the residential floors, floor layout plans provide for two to four residential units per elevator. MTR believes that the residential section's facilities and specifications sufficiently meet the diverse needs of potential residents.

3. Acquisition Details

1) Asset overview

Location	Land	2-30-6 Jingumae, Shibuya-ku
	Building	2-30-6 Jingumae, Shibuya-ku
Real estate usage		Residential (Registered types of use: residential, office, store and parking)
Ownership	Land	Title (right of site)
	Building	Sectional ownership (Ratio owned by MTR: 100%)
Area	Land	1,702.95 sq m (Registered land area)
	Building	5,246.78 sq m (Registered floor area, includes two attached common-use storage structures)
Construction		Reinforced concrete, seven floors above ground, one floor below ground (Registered structure)
Parking capacity		21 vehicles
Completion date		June 1988
Construction company		Takenaka Corporation

Appraisal value of the real estate	3,260 million yen (Appraisal date; December 24, 2004) 3,420 million yen according to the direct capitalization method (5.3% capitalization rate) 3,150 million yen according to the discounted cash flow method (5.0% discount rate, 5.5% terminal capitalization rate) 2,850 million yen according to the cost method
Appraisal agency	Nippon Tochi-Tatemono Co., Ltd.
Seismic risk (PML)	14.9% (according to the building seismic risk investigation report produced by Takenaka Corporation)
Collateral	None
Special notes	<ul style="list-style-type: none"> ● There is one area where the borders are yet to be fixed. ● There is one area where a fence and tree foliage intrude upon the Property, and certain objects from the Property intrude upon another area.

2) Lease overview (as of the date of acquisition)

Number of tenants	1 (Mitsui Fudosan Housing Lease Co., Ltd.)
Contract type	Building lease contract (master lease contract)
Total rent area	4,443.03 sq m (17 residential units, two offices/stores)
Total rentable area	4,443.03 sq m (17 residential units, two offices/stores)
Operating rate	100% (on a total rentable area basis)
Remarks	The master lease with the previous lessor and tenant has transferred to MTR. However, this master lease will expire on January 31, 2005. Subsequently, MTR will stand as lessor in sublease contracts between the tenant and sub-lessees.

4. Seller Overview

- 1) Business name: Japan Pulp and Paper Company Limited
- 2) Headquarters: 4-6-11 Nihonbashi Hongoku-cho, Chuo-ku, Tokyo
- 3) Representative: Masaru Matsuya, President and Representative Director
- 4) Capital: 15,470 million yen (as of March 31, 2004)
- 5) Principal business: Wholesale industry
- 6) Relationship with MTR: None



5. Business with Interested Parties

There was no business with interested parties in connection with this acquisition.

6. Operating Forecasts

MTR believes that the acquisition of the Property will not have a significant impact on MTR's asset management performance in the fiscal year ending March 31, 2005. Accordingly, MTR has not revised operating forecasts for that period.

[Attachments]

- Reference 1** Assumptions for revenue and expenditure for the Property
- Reference 2** Portfolio after acquisition of the Property
- Reference 3** Photograph of the Property

[Reference 1]

Assumptions for revenue and expenditure for the Property

Revenue	200 million yen
Expenses (excluding depreciation)	43 million yen
NOI (Net Operating Income)	156 million yen

Preconditions:

1. The above values are the annual revenue and expenditure and exclude special factors in the fiscal year of acquisition.
2. Revenue is based on an operating rate of 90% after completion of the master lease contract.
3. Expenses include taxes and public dues, insurance premiums, and cost of repairs, etc.

[Reference 2]

Portfolio after acquisition of the Property

Area	Usage	Property name	Acquisition date	Acquisition price (millions of yen)	% of total
Central Tokyo	Office buildings	Hitachi Headquarters Building	2003.3.31	40,000	32.6%
		Nissan Motors New Headquarters Building	2003.3.31	16,000	13.1%
		Mita MT Building	2003.12.1	16,000	13.1%
	Subtotal			72,000	58.8%
	Other (Residential properties)	Park Lane Plaza	2004.12.24	3,200	2.6%
Subtotal			3,200	2.6%	
Subtotal			75,200	61.4%	
Other	Office buildings	Marubeni Osaka Headquarters Building	2002.9.30	12,500	10.2%
		Shin-Yokohama TECH Building	2003.11.14	6,900	5.6%
	Subtotal			19,400	15.8%
	Retail facilities	Ito-Yokado Shonandai	2003.3.28	11,600	9.5%
		Cresse Inage	2002.3.28	4,200	3.4%
Ito-Yokado Shin-Urayasu		2004.7.30	12,150	9.9%	
Subtotal			27,950	22.8%	
Subtotal			47,350	38.6%	
Total			122,550	100.0%	

[Reference 3]

Photograph of the Property

