



MORI

TRUST REIT


5th Fiscal Period (April 1, 2004-September 30, 2004)

Information Package



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Summary of 5th Fiscal Period

Points

- Distributions exceed expectations
- Acquisition of Ito-Yokado Shin-Urayasu
- Shin-Yokohama TECH Building Internal Growth

Highlights of 5th Fiscal Period

Distributions Exceed Expectations

- 4th consecutive period of increased revenue and profit since establishment
- Distribution per share: **16,503 yen** (previous forecast: 16,000 yen), **1,260 yen** increase from previous period
- Revenue and profit are expected to increase in the 6th period as well, and distribution per share is forecasted to be **17,000 yen**

Acquisition of Ito-Yokado Shin-Urayasu

- Acquisition date: July 30, 2004 Acquisition price: 12,150 million yen
- Contract period: 16 years (July 30, 2004-July 29, 2020)
No cancellation period: 13 years

Shin-Yokohama TECH Building Internal Growth

- New property management company selected through competitive bid
- Cost reduction of more than 30 million yen per year

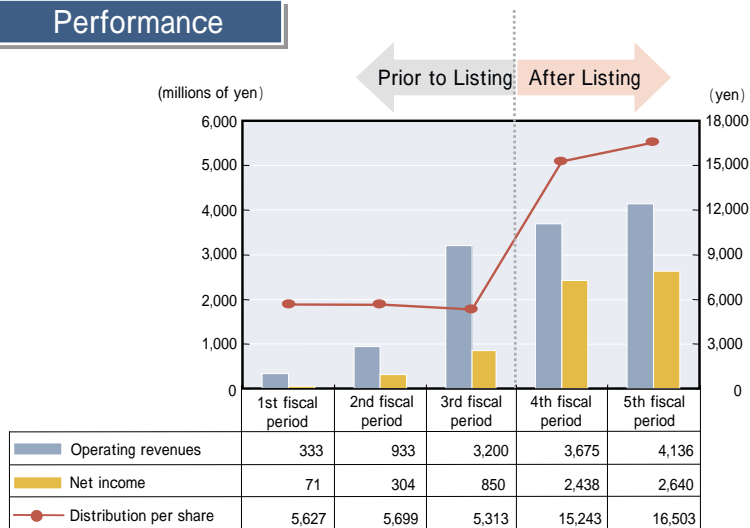
Highlights of 5th Fiscal Period

Highlights

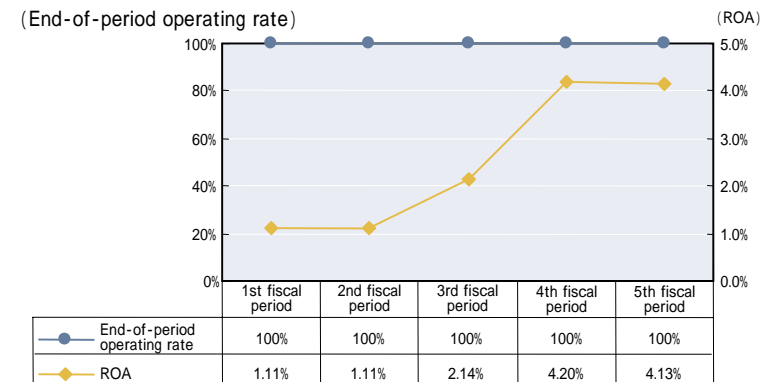
- Operating revenues: 4,136 million yen, net income: 2,640 million yen, distribution per share: 16,503 yen. (millions of yen)

	4th fiscal period (actual)	5th fiscal period (forecast)	5th fiscal period (actual)	Change (compared with 4 th fiscal period)
Operating revenues	3,675	4,151	4,136	12.5%
Operating income	2,797	2,697	2,754	1.5%
Ordinary income	2,439	2,561	2,641	8.3%
NOI	3,462	3,484	3,526	1.9%
Net income	2,438	2,560	2,640	8.3%
Distribution per share (¥)	15,243	16,000	16,503	8.3%

Performance



Operating Rate, ROA*



*ROA=ordinary income/end-of-period total assets (annualized)

Statements of Income and Retained Earnings

	(thousands of yen)	
	4th Period (October 1, 2003 to March 31, 2004)	5th Period (April 1, 2004 to September 30, 2004)
Operating Revenues:		
Rental revenues	3,675,442	4,136,471
Operating Expenses:		
Property-related expenses	659,483	1,133,335
Asset management fees	109,361	125,541
Custodian and general administration fees	72,053	68,023
Other operating expenses	36,726	54,635
Operating Income	2,797,819	2,754,937
Non-Operating Revenues:		
Interest income	526	24
Other non-operating revenues	-	1,830
Non-Operating Expenses:		
Interest expense	129,357	108,576
Amortization of organization costs	6,844	6,844
Initial public offering related costs	222,538	-
Other non-operating expenses	41	-
Income before Income Taxes	2,439,565	2,641,371
Income Taxes:		
Current	605	974
Deferred	-	(18)
Net Income	2,438,960	2,640,415
Retained Earnings at the beginning of Period	3	84
Retained Earnings at the end of Period	2,438,963	2,640,499

Operating Revenues

Revenue increase factors for the period are as follows:

Acquisition of Ito-Yokado Shin-Urayasu (July 30, 2004, acquisition price: 12,150 million yen)

Full business period operation of Shin-Yokohama TECH Building and Mita MT Building

Operating Expenses

The factors for increased taxes and public dues were the property tax and city planning tax for the five buildings acquired in 2003 (Hitachi Headquarters Building, Nissan Motors New Headquarters Building, Ito-Yokado Shonandai, Shin-Yokohama TECH Building, and Mita MT Building).

The main factor for the increase in overhead and depreciation was the full business period operation of the Shin-Yokohama TECH Building and the Mita MT Building.

Non-operating Expenses

Initial public offering related costs arose from being listed on the Tokyo Stock Exchange in the 4th fiscal period.

Balance Sheets

(thousands of yen)

	End of 4th Period (as of March 31, 2004)	End of 5th Period (as of September 30, 2004)
Assets		
Current Assets:		
Cash and cash equivalents	5,153,366	5,125,180
Rental and other receivables	20,016	40,937
Consumption tax refundable	221,695	917
Other current assets	27,942	39,624
Total current assets	5,423,019	5,206,658
Property and equipment, at cost:		
Land	90,921,294	100,233,115
Buildings and structures	20,607,949	23,925,355
Machinery and equipment	32,959	35,815
Less: accumulated depreciation	(955,086)	(1,478,798)
Net property and equipment	110,607,116	122,715,487
Investments and other assets:		
Deposits	10,000	10,000
Organization costs	34,222	27,378
Total Assets	116,074,357	127,959,523
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	178,430	120,593
Short-term loans	11,000,000	22,000,000
Distribution payable	-	8,643
Rents received in advance	669,502	646,591
Other current liabilities	3,769	2,073
Total current liabilities	11,851,701	22,777,900
Long-Term Liabilities:		
Long-term loans	14,000,000	14,000,000
Leasehold and security deposits	7,783,693	8,541,124
Total long-term liabilities	21,783,693	22,541,124
Total Liabilities	33,635,394	45,319,024
Shareholders' Equity		
Shareholders' capital	80,000,000	80,000,000
Shares Authorized: 2,000,000 shares		
Shares Issued and Outstanding: 160,000 shares		
Retained earnings	2,438,963	2,640,499
Total Shareholders' Equity	82,438,963	82,640,499
Total Liabilities and Shareholders' Equity	116,074,357	127,959,523

Statements of Cash Flows (Unaudited)

(thousands of yen)

	4th Period (October 1, 2003 to March 31, 2004)	5th Period (April 1, 2004 to September 30, 2004)
Cash Flows from Operating Activities:		
Income before income taxes	2,439,565	2,641,371
Depreciation and amortization	446,043	523,712
Amortization of organization costs	6,844	6,844
Interest income	(526)	(24)
Interest expense	129,357	107,824
Rental and other receivables	33,931	(21,026)
Consumption tax refundable	(221,695)	220,778
Prepaid expenses and other assets	(1,455)	(11,664)
Accounts payable and accrued expenses	82,251	(80,905)
Accrued consumption taxes	(168,120)	-
Rents received in advance	146,200	(22,910)
Other liabilities	3,719	(1,696)
Subtotal	2,896,114	3,362,304
Interest received	526	24
Interest paid	(128,033)	(86,624)
Income taxes paid	(707,770)	(504)
Net cash provided by operating activities	2,060,837	3,275,200
Cash Flows from Investing Activities:		
Purchases of property and equipment	(23,984,083)	(12,630,579)
Proceeds from leasehold and security deposits	1,656,526	757,430
Net cash used in investing activities	(22,327,557)	(11,873,149)
Cash Flows from Financing Activities:		
Net (decrease) increase in short-term loans	(48,010,000)	11,000,000
Proceeds from long-term loans	14,000,000	-
Distributions paid to shareholders	(850,080)	(2,430,237)
Net cash provided by (used in) financing activities	(34,860,080)	8,569,763
Net Change in Cash and Cash Equivalents	(55,126,800)	(28,186)
Cash and Cash Equivalents at the beginning of Period	60,280,166	5,153,366
Cash and Cash Equivalents at the end of Period	5,153,366	5,125,180

Forecast for 6th Fiscal Period

Continued Increase in Revenue and Profit Expected for the 5th Consecutive Period

- Ito-Yokado Shin-Urayasu in full business period operation
- Shin-Yokohama TECH Building internal growth contributing throughout the full business period
- Forecasted distribution per share: **17,000 yen**

- Based on the assumptions and information available at the end of the 5th period, MTR's projection of operating results for the next period (6th period: October 1, 2004 - March 31, 2005) are as follows.

Operating revenues	4,408 million yen
Ordinary income	2,721 million yen
Net income	2,720 million yen
Distribution per share	17,000 yen

Ito-Yokado Shin-Urayasu

Prominent Ito-Yokado Store in Booming Shin-Urayasu Area

- Acquisition through use of Mori Trust Group network
- Stable and profitable property through long-term lease contract with Ito-Yokado Co., Ltd.
(16 year contract with no cancellation period of 13 years)
- The rate of population increase, level of income, and ratio of upper-bracket taxpayers of Urayasu City, the trading area of the region, are above the national average



Property Summary	
Usage	Retail facility
Location	12 Akemi, 11 Akemi, Urayasu City, Chiba
Floors	5
Built	September 2000
Total rentable area	57,621.38m ²
Acquisition price	12,150 million yen
Appraisal value	12,500 million yen
Annual rent, operating rate	756,330,240 yen, 100%



Location recorded in certified copy of real estate register.

Portfolio Summary

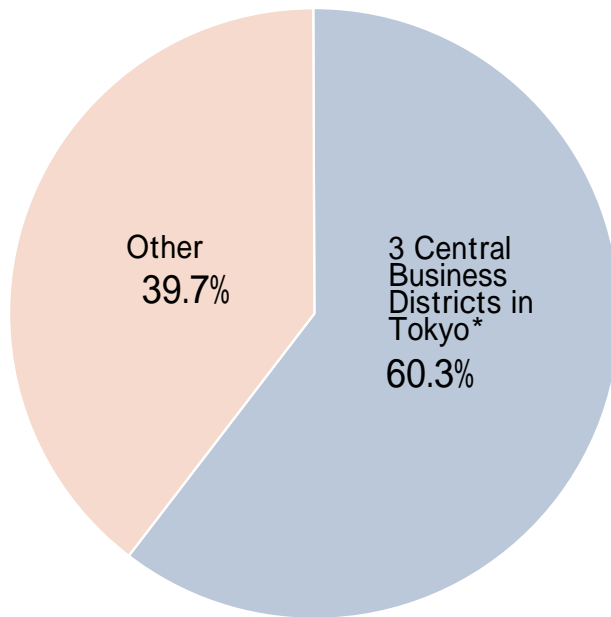
Use	Name	Built	Acquisition Price (millions of yen)	Tenant (master lessee)	Floor Area (m ²)	Maturity	Note
Office Buildings	Hitachi Headquarters Bldg.	Mar/83	40,000	Mori Trust	57,255	5/31/2006 + 3-year recontract option	Headquarters of Hitachi Group Close to Ochanomizu St. (10 min. to Tokyo St.)
	Nissan Motors New Headquarters Bldg.	Mar/82	16,000	Mori Trust	38,902	9/30/2008	Headquarters of Nissan Motors Located in Ginza
	Mita MT Bldg.	Sep/74 ¹	16,000	Mori Kanko Trust	21,043	11/30/2008	Located in central business district in Mita, Tokyo
	Marubeni Osaka Headquarters Bldg.	Mar/84	12,500	Marubeni	41,574	9/30/2012	Well-known building in central business district in Osaka
	Shin-Yokohama TECH Bldg.	Feb/86	6,900	Fujitsu ²	25,187	2/28/2005 (with Fujitsu)	Located in Shin-Yokohama where many IT companies are located
Retail Facilities	Ito-Yokado Shonandai	Nov/02	11,600	Ito-Yokado	53,394	11/20/2022 (No cancellation until 11/20/2017)	One of the main stores of Ito-Yokado located in a growing trading area
	Cresse Inage		4,200	Daiwa Kosho Lease	79,113 ³	6/2/2023	Large-scale roadside shopping facility
	Ito-Yokado Shin-Urayasu	Sep/00	12,150	Ito-Yokado	57,621	7/29/2020 (No cancellation until 7/29/2017)	Located in the booming Shin-Urayasu area
Total			119,350		374,090		

1) Renovated in 1997 2) Largest tenant in the building 3) Cresse Inage shows the REIT land area



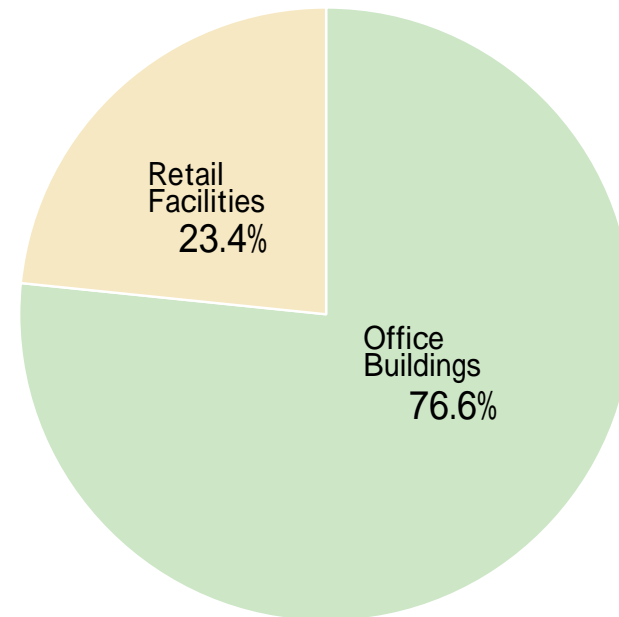
Portfolio Summary

Location



* 3 Central Business Districts in Tokyo
= Chiyoda, Chuo, Minato

Use



These ratios are based on acquisition price of investment real estate as of the end of September 2004.

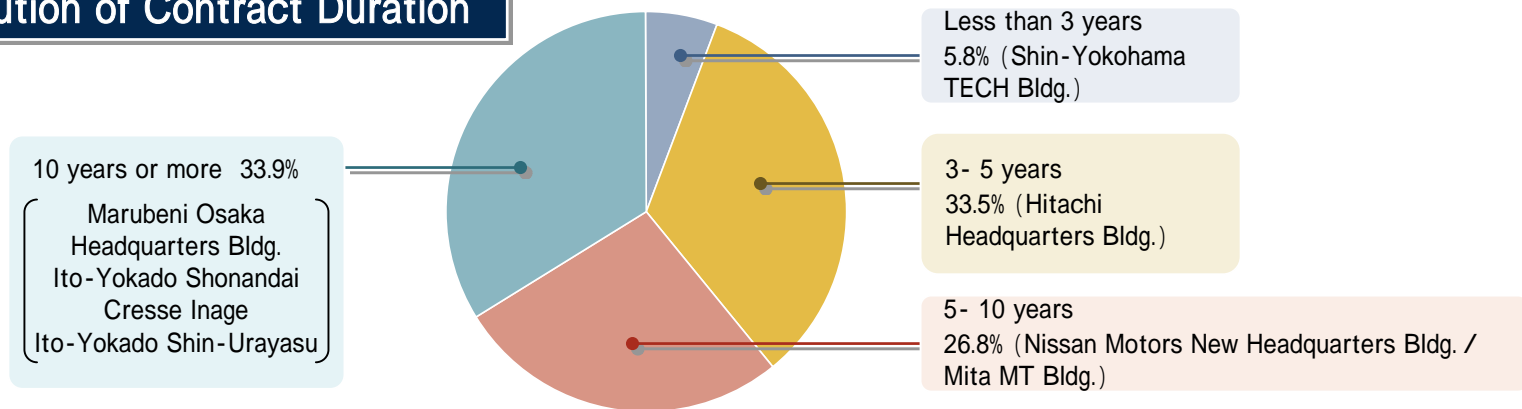
Tenants and Contracts

Medium to Long Term Lease Contracts with Leading Companies

Name	Tenant/ master lessee	Rating (1)		Contract	Maturity	Sublessee	Rating (1)	
		JCR	R&I				JCR	R&I
Hitachi Headquarters Bldg.	Mori Trust	-	-	Fixed term building lease	5/31/2006 + 3-year recontract option	Hitachi	AAp 2	AA-
Nissan Motors New Headquarters Bldg.	Mori Trust	-	-	Fixed term building lease	9/30/2008	Nissan Motors	-	A-
Mita MT Bldg.	Mori Kanko Trust	-	-	Fixed term building lease	11/30/2008	Hitachi Electronics Services & others	-	-
Marubeni Osaka Headquarters Bldg.	Marubeni	BBB+	BB+	Fixed term building lease	9/30/2012	-	-	-
Shin-Yokohama TECH Bldg.	Fujitsu & others	-	A	Building lease	2/28/2005 (with Fujitsu)	-	-	-
Ito-Yokado Shonandai	Ito-Yokado	AAA	AA+	Building lease	11/20/2022 (No cancellation until 11/20/2017)	-	-	-
Cresse Inage	Daiwa Kosho Lease	-	-	Commercial lease	6/2/2023	Sekichu Home Center & others	-	-
Ito-Yokado Shin-Urayasu	Ito-Yokado	AAA	AA+	Building lease	7/29/2020 (No cancellation until 7/29/2017)	-	-	-

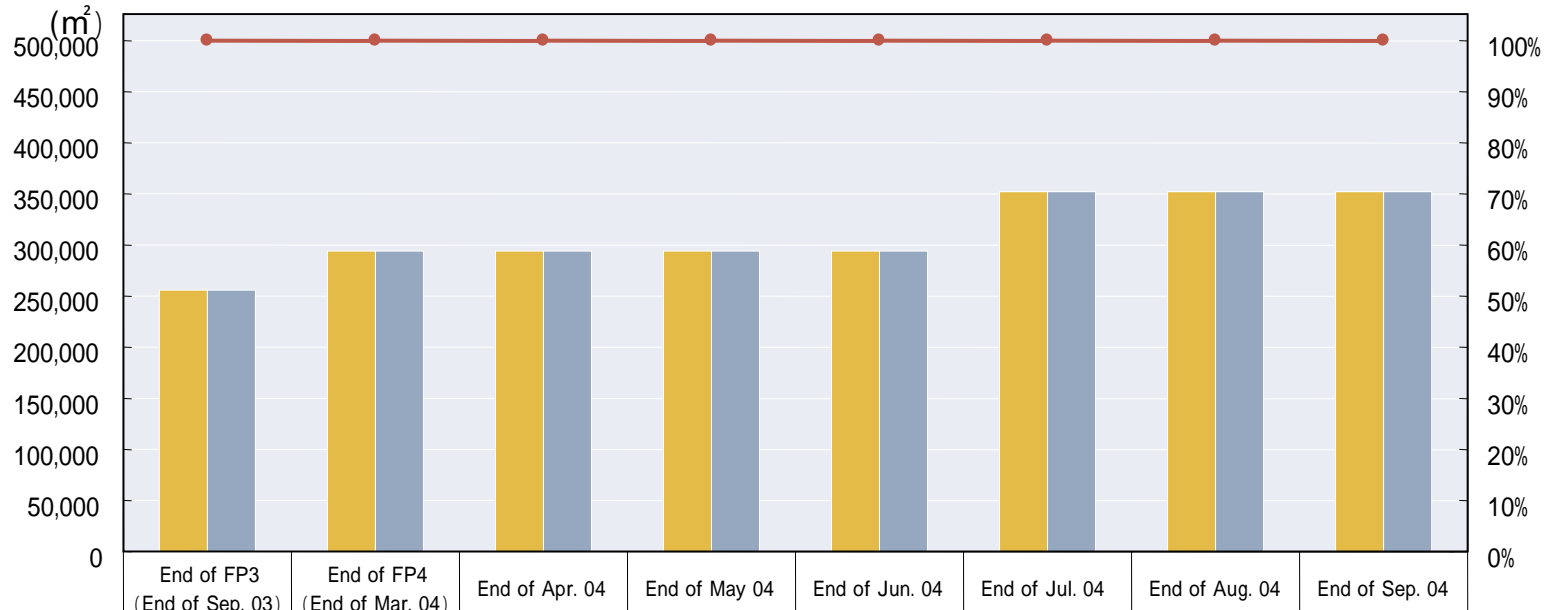
1Most recent tenant rating. JCR rating not on request but done based mainly on public information

Distribution of Contract Duration



Tenants and Contracts

Operating Rate



Total rentable area(m ²)	254,950.65	294,362.40	294,362.40	294,362.40	294,362.40	351,983.78	351,983.78	351,983.78
Total rent area (m ²)	254,950.65	294,362.40	294,362.40	294,362.40	294,362.40	351,983.78	351,983.78	351,983.78
Portfolio operating rate	100%	100%	100%	100%	100%	100%	100%	100%

Cresse Inage	100%	100%	100%	100%	100%	100%	100%	100%
Marubeni Osaka Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shonandai	100%	100%	100%	100%	100%	100%	100%	100%
Hitachi Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%
Nissan Motors New Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%
Shin-Yokohama TECH Bldg.	-	100%	100%	100%	100%	100%	100%	100%
Mita MT Bldg.	-	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shin-Urayasu	-	-	-	-	-	100%	100%	100%

Interest-Bearing Debt

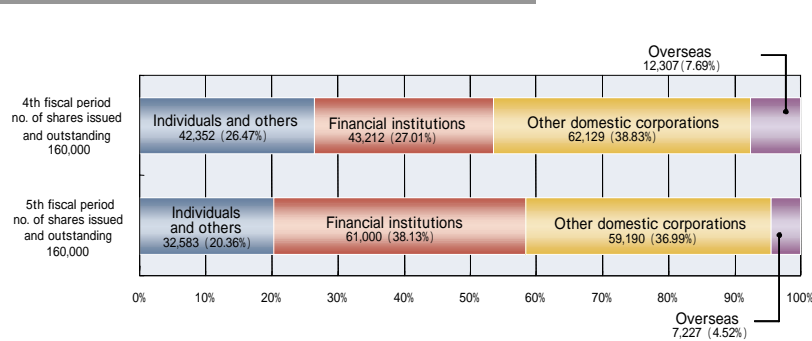
Loans (as of end of September 2004)

- Procurement of 11,000 million yen low-interest short-term loan (end of July 2004)
- End-of-period interest-bearing debt to total assets (loan to value: LTV) ratio = 28.1%
- Ratio of long-term interest-bearing debt = 38.8%, fixed interest loans = 22.2%

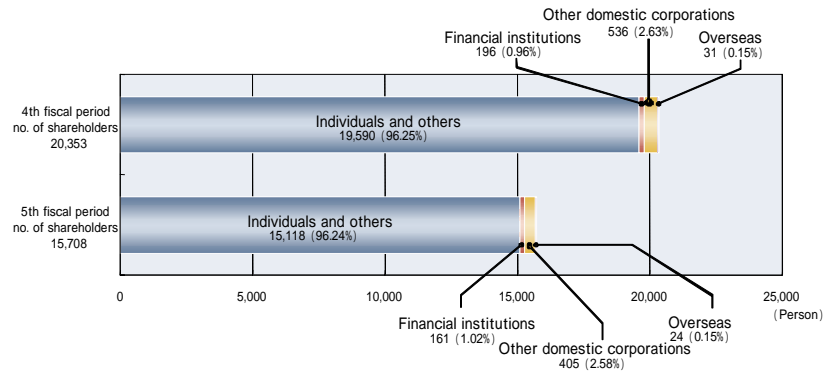
	Lender	Drawdown date	Amount (millions of yen)	Interest rate	Maturity	Duration (year)	Repayment method	Remarks	
Short-term loans	The Bank of Tokyo-Mitsubishi, Ltd.	2004/7/30	11,000	0.40%	05/31/05	0.8	Bullet Payment	Unsecured Non-Guaranteed	
			3,000	0.49%	02/28/05	1			
	UFJ Bank Limited		3,000	0.54%					
	Sumitomo Mitsui Banking Corporation	2004/3/26	1,000	0.59%					
	The Mitsubishi Trust and Banking Corporation		3,000	0.54%					
	The Hachijuni Bank, Ltd.		1,000	0.52%					
Total			22,000	0.46%					
Long-term loans	The Sumitomo Trust & Banking Co., Ltd.	2004/3/26	3,000	0.65%	Floating	02/28/06	2	Bullet Payment	Unsecured Non-Guaranteed
	Sumitomo Mitsui Banking Corporation		2,000	0.70%		02/28/07	3		
	The Hachijuni Bank, Ltd.		1,000	0.65%	Fixed	02/28/07	3		
	The Dai-ichi Mutual Life Insurance Company		2,500	0.93%		02/27/09	5		
	Nippon Life Insurance Company		3,000	1.29%		02/28/11	7		
	Development Bank of Japan		2,500	1.65%					
Total			14,000	1.02%					
Total			36,000	0.68%					

Shareholders

Categories of Shareholders



(Note) "Other domestic corporations" includes one account under name of JASDEC.



Top 10 Shareholders

Name	No. of shares	% of total
Mori Trust Co., Ltd.	27,981	17.49%
Mori Kanko Trust Co., Ltd.	20,000	12.50%
Japan Trustee Services Bank, Ltd. (trust account)	6,762	4.23%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	4,355	2.72%
The Bank of Ikeda, Ltd.	3,911	2.44%
American Life Insurance Company GA-L	3,533	2.21%
North Pacific Bank, Ltd.	3,216	2.01%
The Fuji Fire and Marine Insurance Co., Ltd.	3,086	1.93%
The Master Trust Bank of Japan, Ltd. (trust account)	3,026	1.89%
Kansai Urban Banking Corporation	2,380	1.49%
Total	78,250	48.91%



Operating Strategy

Points

- Diversified investment in retail facilities and others with a focus on large-scale office buildings in central Tokyo
- Aiming to achieve appropriate volume of 400 billion yen for asset size
- Flexible property acquisition using low-leverage advantage
- Property acquisition strategy with exit

Overall Strategy

- Collaboration with Mori Trust Group
- Conservative loan policy enables financing of property acquisitions on a timely basis
- Target Appropriate Volume: 400 billion yen

Growth

- Consistent maintenance and improvement of EPS
- High ROA policy: combination of well-managed investment and cost efficiency

Profitability

Stability

- Benefits of 'master lease contract'
- Long-term relationship with leading companies
- Financial Stability

Acquisition (External Growth) Strategy

Allocation in Line with the Target Portfolio

Build a portfolio centered around the office buildings in central business districts in Tokyo with an amount of diversification in use and geographic location

Target Portfolio

	Central business districts in Tokyo ⁽¹⁾	Other ⁽²⁾	Total
Office buildings	60 ~ 70%	10 ~ 20%	70 ~ 90%
Retail facilities	0 ~ 10%	10 ~ 20%	10 ~ 30%
Other ⁽³⁾			
Total	60 ~ 80%	20 ~ 40%	100%

(1) MTAM defines 6 wards (Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa) as the central business districts (CBDs) in Tokyo.

(2) Includes greater Tokyo (Tokyo excluding CBDs, Kanagawa, Chiba, Saitama) and other major regional cities.

(3) Limited to residential and hotel properties for the time being.

Acquisition (External Growth) Strategy

Market Outlook

- In the real estate market, the number of properties sold by listed companies and others continues to be high, and trading remains active.
- Sales of properties by those outside the construction and real estate sectors continues due to asset-impairment accounting.
- The vacancy rate of A class buildings in the 23 districts of Tokyo reached its peak, but the going rate for rent has not improved.
- In the retail market, overall sales are in a decreasing trend, but the number of shopping centers and their sales are in an increasing trend.

Purpose of Acquisition and Area Strategy

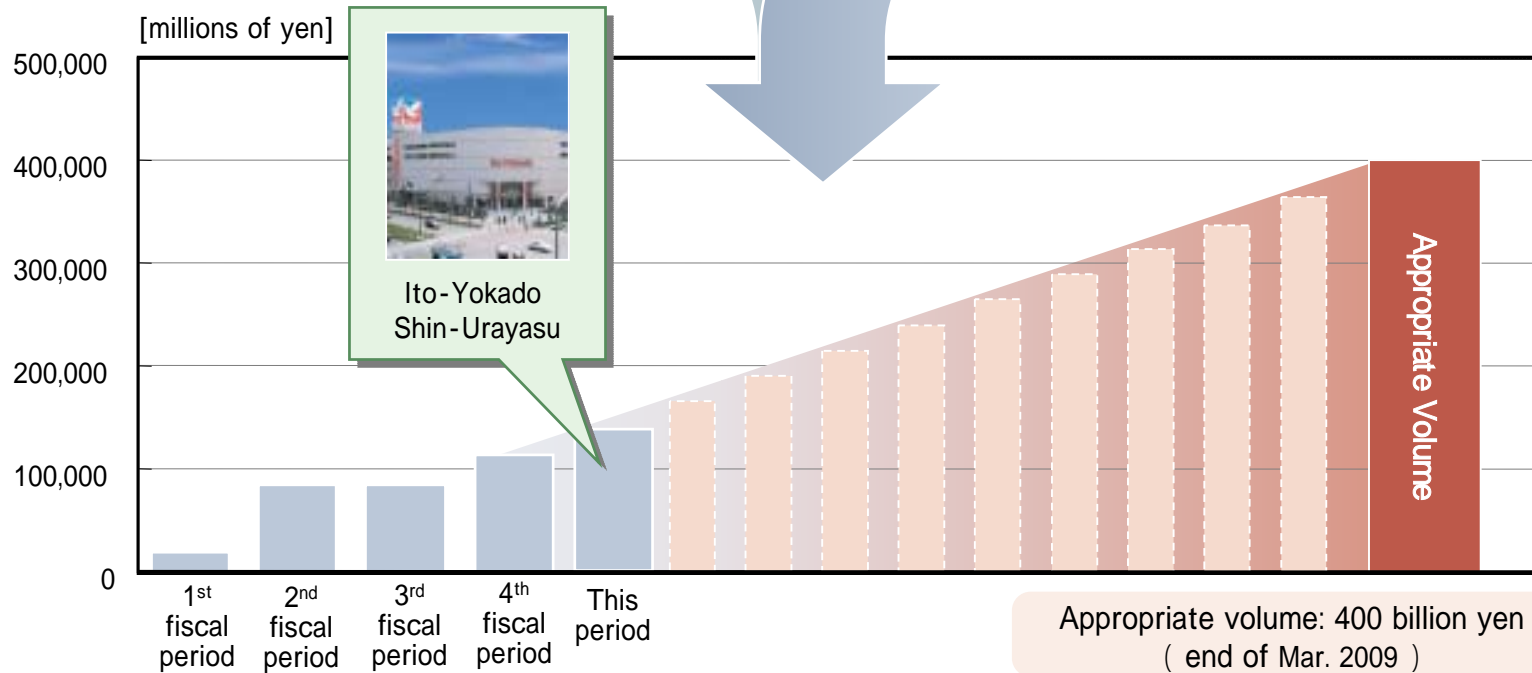
Office Buildings	Large (A-class) office building in CBDs in Tokyo → Properties in other areas are currently unattractive.
Retail Facilities	Shopping centers with significant trading areas, not limited to Tokyo ✓Retail facilities are also attractive for area diversification.
Residential Properties	Limited to high-class residential properties in prestigious areas such as Azabu, Aoyama, and Akasaka in Tokyo
Hotel Properties	Limited to providing master lease to leading companies in lodging industry

Priority

External Growth Strategy: Target Appropriate Volume of 400 billion yen

Partnership with Mori Trust Group


Acquisition through Independent Route



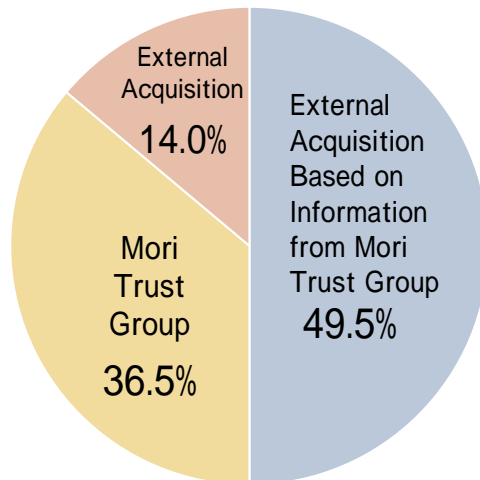
Acquisitions to Date

Property Acquisition

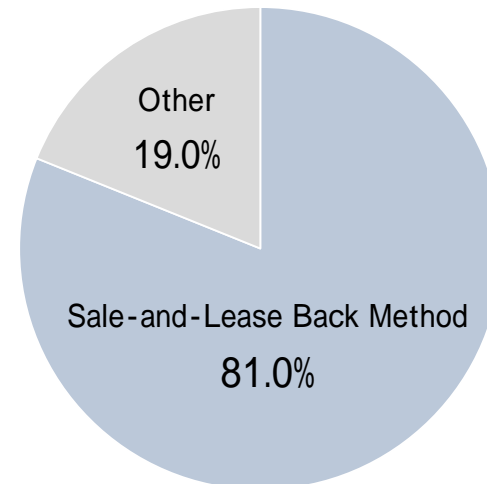
Acquisition from Mori Trust Group	External Acquisition Based on Information from Mori Trust Group	Independent External Acquisition
<ul style="list-style-type: none"> Nissan Motors New Headquarters Building Mita MT Building Ito-Yokado Shonandai 	<ul style="list-style-type: none"> Hitachi Headquarters Building Ito-Yokado Shin-Urayasu Shin-Yokohama TECH Building 	<ul style="list-style-type: none"> Marubeni Osaka Headquarters Building Cresse Inage

 : Acquisition through sale-and-lease back method

Ratio According to Acquisition Source



Sale-and-Lease Back Investment Ratio



Financial Strategy

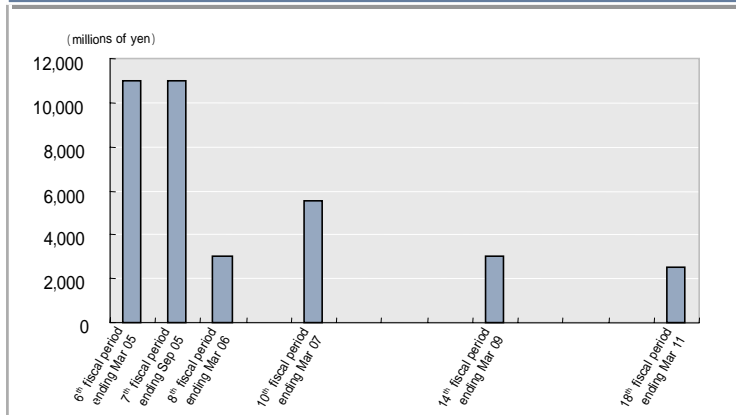
Focus on Stability

- Maintain low loan-to-value (LTV) ratio (up to 30-40%)
- Lengthening duration of loans
- Diversified maturities
- Borrowing from multiple lenders

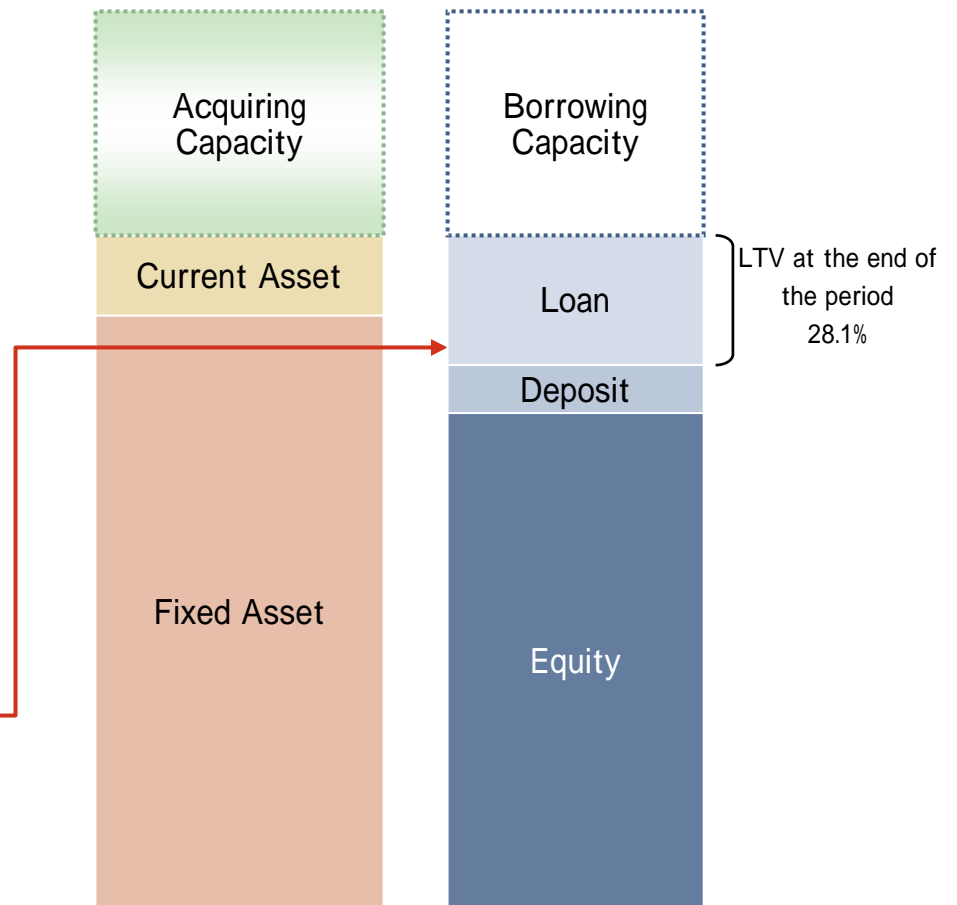
Diversifying Funding Sources

- Planning to obtain corporate rating
- Possibility of issuance of corporate bonds

Diversified Maturities



B/S and Growth Potential at the End of 5th Fiscal Period



Property Acquisition Strategy with Exit

Potential Value of Property

(Assessed Value Including Option Value)

Real Estate Appraisal Value
(Acquisition Price)

- Location Potential
- Redevelopment Value
- Possibility for Different Use
- Other Ways to Increase Value

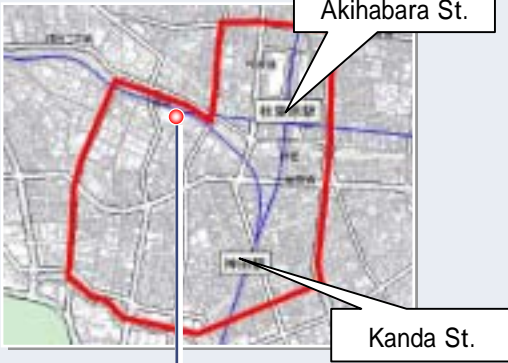
Property Acquisition Strategy with Exit

Location Potential

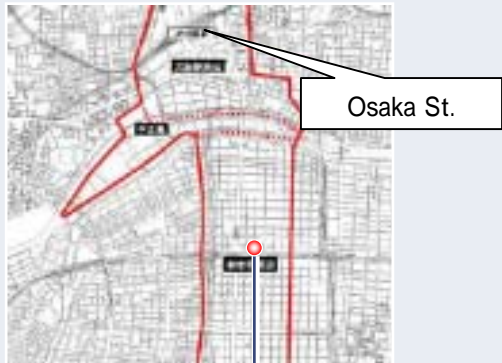
Concentration on “Urgent Development for Urban Revitalization Area”
 (*Toshi Saisei Kinkyu-seibi Chiiki*)



Nissan Motors New Headquarters Building



Hitachi Headquarters Building



Marubeni Osaka Headquarters Building

- These are areas designated for urgent and intensive land development by the Special Measurement Law for Urban Redevelopment (*Toshi Saisei Tokubetsu Sochiho*) as bases of city revitalization.
- Advantages of these areas include the creation of new city planning systems and quick response to city planning proposals.

Source: Land, Infrastructure and Transportation Ministry

Property Acquisition Strategy with Exit

Value Increase through Rebuilding

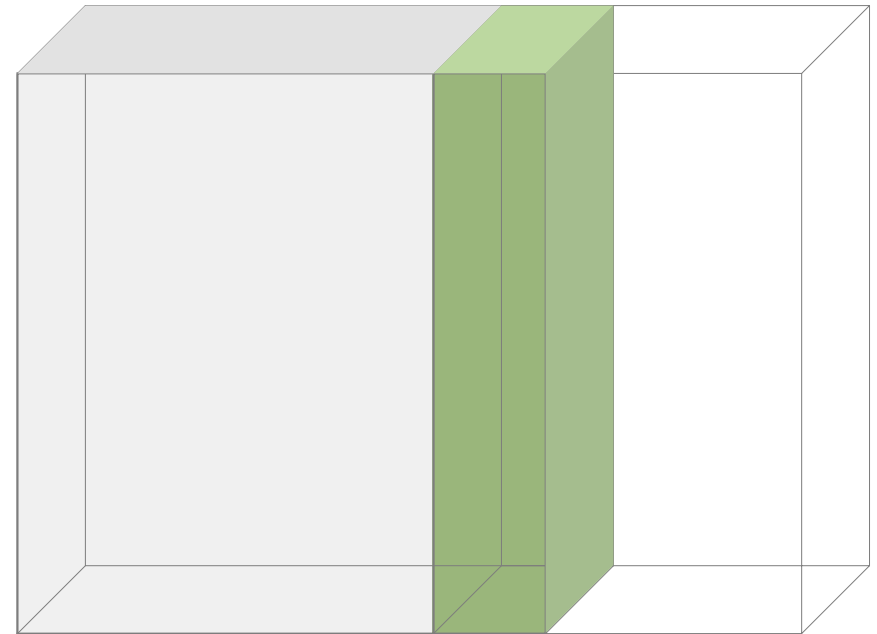
- Expansion of rentable ratio by converting building into efficient multi-tenant building
- Expansion of floor area ratio by using integrated design construction method
- Premium floor area ratio through “Urgent Development for Urban Revitalization Area” designation
- Increase in rent/m² through construction of state-of-the-art building



Considerable Capitalized Value Increase
Through Increase of Cash Flow

**Creation of
Redevelopment Value**

Increase in Floor Area Ratio



**Increase in Rentable
Ratio**

Property Acquisition Strategy with Exit

Case Study for Change of Use

Possibility of converting retail facility to residential use
(Prospect of profit for sale in lots or rental apartment)

Ex) Ito-Yokado Shin-Urayasu

Land area	33,537.07m ²
Floor area ratio	200%
Acquisition price	12,150million yen
per m ² of land	@360,000 yen/m ²
per m ² of space	@180,000 yen/m ²

Condominium

Even with additional investment (construction cost) to 180,000 yen/m² already invested...

The cost of 1 m² in a unit is around 380,000-420,000 yen/m²

→ A single 80m² unit in the condominium can be built for 30-33 million yen

In the actual construction, depending on the city planning restrictions and other factors it may not be possible to use the entire capacity for a condominium. Conversely, using the integrated design system it is possible to get premium floor area. Also, construction costs vary greatly depending on the specifications.

The case above is merely an example. There are no actual plans to change the use of Ito-Yokado Shin-Urayasu.

Internal Growth Strategy

Stability of Revenue Over the Medium to Long Term is Fundamental

- Contracts that minimize the possibility of reductions in income are the key
 - Starting with fixed term building lease contracts, make lease contracts that factor in rent stabilization and contract period diversification among portfolio. Deal flexibly with rent renewal should there be a change in the going rate for rent.
- Adoption of master lease contracts
 - Improve efficiency of operation and management, and reduce multi-tenant risk.
 - Give a degree of stability to profitability with net leases eliminating ordinary repair and maintenance costs.

Repair and Maintenance Policy

- Establishment of “strategic repair plan”
 - Develop 12-year repair and maintenance plan for every property based on the on-site study (revised annually)
 - Develop a capital expenditure plan that ensures competitive edge of real estate and tenant satisfaction over medium to long term
- Reserve funds for repairs
 - Maintain with consideration to the portfolio’s overall depreciation expense and “strategic repair plan”. (End of 5th period cumulative total: 1,472 million yen)
- Monitor the state of implementation at the properties where sublessees pay for repairs as well
 - (1) Receive monthly management conditions report and explanation of its content (all properties).
 - (2) Verify repairs with the strategic repair plan and check the status of implementation.
 - (3) Confirm capital expenditure plan of master lessee (sublessor) beforehand as well (Nissan, Marubeni).

Hitachi Headquarters Building

Hitachi Headquarters Building

- The lease contract between MTR and Mori Trust Co., Ltd. (Mori Trust), and the sublease contract between Mori Trust and Hitachi, Ltd. cannot be cancelled until May 31, 2006. The lessee (sublessee) must continue to pay rent during this period.
- We have already begun leasing activities to secure a tenant for June 2006 and beyond. (The end of the contract was known early, therefore there is plenty of time for leasing activity.)
- In the rare event that the leasing activity does not go well, an optional extension of the master lease contract can be used as shown below in accordance with the “Fixed Term Building Lease Contract Note” in the contract with Mori Trust.

(If this option is used, even if the operating rate at sublessee level is 0% the rent below will be received.)

Fixed Term Building Lease Contract (Recontract) Summary	
Rent	163,333 thousand yen/month
Period	June 1, 2006 to May 31, 2009
Deposit	1,959,996,000 yen

- As for renovation work, we have partnered with a property management company and are examining specific works to be done based on the renovation plan made by MTAM. (We will be finalizing the renovation plan based on the relocation schedule of Hitachi, Ltd., amount of restoration required, and the state of new lease.)

Contact Information

MORI TRUST Asset Management Co., Ltd.

- Financial Department (IR)
 - TEL : 03-5511-2461
 - FAX : 03-5511-2471

MORI TRUST Sogo Reit, Inc. WEB Site

- URL : <http://www.mt-reit.jp/english/>





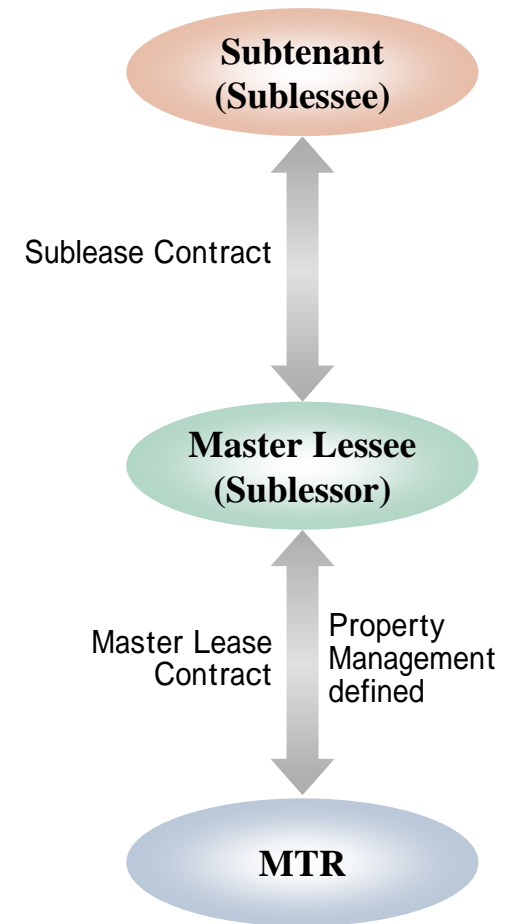
Reference

Benefits of Master Lease Contracts

Improved Stability of Profitability through Master Lease

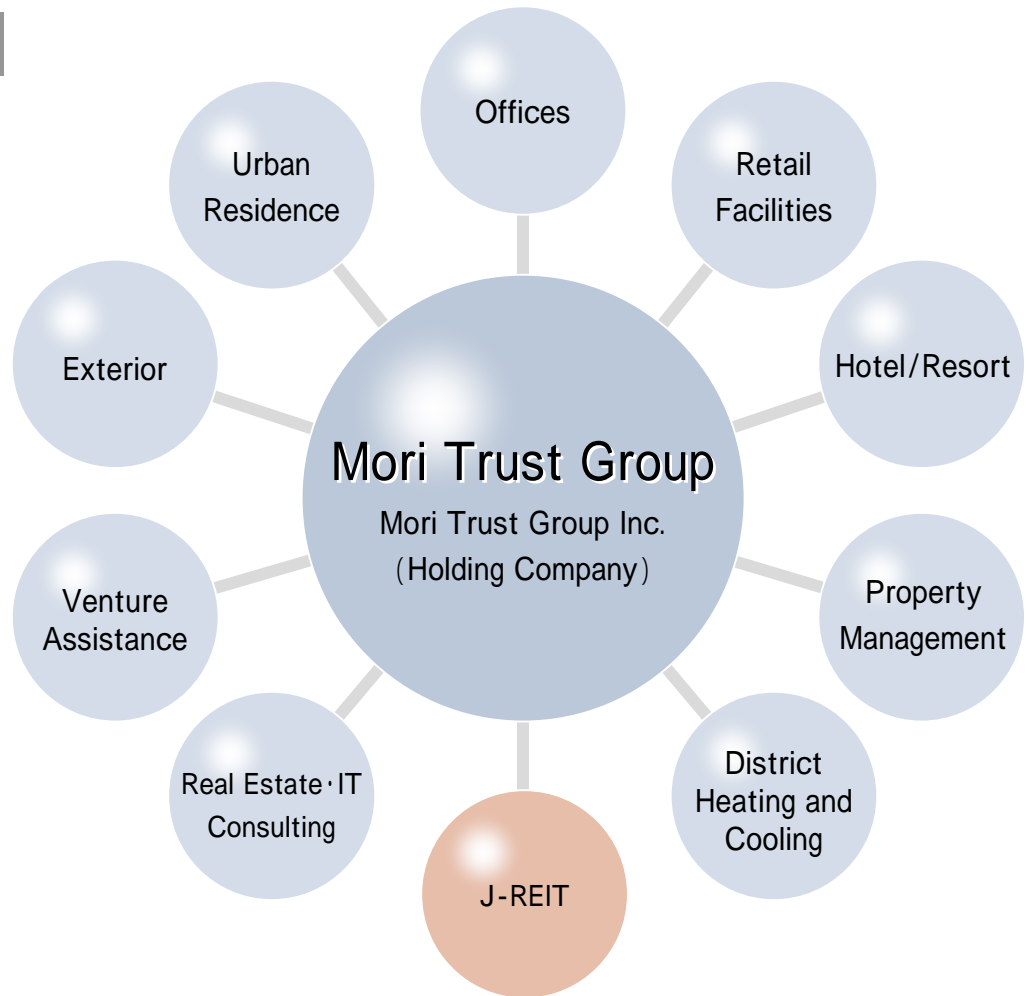
- Stabilization of Profitability
 - Stabilization of rent, with ordinary repair and maintenance costs being the master lessee’s responsibility
- Efficient Operation and Management of Property
 - Delegation of tenant and property management to the master lessee

- **Key Points of a Master Lease Contract (Hitachi Headquarters Building as an Example)**
 - Make refusal of contract renewal by MTR possible through fixed term building lease contract
 - Stabilization of rent (including removal of abatement of rent clause)
 - Fixed contract period
 - Consignment of property management
 - Ordinary repair and maintenance costs are borne by the master lessee



Mori Trust Group Overview and Businesses

Name	Mori Trust Group Inc.
Performance	Sales: 121.1 billion yen, Ordinary income: 28.4 billion yen (fiscal period ended March 2004)
Leased facilities	Buildings: 68, Hotels: 15 (as of the end of April 2004)
Rent area	Approx. 1,550,000 m ² (Commercial buildings: approx. 1,250,000m ² , Hotels: approx. 300,000m ²) (as of the end of April 2004)
Typical portfolio properties	<ul style="list-style-type: none"> • Redevelopment projects Shiroyama Hills (Shiroyama JT Trust Tower, Shiroyama Trust Court, etc.) Gotenyama Hills (Gotenyama Trust Tower, Gotenyama Trust Court, etc.) Shiodome/Hamarikyu Side Project (Tokyo Shiodome Building, etc.) Marunouchi Trust Tower North (completed), Main Tower (planning phase) • Office buildings (other than the above redevelopment projects) Akasaka Twin Towers, ATT New Tower Toranomom 2-chome Tower • Hotels Laforet Club (Laforet Tokyo, Laforet Shuzenji, etc.) Mampei Hotel (Karuzawa) Yokohama Grand Intercontinental Hotel



13 Laforet Club locations, Mampei Hotel, InterContinental The Grand Yokohama