

Report of Independent Auditors

To the Board of Directors and Shareholders of
MORI TRUST Sogo Reit, Inc.

We have audited the accompanying balance sheets of MORI TRUST Sogo Reit, Inc. as of March 31, 2009 and September 30, 2008, and the related statements of income and retained earnings, changes in net assets, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MORI TRUST Sogo Reit, Inc. at March 31, 2009 and September 30, 2008, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young Shinohara LLC

June 11, 2009

FINANCIAL STATEMENTS

BALANCE SHEETS

As of March 31, 2009 and September 30, 2008

	March 31, 2009	September 30, 2008	March 31, 2009
	Thousands of yen		U.S. dollars (Note 1)
Assets			
Current Assets:			
Cash and cash equivalents (Note 11)	¥9,549,977	¥9,182,813	\$97,052,618
Rental and other receivables (Note 9)	65,141	48,732	662,002
Consumption tax refundable	-	211,601	-
Other current assets	32,614	55,674	331,439
Total current assets	9,647,732	9,498,820	98,046,059
Property and Equipment, at Cost: (Note 3)			
Buildings and structures including trust accounts	42,167,676	41,944,383	428,533,295
Machinery and equipment	138,643	138,643	1,408,971
Tools, furniture and fixtures	33,650	22,073	341,969
Land including trust accounts	163,951,360	163,940,582	1,666,172,359
Less: accumulated depreciation	(7,026,401)	(6,154,303)	(71,406,513)
Net property and equipment	199,264,928	199,891,378	2,025,050,081
Investments and Other Assets:			
Deposits	10,000	10,000	101,626
Other	276	276	2,805
Total investments and other assets	10,276	10,276	104,431
Total Assets	¥208,922,936	¥209,400,474	\$2,123,200,571
Liabilities			
Current Liabilities:			
Accounts payable	¥156,429	¥117,973	\$1,589,725
Short-term loans (Note 4)	29,500,000	49,500,000	299,796,748
Long-term loans due within one year (Note 5)	22,650,000	10,000,000	230,182,927
Distributions payable	8,792	9,138	89,349
Consumption taxes payable	266,560	-	2,708,939
Rents received in advance (Note 9)	1,083,414	1,020,571	11,010,307
Accrued expenses and other current liabilities (Note 9)	213,410	253,916	2,168,799
Total current liabilities	53,878,605	60,901,598	547,546,794
Long-Term Liabilities:			
Long-term loans (Note 5)	38,850,000	51,500,000	394,817,073
Leasehold and security deposits including trust accounts (Note 9)	14,415,137	13,738,533	146,495,297
Total long-term liabilities	53,265,137	65,238,533	541,312,370
Total Liabilities	107,143,742	126,140,131	1,088,859,164
Net Assets: (Note 6)			
Shareholders' equity:			
Shares authorized: 2,000,000 shares			
Shares issued and outstanding: 182,000 shares at March 31, 2009 and 160,000 shares at September 30, 2008	97,600,000	80,000,000	991,869,919
Retained earnings	4,179,194	3,260,343	42,471,488
Total Net Assets	101,779,194	83,260,343	1,034,341,407
Total Liabilities and Net Assets	¥208,922,936	¥209,400,474	\$2,123,200,571

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six-month periods ended March 31, 2009 and September 30, 2008

	October 1, 2008 to March 31, 2009	April 1, 2008 to September 30, 2008	October 1, 2008 to March 31, 2009
	Thousands of yen		U.S. dollars (Note 1)
Operating Revenues:			
Rental revenues (Notes 9 and 10)	¥6,895,691	¥5,753,872	\$70,078,165
Operating Expenses:			
Property-related expenses (Note 10)	2,052,791	1,686,267	20,861,699
Asset management fees	231,384	208,634	2,351,468
Custodian and administrative service fees	60,539	46,872	615,231
Other operating expenses	69,938	60,860	710,756
Operating Income	4,481,039	3,751,239	45,539,011
Non-Operating Revenues:			
Interest income	9,329	12,229	94,806
Other non-operating revenues	4,330	1,271	44,003
Non-Operating Expenses:			
Interest expense	619,060	503,483	6,291,253
Investment share issuance expenses	42,831	-	435,279
Extraordinary income:			
Compensation for transfer of head office	347,417	-	3,530,665
Income before Income Taxes	4,180,224	3,261,256	42,481,953
Income Taxes: (Note 7)			
Current	1,057	972	10,738
Deferred	(4)	1	(38)
Net Income	4,179,171	3,260,283	42,471,253
Retained Earnings at the Beginning of Period	23	60	236
Retained Earnings at the End of Period	¥4,179,194	¥3,260,343	\$42,471,489

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

For the six-month periods ended March 31, 2009 and September 30, 2008

	Thousands of yen			U.S. dollars (Note 1)
	Shares	Common shares	Retained earnings	Total net assets
Balance as of March 31, 2008	160,000	¥80,000,000	¥2,817,340	¥82,817,340
Cash dividends paid	-		(2,817,280)	(2,817,280)
Net income	-		3,260,283	3,260,283
Balance as of September 30, 2008	160,000	80,000,000	3,260,343	83,260,343
Additional issuance of new investment shares through third-party allotment on October 1, 2008	22,000	17,600,000		17,600,000
Cash dividends paid	-		(3,260,320)	(3,260,320)
Net income	-		4,179,171	4,179,171
Balance as of March 31, 2009	182,000	¥97,600,000	¥4,179,194	¥101,779,194
				\$1,034,341,407

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the six-month periods ended March 31, 2009 and September 30, 2008

	October 1, 2008 to March 31, 2009	April 1, 2008 to September 30, 2008	October 1, 2008 to March 31, 2009
	Thousands of yen		U.S. dollars (Note 1)
Cash Flows from Operating Activities:			
Income before income taxes	¥4,180,224	¥3,261,256	\$42,481,953
Depreciation and amortization	872,097	800,750	8,862,779
Investment share issuance expenses	42,831	-	435,279
Interest income	(9,329)	(12,228)	(94,806)
Interest expense	619,059	503,483	6,291,253
Changes in assets and liabilities:			
Rental and other receivables	(16,409)	(12,371)	(166,758)
Consumption tax refundable	211,601	(211,601)	2,150,420
Accounts payable and accrued expenses	70,366	(8,367)	715,103
Consumption taxes payable	266,560	(89,129)	2,708,939
Rents received in advance	62,843	183,720	638,647
Other	5,386	32,926	54,725
Subtotal	6,305,229	4,448,439	64,077,534
Interest received	8,546	13,079	86,854
Interest paid	(641,999)	(450,665)	(6,524,377)
Income taxes paid	(160)	(926)	(1,635)
Net cash provided by operating activities	5,671,616	4,009,927	57,638,376
Cash Flows from Investing Activities:			
Purchases of property and equipment including trust accounts	(277,558)	(40,988,391)	(2,820,711)
Repayment of leasehold and security deposits	(1,104,375)	(6,704)	(11,223,327)
Proceeds from leasehold and security deposits including trust accounts	1,780,979	1,665,186	18,099,388
Net cash provided by (used in) investing activities	399,046	(39,329,909)	4,055,350
Cash Flows from Financing Activities:			
Net increase in short-term loans	(20,000,000)	25,000,000	(203,252,033)
Proceeds from long-term loans	3,000,000	15,000,000	30,487,805
Payment of long-term loans	(3,000,000)	-	(30,487,805)
Proceeds from issuance of investment shares	17,557,168	-	178,426,510
Distributions paid to shareholders	(3,260,666)	(2,817,763)	(33,136,851)
Net cash (used in) provided by financing activities	(5,703,498)	37,182,237	(57,962,374)
Net Change in Cash and Cash Equivalents	367,164	1,862,255	3,731,352
Cash and Cash Equivalents at the Beginning of Period	9,182,813	7,320,558	93,321,266
Cash and Cash Equivalents at the End of Period (Note 11)	¥9,549,977	¥9,182,813	\$97,052,618

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the six-month periods ended March 31, 2009 and September 30, 2008

1. ORGANIZATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Organization

MORI TRUST Sogo Reit, Inc. ("MTR"), a Japanese real estate investment corporation, was incorporated on October 2, 2001 under the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law. MTR was originally formed by Mori Trust Co., Ltd., and commenced operations on March 28, 2002 by acquiring a property. MTR is provided professional asset management services of properties of various types by a licensed asset management company, MORI TRUST Asset Management Co., Ltd. ("MTAM"). MTAM is currently owned 65% by Mori Trust Co., Ltd., 10% by PARCO Co., Ltd., 10% by SOMPO JAPAN INSURANCE INC., 5% by Sumitomo Mitsui Banking Corporation, 5% by The Bank of Tokyo-Mitsubishi UFJ, Ltd., and 5% by Mizuho Corporate Bank, Ltd. On February 13, 2004, MTR was listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 8961). As of March 31, 2009, MTR owned a portfolio of 13 properties with a total rentable area of 430,324.51 sq. meters occupied by 29 tenants. The occupancy rate was 99.4%.

Basis of presentation of financial statements

MTR maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), including provisions set forth in the Investment Trust Law, the Financial Instruments and Exchange Law of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying financial statements are a translation of the financial statements of MTR, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of MTR filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥98.40 = U.S.\$1.00, the foreign exchange rate prevailing on March 31, 2009, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that or any other rate. MTR does not prepare consolidated financial statements as it has no subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. The costs of land, buildings and building improvements include the purchase prices of properties, legal fees and acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets ranging as follows:

Buildings including trust accounts.....	3 - 41 years
Structures including trust accounts.....	2 - 20 years
Machinery and equipment.....	3 - 17 years
Tools, furniture and fixtures.....	3 - 15 years

Expenditures for repairs and maintenance are charged to income as incurred. Significant renewals and betterments are capitalized.

Revenue recognition

Revenues from leasing of investment properties are recognized as rent accrued over the lease period.

Deferred assets

All costs associated with the issuance of the new investment shares are expensed as incurred.

Taxes on property and equipment

Property and equipment is subject to property taxes and city planning taxes on a calendar year basis. These taxes are generally expensed during the period. The sellers of the properties were liable for property taxes for the calendar year including the period from the date of purchase by MTR through the end of the year since the taxes were imposed on the registered owners as of January 1, based on assessments made by local governments. MTR paid amounts equivalent to the property taxes to the respective sellers applicable to the period commencing from the dates of purchase of the respective properties by MTR through the year end and included these amounts in the purchase prices of the respective properties and capitalized them as cost of such properties.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks and short-term investments which are highly liquid, readily convertible to cash and with an insignificant risk of price fluctuation, and with an original maturity of three months or less.

Accounting treatment of beneficiary interests in trust assets including real estate

For trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust as well as all income generated and expenses incurred from assets in trust are recorded in the relevant balance sheets and statements of income and retained earnings accounts.

Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the accompanying statements of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in current assets and the excess of amounts withheld over payments is included in current liabilities.

3. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2009 and September 30, 2008 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of March 31, 2009		As of September 30, 2008		As of March 31, 2009	
	Acquisition Cost	Book Value	Acquisition Cost	Book Value	Acquisition Cost	Book Value
Land	¥112,996,043	¥112,996,043	¥112,996,043	¥112,996,043	\$1,148,333,772	\$1,148,333,772
Buildings and structures	28,493,199		28,421,975		289,565,029	
Accumulated depreciation	(5,689,810)	22,803,389	(5,154,496)	23,267,479	(57,823,258)	231,741,771
Machinery and equipment	136,365		136,365		1,385,824	
Accumulated depreciation	(65,047)	71,318	(58,581)	77,784	(661,048)	724,776
Tools, furniture and fixtures	33,650		22,073		341,969	
Accumulated depreciation	(7,654)	25,996	(5,686)	16,387	(77,788)	264,181
Land in trust	50,955,317	50,955,317	50,944,539	50,944,539	517,838,587	517,838,587
Buildings and structures in trust	13,674,477		13,522,408		138,968,266	
Accumulated depreciation	(1,263,434)	12,411,043	(935,426)	12,586,982	(12,839,780)	126,128,486
Machinery and equipment in trust	2,278		2,278		23,147	
Accumulated depreciation	(456)	1,822	(114)	2,164	(4,639)	18,508
Total		¥199,264,928		¥199,891,378		\$2,025,050,081

4. SHORT-TERM LOANS

Short-term loans at March 31, 2009 and September 30, 2008 consisted of the following:

Lender	Thousands of yen		U.S. dollars		Due on	Use of funds	Note
	As of March 31, 2009	As of September 30, 2008	As of March 31, 2009	Average interest rate (%) (1)			
Mizuho Corporate Bank, Ltd.	-	¥10,000,000	-	-	-		
Sumitomo Mitsui Banking Corporation	-	7,000,000	-	-	-		
Mizuho Corporate Bank, Ltd.	-	6,000,000	-	-	-		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	3,000,000	-	-	-		
The Sumitomo Trust & Banking Co., Ltd.	-	1,000,000	-	-	-		
Sumitomo Mitsui Banking Corporation	-	1,000,000	-	-	-		
Mizuho Corporate Bank, Ltd.	¥5,000,000	5,000,000	\$ 50,813,008	1.23	August 31, 2009		
Mizuho Corporate Bank, Ltd.	4,000,000	4,000,000	40,650,407	1.23	August 31, 2009		
The Sumitomo Trust & Banking Co., Ltd.	4,500,000	4,500,000	45,731,706	1.23	August 31, 2009		
Mitsubishi UFJ Trust & Banking Corporation	4,500,000	4,500,000	45,731,706	1.23	August 31, 2009		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	2,000,000	20,325,204	1.23	August 31, 2009		
Sumitomo Mitsui Banking Corporation	1,000,000	1,000,000	10,162,602	1.23	August 31, 2009	(2)	(3)
The Joyo Bank, Ltd.	500,000	500,000	5,081,301	1.23	August 31, 2009		
Mizuho Corporate Bank, Ltd.	6,000,000	-	60,975,610	1.32	February 26, 2010		
The Sumitomo Trust & Banking Co., Ltd.	1,000,000	-	10,162,602	1.32	February 26, 2010		
Sumitomo Mitsui Banking Corporation	1,000,000	-	10,162,602	1.32	February 26, 2010		
Total short-term loans	¥29,500,000	¥49,500,000	\$ 299,796,748	-	-		

(1) Average interest rate for each loan has been rounded to the second decimal place.

(2) Use of the above funds includes acquisition of real estate or beneficiary interests.

(3) The above loans are unsecured and non-guaranteed with floating rates.

The Company has committed lines of credit of ¥10,000 million (\$101,626 thousand) in the aggregate with one bank to reduce a refinancing risk. The aggregate unused amount of such committed lines of credit was ¥10,000 million (\$101,626 thousand) at March 31, 2009.

5. LONG-TERM LOANS

Long-term loans at March 31, 2009 and September 30, 2008 consisted of the following:

Lender	Thousands of yen		U.S. dollars	Average interest rate (%) (1)	Due on	Use of funds	Note
	As of March 31, 2009	As of September 30, 2008	As of March 31, 2009				
Nippon Life Insurance Company	-	¥3,000,000	-	-	-		
Shinsei Bank, Limited	¥3,000,000	3,000,000	\$ 30,487,804	1.22	August 31, 2009		
Mitsubishi UFJ Trust & Banking Corporation	2,000,000	2,000,000	20,325,204	1.24	August 31, 2009		
The Chiba Bank, Ltd.	1,000,000	1,000,000	10,162,602	1.20	August 31, 2009		
The Sumitomo Trust & Banking Co., Ltd.	1,000,000	1,000,000	10,162,602	1.24	August 31, 2009		
Sumitomo Mitsui Banking Corporation	5,000,000	5,000,000	50,813,008	1.15	February 26, 2010		
Nippon Life Insurance Company	3,000,000	3,000,000	30,487,804	1.09	February 26, 2010		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	3,000,000	30,487,804	1.39	February 26, 2010		
The Sumitomo Trust & Banking Co., Ltd.	2,500,000	2,500,000	25,406,504	1.37	February 26, 2010		
The Dai-ichi Mutual Life Insurance Company	2,000,000	2,000,000	20,325,204	1.09	February 26, 2010		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000,000	4,000,000	40,650,407	1.46	August 31, 2010		
Shinsei Bank, Limited	3,000,000	3,000,000	30,487,804	1.59	February 28, 2011		
Development Bank of Japan Inc.	2,500,000	2,500,000	25,406,504	1.65	February 28, 2011	(2)	(3)
Development Bank of Japan Inc.	2,000,000	2,000,000	20,325,204	1.46	February 28, 2011		
Shinsei Bank, Limited	2,000,000	2,000,000	20,325,204	1.55	February 28, 2011		
Nippon Life Insurance Company	1,000,000	1,000,000	10,162,602	1.46	February 28, 2011		
The Hachijuni Bank, Ltd.	1,000,000	1,000,000	10,162,602	1.55	February 28, 2011		
The Sumitomo Trust & Banking Co., Ltd.	5,000,000	5,000,000	50,813,008	1.58	August 31, 2011		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	3,000,000	30,487,804	1.58	August 31, 2011		
Development Bank of Japan Inc.	1,000,000	1,000,000	10,162,602	1.68	August 31, 2011		
Development Bank of Japan Inc.	4,000,000	4,000,000	40,650,407	1.44	February 29, 2012		
Development Bank of Japan Inc.	2,000,000	2,000,000	20,325,204	1.74	February 29, 2012		
Development Bank of Japan Inc.(4)	3,000,000	-	30,487,804	1.81	August 31, 2012		
The Dai-ichi Mutual Life Insurance Company	2,500,000	2,500,000	25,406,504	1.92	February 28, 2014		
Development Bank of Japan Inc.	3,000,000	3,000,000	30,487,804	1.96	February 27, 2015		
Total long-term loans	¥61,500,000	¥61,500,000	\$ 625,000,000	-	-		

(1) Average interest rate for each loan has been rounded to the second decimal place.

(2) Use of the above funds includes acquisition of real estate or beneficiary interests.

(3) The above loans are unsecured and non-guaranteed with fixed interest rates.

(4) The loan from the "Development Bank of Japan Inc." will be amortized in seven semi-annual installments at the end of each August and February, starting from August 31, 2009 and ending at August 31, 2012. The repayment amounts are ¥75 million (\$762 thousand) from the 1st to 6th installment, and ¥2,550 million (\$25,915 thousand) for the final installment.

(5) The total amounts of long-term loans repayable expected to be repaid during each of the 5 years subsequent to the current balance sheet date are summarized as follows:

Amount of loans	(Thousands of yen) (U.S. dollars)	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
		¥15,650,000	¥15,150,000	¥2,550,000	¥2,500,000
		\$159,044,715	\$153,963,415	\$25,914,634	\$25,406,504

6. NET ASSETS

MTR is required to maintain net assets of at least ¥50 million (\$508 thousand) as required pursuant to the Investment Trust Law.

7. INCOME TAXES

At March 31, 2009 and September 30, 2008, MTR's deferred tax assets consisted mainly of enterprise tax payable which is not deductible for tax purposes. A reconciliation of the tax rate differences between the adjusted statutory tax rate and the effective tax rates for the six months ended March 31, 2009 and September 30, 2008, was as follows:

	October 1, 2008 to March 31, 2009	April 1, 2008 to September 30, 2008
Statutory tax rate	39.33%	39.39%
Deductible dividend distribution	(39.32%)	(39.38%)
Per capita inhabitants' taxes	0.02%	0.02%
Effective tax rates	0.03%	0.03%

MTR is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Law (STML) of Japan, an investment corporation is allowed to deduct dividends of accounting profits, or dividend distributions, paid to investors from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of the investment corporation's taxable income for the accounting period as stipulated in Article 67-15 of the STML. Based on the distribution policy provided by its Articles of Incorporation, MTR made a dividend distribution of approximately 100% of retained earnings in the amount of ¥4,179,084 thousand (\$42,470,366) at March 31, 2009 and treated it as a tax-deductible dividend. MTR does not distribute dividends in excess of accounting profit in accordance with its Articles of Incorporation.

8. PER SHARE INFORMATION

The following table summarizes information about net assets per share and net income per share at March 31, 2009, and September 30, 2008 and for the six-month periods then ended:

	Yen		U.S. dollars
	October 1, 2008 to March 31, 2009	April 1, 2008 to September 30, 2008	October 1, 2008 to March 31, 2009
Net assets per share at period end	¥559,226	¥520,377	\$5,683
Net income per share	22,962	20,376	233
Weighted-average number of shares	182,000	160,000	182,000

In calculating net assets per share, the amount of the net assets has been adjusted for the cash distribution declared in the subsequent period. Net income per share is computed by dividing net income by the weighted-average number of shares outstanding during each period. Diluted net income per share has not been presented since no warrants or convertible bonds were outstanding during the period.

9. RELATED PARTY TRANSACTIONS

MTR entered into the following related party transactions:

(1) Parent company and major corporate shareholders

October 1, 2008 to March 31, 2009

(a)	
Party type	Other related company *
Party name	Mori Trust Co., Ltd.
Address	Tokyo, Japan
Capital	¥10,000,000 thousand (\$101,626,016)
Business	Urban development; hotel management and investment business
Percentage of voting rights held	Direct 38.5%
Concurrent board appointment	-
Business relationship	Leasing
Details of transactions	Rental revenues
Transaction amount	¥1,218,328 thousand (\$12,381,389)
Account name and balance at period end	Rents received in advance ¥90,764 thousand (\$922,402) Rental and other receivables ¥308 thousand (\$3,134) Leasehold and security deposits ¥2,420,860 thousand (\$24,602,235)

April 1, 2008 to September 30, 2008

(a)	
Party type	Other related company *
Party name	Mori Trust Co., Ltd.
Address	Tokyo, Japan
Capital	¥10,000,000 thousand
Business	Urban development; hotel management and investment business
Percentage of voting rights held	Direct 30.0%
Concurrent board appointment	-
Business relationship	Leasing
Details of transactions	Rental revenues
Transaction amount	¥1,474,284 thousand
Account name and balance at period end	Rents received in advance ¥178,880 thousand Rental and other receivables ¥471 thousand Accrued expenses and other current liabilities ¥726 thousand Leasehold and security deposits ¥3,331,122 thousand

* MTR deemed Mori Trust Co., Ltd. to be an "other related company" under Article 8 of Regulations Concerning Financial Statements.

(2) Directors and major individual shareholders: None applicable

(3) Subsidiaries: None applicable

(4) Sister companies:

October 1, 2008 to March 31, 2009: None applicable

April 1, 2008 to September 30, 2008	
Party type	Subsidiary of other related company
Party name	MORI TRUST Asset Management Co., Ltd.
Address	Tokyo, Japan
Capital	¥400,000 thousand
Business	Asset management for investment corporation
% of voting stock held	-
Concurrent board appointment	-
Business relationship	Asset management company
Detail of transaction	Asset management fees
Transaction amount	¥210,134 thousand
Account title and balance at year end	Accrued expenses ¥49,687 thousand

10. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

A breakdown of property-related revenues and expenses for the six-month periods ended March 31, 2009 and September 30, 2008 is summarized as follows:

Rental revenues and property-related expenses

	Thousands of yen		U.S. dollars
	October 1, 2008 to March 31, 2009	April 1, 2008 to September 30, 2008	October 1, 2008 to March 31, 2009
Rental Revenues:	¥6,895,691	¥5,753,872	\$70,078,165
Rental revenues	6,349,424	5,456,353	64,526,668
Common charges	279,794	142,678	2,843,438
Parking revenues	21,640	9,212	219,919
Other rental revenues	244,833	145,629	2,488,140
Property-Related Expenses:	2,052,791	1,686,267	20,861,699
Property management fees	296,455	149,378	3,012,757
Utilities	210,664	130,016	2,140,896
Property and other taxes	520,348	520,381	5,288,087
Casualty insurance	28,723	27,603	291,896
Repairs and maintenance	114,088	50,657	1,159,431
Depreciation	872,097	800,750	8,862,779
Other rental expenses	10,416	7,482	105,853
Profit	¥4,842,900	¥4,067,605	\$49,216,466

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2009 and September 30, 2008 were as follows:

	Thousands of yen		U.S. dollars
	As of March 31, 2009	As of September 30, 2008	As of March 31, 2009
Cash and bank deposits	¥6,402,903	¥6,329,948	\$65,070,155
Cash in trust and deposits in trust	3,147,074	2,852,865	31,982,463
Cash and cash equivalents	¥9,549,977	¥9,182,813	\$97,052,618

12. LEASES

MTR leases properties and earns rental revenues. Future lease revenues subsequent to March 31, 2009 and September 30, 2008 under non-cancelable operating leases were as follows:

	Thousands of yen		U.S. dollars
	As of March 31, 2009	As of September 30, 2008	As of March 31, 2009
Due within one year	¥7,470,118	¥8,169,089	\$75,915,832
Due after one year	46,384,689	49,863,676	471,389,116
Total	¥53,854,807	¥58,032,765	\$547,304,948

13. SUBSEQUENT EVENTS

DISTRIBUTION OF RETAINED EARNINGS

On May 13, 2009, the Board of Directors approved a resolution for the payment of a cash distribution of ¥22,962 per share, aggregating to ¥4,179,084 thousand (\$42,470,366), to its shareholders of record as of March 31, 2009.