

Issuer of Real Estate Investment Trust Securities  
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## **MTR Announces Financial Results for its 20th Fiscal Period**

**Tokyo, May 15, 2012** – MORI TRUST Sogo Reit, Inc. (MTR) has announced financial results for its 20th fiscal period (from October 1, 2011 to March 31, 2012). For the period, MTR recorded operating revenues of 9,014 million yen and income before income taxes of 4,868 million yen. Net income was 4,817 million yen. As a result, distribution per share was 19,504 yen (shares issued and outstanding: 242,000 shares).

At the end of the 20th period, total assets were 289,933 million yen while total net assets were 141,427 million yen. Net assets per share were 584,409 yen.

### **Portfolio profile**

As of the end of the 20th period, MTR had 13 properties with a total book value of 276,876 million yen and total rentable area of 463,293.52m<sup>2</sup>. The occupancy rate on a total rentable area basis for the entire portfolio was 99.5% as of March 31, 2012.

### **Financing**

Total interest-bearing liabilities at the end of the 20th period were 134,000 million yen, of which long-term loans totaled 101,500 million yen (including long-term loans scheduled for repayment within one year) and investment corporation bonds totaled 10,000 million yen.

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## Forecasts

Based on the assumptions and information available at the end of the 20th period, MTR's projections of operating results for the 21st and 22nd periods (21st period: April 1, 2012 – September 30, 2012; 22nd period: October 1, 2012 to March 31, 2013) are as follows:

	21st Fiscal period	22nd Fiscal period
Operating revenues	8,644 million yen	8,386 million yen
Net income	4,549 million yen	4,187 million yen
Distribution per share	18,800 yen	17,500 yen

### Assumptions

- MTR assumes that there will be no other change in the ownership of properties in the 21st and 22nd fiscal periods and that it will retain the same 13 properties that it held as of March 31, 2012.
- Assumes the 242,000 investment shares issued and outstanding as of March 31, 2012.
- Rental revenues take into account tenant activity, etc. At the Mita MT Bldg., a major tenant is expected to leave the leased premises as of November 30, 2012. Although a new tenant had not been found as of May 15, 2012, MTR assumes that there will be a certain level of tenant occupancy after December 2012 in calculating operating revenues for the 22nd period, given factors including the current status of leasing activities, the competitive position of the property and the market environment.
- In calculating dividend payments for the 22nd period, MTR assumes that it will use 72 million yen for dividend payments out of the 147 million yen (aggregate sum of the reserve for advanced depreciation and income taxes-deferred) gained from the partial disposal of Frespo Inage on February 29, 2012. This gain was added to retained earnings as per the "special provision concerning taxation relating to the advance acquisition of land in 2009 and 2010."

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## FINANCIAL STATEMENTS

### BALANCE SHEETS

As of March 31, 2012 and September 30, 2011

	March 31, 2012	September 30, 2011
	Thousands of yen	
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	¥12,864,594	¥8,618,609
Rental and other receivables	72,746	100,404
Other current assets	39,090	49,861
Total current assets	12,976,430	8,768,874
<b>Property and Equipment, at Cost:</b>		
Buildings and structures including trust accounts	65,210,169	64,985,343
Machinery and equipment including trust accounts	131,155	130,835
Tools, furniture and fixtures including trust accounts	119,626	118,622
Land including trust accounts	224,892,957	227,086,220
Construction in progress	5,573	-
Less: accumulated depreciation	(13,477,126)	(12,185,029)
Net property and equipment	276,882,354	280,135,991
<b>Investments and Other Assets:</b>		
Deposits	10,000	10,000
Long-term prepaid expenses	23,829	-
Deferred investment corporation bond issuance costs	37,746	18,901
Other	3,392	3,392
Total investments and other assets	74,967	32,293
<b>Total Assets</b>	<b>¥289,933,751</b>	<b>¥288,937,158</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	¥276,898	¥217,676
Short-term loans	22,500,000	22,500,000
Long-term loans due within one year	36,300,000	27,875,000
Distributions payable	15,849	17,293
Consumption taxes payable	182,357	121,527
Rents received in advance	1,394,519	1,411,656
Accrued expenses and other current liabilities	597,074	609,301
Total current liabilities	61,266,697	52,752,453
<b>Long-Term Liabilities:</b>		
Investment corporation bonds	10,000,000	5,000,000
Long-term loans	65,200,000	77,825,000
Leasehold and security deposits including trust accounts	11,989,535	12,195,874
Deferred tax liabilities	50,510	-
Total long-term liabilities	87,240,045	95,020,874
<b>Total Liabilities</b>	<b>148,506,742</b>	<b>147,773,327</b>
<b>Net Assets:</b>		
Shareholders' equity:		
Shares authorized: 2,000,000 shares		
Shares issued and outstanding: 242,000 shares	136,609,600	136,609,600
Retained earnings	4,817,409	4,554,231
<b>Total Net Assets</b>	<b>141,427,009</b>	<b>141,163,831</b>
<b>Total Liabilities and Net Assets</b>	<b>¥289,933,751</b>	<b>¥288,937,158</b>

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

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## STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six-month periods ended March 31, 2012 and September 30, 2011

	October 1, 2011 to March 31, 2012	April 1, 2011 to September 30, 2011
Thousands of yen		
<b>Operating Revenues:</b>		
Rental revenues	¥8,767,368	¥8,801,972
Gain on sale of investment properties	246,877	-
<b>Operating Expenses:</b>		
Property-related expenses	2,847,697	2,904,057
Asset management fees	277,371	275,746
Custodian and administrative service fees	55,891	62,113
Other operating expenses	76,911	62,997
<b>Operating Income</b>	<b>5,756,375</b>	<b>5,497,059</b>
<b>Non-Operating Revenues:</b>		
Interest income	817	764
Other non-operating revenues	5,312	825
<b>Non-Operating Expenses:</b>		
Interest expense	864,921	918,503
Interest expense on investment corporation bonds	24,082	20,977
Amortization of investment corporation bond issuance costs	4,581	3,939
<b>Extraordinary Income</b>		
Subsidy	38,341	-
<b>Extraordinary Loss</b>		
Loss on reduction of noncurrent assets	38,341	-
<b>Income before Income Taxes</b>	<b>4,868,920</b>	<b>4,555,229</b>
<b>Income Taxes:</b>		
Current	1,034	1,012
Deferred	50,510	(2)
<b>Net Income</b>	<b>4,817,376</b>	<b>4,554,219</b>
<b>Retained Earnings at the Beginning of Period</b>	<b>33</b>	<b>12</b>
<b>Retained Earnings at the End of Period</b>	<b>¥4,817,409</b>	<b>¥4,554,231</b>

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, 2012 and September 30, 2011

	Thousands of yen			
	Shares	Common shares	Retained earnings	Total net assets
<b>Balance as of March 31, 2011</b>	242,000	¥136,609,600	¥4,957,624	¥141,567,224
Cash dividends paid	-		(4,957,612)	(4,957,612)
Net income	-		4,554,219	4,554,219
<b>Balance as of September 30, 2011</b>	242,000	136,609,600	4,554,231	141,163,831
Cash dividends paid	-		(4,554,198)	(4,554,198)
Net income	-		4,817,376	4,817,376
<b>Balance as of March 31, 2012</b>	242,000	¥136,609,600	¥4,817,409	¥141,427,009

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## STATEMENTS OF CASH FLOWS

For the six-month periods ended March 31, 2012 and September 30, 2011

	October 1, 2011 to March 31, 2012	April 1, 2011 to September 30, 2011
	Thousands of yen	
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	¥4,868,920	¥4,555,229
Depreciation and amortization	1,292,097	1,341,217
Amortization of investment corporation bond issuance costs	4,581	3,939
Interest income	(817)	(764)
Interest expense	889,003	939,480
Subsidy	(38,341)	-
Loss on reduction of noncurrent assets	38,341	-
Changes in assets and liabilities:		
Rental and other receivables	27,659	(16,154)
Accounts payable and accrued expenses	27,089	(3,832)
Consumption taxes refundable	-	(712)
Consumption taxes payable	60,830	(249,558)
Rents received in advance	(17,137)	5,527
Decrease due to sale of investment property	2,193,263	-
Other	(22,994)	141,345
Subtotal	9,322,494	6,715,717
Interest received	817	779
Interest paid	(891,305)	(943,337)
Payment for loss on disaster	-	(14,240)
Income taxes paid	(1,023)	(763)
<b>Net cash provided by operating activities</b>	<b>8,430,983</b>	<b>5,758,156</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment including trust accounts	(237,931)	(204,229)
Repayment of leasehold and security deposits including trust accounts	(240,328)	(10,220)
Proceeds from leasehold and security deposits including trust accounts	33,989	190,553
Subsidy	38,341	-
<b>Net cash used in investing activities</b>	<b>(405,929)</b>	<b>(23,896)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from long-term loans	5,000,000	10,000,000
Repayment of long-term loans	(9,200,000)	(9,200,000)
Proceeds from issuance of investment corporation bonds	5,000,000	-
Payments of investment corporation bond issuance costs	(23,427)	-
Distributions paid to shareholders	(4,555,642)	(4,955,858)
<b>Net cash used in financing activities</b>	<b>(3,779,069)</b>	<b>(4,155,858)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>4,245,985</b>	<b>1,578,402</b>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>8,618,609</b>	<b>7,040,207</b>
<b>Cash and Cash Equivalents at the End of Period</b>	<b>¥12,864,594</b>	<b>¥8,618,609</b>

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## Portfolio Overview

(As of March 31, 2012)

Property Name	Location	Appraisal Value (Millions of yen)	Rent Area (m <sup>2</sup> )	Rentable Area (m <sup>2</sup> )	Occupancy Rate	Number of Tenants	Rental Revenues in 20h Fiscal Period (Thousands of yen)	Percent of Total Rental Revenue
Ginza MTR Building	Chuo-ku, Tokyo	15,500	13,629.99	13,637.38	99.9%	5	- (Note 1)	- (Note 1)
Mita MT Building	Minato-ku, Tokyo	17,100	15,419.88	15,419.88	100.0%	3	749,486	8.5%
Marubeni Osaka Headquarters Building	Osaka, Osaka	9,790	41,574.47	41,574.47	100.0%	1	600,177	6.8%
Shin-Yokohama TECH Building	Yokohama, Kanagawa	4,030	16,428.58	18,359.46	89.5%	8	397,577	4.5%
Osaki MT Building	Shinagawa-ku, Tokyo	15,700	22,634.06 (Note 2)	22,634.06 (Note 2)	100.0% (Note 3)	1 (Note 3)	430,909	4.9%
ON Building	Shinagawa-ku, Tokyo	31,400	20,654.60	20,654.60	100.0%	1	- (Note 1)	- (Note 1)
Tokyo Shiodome building	Minato-ku, Tokyo	111,500	95,697.03 (Note 4)	95,697.03 (Note 4)	100.0%	1	2,795,000	31.9%
Ito-Yokado Shonandai	Fujisawa, Kanagawa	11,800	53,393.66	53,393.66	100.0%	1	395,045	4.5%
Frespo Inage	Chiba, Chiba	2,690	39,556.71	39,556.71	100.0%	1	218,058	2.5%
Ito-Yokado Shin-Urayasu	Urayasu, Chiba	11,100	57,621.38	57,621.38	100.0%	1	378,165	4.3%
Shinbashi Ekimae MTR Building	Minato-ku, Tokyo	18,700	8,055.00	8,055.00	100.0%	1	459,000	5.2%
Park Lane Plaza	Shibuya-ku, Tokyo	3,000	4,295.99	4,443.03	96.7%	17 (Note 5)	99,689	1.1%
Hotel Okura Kobe	Kobe, Hyogo	15,400	72,246.86	72,246.86	100.0%	1	646,208	7.4%
Total		267,710	461,208.21	463,293.52	99.5%	42	8,767,368	100.0%

Notes 1: For reasons beyond the control of the Company, rental revenues for Ginza MTR Building and for ON Building are not disclosed.

Notes 2: Both the total rent areas and total rentable areas of Osaki MT Building are 26,980.68 m<sup>2</sup>. 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.

Notes 3: A master lease agreement under which rent income is linked to rents under sublease agreements has been concluded for Osaki MT Bldg. The occupancy rate under sublease agreements is 92.7%, and the number of tenants is eight.

Notes 4: Both the total rent and total rentable areas of Tokyo Shiodome Building are 191,394.06 m<sup>2</sup>. The rent area and rentable area identified in the above table represent MTR's co-ownership portion calculated at a ratio of 50/100.

Notes 5: If a tenant has concluded lease agreements for more than one apartment in Park Lane Plaza, the number of apartments is deemed to be the number of tenants.

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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 20th fiscal period from October 1, 2011 to March 31, 2012, 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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