



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 September 30, 2008 and March 31, 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 September 30, 2008 and March 31, 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.

As described in Note 13 to the financial statements, MORI TRUST Sogo Reit, Inc. has issued new shares.

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended September 30, 2008 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 ShinNihon LLC

December 9, 2008

FINANCIAL STATEMENTS

BALANCE SHEETS

As of September 30, 2008 and March 31, 2008

	September 30, 2008	March 31, 2008	September 30, 2008
	Thousands of yen		U.S. dollars (Note 1)
Assets			
Current Assets:			
Cash and cash equivalents (Note 11)	¥9,182,813	¥7,320,558	\$87,380,460
Rental and other receivables (Note 9)	48,732	37,855	463,717
Consumption tax refundable	211,601	-	2,013,525
Other current assets	55,674	29,860	529,778
Total current assets	9,498,820	7,388,273	90,387,480
Property and Equipment, at Cost: (Note 3)			
Buildings and structures including trust accounts	41,944,383	36,132,812	399,128,211
Machinery and equipment	138,643	135,155	1,319,277
Tools, furniture and fixtures	22,073	19,738	210,038
Land including trust accounts	163,940,582	128,854,043	1,560,001,730
Less: accumulated depreciation	(6,154,303)	(5,353,554)	(58,562,217)
Net property and equipment	199,891,378	159,788,194	1,902,097,039
Investments and Other Assets:			
Deposits	10,000	10,000	95,156
Other	276	276	2,626
Total investments and other assets	10,276	10,276	97,782
Total Assets	¥209,400,474	¥167,186,743	\$1,992,582,301
Liabilities			
Current Liabilities:			
Accounts payable	¥117,973	¥210,797	\$1,122,592
Short-term loans (Note 4)	49,500,000	24,500,000	471,024,836
Long-term loans due within one year (Note 5)	10,000,000	3,000,000	95,156,532
Distributions payable	9,138	9,621	86,955
Consumption taxes payable	-	89,129	-
Rents received in advance (Note 9)	1,020,571	836,851	9,711,403
Accrued expenses and other current liabilities (Note 9)	253,916	142,954	2,416,172
Total current liabilities	60,901,598	28,789,352	579,518,490
Long-Term Liabilities:			
Long-term loans (Note 5)	51,500,000	43,500,000	490,056,142
Leasehold and security deposits including trust accounts (Note 9)	13,738,533	12,080,051	130,731,114
Total long-term liabilities	65,238,533	55,580,051	620,787,256
Total Liabilities	126,140,131	84,369,403	1,200,305,746
Net Assets: (Note 6)			
Shareholders' equity:			
Shares authorized: 2,000,000 shares			
Shares issued and outstanding: 160,000 shares	80,000,000	80,000,000	761,252,260
Retained earnings	3,260,343	2,817,340	31,024,295
Total Net Assets	83,260,343	82,817,340	792,276,555
Total Liabilities and Net Assets	¥209,400,474	¥167,186,743	\$1,992,582,301

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

STATEMENTS OF INCOME AND RETAINED EARNINGS

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

	April 1, 2008 to September 30, 2008	October 1, 2007 to March 31, 2008	April 1, 2008 to September 30, 2008
	Thousands of yen		U.S. dollars (Note 1)
Operating Revenues:			
Rental revenues (Notes 9 and 10)	¥5,753,872	¥5,260,109	\$54,751,849
Operating Expenses:			
Property-related expenses (Note 10)	1,686,267	1,727,998	16,045,934
Asset management fees	208,634	185,721	1,985,285
Custodian and administrative service fees	46,872	45,820	446,017
Other operating expenses	60,860	48,190	579,119
Operating Income	3,751,239	3,252,380	35,695,494
Non-Operating Revenues:			
Interest income	12,229	13,289	116,362
Other non-operating revenues	1,271	2,586	12,098
Non-Operating Expenses:			
Interest expense	503,483	449,963	4,790,972
Income before Income Taxes	3,261,256	2,818,292	31,032,982
Income Taxes: (Note 7)			
Current	972	1,004	9,247
Deferred	1	(1)	16
Net Income	3,260,283	2,817,289	31,023,719
Retained Earnings at the Beginning of Period	60	51	576
Retained Earnings at the End of Period	¥3,260,343	¥2,817,340	\$31,024,295

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

STATEMENTS OF CHANGES IN NET ASSETS

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

	Thousands of yen			U.S. dollars (Note 1)	
	Shares	Common shares	Retained earnings	Total net assets	Total net assets
Balance as of September 30, 2007	160,000	¥80,000,000	¥3,082,292	¥83,082,292	
Cash dividends paid	-		(3,082,241)	(3,082,241)	
Net income	-		2,817,289	2,817,289	
Balance as of March 31, 2008	160,000	80,000,000	2,817,340	82,817,340	\$788,061,095
Cash dividends paid	-		(2,817,280)	(2,817,280)	(26,808,259)
Net income	-		3,260,283	3,260,283	31,023,719
Balance as of September 30, 2008	160,000	¥80,000,000	¥3,260,343	¥83,260,343	\$792,276,555

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

STATEMENTS OF CASH FLOWS

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

	April 1, 2008 to September 30, 2008	October 1, 2007 to March 31, 2008	April 1, 2008 to September 30, 2008
	Thousands of yen		U.S. dollars (Note 1)
Cash Flows from Operating Activities:			
Income before income taxes	¥3,261,256	¥2,818,292	\$31,032,982
Depreciation and amortization	800,750	758,178	7,619,655
Interest income	(12,228)	(13,289)	(116,362)
Interest expense	503,483	449,963	4,790,972
Changes in assets and liabilities:			
Rental and other receivables	(12,371)	4,432	(117,715)
Consumption tax refundable	(211,601)	-	(2,013,525)
Accounts payable and accrued expenses	(8,367)	(83,529)	(79,613)
Consumption taxes payable	(89,129)	36,922	(848,124)
Rents received in advance	183,720	(66,201)	1,748,218
Other	32,926	(34,593)	313,319
Subtotal	4,448,439	3,870,175	42,329,807
Interest received	13,079	13,509	124,457
Interest paid	(450,665)	(446,869)	(4,288,377)
Income taxes paid	(926)	(1,040)	(8,815)
Net cash provided by operating activities	4,009,927	3,435,775	38,157,072
Cash Flows from Investing Activities:			
Purchases of property and equipment including trust accounts	(40,988,391)	(466,407)	(390,031,321)
Repayment of leasehold and security deposits	(6,704)	(1,263,287)	(63,793)
Proceeds from leasehold and security deposits including trust accounts	1,665,186	1,161,843	15,845,334
Net cash used in investing activities	(39,329,909)	(567,851)	(374,249,780)
Cash Flows from Financing Activities:			
Net increase in short-term loans	25,000,000	-	237,891,331
Proceeds from long-term loans	15,000,000	-	142,734,799
Distributions paid to shareholders	(2,817,763)	(3,083,019)	(26,812,854)
Net cash provided by (used in) financing activities	37,182,237	(3,083,019)	353,813,276
Net Change in Cash and Cash Equivalents	1,862,255	(215,095)	17,720,568
Cash and Cash Equivalents at the Beginning of Period	7,320,558	7,535,653	69,659,892
Cash and Cash Equivalents at the End of Period (Note 11)	¥9,182,813	¥7,320,558	\$87,380,460

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

NOTES TO FINANCIAL STATEMENTS

For the six-month periods ended September 30, 2008 and March 31, 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 September 30, 2008, MTR owned a portfolio of 13 properties with a total rentable area of 435,947.65 sq. meters occupied by 30 tenants. The occupancy rate was 99.9%.

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 ¥105.09 = U.S.\$1.00, the foreign exchange rate prevailing on September 30, 2008, 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.

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. The amount of such taxes included in the costs of real estate acquisition was ¥40,034 thousand for the period ended September 30, 2008.

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.

The new accounting standard for lease transactions

In the period ended September 30, 2008, MTR adopted the new Accounting Standard for Lease Transactions (ASBJ Statement No.13 issued by the Accounting Standards Board of Japan on March 30, 2007) and the Implementation Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No.16 issued by the Accounting Standards Board of Japan on March 30, 2007). The new accounting standard is required to be adopted in fiscal periods beginning on or after April 1, 2008. The adoption of this new standard had no effect on the statements of income and retained earnings for the fiscal period ended September 30, 2008.

3. PROPERTY AND EQUIPMENT

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

	Thousands of yen				U.S. dollars	
	As of September 30, 2008		As of March 31, 2008		As of September 30, 2008	
	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	\$1,075,231,165	\$1,075,231,165
Buildings and structures	28,421,975		28,389,389		270,453,661	
Accumulated depreciation	(5,154,496)	23,267,479	(4,618,481)	23,770,908	(49,048,398)	221,405,263
Machinery and equipment	136,365		135,155		1,297,603	
Accumulated depreciation	(58,581)	77,784	(52,176)	82,979	(557,441)	740,162
Tools, furniture and fixtures	22,073		19,738		210,038	
Accumulated depreciation	(5,686)	16,387	(4,074)	15,664	(54,108)	155,930
Land in trust	50,944,539	50,944,539	15,858,000	15,858,000	484,770,565	484,770,565
Buildings and structures in trust	13,522,408		7,743,423		128,674,550	
Accumulated depreciation	(935,426)	12,586,982	(678,823)	7,064,600	(8,901,185)	119,773,365
Machinery and equipment in trust	2,278		-		21,674	
Accumulated depreciation	(114)	2,164	-	-	(1,085)	20,589
Total		¥199,891,378		¥159,788,194		\$1,902,097,039

4. SHORT-TERM LOANS

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

Lender	Thousands of yen		U.S. dollars		Average interest rate (%) (1)	Due on	Use of funds	Note
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008	As of March 31, 2008				
Mizuho Corporate Bank, Ltd.	-	¥5,000,000	-	-	-	-		
The Sumitomo Trust & Banking Co., Ltd.	-	4,500,000	-	-	-	-		
Mitsubishi UFJ Trust & Banking Corporation	-	4,500,000	-	-	-	-		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	2,000,000	-	-	-	-		
Sumitomo Mitsui Banking Corporation	-	1,000,000	-	-	-	-		
The Joyo Bank, Ltd.	-	500,000	-	-	-	-		
Mizuho Corporate Bank, Ltd.	¥10,000,000	-	\$ 95,156,532	-	1.14	October 1, 2008		
Sumitomo Mitsui Banking Corporation	7,000,000	-	66,609,574	-	1.21	October 1, 2008		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000,000	-	28,546,960	-	1.14	October 1, 2008		
Sumitomo Mitsui Banking Corporation	1,000,000	-	9,515,653	-	1.25	November 28, 2008		
Mizuho Corporate Bank, Ltd.	6,000,000	6,000,000	57,093,919	6,000,000	1.05	February 27, 2009		
The Sumitomo Trust & Banking Co., Ltd.	1,000,000	1,000,000	9,515,653	1,000,000	1.05	February 27, 2009		
Mizuho Corporate Bank, Ltd.	5,000,000	-	47,578,266	-	1.25	August 31, 2009	(2)	(3)
Mizuho Corporate Bank, Ltd.	4,000,000	-	38,062,613	-	1.25	August 31, 2009		
The Sumitomo Trust & Banking Co., Ltd.	4,500,000	-	42,820,440	-	1.25	August 31, 2009		
Mitsubishi UFJ Trust & Banking Corporation	4,500,000	-	42,820,440	-	1.25	August 31, 2009		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	19,031,306	-	1.25	August 31, 2009		
Sumitomo Mitsui Banking Corporation	1,000,000	-	9,515,653	-	1.25	August 31, 2009		
The Joyo Bank, Ltd.	500,000	-	4,757,827	-	1.25	August 31, 2009		
Total short-term loans	¥49,500,000	¥24,500,000	\$ 471,024,836	-	-	-		

(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 (\$95,156 thousand) in the aggregate with one bank to reduce a refinancing risk. The aggregate unused amount of such committed lines of credit was ¥2,000 million (\$19,031 thousand) at September 30, 2008.

5. LONG-TERM LOANS

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

Lender	Thousands of yen		U.S. dollars		Average interest rate (%) (1)	Due on	Use of funds	Note
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008	As of March 31, 2008				
Nippon Life Insurance Company	¥3,000,000	¥3,000,000	\$ 28,546,960		1.29	February 27, 2009		
Shinsei Bank, Limited	3,000,000	3,000,000	28,546,960		1.22	August 31, 2009		
Mitsubishi UFJ Trust & Banking Corporation	2,000,000	2,000,000	19,031,306		1.24	August 31, 2009		
The Chiba Bank, Ltd.	1,000,000	1,000,000	9,515,653		1.20	August 31, 2009		
The Sumitomo Trust & Banking Co., Ltd.	1,000,000	1,000,000	9,515,653		1.24	August 31, 2009		
Sumitomo Mitsui Banking Corporation	5,000,000	5,000,000	47,578,266		1.15	February 26, 2010		
Nippon Life Insurance Company	3,000,000	3,000,000	28,546,960		1.09	February 26, 2010		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	3,000,000	28,546,960		1.39	February 26, 2010		
The Sumitomo Trust & Banking Co., Ltd.	2,500,000	2,500,000	23,789,134		1.37	February 26, 2010		
The Dai-ichi Mutual Life Insurance Company	2,000,000	2,000,000	19,031,306		1.09	February 26, 2010		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000,000	-	38,062,613		1.46	August 31, 2010		
Shinsei Bank, Limited	3,000,000	3,000,000	28,546,960		1.59	February 28, 2011		
Development Bank of Japan Inc.	2,500,000	2,500,000	23,789,134		1.65	February 28, 2011	(2)	(3)
Development Bank of Japan Inc.	2,000,000	2,000,000	19,031,306		1.46	February 28, 2011		
Shinsei Bank, Limited	2,000,000	2,000,000	19,031,306		1.55	February 28, 2011		
Nippon Life Insurance Company	1,000,000	1,000,000	9,515,653		1.46	February 28, 2011		
The Hachijuni Bank, Ltd.	1,000,000	1,000,000	9,515,653		1.55	February 28, 2011		
The Sumitomo Trust & Banking Co., Ltd.	5,000,000	-	47,578,266		1.58	August 31, 2011		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	-	28,546,960		1.58	August 31, 2011		
Development Bank of Japan Inc.	1,000,000	1,000,000	9,515,653		1.68	August 31, 2011		
Development Bank of Japan Inc.	4,000,000	4,000,000	38,062,613		1.44	February 29, 2012		
Development Bank of Japan Inc.	2,000,000	2,000,000	19,031,306		1.74	February 29, 2012		
The Dai-ichi Mutual Life Insurance Company	2,500,000	2,500,000	23,789,134		1.92	February 28, 2014		
Development Bank of Japan Inc.	3,000,000	-	28,546,960		1.96	February 27, 2015		
Total long-term loans	¥61,500,000	¥46,500,000	\$ 585,212,675		-	-		

(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 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
		¥19,500,000	¥20,500,000	¥6,000,000	-
\$185,555,238	\$195,070,891	\$57,093,919	-		

6. NET ASSETS

MTR is required to maintain net assets of at least ¥50 million (\$476 thousand) as required pursuant to the Investment Trust Law.

7. INCOME TAXES

At September 30, 2008 and March 31, 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 September 30, 2008 and March 31, 2008 was as follows:

	April 1, 2008 to September 30, 2008	October 1, 2007 to March 31, 2008
Statutory tax rate	39.39%	39.39%
Deductible dividend distribution	(39.38%)	(39.38%)
Per capita inhabitants' taxes	0.02%	0.03%
Effective tax rates	0.03%	0.04%

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 ¥3,260,320 thousand (\$31,024,075) at September 30, 2008 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 September 30, 2008 and March 31, 2008, and for the six-month periods then ended:

	Yen		U.S. dollars
	April 1, 2008 to September 30, 2008	October 1, 2007 to March 31, 2008	April 1, 2008 to September 30, 2008
Net assets per share at period end	¥520,377	¥517,608	\$4,952
Net income per share	20,376	17,608	194
Weighted-average number of shares	160,000	160,000	160,000

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

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 (\$95,156,532)
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 (\$14,028,773)
Account name and balance at period end	Rents received in advance ¥178,880 thousand (\$1,702,159) Rental and other receivables ¥471 thousand (\$4,480) Accrued expenses and other current liabilities ¥726 thousand (\$6,918) Leasehold and security deposits ¥3,331,122 thousand (\$31,697,806)

October 1, 2007 to March 31, 2008

(a)	
Party type	Other related company *
Party name	Mori Trust Co., Ltd.
Address	Tokyo, Japan
Capital	¥10,000,000 thousand
Business	Urban development; property ownership, leasing and management
Percentage of voting rights held	Direct 30.0%
Concurrent board appointment	-
Business relationship	Leasing
Details of transactions	Rental revenues
Transaction amount	¥1,190,091 thousand
Account name and balance at period end	Rents received in advance ¥164,777 thousand Rental and other receivables ¥1,778 thousand Leasehold and security deposits ¥3,330,820 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:

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 (\$3,806,261)
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 (\$1,999,559)
Account title and balance at year end	Accrued expenses ¥49,687 thousand (\$472,807)

October 1, 2007 to March 31, 2008: None applicable

10. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

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

Rental revenues and property-related expenses

	Thousands of yen		U.S. dollars
	April 1, 2008 to September 30, 2008	October 1, 2007 to March 31, 2008	April 1, 2008 to September 30, 2008
Rental Revenues:	¥5,753,872	¥5,260,109	\$54,751,849
Rental revenues	5,456,353	5,018,754	51,920,764
Common charges	142,678	110,963	1,357,677
Parking revenues	9,212	6,618	87,661
Other rental revenues	145,629	123,774	1,385,747
Property-Related Expenses:	1,686,267	1,727,998	16,045,934
Property management fees	149,378	264,414	1,421,427
Utilities	130,016	106,979	1,237,184
Property and other taxes	520,381	489,530	4,951,765
Casualty insurance	27,603	27,838	262,660
Repairs and maintenance	50,657	73,609	482,036
Depreciation	800,750	758,178	7,619,655
Other rental expenses	7,482	7,450	71,207
Profit	¥4,067,605	¥3,532,111	\$38,705,915

11. CASH AND CASH EQUIVALENTS

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

	Thousands of yen		U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
Cash and bank deposits	¥6,329,948	¥6,317,662	\$60,233,587
Cash in trust and deposits in trust	2,852,865	1,002,896	27,146,873
Cash and cash equivalents	¥9,182,813	¥7,320,558	\$87,380,460

12. LEASES

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

	Thousands of yen		U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
Due within one year	¥8,169,089	¥8,074,933	\$77,734,216
Due after one year	49,863,676	53,356,596	474,485,453
Total	¥58,032,765	¥61,431,529	\$552,219,669

13. SUBSEQUENT EVENTS

DISTRIBUTION OF RETAINED EARNINGS

On November 13, 2008, the Board of Directors approved a resolution for the payment of a cash distribution of ¥20,377 per share, aggregating to ¥3,260,320 thousand (\$31,024,075), to its shareholders of record as of September 30, 2008.

OFFERING OF NEW INVESTMENT UNITS

The Company resolved to issue 22,000 new investment shares through a third-party allotment at the Board of Directors' meeting held on September 22, 2008.

As a result, the amount of stated capital increased to ¥97,600,000,000 and the number of investment shares issued increased to 182,000.

(1) Third-party allotment

Number of shares issued:	22,000 shares
Issue price:	¥800,000
Total issue price:	¥17,600,000,000
Payment date:	October 1, 2008
Initial date for dividend accrual:	October 1, 2008
Third-party allottee:	Mori Trust Co., Ltd.

(2) Use of Proceeds

The third-party allotment was used for repayment of short-term borrowings for the acquisition of the ON Building on October 1, 2008.