



MORI

TRUST REIT


7th Fiscal Period (April 1, 2005-September 30, 2005)

Information Package



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Summary of the 7th Fiscal Period

Highlights

- **Distribution per share: ¥18,422**
- **Sustained improvement in high occupancy rates**
 - ✓ **Overall occupancy rate for portfolio: 99.9%**

Financial Highlights of the 7th Fiscal Period

Distribution Exceeds Expectations

- Sixth consecutive fiscal period of increased revenue and profit since establishment
- Distribution per share: **¥18,422** (previous forecast: ¥18,000), an increase of **¥929** from the previous fiscal period
- Forecast distribution per share for the 8th fiscal period: **¥18,000**
- Maintained ROA over 4% for the fourth consecutive period since listing
- ROA for the 7th fiscal period: **4.22%**

Sustained Improvement in High Occupancy Rates

- 99.9% of portfolio actively utilized (as of September 30, 2005)
- Master leases maintain high utilization rate
- Occupancy at 100% in six office towers and three retail facilities, 90.8% in one residential property (as of September 30, 2005)

Summary of the 7th Fiscal Period

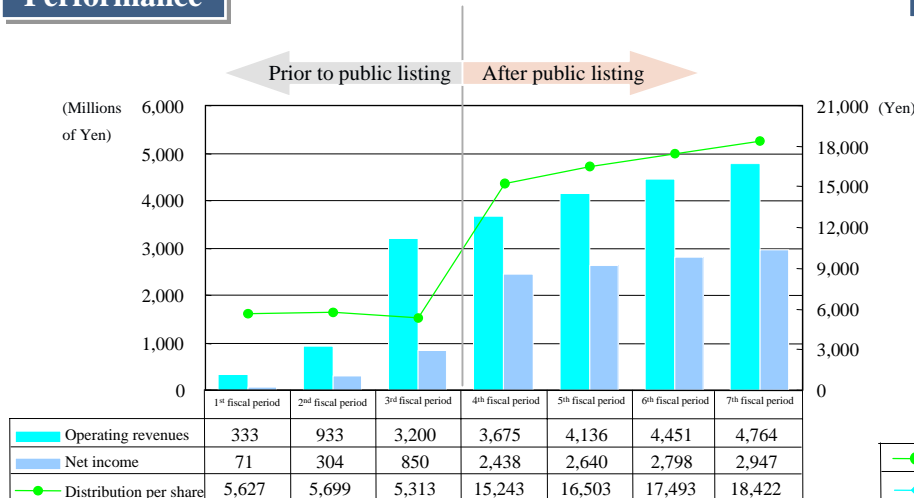
Financial Highlights

- Operating revenues: ¥4,764 million Net income: ¥2,947 million Distribution per share: ¥18,422

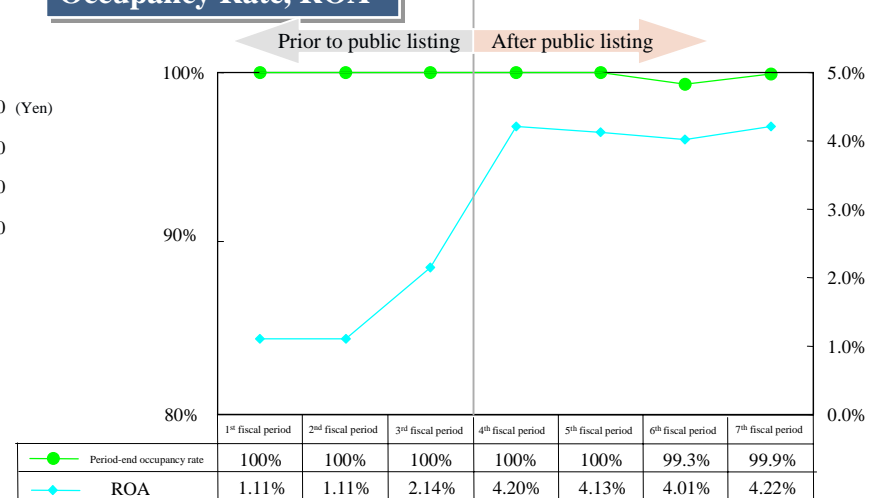
(Millions of Yen)

	6 th Fiscal Period	7 th Fiscal Period (Forecast)	7 th Fiscal Period (Actual)	Change (Compared with the 6 th Fiscal Period)
Operating revenues	4,451	4,780	4,764	7.0%
Operating income	2,940	3,071	3,139	6.8%
Ordinary income	2,799	2,881	2,948	5.3%
NOI	3,807	4,017	4,053	6.5%
Net income	2,798	2,880	2,947	5.3%
Distribution per share (Yen)	17,493	18,000	18,422	5.3%

Performance



Occupancy Rate, ROA*



*ROA = Ordinary income/Period-end total assets (annualized)

Statements of Income and Retained Earnings

Statements of Income and Retained Earnings

(Thousands of Yen)

	6 th Period		7 th Period	
	Oct 1, 2004 to Mar 31, 2005		Apr 1, 2005 to Sep 30, 2005	
	Amount	Percentage	Amount	Percentage
Operating Revenues:				
Rental revenues	4,451,668	100.0%	4,764,017	100.0%
Operating Expenses:				
Property-related expenses	1,222,905		1,341,655	
Asset management fees	138,202		146,615	
Custodian and general administration fees	66,358		71,810	
Other operating expenses	84,158		64,826	
Operating Income	2,940,045	66.0%	3,139,111	65.9%
Non-Operating Revenues:				
Interest income	25		28	
Other non-operating revenues	2		-	
Non-Operating Expenses:				
Interest expense	133,316		183,736	
Amortization of organization costs	6,844		6,844	
Income before Income Taxes	2,799,912	62.9%	2,948,559	61.9%
Income Taxes:				
Current	1,013		1,014	
Deferred	(2)		-	
Net Income	2,798,901	62.9%	2,947,545	61.9%
Retained Earnings at the Beginning of Period	19		40	
Retained Earnings at the End of Period	2,798,920		2,947,585	

Factors Contributing to the Increase in Revenue and Profit

In the 7th fiscal period, MTR reported an increase in revenue and profit. Principal contributing factors were as follows:

- Full-period contribution from Osaki MT Bldg. and Park Lane Plaza, both of which were acquired in the previous fiscal period.
- High occupancy rates maintained and improved:
 - ✓ 5 offices and retail premises: maintained 100%
 - ✓ Shin-Yokohama TECH Bldg.: improved to 100%
 - ✓ Park Lane Plaza: increased to 90.8%

Balance Sheets

Balance Sheets

(Thousands of Yen)

	End of 6 th Fiscal Period		End of 7 th Fiscal Period	
	as of March 31, 2005		as of September 30, 2005	
	Amount	Percentage	Amount	Percentage
Assets				
Current Assets:				
Cash and cash equivalents	5,917,624		6,470,747	
Rental and other receivables	32,564		35,286	
Other current assets	35,054		38,595	
Total current assets	5,985,242	4.3%	6,544,628	4.7%
Property and equipment, at cost:				
Land	108,030,503		108,037,264	
Buildings and structures	27,493,768		27,560,539	
Machinery and equipment	43,553		43,553	
Tools, furniture and fixtures	757		1,543	
Less: accumulated depreciation	(2,057,707)		(2,688,951)	
Net property and equipment	133,510,874	95.7%	133,246,723	95.3%
Investments and other assets:				
Deposits	10,000		10,000	
Organization costs	20,533		13,688	
Other	240		240	
Total investments and other assets	30,773		23,928	
Total Assets	139,526,889	100.0%	139,815,279	100.0%
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	174,900		162,573	
Short-term loans	18,000,000		18,000,000	
Current portion of long-term loans	3,000,000		3,000,000	
Distribution payable	11,373		12,359	
Accrued consumption taxes	32,525		177,474	
Rents received in advance	784,175		809,051	
Other current liabilities	112,785		5,052	
Total current liabilities	22,115,758	15.9%	22,166,509	15.9%
Long-Term Liabilities:				
Long-term loans	25,000,000		25,000,000	
Leasehold and security deposits	9,612,211		9,701,185	
Total long-term liabilities	34,612,211	24.8%	34,701,185	24.8%
Total Liabilities	56,727,969	40.7%	56,867,694	40.7%
Shareholders' Equity				
Shareholders' capital	80,000,000	57.3%	80,000,000	57.2%
Shares Authorized: 2,000,000 shares				
Shares Issued and Outstanding: 160,000 shares				
Retained earnings	2,798,920	2.0%	2,947,585	2.1%
Total Shareholders' Equity	82,798,920	59.3%	82,947,585	59.3%
Total Liabilities and Shareholders' Equity	139,526,889	100.0%	139,815,279	100.0%

Interest-Bearing Liabilities

(Thousands of Yen)

	As of March 31, 2005	As of September 30, 2005	Increase/Decrease
Interest-bearing liabilities	46,000,000	46,000,000	0
Ratio of interest-bearing liabilities to total assets=			
Interest-bearing liabilities	33.0%	32.9%	-0.1%
Total period-end assets			
Ratio of long-term interest-bearing liabilities=			
Long-term interest-bearing liabilities	54.3%	54.3%	0.0%
Interest-bearing liabilities			

Statements of Cash Flows

Statements of Cash Flows

(Thousands of Yen)

	6 th Period	7 th Period
	October 1, 2004 to March 31, 2005	April 1, 2005 to September 30, 2005
Cash Flows from Operating Activities:		
Income before income taxes	2,799,912	2,948,559
Depreciation and amortization	578,909	631,245
Amortization of organization costs	6,844	6,844
Interest income	(25)	(28)
Interest expense	133,316	183,736
Rental and other receivables	8,372	(2,721)
Consumption tax refundable	917	-
Prepaid expenses and other assets	3,951	(3,541)
Accounts payable and accrued expenses	7,299	5,049
Accrued consumption taxes	32,525	144,949
Rents received in advance	137,584	24,876
Other liabilities	13,232	2,308
Subtotal	3,722,836	3,941,276
Interest received	25	28
Interest paid	(126,815)	(183,255)
Income taxes paid	(974)	(1,014)
Net cash provided by operating activities	3,595,072	3,757,035
Cash Flows from Investing Activities:		
Purchases of property and equipment	(11,347,967)	(384,951)
Purchases of intangible assets	(240)	-
Repayments of leasehold and security deposits	(8,000)	(110,041)
Proceeds from leasehold and security deposits	1,191,329	88,973
Net cash used in investing activities	(10,164,878)	(406,019)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term loans	(4,000,000)	-
Proceeds from long-term loans	14,000,000	-
Distributions paid to shareholders	(2,637,750)	(2,797,893)
Net cash provided by financing activities	7,362,250	(2,797,893)
Net Change in Cash and Cash Equivalents	792,444	553,123
Cash and Cash Equivalents at the Beginning of Period	5,125,180	5,917,624
Cash and Cash Equivalents at the End of Period	5,917,624	6,470,747

Forecasts for the 8th Fiscal Period

Expected Increase in Revenue for Seventh Consecutive Fiscal Period

- Acquisition of additional interests in the Osaki MT Bldg. (acquisition completed on October 28, 2005)
- Entire portfolio to reach 100% occupancy (as of November 5, 2005)
- ✓ Park Lane Plaza occupancy rate to reach 100% occupancy on November 5, 2005
- **Repair of facilities to enhance asset value, and development of vigorous IR initiatives**
- ✓ Removal of signboard from outer wall of the Shin-Yokohama TECH Bldg.; asbestos sampling of the Hitachi Headquarters Bldg.; IR initiatives to be vigorously carried out overseas
- **Forecast distribution per share: ¥18,000**

(Millions of Yen)

	7 th Fiscal Period (Actual)	8 th Fiscal Period (Forecast)	Rate of Increase /Decrease
Operating revenues	4,764	4,867	2.2%
Operating income	3,139	3,078	-1.9%
Ordinary income	2,948	2,881	-2.3%
NOI	4,053	4,049	-0.1%
Net income	2,947	2,880	-2.3%
Distribution per share (Yen)	18,422	18,000	-2.3%

Actual operating revenues, ordinary income, net income, and cash distributions per share may differ materially from forecasts due to changes in the operating environment. Accordingly, MTR does not guarantee the accuracy of forecast amounts.

Portfolio Summary

Use	Name	Construction Completed	Acquisition Price (Millions of Yen)	Tenant	Floor Area (m ²)	PML (%)	Lease Contract Maturity	Features
Office Buildings	Hitachi Headquarters Bldg.	March 1983	40,000	Mori Trust	57,255	4.9%	May 31, 2006 (Option for a further 3-year extension)	Landmark building, in close proximity to JR Ochanomizu Station The building is occupied by the Hitachi Group
	Nissan Motor New Headquarters Bldg.	March 1982	16,000	Mori Trust	38,902 (1)	8.1%	September 30, 2008	Located in the commercial district of Ginza. Nissan Motor Headquarters
	Mita MT Bldg.	September 1974 (Renovated in 1997)	16,000	Mori Kanko Trust	21,043	10.5%	November 30, 2008	Located in Mita, Minato Ward, an area with a high concentration of office buildings. Main building for Hitachi Group-related companies
	Marubeni Osaka Headquarters Bldg.	March 1984	12,500	Marubeni	41,574	3.4%	September 30, 2012	Landmark building in Osaka's commercial business district
	Shin-Yokohama TECH Bldg.	February 1986	6,900	Fujitsu & others	25,187	8.7%	February 28, 2007 (Lease contract with Fujitsu)	An office building located in the Shin-Yokohama district, an area attracting high demand from the IT and communications-related sector
	Osaki MT Bldg.	July 1994	7,870	Mori Trust	26,981 (2)	11.5%	March 31, 2010	Located in Osaki, Shinagawa Ward, an area with a high concentration of office buildings. Headquarters for Sumitomo Heavy Industries
Retail Facilities	Ito-Yokado Shonandai	November 2002	11,600	Ito-Yokado	53,394	14.0%	November 20, 2022 (Mid-term cancellation prior to Nov. 20, 2017 is not permitted)	Located in the Shonandai area, a retail trading area enjoying significant increase in population. Flagship store for the Ito-Yokado Group
	Cresse Inage	-	4,200	Daiwa Kosho Lease	79,113 (3)	-	June 2, 2023	Large-scale, roadside land for commercial facility. Located in a highly populated trading area with convenient access to public transportation.
	Ito-Yokado Shin-Urayasu	September 2000	12,150	Ito-Yokado	57,621	18.9%	July 29, 2020 (Mid-term cancellation prior to Jul. 29, 2017 is not permitted)	Located in the Shin-Urayasu district, an area experiencing considerable growth. Main outlet of the Ito-Yokado Group
Other	Park Lane Plaza	June 1988	3,200	16 tenants	5,247	14.9%	(Lease contracts with maturities not exceeding two years)	MTR's first residential property investment. Luxury rental residential property located in the Aoyama and Harajuku areas
Total	-	-	130,420	-	-	4.7%	-	-

(1) MTR has acquired comparted ownership in the Nissan Motor New Headquarters Building. The floor area owned by MTR totals 23,614m².

(2) MTR has acquired co-ownership of the building. Ownership share is calculated at a ratio of 590,950/1,000,000.

(3) Floor area for Cresse Inage is the real estate investment trust (REIT) land area.

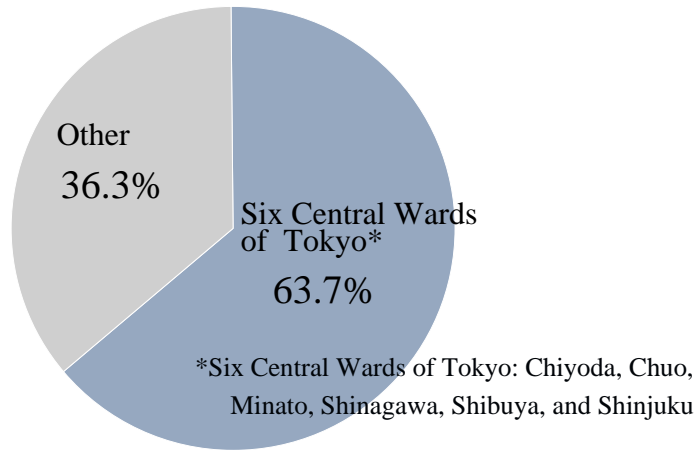
(4) Probable Maximum Loss (PML) refers to the expected maximum loss ration caused by an earthquake based on a loss confidence value of 90%. The expected maximum-level earthquake refers to an earthquake that occurs once every 50 years with 10% excess-probability. This means that this level of earthquake statistically occurs once every 475 years.



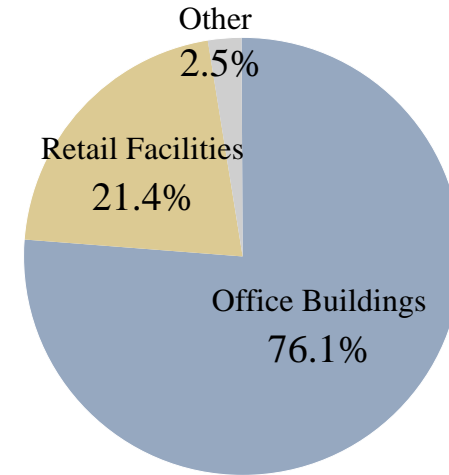
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Portfolio Summary

Portfolio Composition by Location



Portfolio Composition by Use



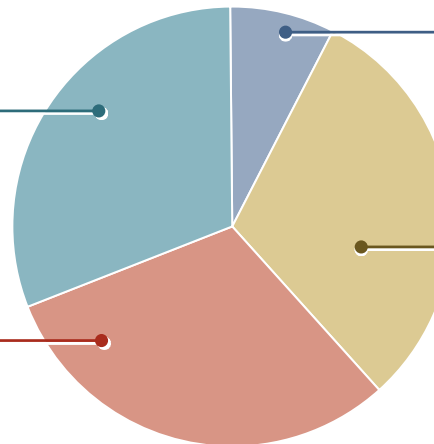
Portfolio Composition by Leasing Contract Term

10 years or more 31.0%

- Marubeni Osaka Headquarters Bldg.
- Ito-Yokado Shonandai
- Cresse Inage
- Ito-Yokado Shin-Urayasu

5-10 years 30.6%

- Nissan Motor New Headquarters Bldg.
- Mita MT Bldg.
- Osaki MT Bldg.



Less than 3 years 7.7%

- Shin-Yokohama TECH Bldg.
- Park Lane Plaza

3-5 years 30.7%

- Hitachi Headquarters Bldg.

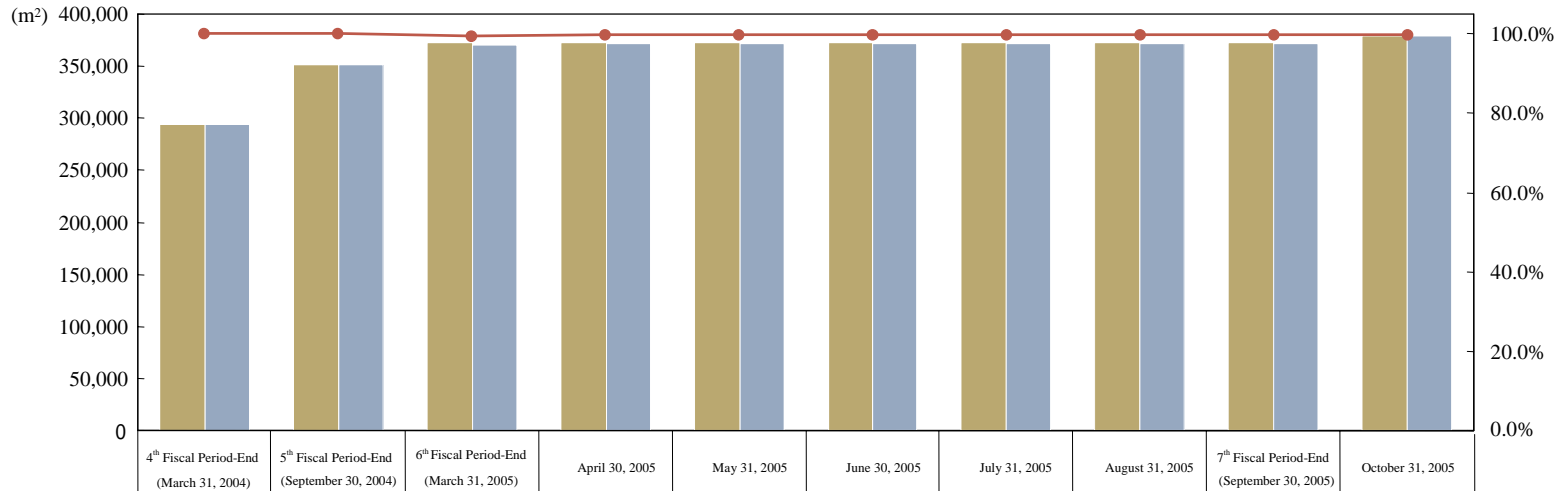
*1 Ratios based upon acquisition price of real estate assets as of September 30, 2005

*2 Not including additional acquisition of the Osaki MT Bldg. (on October 28, 2005)

*3 Shin-Yokohama TECH Bldg. includes one tenant on a three-year lease

Tenants and Lease Contracts

Occupancy Rate



	4 th Fiscal Period-End (March 31, 2004)	5 th Fiscal Period-End (September 30, 2004)	6 th Fiscal Period-End (March 31, 2005)	April 30, 2005	May 31, 2005	June 30, 2005	July 31, 2005	August 31, 2005	7 th Fiscal Period-End (September 30, 2005)	October 31, 2005
Total rentable area (m ²)	294,362.40	351,983.78	372,371.04	372,361.77	372,361.77	372,361.77	372,361.77	372,361.77	372,361.77	379,051.60
Total rented area (m ²)	294,362.40	351,983.78	369,879.12	371,769.03	371,769.03	371,769.03	371,769.03	371,769.03	371,952.09	378,641.92
Portfolio occupancy rate	100.0%	100.0%	99.3%	99.8%	99.8%	99.8%	99.8%	99.8%	99.9%	99.9%

Cresse Inage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Marubeni Osaka Headquarters Bldg	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shonandai	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hitachi Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Nissan Motor New Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Shin-Yokohama TECH Bldg.	100%	100%	91%	100%	100%	100%	100%	100%	100%	100%
Mita MT Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shin-Urayasu	-	100%	100%	100%	100%	100%	100%	100%	100%	100%
Park Lane Plaza	-	-	83%	87%	87%	87%	87%	87%	91%	91%
Osaki MT Bldg.	-	-	100%	100%	100%	100%	100%	100%	100%	100%
Portfolio	100.0%	100.0%	99.3%	99.8%	99.8%	99.8%	99.8%	99.8%	99.9%	99.9%

* All figures occurring prior to and including those for the period ended September 30, 2005 do not include the additional acquisition of the Osaki MT Building (acquired October 28, 2005)

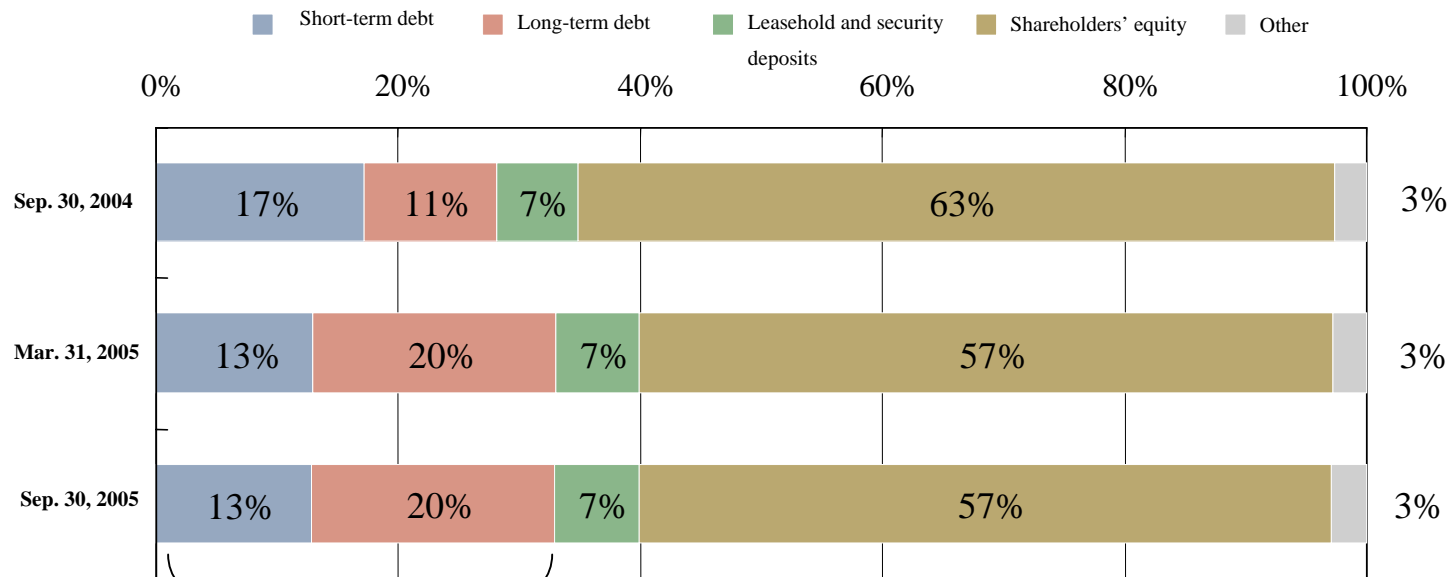
Interest-Bearing Liabilities

Debt as of September 30, 2005

- Interest-bearing liabilities to total assets ratio as of September 30, 2005 = 32.9%
- Long-term interest-bearing liabilities ratio (including long-term debt repayable within one year) = 60.9%, fixed interest-bearing liabilities ratio = 47.8%

Conversion of ¥14,000 million of short-term debt into fixed interest rate long-term debt with the aim of reducing risks of rising interest rates and refinancing (completed end of February 2005)

Establishment of a credit commitment line of ¥10,000 million as a means of securing flexible funds procurement (completed end of February 2005)

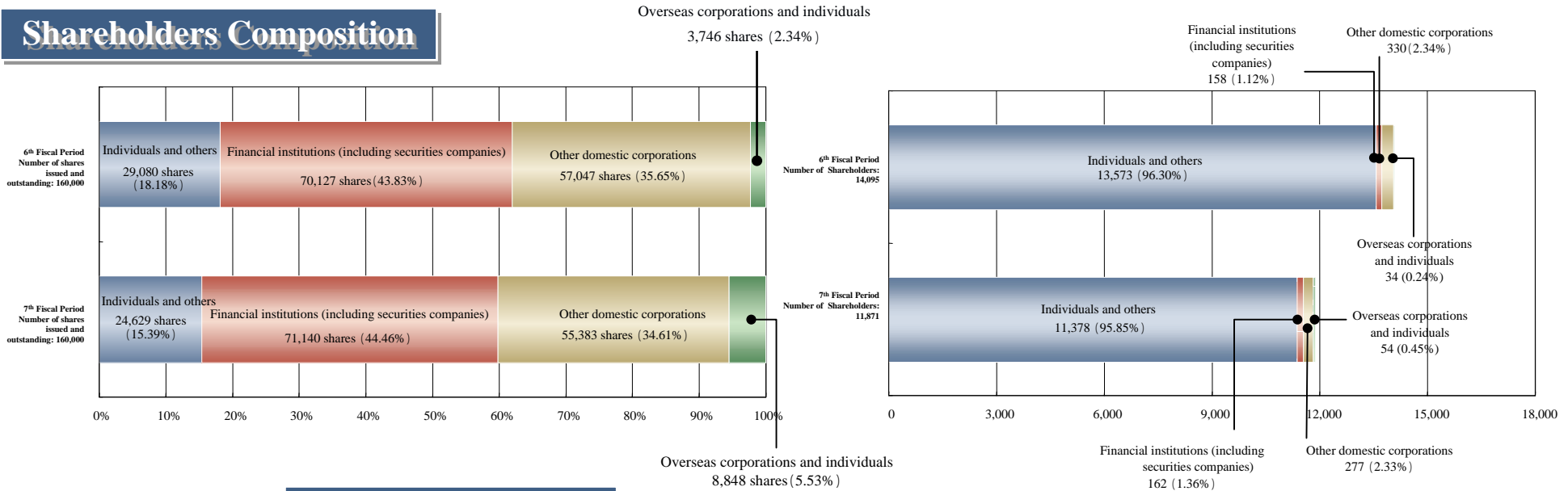


LTV = 32.9%

*Not including ¥5,500 million of debt for acquisition of the Osaki MT Bldg., completed on October 28, 2005.

Shareholders

Shareholders Composition



Top 10 Shareholders

Shareholders	Number of shares held	% of total
Mori Trust Co., Ltd	28,000	17.50%
Mori Kanko Trust Co., Ltd	20,000	12.50%
Japan Trustee Services Bank, Ltd. (trust account)	9,474	5.92%
The Master Trust Bank of Japan, Ltd. (trust account)	8,148	5.09%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	5,130	3.21%
Nikko Citi Trust and Banking Corporation (investment trust)	4,457	2.79%
Kansai Urban Banking Corporation	2,959	1.85%
The Fuji Fire & Marine Insurance Co., Limited	2,436	1.52%
Aozora Bank, Ltd.	2,247	1.40%
The Joyo Bank, Ltd.	1,810	1.13%
Total	84,661	52.91%

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Operating Strategies



Main Points

- **Diversified investment in primarily large-scale office buildings located in central Tokyo, as well as retail facilities and other properties**
- **Target of ¥400 billion in investment assets**
- **Flexible property acquisition utilizing low-leverage advantage**
- **Exit strategy-based property acquisition**

MORI TRUST Sogo Reit’s Operating Strategies

Growth Potential

- Establish property acquisition channels through cooperation with the Mori Trust Group
- Enhance property acquisition capabilities utilizing low-leverage advantage
- Accelerate efforts to achieve investment asset target of ¥400 billion

Profitability

- Maintain and increase earnings per share (EPS)
- Focus on ROA-based investment and reduce operating expense margin

Stability

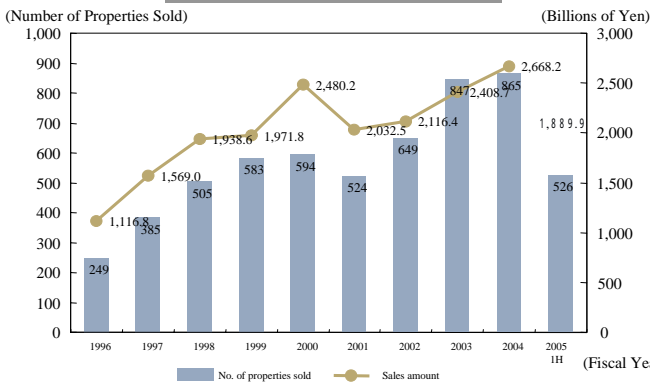
- Utilize master lease contracts
- In principle, secure medium- to long-term lease contracts with major corporations
- Pursue financial stability

External Growth Strategy

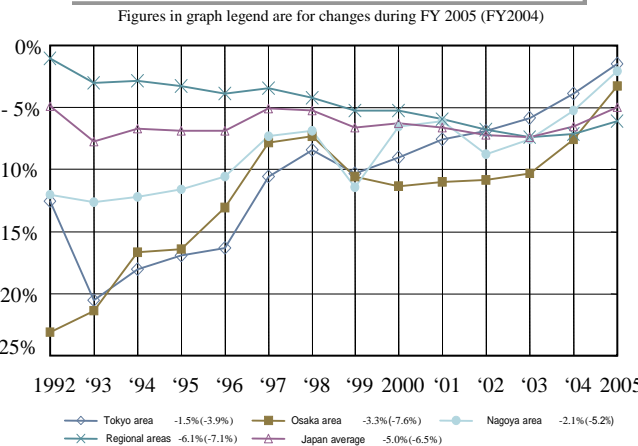
Market Outlook

- J-REIT expansion brings large increase in real estate sales in 2005 first half (number of properties sold increased 1.8 times; sales volume expanded 2.3 times over the previous year)
- Significant increase in prices of prime properties reflecting the rise in publicly appraised values of land in major metropolitan areas
- Continued improvements in the vacancy rates for office buildings and luxury residential properties. Increase in rent for prime large-scale office buildings and other properties located in central Tokyo
 - ➔ Continue portfolio investment focusing on office buildings located in central Tokyo
- Significant increase in the share of residential properties sold in real estate transactions, and expansion of retail property transactions
 - ➔ Actively consider investment in retail facilities and other property types

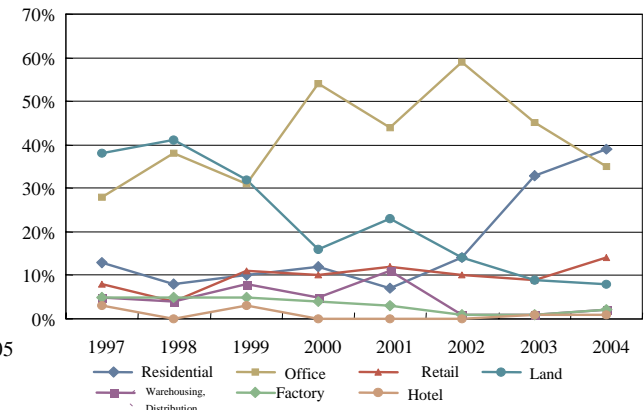
Real Estate Sales



Trend in Commercial Land Prices



Sold Rental Property Composition by Use



Source: Urban Research Institute, Corp.

Graph 1: "Overview of Real Estate Sales in Fiscal 2004." "Overview of Real Estate Sales in First Half of Fiscal 2005." (Mizuho Trust & Banking Co., Ltd., Real Estate Topics, May 2005, November 2005. Trend in real estate sales.)

Graph 2: "Overview of Real Estate Sales in First Half of Fiscal 2005." (Mizuho Trust & Banking Co. Ltd., Real Estate Topics, November 2005. Trend in commercial land prices)

Graph 3: "Overview of Real Estate Sales in Fiscal 2004." (Mizuho Trust & Banking Co., Ltd., Real Estate Topics, May 2005. Trend in sold rental property composition by use.)

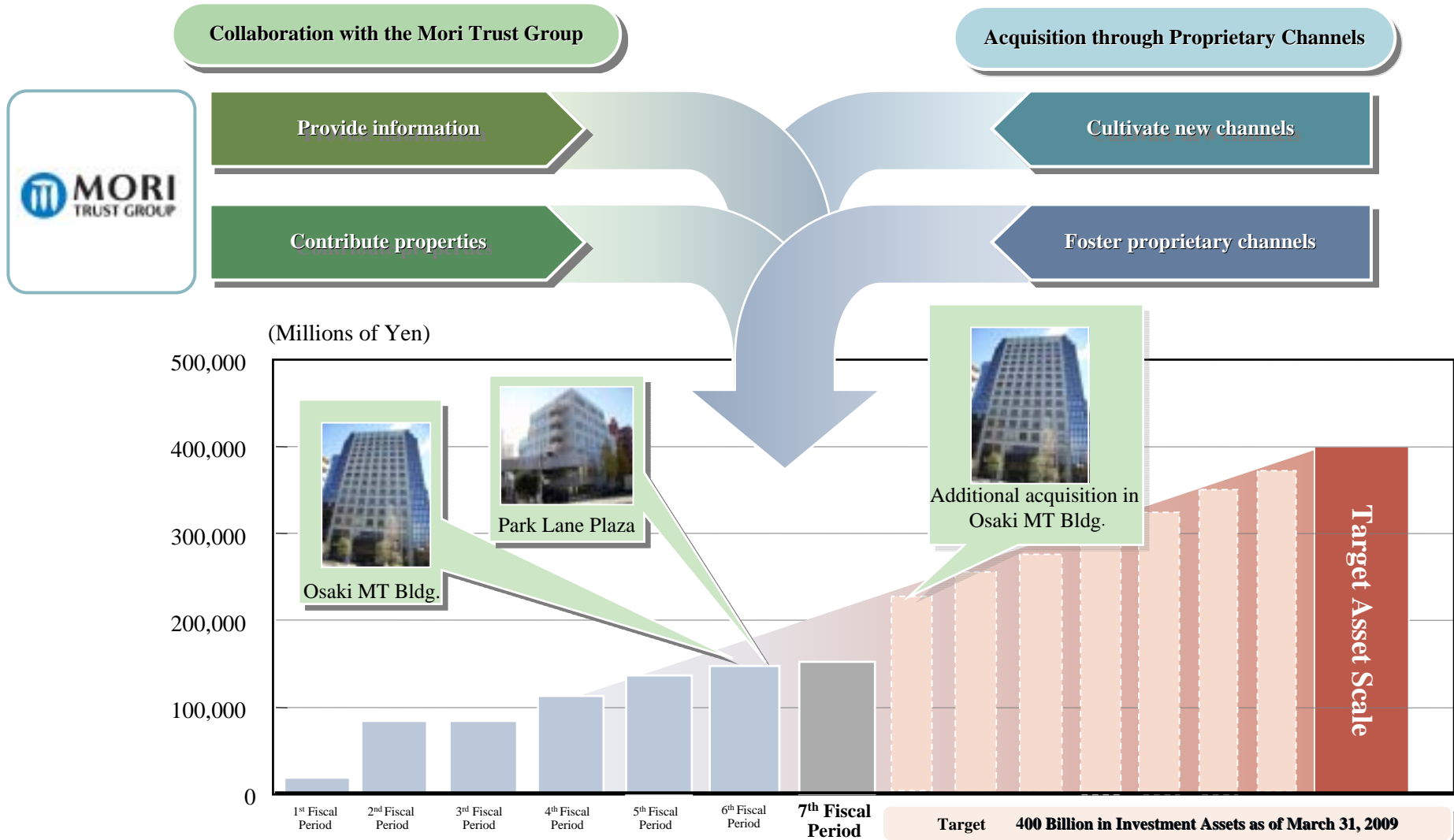
External Growth Strategy

Portfolio Composition by Strategic Use and Area

Area

		Central Tokyo	Other Areas
Use	Office Buildings	Portfolio comprised mainly of investments in large-scale office buildings located in central Tokyo	Continued study of potential of regional diversification for reducing portfolio risk
	Retail Facilities	Investment in urban retail facilities offering stable income and located in areas surrounding major rail terminals and popular areas with a high concentration of retail and commercial stores	Active investment in properties located in major trading areas of Japan's principal cities, exhibiting competitive advantage and stable earnings potential
	Other	Investment in luxury residential properties located in the three "A" districts of Tokyo, namely "Azabu, Aoyama, and Akasaka" Consideration toward investment in hotels with high brand recognition, offering long-term management contracts with leading hotel management companies and potential for stable income	

External Growth Strategy: Target of ¥400 Billion in Investment Assets



Acquisitions to Date

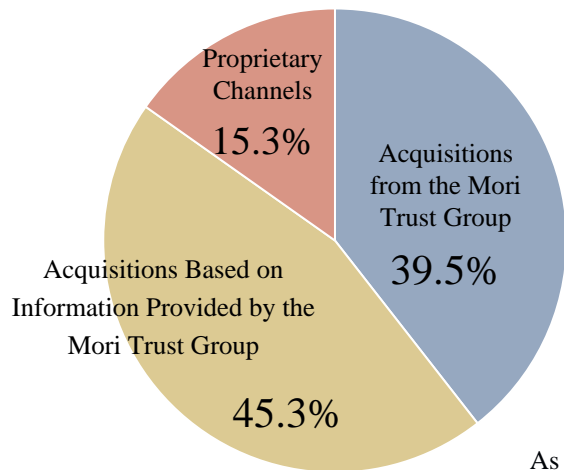
Property Acquisitions

Acquisitions from the Mori Trust Group	Acquisitions Based on Information Provided by the Mori Trust Group	Acquisitions through Proprietary Channels
<ul style="list-style-type: none"> Nissan Motor New Headquarters Bldg. Mita MT Bldg. Osaki MT Bldg. Ito-Yokado Shonandai 	<ul style="list-style-type: none"> Hitachi Headquarters Bldg. Ito-Yokado Shin-Urayasu Shin-Yokohama TECH Bldg. 	<ul style="list-style-type: none"> Marubeni Osaka Headquarters Bldg. Cresse Inage Park Lane Plaza Additional acquisition in Osaki MT Building (8th Fiscal Period)

: Acquisition through sale-and-lease-back

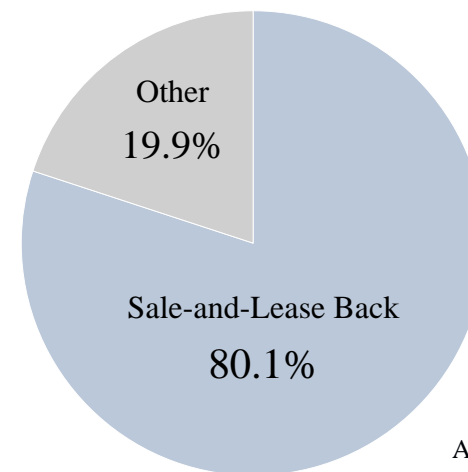
: Additional joint ownership interest acquired October 28, 2005

Acquisition Ratio by Source



As of September 30, 2005

Sale-and-Lease-Back Investment Ratio



As of September 30, 2005

Financial Strategy

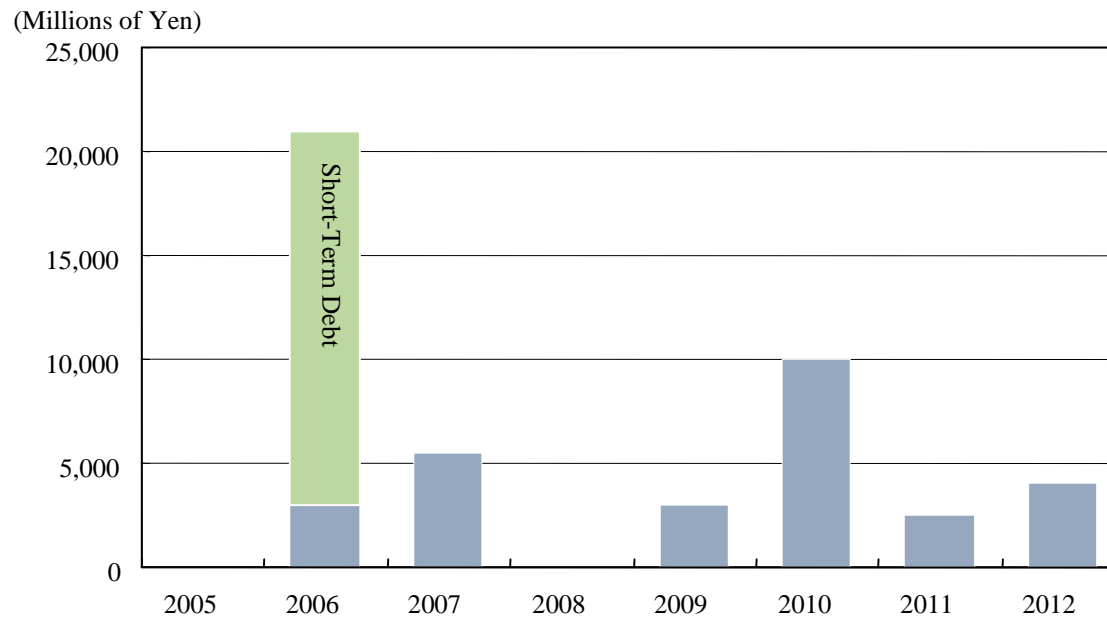
Focus on Improving Financial Stability

- Continue low-leverage strategy
(Interest-bearing liabilities to total assets ratio of 30-40%)
- Shift toward long-term debt, and diversify repayment maturities
(Refer to table below)

Diversify Funds Procurement Methods

- Consider obtaining credit rating
- Consider issuance of corporate bonds
- Hedge against risk of higher interest rates

Debt Repayment Maturity Diversification



Exit Strategy-Based Property Acquisition

Potential Value of Properties (Appraisal Amount Including Option Value)

Real Estate Appraisal Value
(Acquisition Price)

- Location potential
- Redevelopment value
- Potential for alternative use
- Enhancement of asset value
- Other “value-up” potential

Internal Growth Strategy

Securing Stable Profits over the Medium to Long Term

- Secure lease contracts that minimize the possibility of a reduction in rental income
 - Negotiate and execute lease contracts that ensure a fixed term, a fixed income stream, and contract expiry diversification
- Actively introduce master lease contracts
 - Improve operating and management efficiency, and reduce multi-tenant risk
 - Secure profit stability through net lease contracts that eliminate day-to-day repairs and maintenance expenses

Responding to a Positive Shift in the Office Building Market

- Adopt contracts that incorporate income gain increases for properties that offer internal growth potential
 - Adopt a sublease-linked master lease contract for the Osaki MT Bldg.

Repairs Policy

- Formulate a marketing-oriented repairs plan
 - Formulate and implement a 12-year repairs plan for each property based on on-site inspections, with the aim of increasing competitiveness and tenant satisfaction over the medium to long term. Each plan to be revised annually
 - Asbestos inspection: Conduct inspection based on documents at completion of construction and design blueprints; on-site sampling and analysis planned.
- Establish a reserve for repairs
 - Establish a reserve for repairs based on the portfolio's overall depreciation expense and marketing-oriented repairs plan
 - Reserve for repairs brought forward as of September 30, 2005: ¥2,636 million
- Monitor the status of repairs implementation for properties where the end-tenant is responsible for payment

Contact Information

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MORI TRUST Sogo Reit, Inc. Web Site

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





Reference

Target Portfolio

Allocation in line with Target Portfolio

Build an investment portfolio focusing mainly on office buildings located in central Tokyo, while considering the aspects of property type, use, and geographic diversification

Target Portfolio	Central Tokyo*	Other Areas**	Total
Office Buildings	60 ~ 70%	10 ~ 20%	70 ~ 90%
Retail Facilities	0 ~ 10%	10 ~ 20%	10 ~ 30%
Other***			
Total	60 ~ 80%	20 ~ 40%	100%

* Central Tokyo refers to the six central wards of Tokyo comprising Chiyoda Ward, Chuo Ward, Minato Ward, Shinagawa Ward, Shibuya Ward, and Shinjuku Ward

** Other areas refers to greater Tokyo, (Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture, and the Tokyo Metropolitan area excluding central Tokyo), and other major regional cities

*** Restricted to investments in residential properties and hotels for the foreseeable future

Tenants and Lease Contracts

Medium- and Long-Term Lease Contracts with Leading Companies

Property	Tenant / Master Lessee	Rating *		Lease Contract	Lease Contract Expiry	Sublessee	Rating*	
		JCR	R&I				JCR	R&I
Hitachi Headquarters Bldg.	Mori Trust Co., Ltd.	-	-	Fixed-term building lease	May 31, 2006 (with 3-year renewal option)	Hitachi, Ltd.	AAp**	AA-
Nissan Motor New Headquarters Bldg.	Mori Trust Co., Ltd.	-	-	Fixed-term building lease	September 30, 2008	Nissan Motor Co., Ltd.	-	A
Mita MT Bldg.	Mori Kanko Trust Co., Ltd.	-	-	Fixed-term building lease	November 30, 2008	Hitachi Electronics Services Co. Ltd. & others	-	-
Marubeni Osaka Headquarters Bldg.	Marubeni Corporation	A-	BBB-	Fixed-term building lease	September 30, 2012	-	-	-
Shin-Yokohama TECH Bldg.	Fujitsu Co., Ltd. & others	-	A	Building lease	February 28, 2007 (Lease contract with Fujitsu)	-	-	-
Ito-Yokado Shonandai	Ito-Yokado Co., Ltd.	#AAA***	AA+	Building lease	November 20, 2022 (No cancellation prior to November 20, 2017)	-	-	-
Cresse Inage	Daiwa Kosho Lease Co., Ltd.	-	BBB+	Land lease	June 2, 2023	Sekichu Home Center & others	-	-
Ito-Yokado Shin-Urayasu	Ito-Yokado Co., Ltd.	#AAA***	AA+	Building lease	July 29, 2020 (No cancellation prior to July 29, 2017)	-	-	-
Osaki MT Bldg.	Mori Trust Co., Ltd.	-	-	Fixed-term building lease	March 31, 2010	Sumitomo Heavy Industries, Ltd.	BBB+	-
Park Lane Plaza	16 tenants	-	-	Ordinary lease	Lease contracts of not more than 2 years	-	-	-

* Tenant ratings as of October 31, 2005

** Tenant has not specifically requested rating. JCR ratings are not by request and published mainly for public information

*** Tenants placed on "Credit Monitor" by ratings agencies are identified with an asterisk "*" until "Credit Monitor" status is removed

Interest-Bearing liabilities

For the 7th Fiscal Period (as of September 30, 2005)

	Lender	Drawdown Date	7 th Fiscal Period-End Outstanding Balance (Millions of Yen)	7 th Fiscal Period-End Average Interest Rate		Repayment Date	Term	Repayment Method	Remarks
Short-Term Debt	The Sumitomo Trust & Banking Co., Ltd.	March 31, 2005	¥7,000	0.28%	Floating	February 28, 2006	5 months	Bullet Repayment on Maturity	Unsecured / Non-Guaranteed
	The Mitsubishi Trust and Banking Corporation	February 28, 2005	5,000	0.29%					
	The Joyo Bank, Ltd.		3,000	0.29%					
	The Bank of Tokyo-Mitsubishi, Ltd.		1,500	0.36%					
	Mizuho Corporate Bank, Ltd.		1,500	0.36%					
Subtotal			¥18,000	0.30%					
Long-Term Debt	The Sumitomo Trust & Banking Co., Ltd.	March 26, 2004	¥3,000	0.65%	Floating	February 28, 2006	5 months	Bullet Repayment on Maturity	Unsecured / Non-Guaranteed
	Sumitomo Mitsui Banking Corporation		2,000	0.70%		February 28, 2007	1 year 5 months		
	The Hachijuni Bank, Ltd.		1,000	0.65%		February 28, 2007	1 year 5 months		
	The Dai-ichi Mutual Life Insurance Company		2,500	0.93%		February 28, 2007	1 year 5 months		
	Nippon Life Insurance Company	3,000	1.29%	Fixed	February 27, 2009	3 years 5 months			
	Sumitomo Mitsui Banking Corporation	5,000	1.15%		February 26, 2010	4 years 5 months			
	Nippon Life Insurance Company	3,000	1.09%		February 26, 2010	4 years 5 months			
	The Dai-ichi Mutual Life Insurance Company	2,000	1.09%		February 26, 2010	4 years 5 months			
	Development Bank of Japan	March 26, 2004	2,500		1.65%	February 28, 2011	5 years 5 months		
	Development Bank of Japan	February 28, 2005	4,000		1.44%	February 29, 2012	6 years 5 months		
	Subtotal				28,000	1.12%			
Total			¥46,000	0.80%					

Interest-bearing liabilities for the 7th fiscal period is shown above.

1. Due to the merger of The Mitsubishi Trust and Banking Corporation with UFJ Trust Bank, from October 1, 2005, MTR has established relations with the Mitsubishi UFJ Trust and Banking Corporation.
2. MTR obtained an additional (short term) loan on October 20, 2005, of ¥5,500 million from the Sumitomo Trust and Banking Co., Ltd. Interest rate: 0.22% (variable); Repayable in one lump-sum payment on February 28, 2006. The loan is unsecured and not guaranteed. As of October 28, 2005, short-term borrowings totaled ¥23,500 million and interest-bearing liabilities totaled ¥51,500 million.

Hitachi Headquarters Building

Hitachi Headquarters Building

- MTR has executed a master lease contract with Mori Trust Co., Ltd. (Mori Trust) for the entire property. Mori Trust has executed a sublease contract with Hitachi, Ltd. Both the master lease and sublease contracts are set to expire on May 31, 2006. Contract cancellation prior to expiry is not permitted under both contracts.
- While Hitachi, Ltd. has relocated the majority of its headquarters function to another location, a portion remains together with certain related companies. The sublease contract remains in force.
- At present, a new tenant has not been secured for the period after master lease contract and sublease contract expiry. Notwithstanding, MTR has the option to extend the master lease based on the “Memorandum Concerning the Fixed-Term Building Lease Contract” executed with Mori Trust on December 12, 2003. Brief details of the memorandum are as follows:

(If the option is exercised, MTR shall receive rental income outlined as follows, irrespective of building occupancy.)

Fixed-Term Building Lease Contract (Renewal) Details	
Rent	¥163,333,000 per month
Term	June 1, 2006 through May 31, 2009
Security Deposit	¥1,959,996,000

Benefits of Master Lease Contracts

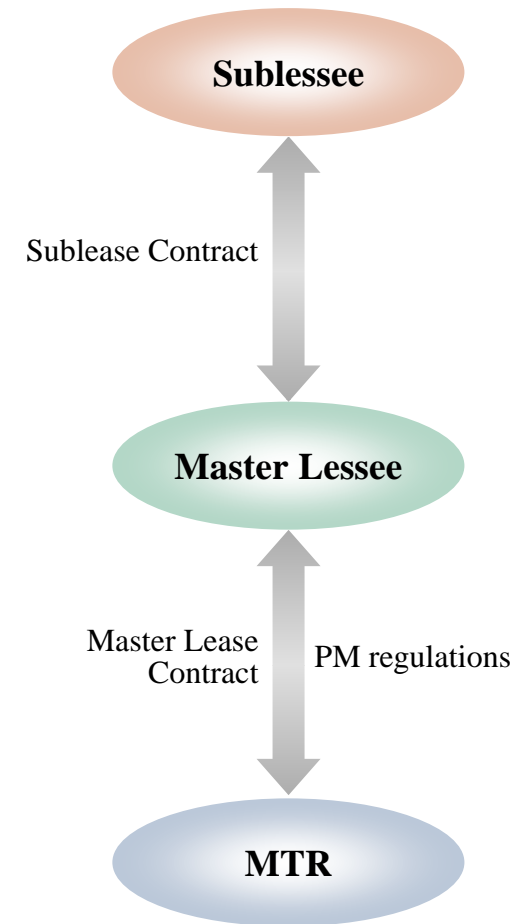
Improved Profit Stability through Master Lease Application

- Profit stability
 - ➔ Fixed rental income stream*, day-to-day repair and maintenance expenses are for the master lessee’s responsibility
- Property management efficiency
 - ➔ Consignment to the master lessee of tenant and property management (PM) responsibilities

- **Main features of a master lease contract (e.g Nissan Motor New Headquarters Bldg.)**

- As a fixed-term building lease contract, MTR has the right of refusal in connection with contract renewal
- Rental income is fixed (no provision for rent reduction)
- Contract term is fixed
- Consignment of the PM function
- Day-to-day repair and maintenance expenses are for the master lessee’s responsibility

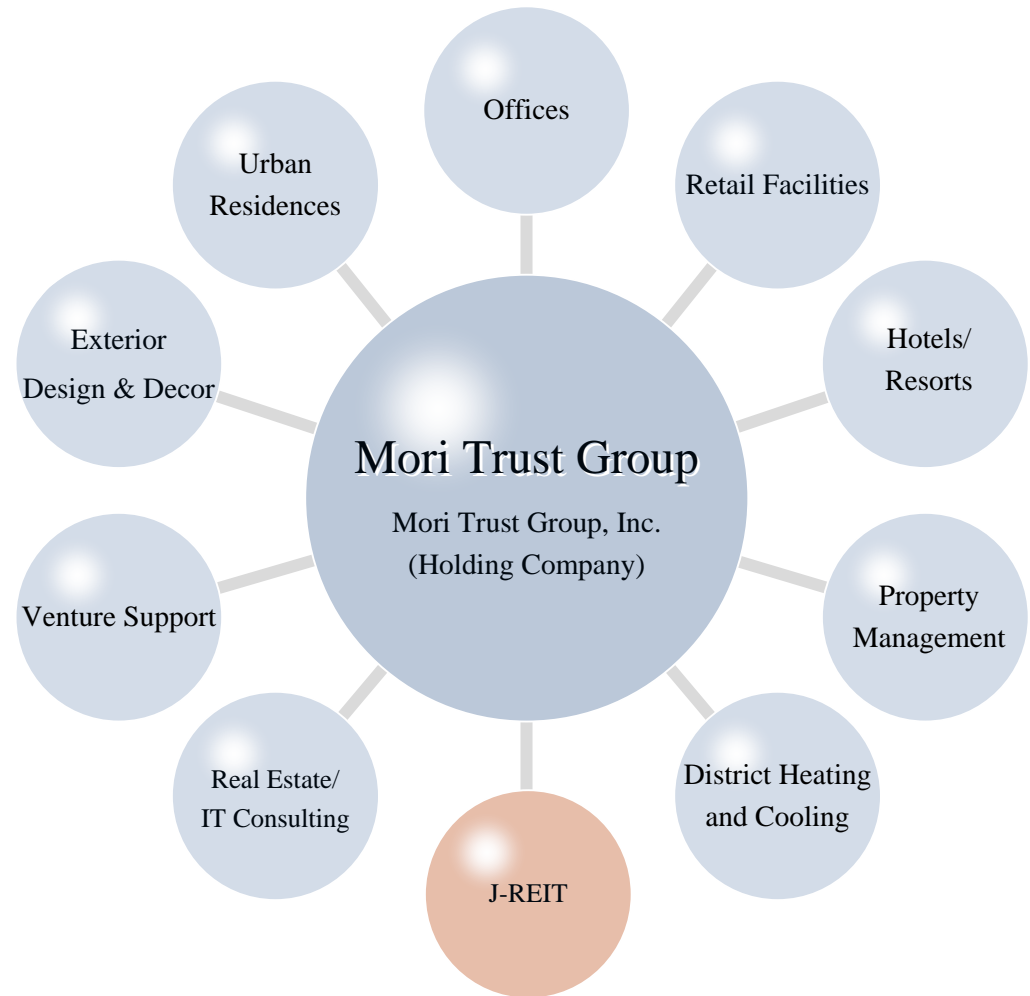
* The master lease contract for the Osaki MT Bldg. is linked to a sublease contract and does not provide a fixed rental income. Through this contract, MTR aims to enjoy an increase in revenues in accordance with rising rental fees, and to attain internal growth.



Mori Trust Group

Mori Trust Group Profile & Overview of Business Activities

Name	Mori Trust Group Inc.
Consolidated Business Results	Net sales ¥124.9 billion, ordinary income ¥30.9 billion (Fiscal year ended March 31, 2005)
Leased Facilities	Rental Properties: 61, Hotels: 17* (as of July 31, 2005)
Rented Area	Approx. 1,660,000 m ² (Rental Properties: Approx. 1,370,000 m ² ; Hotel rooms: approximately 3,120) (as of July 31, 2005)
Principal Properties Owned	<ul style="list-style-type: none"> • Redevelopment Business <ul style="list-style-type: none"> Shiroyama Hills (Shiroyama JT Trust Tower, Shiroyama Trust Court, others) Gotenyama Hills (Gotenyama Trust Tower, Gotenyama Trust Court, others) Tokyo Shiodome Building Marunouchi Trust Tower North (completed), Main Tower (planning phase) • Office Buildings (other than redevelopment business) <ul style="list-style-type: none"> Akasaka Twin Tower, ATT New Tower Toranomon 2-chome Tower • Hotels <ul style="list-style-type: none"> Laforet Club (Laforet Tokyo, Laforet Shuzenji, others) Mampeï Hotel (Karuizawa) Yokohama Grand Intercontinental Hotel



*13 Laforet Hotels, Mampei Hotel, Yokohama Grand Intercontinental Hotel, Conrad Tokyo and others