



**Press Release**

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**MTR Announces Financial Results for its 10th Fiscal Period**

**Tokyo, May 23, 2007** – MORI TRUST Sogo Reit, Inc. (MTR) has announced financial results for its 10th fiscal period (from October 1, 2006 to March 31, 2007). For the period, MTR recorded operating revenues of 4,957 million yen and income before income taxes of 3,000 million yen. Net income was 2,999 million yen. As a result, distribution per share was 18,746 yen (shares issued and outstanding: 160,000 shares).

At the end of the 10th period, total assets were 151,763 million yen while total shareholders' equity was 82,999 million yen. Net assets per share were 518,746 yen.

**Portfolio profile**

As of the end of the period, MTR had ten properties with a total book value of 142,486 million yen and total rentable area of 407,231.68 sq.m. The occupancy rate on a total rentable area basis for the entire portfolio was 99.9% as of March 31, 2007.

The occupancy rate for the entire portfolio was 99.9% at the end of the 8th period.

**Financing**

Total loans outstanding as of the end of the 10th period were 57,500 million yen, of which long-term loans totaled 38,500 million yen.

\*See disclaimer at the end of the document.



## Forecasts

Based on the assumptions and information available at the end of the 8th period, MTR's projections of operating results for the next period (11th period: April 1, 2007 – September 30, 2007) are as follows:

Operating revenues	5,347 million yen
Income before income taxes	3,040 million yen
Net income	3,039 million yen
Distribution per share	19,000 yen

\*Assumptions include the sale of the Hitachi Headquarters Building and the acquisition of the Akasaka-mitsuke MT Building. (Please refer to the press releases on May 11, 2006)

\*Actual operating revenues, income before income taxes, net income, and distribution per share may differ materially from forecasts due to changes in the operating environment. Accordingly, MTR does not guarantee the accuracy of forecast amounts.



## BALANCE SHEETS

As of March 31, 2007 and September 30, 2006

	March 31, 2007	September 30, 2006
	Thousands of yen	
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	¥9,186,658	¥9,529,807
Rental and other receivables	35,233	41,587
Consumption taxes refundable	-	143,416
Other current assets	44,617	27,790
Total current assets	9,266,508	9,742,600
<b>Property and Equipment, at Cost:</b>		
Land including trust accounts	112,102,220	112,078,176
Buildings and structures including trust accounts	34,166,049	33,875,460
Machinery and equipment	53,821	53,821
Tools, furniture and fixtures	11,312	9,970
Less: accumulated depreciation	(3,846,586)	(3,113,061)
Net property and equipment	142,486,816	142,904,366
<b>Investments and Other Assets:</b>		
Deposits	10,000	10,000
Other	276	277
Total investments and other assets	10,276	10,277
<b>Total Assets</b>	<b>¥151,763,600</b>	<b>¥152,657,243</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	¥97,074	¥407,566
Short-term loans	19,000,000	21,500,000
Current portion of long-term loans	-	5,500,000
Distribution payable	13,264	12,066
Consumption taxes payable	193,121	49,970
Rents received in advance	824,774	826,580
Accrued expenses and other current liabilities	250,946	164,511
Total current liabilities	20,379,179	28,460,693
<b>Long-Term Liabilities:</b>		
Long-term loans	38,500,000	30,500,000
Leasehold and security deposits	9,884,995	10,004,511
Total long-term liabilities	48,384,995	10,004,511
<b>Total Liabilities</b>	<b>68,764,174</b>	<b>68,965,204</b>
<b>Shareholders' Equity</b>		
Shareholders' equity		
Shares authorized: 2,000,000 shares		
Shares issued and outstanding: 160,000 shares	80,000,000	80,000,000
Retained earnings	2,999,426	3,692,039
<b>Total Shareholders' Equity</b>	<b>82,999,426</b>	<b>83,692,039</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>¥151,763,600</b>	<b>¥152,657,243</b>



**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**For the six-month periods ended March 31, 2007 and September 30, 2006**

	October 1, 2006 to March 31, 2007	April 1, 2006 to September 30, 2006
Thousands of yen		
<b>Operating Revenues:</b>		
Rental revenues	¥4,957,479	¥4,564,350
Gain on sale of investment property	-	925,152
<b>Operating Expenses:</b>		
Property-related expenses	1,395,241	1,300,951
Asset management fees	164,911	170,517
Custodian and administrative service fees	44,656	41,631
Other operating expenses	62,208	75,268
<b>Operating Income</b>	<b>3,290,463</b>	<b>3,901,135</b>
<b>Non-Operating Revenues:</b>		
Interest income	8,721	1,414
Other non-operating revenues	1,966-	100
<b>Non-Operating Expenses:</b>		
Interest expense	300,256	202,835
Amortization of organization costs	-	6,844
Other non-operating expenses	491	-
<b>Income before Income Taxes</b>	<b>3,000,403</b>	<b>3,692,970</b>
<b>Income Taxes:</b>		
Current	1,017	986
Deferred	(1)	0
<b>Net Income</b>	<b>2,999,387</b>	<b>3,691,984</b>
<b>Retained Earnings at the Beginning of Period</b>	<b>39</b>	<b>55</b>
<b>Retained Earnings at the End of Period</b>	<b>¥2,999,426</b>	<b>¥3,692,039</b>



## STATEMENTS OF CASH FLOWS

For the six-month periods ended March 31, 2007 and September 30, 2006

	October 1, 2006 to March 31, 2007	April 1, 2006 to September 30, 2006
	Thousands of yen	
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	¥3,000,403	¥3,692,970
Depreciation and amortization	733,5251	592,319
Amortization of organization costs	-	6,844
Interest income	(8,721)	(1,414)
Interest expense	300,256	202,835
Changes in assets and liabilities		
Investment Property	-	41,039,949
Rental and other receivables	6,354	(10,330)
Consumption tax refundable	143,417	127,365
Other assets	(243,994)	247,440
Accounts payable and accrued expenses	12,777	5,049
Consumption taxes payable	143,150	16,778
Rents received in advance	(1,805)	2,338
Other liabilities	(56,859)	65,996
Subtotal	4,015,726	45,728,360
Interest received	8,721	1,414
Interest paid	(282,830)	(193,444)
Income taxes paid	(2,344)	(1,221)
Net cash provided by operating activities	3,739,273	45,535,109
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment including trust accounts	(396,240)	(46,336,944)
Purchases of intangible assets	-	(36)
Repayment of leasehold and security deposits	-	(2,806,120)
Proceeds from leasehold and security deposits	4,620	2,733,004
Net cash used in investing activities	(391,620)	(46,410,096)
<b>Cash Flows from Financing Activities:</b>		
Net increase (decrease) in short-term loans	(2,500,000)	(2,000,000)
Proceeds from long-term loans	8,000,000	8,000,000
Repayment of long-term loans	(5,500,000)	-
Distributions paid to shareholders	(3,690,802)	(3,083,097)
Net cash (used in) provided by financing activities	(3,690,802)	2,916,903
<b>Net Change in Cash and Cash Equivalents</b>	(343,149)	2,041,916
<b>Cash and Cash Equivalents at the Beginning of Period</b>	9,529,807	7,487,891
<b>Cash and Cash Equivalents at the End of Period</b>	¥9,186,658	¥9,529,807



## Portfolio Overview

(As of March 31, 2007)

Property Name	Location	Appraisal Value (Millions of yen)	Rent Area (sq. m)	Rentable Area (sq. m)	Occupancy Rate	Number of Tenants	Rental Revenues in 10th Fiscal Period (Thousands of yen)	% of Total
Nissan Motor New Headquarters Building	Chuo-ku, Tokyo	17,700	23,614.49	23,614.49	100.0%	1	438,302	8.8%
Mita MT Building	Minato-ku, Tokyo	19,500	21,043.02	21,043.02	100.0%	1	503,278	10.2%
Osaki MT Building	Shinagawa-ku, Tokyo	15,400	22,634.06	22,634.06	100.0%	1	748,432	15.1%
Akasaka-mitsuke MT Building	Minato-ku, Tokyo	27,800	13,194.20	13,194.20	100.0%	1	748,432	12.1%
Park Lane Plaza	Shibuya-ku, Tokyo	3,620	4,443.03	4,443.03	96.7%	17	111,022	2.2%
Marubeni Osaka Headquarters Building	Osaka, Osaka	14,900	41,574.47	41,574.47	100.0%	1	600,180	12.1%
Shin-Yokohama TECH Building	Yokohama, Kanagawa	9,570	18,359.46	18,359.46	100.0%	4	525,995	10.6%
Ito-Yokado Shonandai	Fujisawa, Kanagawa	14,700	53,393.66	53,393.66	100.0%	1	395,045	8.0%
Frespo Inage	Chiba, Chiba	5,760	79,113.42	79,113.42	100.0%	1	236,568	4.9%
Ito-Yokado Shin-Urayasu	Urayasu, Chiba	13,600	57,621.38	57,621.38	100.0%	1	378,165	7.6%
Hotel Okura Kobe	Kobe, Hyogo	18,600	72,240.49	72,240.49	100.0%	1	639,868	12.9%
Total		161,150	407,231.68	407,231.68	99.9%	30	4,957,478	100.0%

Notes: Both the total rent and total rentable areas of the Osaki MT Building as of March 31, 2007 are 26,980.68 sq. m. 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.



Disclaimer:

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 10th fiscal period from October 1, 2006 to March 31, 2007, 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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Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the real estate market, interest rate fluctuations, competition with our properties, and the impact of changing regulations or taxation.

MTR does not intend and is under no obligation to update any particular forward-looking statement included in this document. The forward-looking statements contained in this press release speak only as of the date of release, May 19, 2006, and MTR does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.