

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, 2009 and March 31, 2009, 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, 2009 and March 31, 2009, 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 September 30, 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 Shinrihōn LLC

December 11, 2009

FINANCIAL STATEMENTS

BALANCE SHEETS

As of September 30, 2009 and March 31, 2009

	September 30, 2009	March 31, 2009	September 30, 2009
	Thousands of yen		U.S. dollars (Note 1)
Assets			
Current Assets:			
Cash and cash equivalents (Note 11)	¥10,201,157	¥9,549,977	\$113,992,145
Rental and other receivables (Note 9)	69,461	65,141	776,184
Other current assets	49,253	32,614	550,371
Total current assets	10,319,871	9,647,732	115,318,700
Property and Equipment, at Cost: (Note 3)			
Buildings and structures including trust accounts	42,235,579	42,167,676	471,958,648
Machinery and equipment including trust accounts	138,643	138,643	1,549,254
Tools, furniture and fixtures including trust accounts	50,444	33,650	563,686
Land including trust accounts	164,019,716	163,951,360	1,832,827,307
Less: accumulated depreciation	(7,890,240)	(7,026,401)	(88,168,957)
Net property and equipment	198,554,142	199,264,928	2,218,729,938
Investments and Other Assets:			
Deposits	10,000	10,000	111,744
Other	276	276	3,084
Total investments and other assets	10,276	10,276	114,828
Total Assets	¥208,884,289	¥208,922,936	\$2,334,163,466
Liabilities			
Current Liabilities:			
Accounts payable	¥104,107	¥156,429	\$1,163,337
Short-term loans (Note 4)	24,500,000	29,500,000	273,773,606
Long-term loans due within one year (Note 5)	19,750,000	22,650,000	220,695,050
Distributions payable	9,660	8,792	107,950
Consumption taxes payable	115,648	266,560	1,292,299
Rents received in advance (Note 9)	1,103,511	1,083,414	12,331,106
Accrued expenses and other current liabilities (Note 9)	200,184	213,410	2,236,941
Total current liabilities	45,783,110	53,878,605	511,600,289
Long-Term Liabilities:			
Long-term loans (Note 5)	46,675,000	38,850,000	521,566,655
Leasehold and security deposits including trust accounts (Note 9)	14,699,806	14,415,137	164,262,000
Total long-term liabilities	61,374,806	53,265,137	685,828,655
Total Liabilities	107,157,916	107,143,742	1,197,428,944
Net Assets: (Note 6)			
Shareholders' equity:			
Shares authorized: 2,000,000 shares			
Shares issued and outstanding: 182,000 shares	97,600,000	97,600,000	1,090,624,651
Retained earnings	4,126,373	4,179,194	46,109,871
Total Net Assets	101,726,373	101,779,194	1,136,734,522
Total Liabilities and Net Assets	¥208,884,289	¥208,922,936	\$2,334,163,466

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, 2009 and March 31, 2009

	April 1, 2009 to September 30, 2009	October 1, 2008 to March 31, 2009	April 1, 2009 to September 30, 2009
	Thousands of yen		U.S. dollars (Note 1)
Operating Revenues:			
Rental revenues (Notes 9 and 10)	¥7,105,333	¥6,895,691	\$79,398,066
Operating Expenses:			
Property-related expenses (Note 10)	2,006,239	2,052,791	22,418,584
Asset management fees	219,672	231,384	2,454,715
Custodian and administrative service fees	59,516	60,539	665,060
Other operating expenses	77,209	69,938	862,754
Operating Income	4,742,697	4,481,039	52,996,953
Non-Operating Revenues:			
Interest income	4,436	9,329	49,570
Other non-operating revenues	893	4,330	9,983
Non-Operating Expenses:			
Interest expense	620,795	619,060	6,937,041
Investment share issuance expenses	-	42,831	-
Extraordinary income:			
Compensation for transfer of head office	-	347,417	-
Income before Income Taxes	4,127,231	4,180,224	46,119,465
Income Taxes: (Note 7)			
Current	965	1,057	10,778
Deferred	4	(4)	51
Net Income	4,126,262	4,179,171	46,108,636
Retained Earnings at the Beginning of Period	111	23	1,235
Retained Earnings at the End of Period	¥4,126,373	¥4,179,194	\$46,109,871

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, 2009 and March 31, 2009

	Thousands of yen			U.S. dollars (Note 1)	
	Shares	Common shares	Retained earnings	Total net assets	Total net assets
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	\$1,137,324,779
Cash dividends paid	-		(4,179,083)	(4,179,083)	(46,698,893)
Net income	-		4,126,262	4,126,262	46,108,636
Balance as of September 30, 2009	182,000	¥97,600,000	¥4,126,373	¥101,726,373	\$1,136,734,522

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

STATEMENTS OF CASH FLOWS

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

	April 1, 2009 to September 30, 2009	October 1, 2008 to March 31, 2009	April 1, 2009 to September 30, 2009
	Thousands of yen		U.S. dollars (Note 1)
Cash Flows from Operating Activities:			
Income before income taxes	¥4,127,231	¥4,180,224	\$46,119,465
Depreciation and amortization	863,840	872,097	9,652,911
Investment share issuance expenses	-	42,831	-
Interest income	(4,436)	(9,329)	(49,570)
Interest expense	620,796	619,059	6,937,041
Changes in assets and liabilities:			
Rental and other receivables	(4,320)	(16,409)	(48,270)
Consumption tax refundable	-	211,601	-
Accounts payable and accrued expenses	(52,630)	70,366	(588,107)
Consumption taxes payable	(150,912)	266,560	(1,686,354)
Rents received in advance	20,096	62,843	224,567
Other	(30,418)	5,386	(339,904)
Subtotal	5,389,247	6,305,229	60,221,779
Interest received	4,757	8,546	53,161
Interest paid	(621,174)	(641,999)	(6,941,264)
Income taxes paid	(359)	(160)	(4,018)
Net cash provided by operating activities	4,772,471	5,671,616	53,329,658
Cash Flows from Investing Activities:			
Purchases of property and equipment including trust accounts	(152,745)	(277,558)	(1,706,843)
Repayment of leasehold and security deposits	(17,742)	(1,104,375)	(198,257)
Proceeds from leasehold and security deposits including trust accounts	302,411	1,780,979	3,379,274
Net cash provided by investing activities	131,924	399,046	1,474,174
Cash Flows from Financing Activities:			
Net increase in short-term loans	(5,000,000)	(20,000,000)	(55,872,164)
Proceeds from long-term loans	12,000,000	3,000,000	134,093,195
Payment of long-term loans	(7,075,000)	(3,000,000)	(79,059,113)
Proceeds from issuance of investment shares	-	17,557,168	-
Distributions paid to shareholders	(4,178,216)	(3,260,666)	(46,689,189)
Net cash used in financing activities	(4,253,216)	(5,703,498)	(47,527,271)
Net Change in Cash and Cash Equivalents	651,179	367,164	7,276,561
Cash and Cash Equivalents at the Beginning of Period	9,549,978	9,182,813	106,715,584
Cash and Cash Equivalents at the End of Period (Note 11)	¥10,201,157	¥9,549,977	\$113,992,145

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

NOTES TO FINANCIAL STATEMENTS

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

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, 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 ¥89.49 = U.S.\$1.00, the foreign exchange rate prevailing on September 30, 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 including trust accounts.....	3 - 17 years
Tools, furniture and fixtures including trust accounts.....	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 September 30, 2009 and March 31, 2009 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of September 30, 2009		As of March 31, 2009		As of September 30, 2009	
	Acquisition Cost	Book Value	Acquisition Cost	Book Value	Acquisition Cost	Book Value
Land	¥113,064,399	¥113,064,399	¥112,996,043	¥112,996,043	\$1,263,430,536	\$1,263,430,536
Buildings and structures	28,527,364		28,493,199		318,777,115	
Accumulated depreciation	(6,208,651)	22,318,713	(5,689,810)	22,803,389	(69,378,155)	249,398,960
Machinery and equipment	136,365		136,365		1,523,803	
Accumulated depreciation	(70,911)	65,454	(65,047)	71,318	(792,393)	731,410
Tools, furniture and fixtures	43,273		33,650		483,554	
Accumulated depreciation	(10,221)	33,052	(7,654)	25,996	(114,212)	369,342
Land in trust	50,955,317	50,955,317	50,955,317	50,955,317	569,396,771	569,396,771
Buildings and structures in trust	13,708,215		13,674,477		153,181,533	
Accumulated depreciation	(1,599,394)	12,108,821	(1,263,434)	12,411,043	(17,872,326)	135,309,207
Machinery and equipment in trust	2,278		2,278		25,451	
Accumulated depreciation	(799)	1,479	(456)	1,822	(8,926)	16,525
Tools, furniture and fixtures in trust	7,171		-	-	80,132	
Accumulated depreciation	(264)	6,907	-	-	(2,945)	77,187
Total		¥198,554,142		¥199,264,928		\$2,218,729,938

4. SHORT-TERM LOANS

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

Lender	Thousands of yen		U.S. dollars		Due on	Use of funds	Note
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009	Average interest rate (%) (1)			
Mizuho Corporate Bank, Ltd.	-	¥ 5,000,000	-	-	-		
Mizuho Corporate Bank, Ltd.	-	4,000,000	-	-	-		
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.	¥ 6,000,000	6,000,000	\$ 67,046,596	1.22	February 26, 2010		
The Sumitomo Trust & Banking Co., Ltd.	1,000,000	1,000,000	11,174,433	1.22	February 26, 2010		
Sumitomo Mitsui Banking Corporation	1,000,000	1,000,000	11,174,433	1.22	February 26, 2010		
Mizuho Corporate Bank, Ltd.	5,000,000	-	55,872,164	1.35	August 31, 2010		
Mitsubishi UFJ Trust & Banking Corporation	3,500,000	-	39,110,514	1.35	August 31, 2010		
The Sumitomo Trust & Banking Co., Ltd.	2,500,000	-	27,936,082	1.35	August 31, 2010		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	22,348,866	1.35	August 31, 2010	(2)	(3)
Sumitomo Mitsui Banking Corporation	1,000,000	-	11,174,433	1.35	August 31, 2010		
Mizuho Corporate Bank, Ltd.	500,000	-	5,587,217	1.14	August 31, 2010		
The Sumitomo Trust & Banking Co., Ltd.	500,000	-	5,587,217	1.14	August 31, 2010		
Mitsubishi UFJ Trust & Banking Corporation	500,000	-	5,587,217	1.14	August 31, 2010		
Sumitomo Mitsui Banking Corporation	500,000	-	5,587,217	1.14	August 31, 2010		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	5,587,217	1.14	August 31, 2010		
Total short-term loans	¥ 24,500,000	¥ 29,500,000	\$ 273,773,606	-	-	-	-

(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.

MTR has committed lines of credit of ¥10,000 million (\$111,744 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 (\$111,744 thousand) at September 30, 2009.

5. LONG-TERM LOANS

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

Lender	Thousands of yen		U.S. dollars		Due on	Use of funds	Note
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009	Average interest rate (%) (1)			
Shinsei Bank, Limited	-	¥3,000,000	-	-	-		
Mitsubishi UFJ Trust & Banking Corporation	-	2,000,000	-	-	-		
The Chiba Bank, Ltd.	-	1,000,000	-	-	-		
The Sumitomo Trust & Banking Co., Ltd.	-	1,000,000	-	-	-		
Sumitomo Mitsui Banking Corporation	¥5,000,000	5,000,000	\$ 55,872,164	1.15	February 26, 2010		
Nippon Life Insurance Company	3,000,000	3,000,000	33,523,299	1.09	February 26, 2010		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	3,000,000	33,523,299	1.39	February 26, 2010		
The Sumitomo Trust & Banking Co., Ltd.	2,500,000	2,500,000	27,936,082	1.37	February 26, 2010		
The Dai-ichi Mutual Life Insurance Company	2,000,000	2,000,000	22,348,866	1.09	February 26, 2010		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000,000	4,000,000	44,697,731	1.46	August 31, 2010		
Shinsei Bank, Limited	3,000,000	3,000,000	33,523,299	1.59	February 28, 2011		
Development Bank of Japan Inc.	2,500,000	2,500,000	27,936,082	1.65	February 28, 2011		
Development Bank of Japan Inc.	2,000,000	2,000,000	22,348,866	1.46	February 28, 2011		
Shinsei Bank, Limited	2,000,000	2,000,000	22,348,866	1.55	February 28, 2011		
Nippon Life Insurance Company	1,000,000	1,000,000	11,174,433	1.46	February 28, 2011		
The Hachijuni Bank, Ltd.	1,000,000	1,000,000	11,174,433	1.55	February 28, 2011	(2)	(3)
The Sumitomo Trust & Banking Co., Ltd.	5,000,000	5,000,000	55,872,164	1.58	August 31, 2011		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	3,000,000	33,523,299	1.58	August 31, 2011		
Development Bank of Japan Inc.	1,000,000	1,000,000	11,174,433	1.68	August 31, 2011		
Development Bank of Japan Inc.	4,000,000	4,000,000	44,697,731	1.44	February 29, 2012		
The Sumitomo Trust & Banking Co., Ltd.	3,000,000	-	33,523,299	1.62	February 29, 2012		
Development Bank of Japan Inc.	2,000,000	2,000,000	22,348,866	1.74	February 29, 2012		
Mizuho Corporate Bank, Ltd.	4,000,000	-	44,697,731	1.67	August 31, 2012		
Mitsubishi UFJ Trust & Banking Corporation	3,000,000	-	33,523,299	1.67	August 31, 2012		
Development Bank of Japan Inc.(4)	2,925,000	3,000,000	32,685,216	1.81	August 31, 2012		
Development Bank of Japan Inc.(5)	2,000,000	-	22,348,866	1.83	August 30, 2013		
The Dai-ichi Mutual Life Insurance Company	2,500,000	2,500,000	27,936,082	1.92	February 28, 2014		
Development Bank of Japan Inc.	3,000,000	3,000,000	33,523,299	1.96	February 27, 2015		
Total long-term loans	¥66,425,000	¥61,500,000	\$ 742,261,705	-	-	-	-

(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 (\$838 thousand) from the 1st to 6th installment, and ¥2,550 million (\$28,494 thousand) for the final installment.

(5) The loan from the "Development Bank of Japan Inc." will be amortized in eight semi-annual installments at the end of each February and August, starting from February 26, 2010 and ending at August 30, 2013.

The repayment amounts are ¥50 million (\$558 thousand) from the 1st to 7th installment, and ¥1,650 million (\$18,437 thousand) for the final installment.

(6) 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
		¥20,750,000	¥18,725,000	¥1,700,000	¥2,500,000
		\$231,869,482	\$209,241,256	\$18,996,535	\$27,936,082

6. NET ASSETS

MTR is required to maintain net assets of at least ¥50 million (\$558 thousand) as required pursuant to the Investment Trust Law.

7. INCOME TAXES

At September 30, 2009 and March 31, 2009, 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, 2009 and March 31, 2009, was as follows:

	April 1, 2009 to September 30, 2009	October 1, 2008 to March 31, 2009
Statutory tax rate	39.33%	39.33%
Deductible dividend distribution	(39.32%)	(39.32%)
Per capita inhabitants' taxes	0.01%	0.02%
Effective tax rates	0.02%	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 distributable profit 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 ¥4,126,304 thousand (\$46,109,107) at September 30, 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 September 30, 2009, and March 31, 2009 and for the six-month periods then ended:

	Yen		U.S. dollars
	April 1, 2009 to September 30, 2009	October 1, 2008 to March 31, 2009	April 1, 2009 to September 30, 2009
Net assets per share at period end	¥558,936	¥559,226	\$6,246
Net income per share	22,672	22,962	253
Weighted-average number of shares	182,000	182,000	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

April 1, 2009 to September 30, 2009

(a)	
Party type	Other related company *
Party name	Mori Trust Co., Ltd.
Address	Tokyo, Japan
Capital	¥10,000,000 thousand (\$111,744,329)
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	¥1,046,942 thousand (\$11,698,987)
Account name and balance at period end	Rents received in advance ¥90,764 thousand (\$1,014,240) Rental and other receivables ¥422 thousand (\$4,721) Leasehold and security deposits ¥2,416,027 thousand (\$26,997,742)

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
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
Account name and balance at period end	Rents received in advance ¥90,764 thousand Rental and other receivables ¥308 thousand Leasehold and security deposits ¥2,420,860 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: 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, 2009 and March 31, 2009 is summarized as follows:

Rental revenues and property-related expenses

	Thousands of yen		U.S. dollars
	April 1, 2009 to September 30, 2009	October 1, 2008 to March 31, 2009	April 1, 2009 to September 30, 2009
Rental Revenues:	¥7,105,333	¥6,895,691	\$79,398,066
Rental revenues	6,494,762	6,349,424	72,575,289
Common charges	279,794	279,794	3,126,543
Parking revenues	21,713	21,640	242,625
Other rental revenues	309,064	244,833	3,453,609
Property-Related Expenses:	2,006,239	2,052,791	22,418,584
Property management fees	238,109	296,455	2,660,732
Utilities	211,931	210,664	2,368,205
Property and other taxes	592,523	520,348	6,621,113
Casualty insurance	28,591	28,723	319,491
Repairs and maintenance	61,863	114,088	691,290
Depreciation	863,840	872,097	9,652,911
Other rental expenses	9,382	10,416	104,842
Profit	¥5,099,094	¥4,842,900	\$56,979,482

11. CASH AND CASH EQUIVALENTS

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

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
Cash and bank deposits	¥8,577,653	¥6,402,903	\$95,850,406
Cash in trust and deposits in trust	1,623,504	3,147,074	18,141,739
Cash and cash equivalents	¥10,201,157	¥9,549,977	\$113,992,145

12. LEASES

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

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
Due within one year	¥7,124,105	¥7,470,118	\$79,607,833
Due after one year	42,962,315	46,384,689	480,079,509
Total	¥50,086,420	¥53,854,807	\$559,687,342

13. SUBSEQUENT EVENTS

DISTRIBUTION OF RETAINED EARNINGS

On November 13, 2009, the Board of Directors approved a resolution for the payment of a cash distribution of ¥22,672 per share, aggregating to ¥4,126,304 thousand (\$46,109,107), to its shareholders of record as of September 30, 2009.