



MORI TRUST Sogo Reit, Inc.

MORI TRUST Asset Management Co., Ltd.



12th Fiscal Period
(October 1, 2007—March 31, 2008)
Information Package

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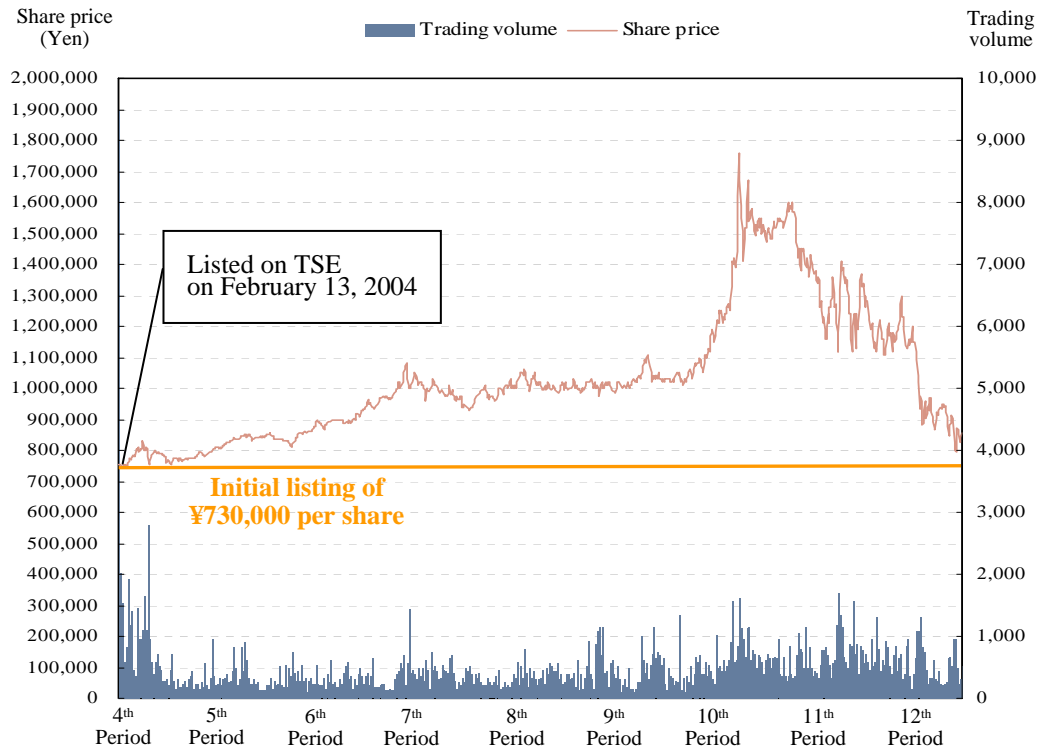
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Part 1
Summary of 12th Fiscal Period
(Ended March 31, 2008)

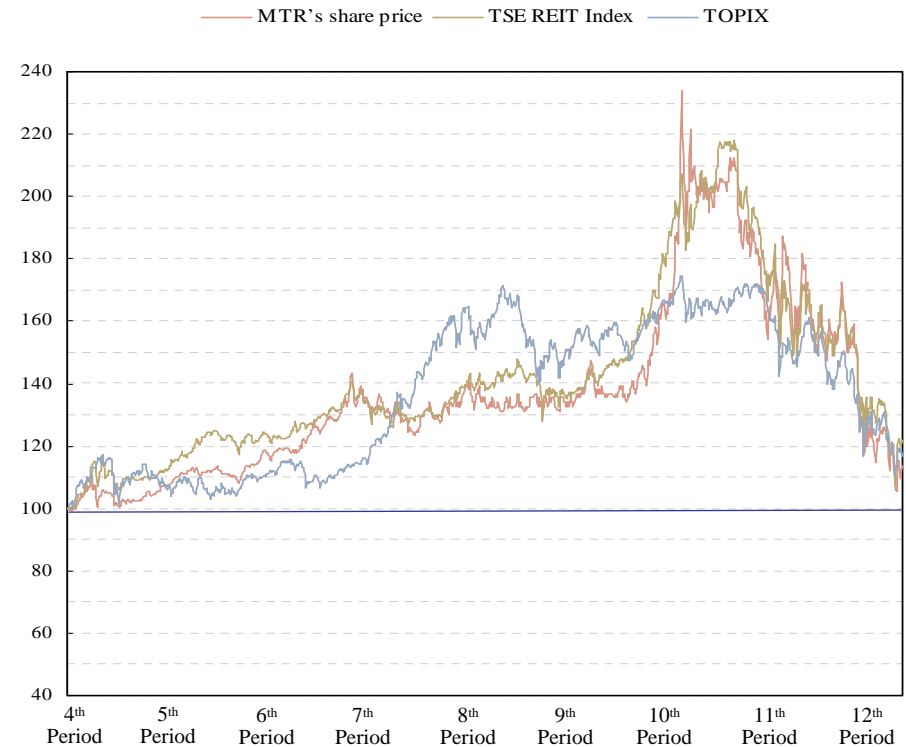
Trends in Share Prices

Summary of 12th Fiscal Period

Closing share prices and trading volume
February 13, 2004 to March 31, 2008



Comparative performance of closing share prices
February 13, 2004 to March 31, 2008



(Note) A base of 100 is used to compare MTR's share price at IPO with the TSE REIT Index and TOPIX

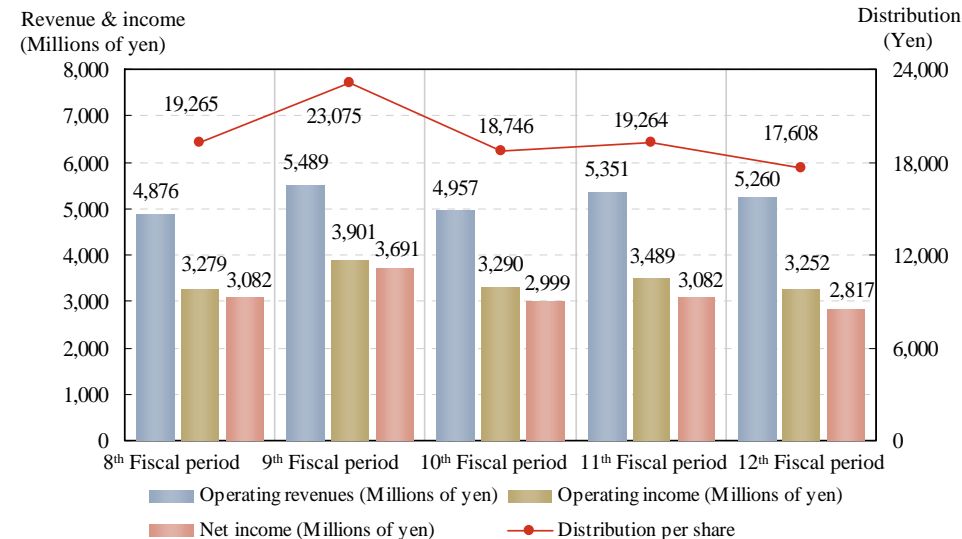
12th Fiscal Period Financial Highlights 1

Summary of 12th Fiscal Period

Financial highlights

- **Distribution per share: ¥17,608**
(Previous forecast: ¥17,100; previous period: ¥19,264)
Difference from previous forecast: +¥508
Difference from previous period: -¥1,656
- **Renovation work at Osaki MT Building for raising value**
Full occupancy of sublessees and significant rent increases, as of the 12th fiscal period-end
- **Maintained financial stability: lower-than-average debt procurement costs**
- **13th period forecast distribution per share: ¥19,609**
14th period forecast distribution per share: ¥20,334

Performance



Summary of 12th fiscal period results

(Millions of yen)

	12 th Fiscal period (Actual)	11 th Fiscal period (Actual)	Change (Compared with 11 th fiscal period)		12 th Fiscal period (Forecast)
Operating revenues	5,260	5,351	-91	-1.7%	5,209
Operating income	3,252	3,489	-236	-6.8%	3,181
Income before income taxes	2,818	3,083	-264	-8.6%	2,737
Net income	2,817	3,082	-264	-8.6%	2,736
Distribution per share (Yen)	17,608	19,264	-1,656	-8.6%	17,100
Number of shares issued	160,000	160,000	-	-	160,000

12th Fiscal Period Financial Highlights 2: Indicators

Summary of 12th Fiscal Period

		Unit	8 th Period	9 th Period	10 th Period	11 th Period	12 th Period
Total assets	①	Millions of yen	145,726	152,657	151,763	167,639	167,186
Interest-bearing liabilities	②	Millions of yen	51,500	57,500	57,500	71,000	71,000
Total net assets	③	Millions of yen	83,082	83,692	82,999	83,082	82,817
Profits from real estate rental business	④	Millions of yen	3,539	3,263	3,562	3,793	3,532
Gain on sale of real estate	⑤	Millions of yen	-	925	-	-	-
Depreciation and amortization	⑥	Millions of yen	608	592	733	748	758
Earnings before depreciation and amortization (NOI)	⑦=④+⑥	Millions of yen	4,148	3,855	4,295	4,542	4,290
Capital improvements	⑧	Millions of yen	48	59	275	87	528
Net cash flows	⑨=⑦-⑧	Millions of yen	4,100	3,796	4,020	4,454	3,761
Income before income taxes	⑩	Millions of yen	3,083	3,692	3,000	3,083	2,818
Net income	⑪	Millions of yen	3,082	3,691	2,999	3,082	2,817
FFO	⑫=⑪+⑥-⑤	Millions of yen	3,690	3,359	3,732	3,831	3,575
Total distribution	⑬	Millions of yen	3,082	3,692	2,999	3,082	2,817
Shares issued and outstanding	⑭	Shares	160,000	160,000	160,000	160,000	160,000
Total net assets per share	⑮=③/⑭	Yen	519,265	523,075	518,746	519,264	517,608
Distribution per share	⑯=⑬/⑭	Yen	19,265	23,075	18,746	19,264	17,608
FFO per share	⑰=⑫/⑭	Yen	23,068	20,995	23,331	23,944	22,347
ROA (annualized)	⑱=⑩/①/6×12		4.2%	4.8%	4.0%	3.7%	3.4%
ROE (annualized)	⑲=⑪/③/6×12		7.4%	8.8%	7.2%	7.4%	6.8%
LTV ratio	⑳=②/①		35.3%	37.7%	37.9%	42.4%	42.5%

12th Fiscal Period Topic 1: Raising the Value of Osaki MT Building

Summary of 12th Fiscal Period

Realized higher value after conducting repair work to the entire building

- Sublessee (Sumitomo Heavy Industries, Ltd.) completely vacated
- To attract credit-worthy tenants and raise rent, MTR implemented measures to ensure competitiveness and conducted extensive renovations
 - ◆ Renovation includes upgrade of facilities (individual air conditioning systems, increased OA power supply capacity, etc.), strengthened building security systems and other improvements
 - ◆ Renovation period: September 2007 to January 2008
 - ◆ MTR's share of renovation cost: approximately ¥495 million



Renovations to the elevator corridor



Renovations to restrooms

Significant increase in revenues with full occupancy of end-tenants

- **Full occupancy of sublessees**, as of the 12th fiscal period-end
- **Rent and NOI levels increased approximate 40%** compared to the previous fiscal period
 - ◆ Tenants (eight in total) include an IT company, a major components manufacturer and a mail-order firm
 - ◆ To improve tenant services, a retail shop will be opened on the first floor



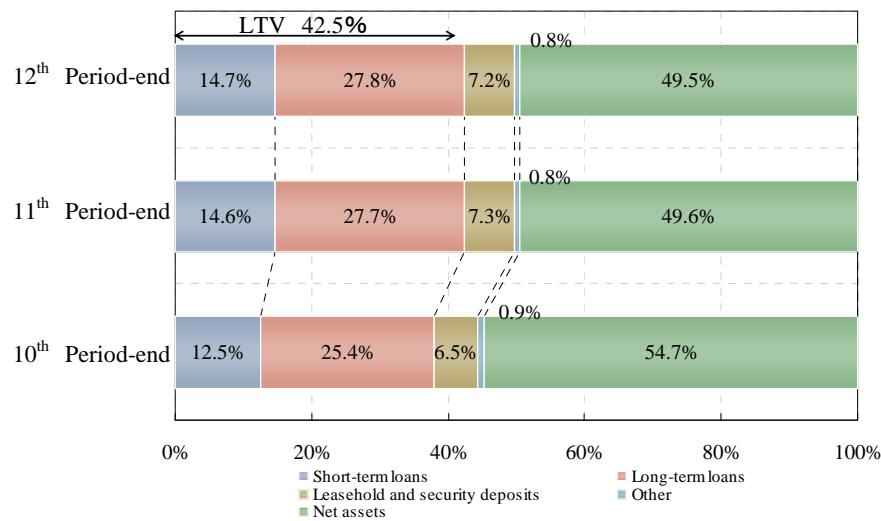
Specially designed office space

12th Fiscal Period Topic 2: Interest-Bearing Liabilities

Summary of 12th Fiscal Period

Interest-bearing liabilities at the 12th fiscal period-end

Total interest-bearing liabilities	¥71,000 Million
LTV (interest-bearing liabilities to total assets ratio)	42.5%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid within one year)	65.5%
Fixed interest-bearing liabilities ratio	65.5%



Average interest rates on loans in the 12th fiscal period

Combined	1.26%
Short-term loans	1.02%
Long-term loans	1.39%

	Lender	Drawdown date	12 th Fiscal period-end outstanding balance (Millions of yen)	12 th Fiscal period-end average interest rate	Repayment date	Remaining period	Repayment method
Short-term loans	Mizuho Corporate Bank, Ltd.	August 31, 2007	5,000	1.00%	August 29, 2008	5 months	Bullet repayment on maturity Unsecured/ non-guaranteed
	The Sumitomo Trust & Banking Co., Ltd.		4,500	1.00%			
	Mitsubishi UFJ Trust and Banking Corporation		4,500	1.04%			
	Sumitomo Mitsui Banking Corporation		1,000	1.05%			
	The Joyo Bank, Ltd.	February 29, 2008	500	1.03%	February 27, 2009	11 months	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	1.05%			
	Mizuho Corporate Bank, Ltd.		6,000	1.05%			
	The Sumitomo Trust & Banking Co., Ltd.		1,000	1.05%			
Subtotal			24,500				
Long-term loans	Nippon Life Insurance Company	March 26, 2004	3,000	1.29%	February 27, 2009	11 months	Bullet repayment on maturity Unsecured/ non-guaranteed
	Shinsei Bank, Limited	August 31, 2006	3,000	1.22%			
	Mitsubishi UFJ Trust and Banking Corporation	September 20, 2006	2,000	1.24%			
	The Chiba Bank, Ltd.	August 31, 2006	1,000	1.20%			
	The Sumitomo Trust & Banking Co., Ltd.	September 20, 2006	1,000	1.24%			
	Sumitomo Mitsui Banking Corporation	February 28, 2005	5,000	1.15%			
	Nippon Life Insurance Company	February 28, 2005	3,000	1.09%			
	Mitsubishi UFJ Trust and Banking Corporation	April 25, 2007	3,000	1.39%			
	The Sumitomo Trust & Banking Co., Ltd.	February 28, 2007	2,500	1.37%			
	The Dai-ichi Mutual Life Insurance Company	February 28, 2005	2,000	1.09%			
	Shinsei Bank, Limited	April 25, 2007	3,000	1.59%			
	Development Bank of Japan	March 26, 2004	2,500	1.65%			
	Development Bank of Japan	February 28, 2006	2,000	1.46%			
	Shinsei Bank, Limited	February 28, 2007	2,000	1.55%			
	Nippon Life Insurance Company	February 28, 2006	1,000	1.46%			
	The Hachijuni Bank, Ltd.	February 28, 2007	1,000	1.55%			
	Development Bank of Japan	August 31, 2006	1,000	1.68%			
Development Bank of Japan	February 28, 2005	4,000	1.44%				
Development Bank of Japan	April 25, 2007	2,000	1.74%				
The Dai-ichi Mutual Life Insurance Company	February 28, 2007	2,500	1.92%				
Subtotal			46,500				
Total			71,000				

12th Fiscal Period Topic 3: Shareholders

Summary of 12th Fiscal Period

Top 10 shareholders

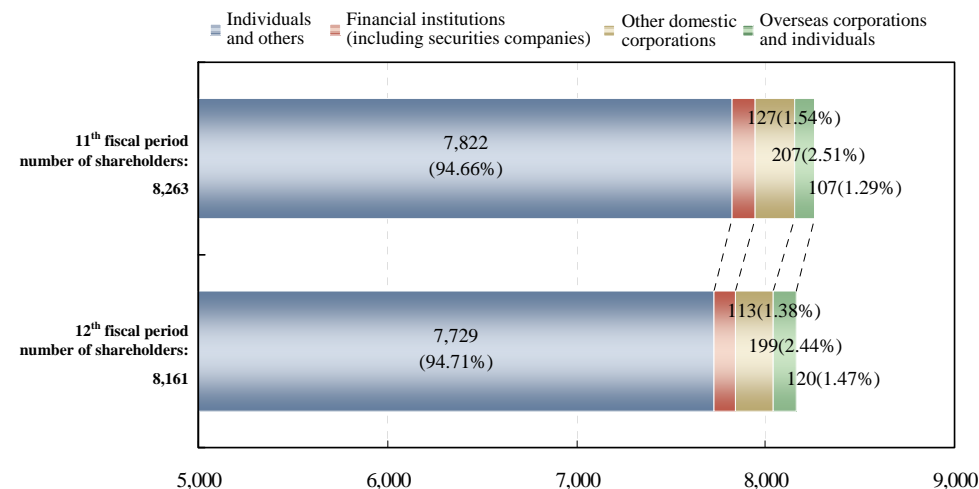
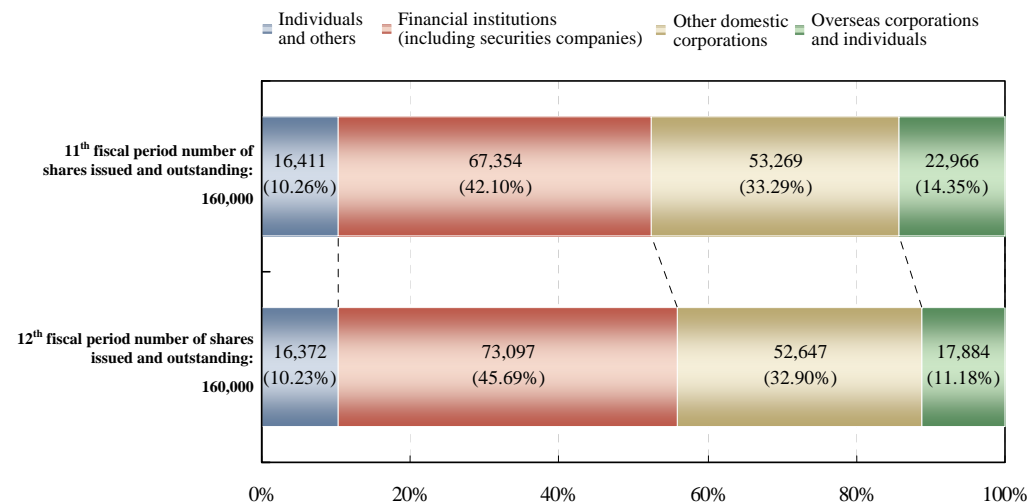
11th Fiscal period

Shareholders	Number of shares held	Percent of total
Mori Trust Co., Ltd.	48,000	30.00%
NikkoCiti Trust and Banking Corporation (investment trust)	11,441	7.15%
Japan Trustee Services Bank, Ltd. (trust account)	8,969	5.61%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	8,717	5.45%
The Master Trust Bank of Japan, Ltd. (trust account)	5,717	3.57%
The Bank of New York, Treaty JASDEQ Account	3,251	2.03%
The Nomura Trust and Banking Co., Ltd. (investment trust)	2,767	1.73%
The Fuji Fire & Marine Insurance Co., Limited	2,523	1.58%
The Bank of Ikeda, Ltd.	2,400	1.50%
American Life Insurance Company GAL	2,062	1.29%
Total	95,847	59.90%

12th Fiscal period

Shareholders	Number of shares held	Percent of total
Mori Trust Co., Ltd.	48,000	30.00%
NikkoCiti Trust and Banking Corporation (investment trust)	12,391	7.74%
Japan Trustee Services Bank, Ltd. (trust account)	10,039	6.27%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	9,067	5.67%
The Master Trust Bank of Japan, Ltd. (trust account)	6,401	4.00%
North Pacific Bank, LTD.	3,831	2.39%
The Nomura Trust and Banking Co., Ltd. (investment trust)	3,167	1.98%
Kansai Urban Banking Corporation	2,500	1.56%
The Bank of Ikeda, Ltd.	2,400	1.50%
The Fuji Fire & Marine Insurance Co., Limited	2,298	1.44%
Total	100,094	62.56%

Composition of shareholders



Forecasts for the 13th and 14th Fiscal Periods

Summary of 12th Fiscal Period

Forecast for the 13th fiscal period

• Increase in property-related revenues: ¥301 million

- Main factor for increase: contribution from the Osaki MT Building after completion of renovation work

• Decrease in property-related expenses: ¥69 million

- Main factors for increasing expenses: taxes related to the Shinbashi Ekimae MTR Building; increases in repair expenses and depreciation and amortization expenses
- Main factors for decreasing expenses: elimination of certain factors including brokerage fees and other fees in relation to the Osaki MT Building during the 12th fiscal period

	12 th Fiscal period (Actual)	13 th Fiscal period (Forecast)	14 th Fiscal period (Forecast)
Operating revenues	5,260	5,561	5,780
Operating income	3,252	3,580	3,715
Income before income taxes	2,818	3,138	3,254
Net income	2,817	3,137	3,253
Distribution per share (Yen)	17,608	19,609	20,334
Number of shares issued	160,000	160,000	160,000

(Thousands of yen)

		13 th Period forecast		12 th Period results		Difference	
		2008/4/1~2008/9/30		2007/10/1~2008/3/31			
		Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenues	(a)	5,561,942	100.0%	5,260,109	100.0%	301,832	5.7%
Property-related revenues	(b)	5,561,942	100.0%	5,260,109	100.0%	301,832	5.7%
Rental revenues		5,411,291		5,129,716		281,574	
Other rental revenues		150,651		130,392		20,258	
Operating expenses	(c)	1,981,144	35.6%	2,007,728	38.2%	-26,584	-1.3%
Property-related expenses	(d)	1,658,626	29.8%	1,727,997	32.9%	-69,371	-4.0%
Property and other taxes		519,191		489,529		29,662	
Overhead expenses		372,790		480,290		-107,499	
Depreciation and amortization	(e)	766,643		758,178		8,465	
Service, general and administrative expenses		322,518	5.8%	279,730	5.3%	42,787	15.3%
Profits and losses from real estate rental business	(f)=(b)-(d)	3,903,316	70.2%	3,532,111	67.1%	371,204	10.5%
Earnings before depreciation and amortization	(e)+(f)	4,669,959	84.0%	4,290,289	81.6%	379,670	8.8%
Operating income	(a)-(c)	3,580,798	64.4%	3,252,380	61.8%	328,417	10.1%
Non-operating revenues		13,000	0.2%	15,874	0.3%	-2,874	-18.1%
Non-operating expenses		455,314	8.2%	449,963	8.6%	5,350	1.2%
Income before income taxes		3,138,484	56.4%	2,818,292	53.6%	320,192	11.4%
Net income		3,137,483	56.4%	2,817,288	53.6%	320,194	11.4%

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



Part 2
Status of Operations and Operating Strategies

Status of Operations 1: Portfolio Summary

Status of Operations and Operating Strategies

Use	Name	Location	Construction completion	Acquisition date	Acquisition Price (Millions of yen)	Book value at 12 th Period-end (Millions of yen)	Appraisal value at 12 th Period-end (Millions of yen)	Floor Area (m ²)	PML (Note 4)	NOI yield (Note 5)
Office Buildings	Nissan Motor New Headquarters Bldg.	Chuo Ward, Tokyo	March 1982	March 31, 2003	16,000	15,850	19,100	38,901.73 (Note 1)	8.1%	4.90%
	Mita MT Bldg.	Minato Ward, Tokyo	September 1974 (Renovated in 1997)	December 1, 2003	16,000	16,192	21,700	21,043.02	10.5%	5.75%
	Marubeni Osaka Headquarters Bldg.	Chuo Ward, Osaka	March 1984	September 30, 2002	12,500	12,396	15,800	41,574.47	3.4%	8.14%
	Shin-Yokohama TECH Bldg.	Kohoku Ward, Yokohama City	February 1986	November 14, 2003	6,900	6,898	9,910	25,187.22	8.7%	9.77%
	Osaki MT Bldg.	Shinagawa Ward, Tokyo	July 1994 (Renovated in 2008)	(1) March 31, 2005 (2) October 28, 2005 (Additional acquisition)	13,526	13,724	20,100	26,980.68 (Note 2)	11.5%	0.60%
	Akasaka-mitsuke MT Bldg.	Minato Ward, Tokyo	February 1975 (Renovated in 2005)	May 29, 2006	27,000	26,948	28,700	17,171.15	12.7%	4.70%
Retail Facilities	Ito-Yokado Shonandai	Fujisawa City, Kanagawa Prefecture	November 2002	March 28, 2003	11,600	11,306	15,100	53,393.66	14.0%	5.97%
	Frespo Inage	Inage Ward, Chiba City	-	March 28, 2002	4,200	4,386	5,750	79,113.42 (Note 3)	-	10.36%
	Ito-Yokado Shin-Urayasu	Urayasu City, Chiba Prefecture	September 2000	July 30, 2004	12,150	12,098	13,800	57,621.38	18.9%	5.39%
	Shinbashi Ekimae MTR Bldg.	Minato Ward, Tokyo	April 1999	April 25, 2007	18,000	18,109	19,100	7,820.45	12.2%	4.63%
Residential	Park Lane Plaza	Shibuya Ward, Tokyo	June 1988	December 24, 2004	3,200	3,339	3,770	5,246.78	14.9%	5.62%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe City	March 1989	September 20, 2006	19,000	18,536	19,000	72,246.86	17.8%	5.34%
Total	-	-	-	-	160,076	159,788	191,830	367,187.40	4.4%	5.35%

(Note 1) MTR has acquired compartmental ownership in the Nissan Motor New headquarters Building. The floor area owned by MTR totals 23,614.49m².

(Note 2) MTR has acquired co-ownership of the building. Ownership share is calculated at the ratio of 838,899/1,000,000.

(Note 3) This figure refers to the land area for Frespo Inage.

(Note 4) Probable Maximum Loss (PML) refers to the expected maximum loss ratio 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.

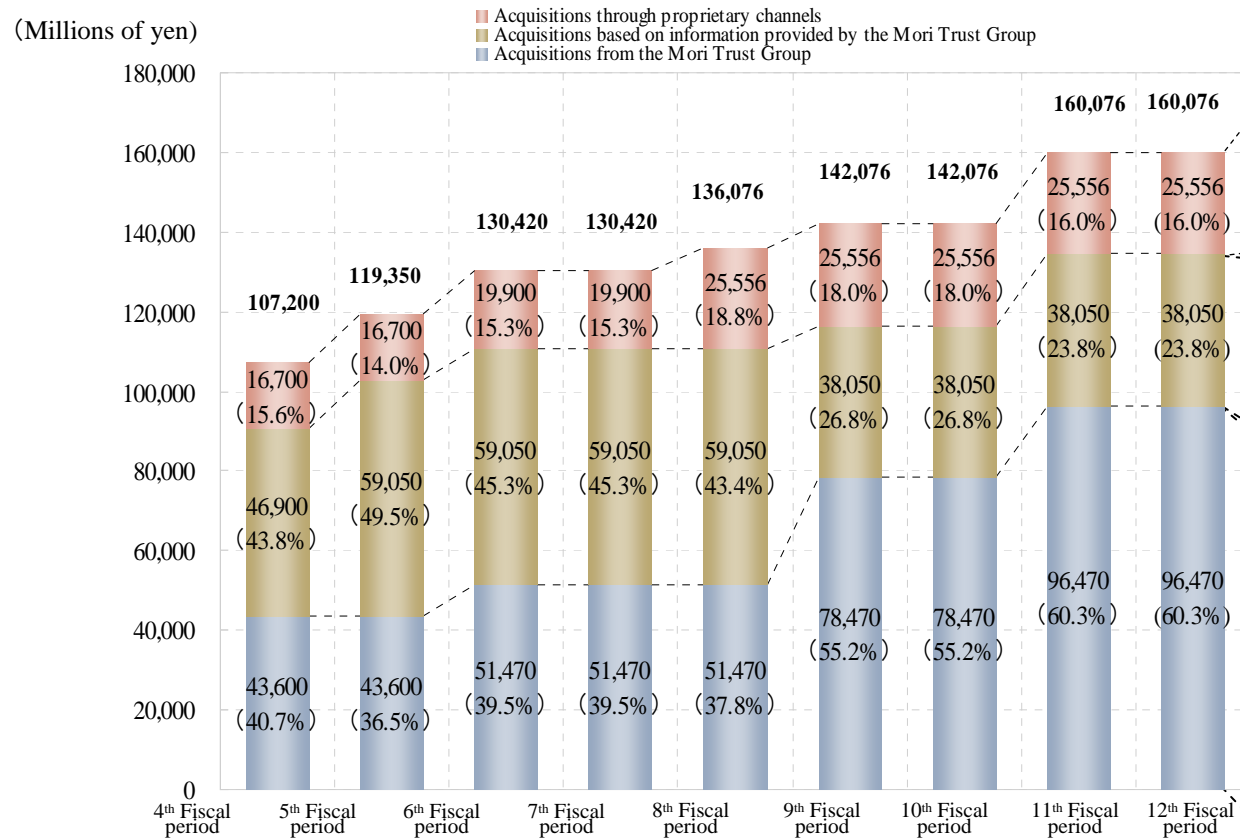
(Note 5) NOI yield is annualized based on 12th fiscal period NOI.



Status of Operations 2: Acquisitions

Status of Operations and Operating Strategies

Total acquisitions by source



* Figures are based on the acquisition price of real estate assets for each fiscal period

Property Acquisitions

Acquisitions through Proprietary Channels

- Marubeni Osaka Headquarters Bldg.
- Frespo Inage
- Park Lane Plaza
- Osaki MT Bldg. (additional acquisition)

Acquisitions Based on Information Provided by the Mori Trust Group

- Ito-Yokado Shin-Urayasu
- Shin-Yokohama TECH Bldg.
- Hotel Okura Kobe

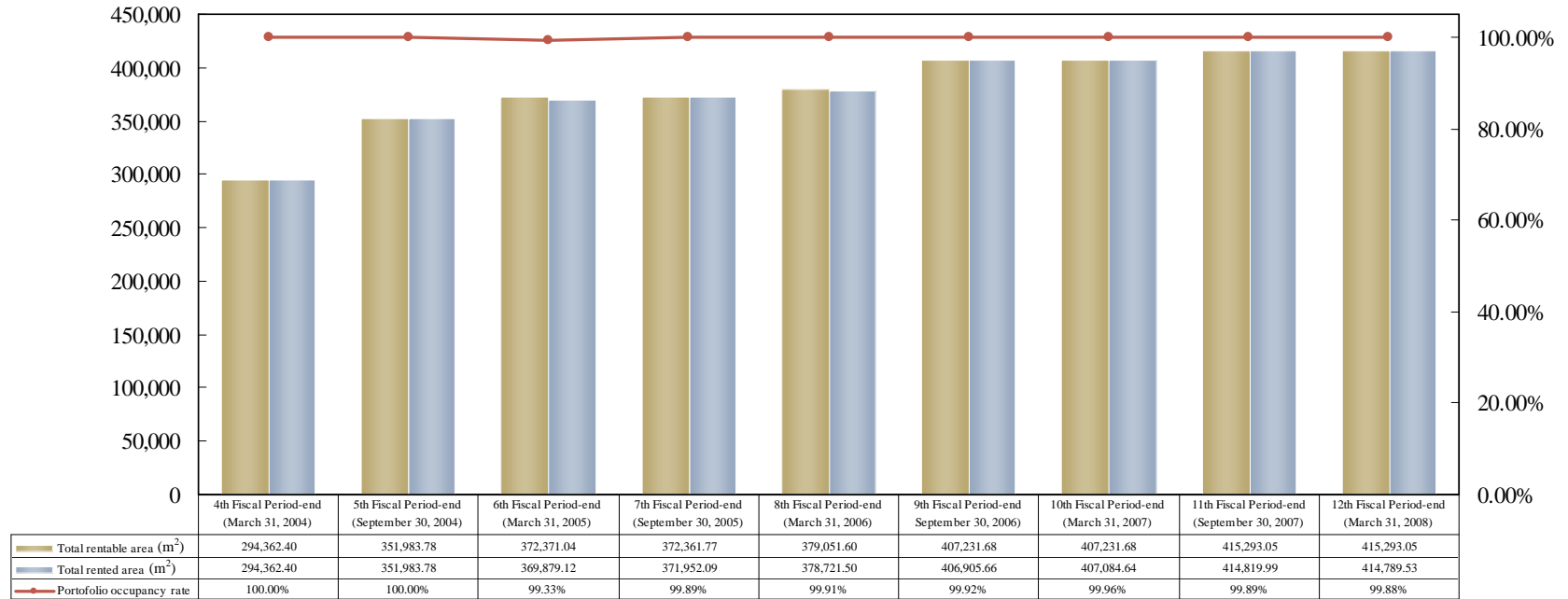
Acquisitions from the Mori Trust Group

- Nissan Motor New Headquarters Bldg.
- Mita MT Bldg.
- Osaki MT Bldg.
- Ito-Yokado Shonandai
- Akasaka-mitsuke MT Bldg.
- Shinbashi Ekimae MTR Bldg.

: Acquisitions through sale-and-lease-back

Status of Operations 3: Occupancy Rate

Status of Operations and Operating Strategies



	4 th Fiscal Period-end (March 31, 2004)	5 th Fiscal Period-end (September 30, 2004)	6 th Fiscal Period-end (March 31, 2005)	7 th Fiscal Period-end (September 30, 2005)	8 th Fiscal Period-end (March 31, 2006)	9 th Fiscal Period-end (September 30, 2006)	10 th Fiscal Period-end (March 31, 2007)	11 th Fiscal Period-end (September 30, 2007)	12 th Fiscal Period-end (March 31, 2008)
Frespo Inage	100%	100%	100%	100%	100%	100%	100%	100%	100%
Marubeni Osaka Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shonandai	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hitachi Headquarters Bldg.	100%	100%	100%	100%	100%	-	-	-	-
Nissan Motor New Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%
Shin-Yokohama TECH Bldg.	100%	100%	91%	100%	100%	100%	100%	100%	100%
Mita MT Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ito-Yokado Shin-Urayasu	-	100%	100%	100%	100%	100%	100%	100%	100%
Park Lane Plaze	-	-	83%	91%	93%	93%	97%	89%	89%
Osaki MT Bldg.	-	-	100%	100%	100%	100%	100%	100%	100%
Akasaka-mitsuke MT Bldg.	-	-	-	-	-	100%	100%	100%	100%
Hotel Okura Kobe	-	-	-	-	-	100%	100%	100%	100%
Shinbashi Ekimae MTR Bldg.	-	-	-	-	-	-	-	100%	100%
Portfolio	100.00%	100.00%	99.33%	99.89%	99.91%	99.92%	99.96%	99.89%	99.88%

Status of Operations 4: Overview of Lease Contracts

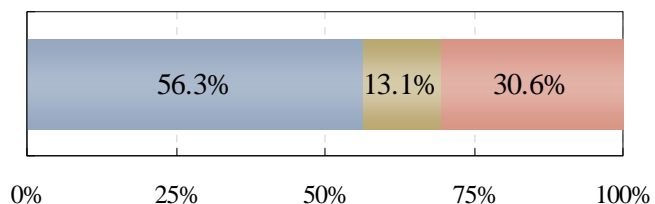
Status of Operations and Operating Strategies

(As of March 31, 2008)

Property	Tenant / Master lessee	Type of lease contract		Lease contract expiry	Sublessee
Nissan Motor New Headquarters Bldg.	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	September 30, 2008	Nissan Motor Co., Ltd.
Mita MT Bldg.	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	November 30, 2008	Hitachi Electronics Services Co., Ltd. & others
Marubeni Osaka Headquarters Bldg.	Marubeni Corporation	Master lease	Fixed-term building lease	September 30, 2012	-
Shin-Yokohama TECH Bldg.	Fujitsu Co., Ltd. and others	Direct lease	Building lease	February 28, 2009 (Lease contract with Fujitsu)	-
Osaki MT Bldg.	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	March 31, 2010	-
Akasaka-mitsuke MT Bldg.	Suntory Limited	Direct lease	Fixed-term building lease	September 30, 2015	-
Ito-Yokado Shonandai	Ito-Yokado Co., Ltd.	Master lease	Building lease	November 20, 2022 (No cancellation prior to November 20, 2017)	-
Frespo Inage	Daiwa Lease Co., Ltd.	Direct lease	Land lease (Note)	June 2, 2023	-
Ito-Yokado Shin-Urayasu	Ito-Yokado Co., Ltd.	Master lease	Building lease	July 29, 2020 (No cancellation prior to July 29, 2017)	-
Shinbashi Ekimae MTR Bldg.	Kimuraya Select	Direct lease	Building lease	May 31, 2009	YAMADA-DENKI Co., Ltd.
Park Lane Plaza	(15 tenants)	Direct lease	Building lease and fixed-term building lease	(Lease contracts of not more than 3 years)	-
Hotel Okura Kobe	Hotel Okura Kobe	Direct lease	Fixed-term building lease	March 31, 2022	-

Remaining period of lease contracts*

■ Less than 5 years ■ 5—10 years ■ More than 10 years



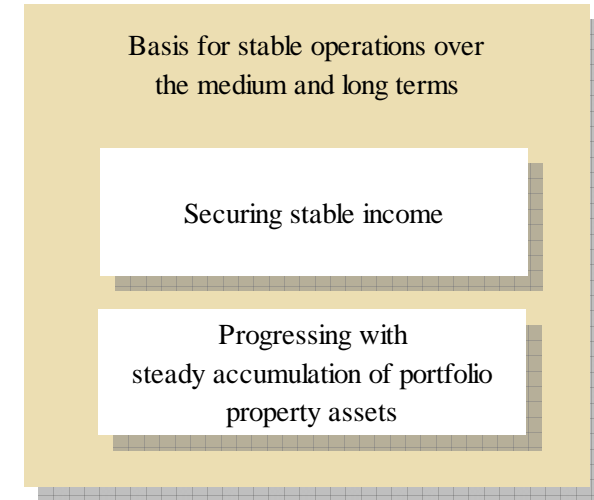
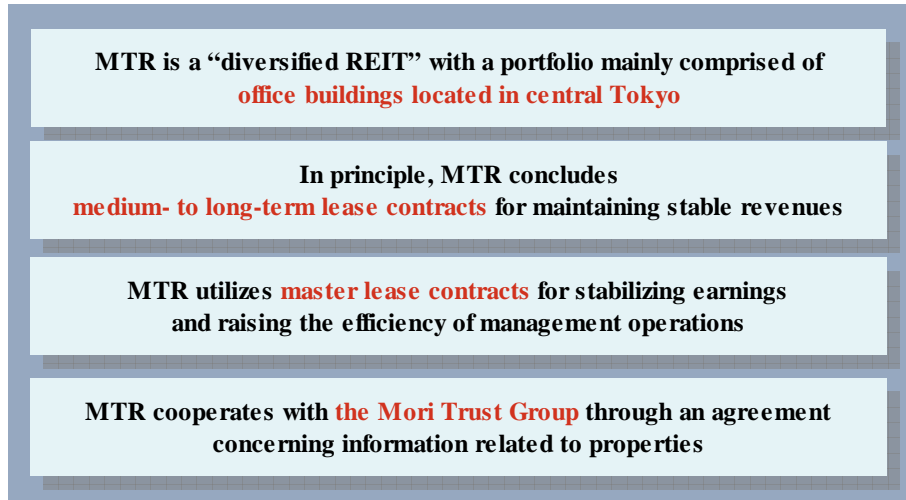
	Less than 5 years	5—10 years	More than 10 years
Property name	<ul style="list-style-type: none"> • Nissan Motor Headquarters Bldg. • Mita MT Bldg • Marubeni Osaka headquarters Bldg. • Shin-Yokohama TECH Bldg. • Osaki MT Bldg. • Shinbashi Ekimae MTR Bldg. • Park Lane Plaza 	<ul style="list-style-type: none"> • Akasaka-mitsuke MT Bldg. 	<ul style="list-style-type: none"> • Ito-Yokado Shonandai • Ito-Yokado Shin-Urayasu • Frespo Inage • Hotel Okura Kobe

* "Remaining period of lease contracts" is based on monthly rental rates of the contracts, as of March 31, 2008.

Operating Strategies 1: Basic Strategies and Features of Investment and Operations

Status of Operations and
Operating Strategies

Features of investment and operations



Principles of operations

Profitability	<ul style="list-style-type: none"> Realize stable earnings per share (EPS) over the medium and long terms Selectively acquire high-quality properties that contribute to stable profitability
Stability	<ul style="list-style-type: none"> Pursue financial stability by maintaining a suitable LTV ratio and utilizing diverse procurement methods In principle, secure medium- to long-term lease contracts to ensure stable profitability Utilize master lease contracts and realize efficient management operations
Growth potential	<ul style="list-style-type: none"> Ensure opportunities for acquisitions through information with the Mori Trust Group for access to properties Enhance property acquisition capabilities by controlling LTV

Carry out operations with a view toward “profitability,” “stability,” and “growth potential”

Operating Strategies 2: Portfolio Allocation

Status of Operations and
Operating Strategies

Working toward realizing the target portfolio

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

	Central Tokyo (Note 1)		Other areas (Note 2)		Total	
	Target	Actual ratio*	Target	Actual ratio*	Target	Actual ratio*
Office buildings	60—70%	45%	10—20%	12%	70—90%	57%
Retail facilities	0—10%	13%	10—20%	29%	10—30%	43%
Other (Note3)						
Total	60—80%	59%	20—40%	41%	100%	

* Actual ratio is based on the acquisition of the portfolio as of March 31, 2008.

(Note 1) "Central Tokyo" refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku Wards.

(Note 2) "Other Areas" refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area excluding central Tokyo) and other major regional cities.

(Note 3) Restricted to investments in residential properties and hotels for the foreseeable future

Property type and area strategies

	Central Tokyo	Other areas
Office buildings	<p>Portfolio comprised mainly of investments in large-scale office buildings located in central Tokyo</p> <ul style="list-style-type: none"> ■ Nissan Motor New Headquarters Bldg. ■ Mita MT Bldg. ■ Osaki MT Bldg. ■ Akasaka-mitsuke MT Bldg. 	<p>Continued study of potential of regional diversification for reducing portfolio risk</p> <ul style="list-style-type: none"> ■ Marubeni Osaka Headquarters Bldg. ■ Shin-Yokohama TECH Bldg.
Retail facilities	<p>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 store</p> <ul style="list-style-type: none"> ■ Shinbashi Ekimae MTR Bldg. 	<p>Active investment in properties exhibiting competitive advantage and stable earnings potential in major trading areas of Japan's principal cities</p> <ul style="list-style-type: none"> ■ Ito-Yokado Shonandai ■ Ito-Yokado Shin-Urayasu ■ Frespo Inage
Other	<p>Investment in luxury residential properties located in the three "A" districts of Tokyo, namely Azabu, Aoyama, and Akasaka</p> <p>Consideration toward investment in hotels with high brand recognition, offering long-term management contracts with leading hotel management companies and potential for stable income</p> <ul style="list-style-type: none"> ■ Park Lane Plaza ■ Hotel Okura Kobe 	

Operating Strategies 3: Growth Strategies

Status of Operations and Operating Strategies

Strategies for ensuring profitability and stable growth

Market environment

- In fiscal 2007, although the total value of real estate sales transactions exceeded the previous fiscal year, the value of real estate acquisitions by J-REITs fell year on year owing to higher acquisition costs coupled with lower cap rates.
- Potential opportunities for real estate acquisitions are favorable in 2008 as land prices appear to have reached a plateau in the business districts of Japan's three largest metropolitan areas.
- In 2008, vacancy rates for office buildings in Tokyo's business districts are expected to remain low, and rent levels in central Tokyo are gradually increasing.

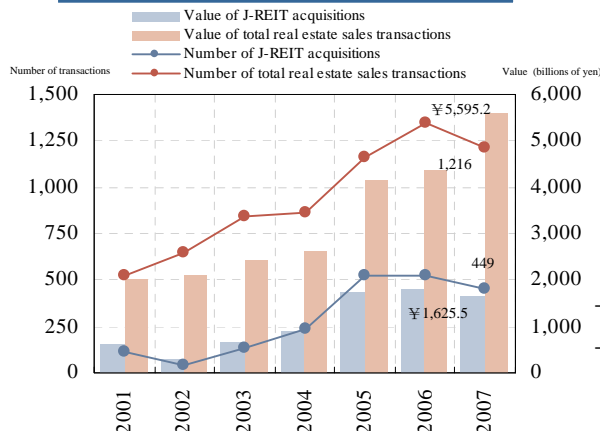
External growth strategy

- Strengthen information networks for acquiring properties
- Invest in reasonably priced high-quality properties
- Make the most of property acquisition capacity through flexible investments

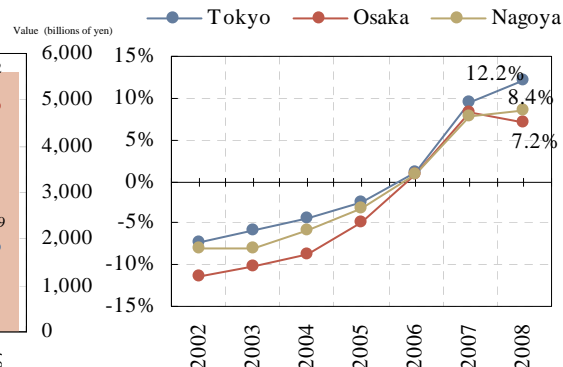
Internal growth strategy

- Upwardly revise rent to match market levels when negotiating rent revisions with tenants
- Raise value of properties through renovation work (as accomplished at the Osaki MT Building and Park Lane Plaza)

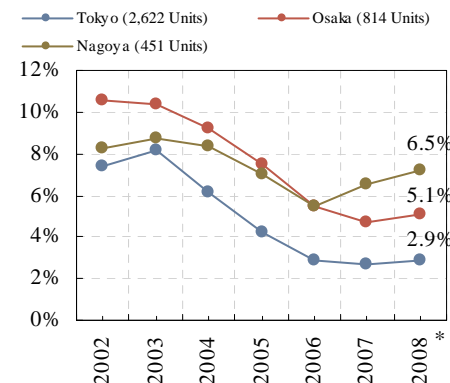
(Graph 1)
Value and number of J-REIT acquisitions in the real estate market



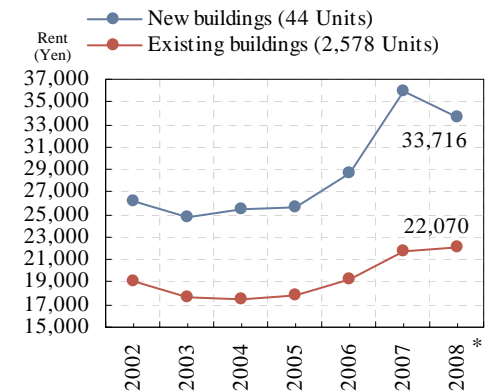
(Graph 2)
Trends in official commercial land prices in Tokyo, Osaka and Nagoya



(Graph 3)
Average vacancy rates for office buildings in business districts of Tokyo, Osaka and Nagoya (year-end)



(Graph 4)
Average rents for office buildings in Tokyo business districts (year-end)



*As of March 31, 2008

Sources:

Graph 1: J-REIT DB Management, JAPAN-REIT.com; "Overview of Real Estate in Fiscal 2007," published in *Real Estate Topics*, May 2008, Mizuho Trust & Banking Co., Ltd.

Graph 2: "Announcement of Land Prices," published by the Ministry of Land, Infrastructure and Transport

Graphs 3 & 4: "MIKI OFFICE REPORT April 2008: Recent office Building Conditions in the Five Central Wards of Tokyo," published by Miki Shoji Co., Ltd.

Operating Strategies 4: Financial Strategies

Status of Operations and Operating Strategies

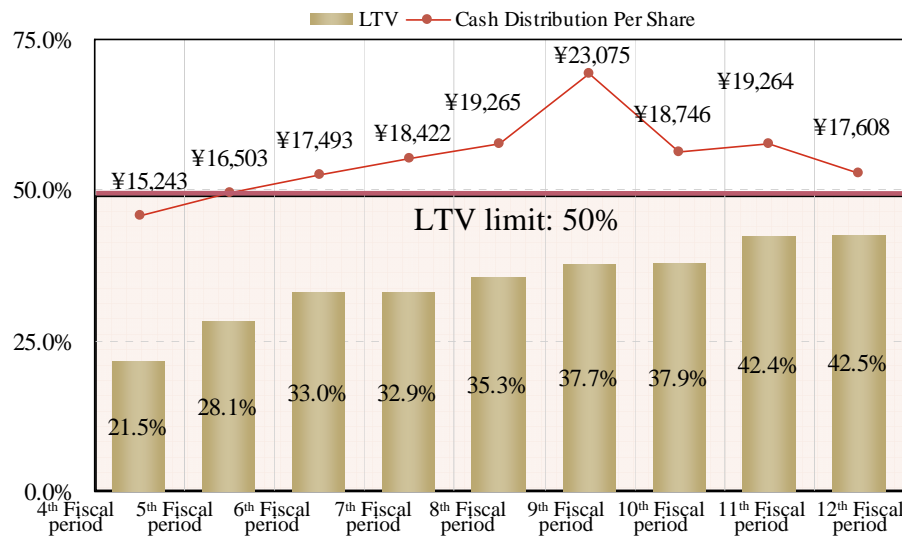
Focus on maintaining financial stability

- Continue low-leverage strategy
- Diversify repayment maturities
- Secure a means to flexibly procure funds
- Establish a credit line of up to ¥10 billion

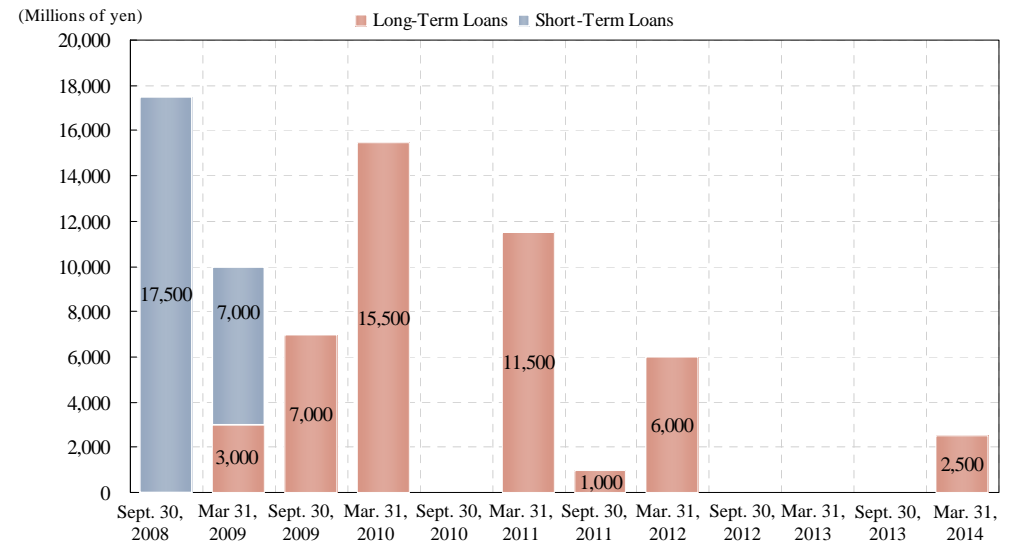
Diversify funds procurement methods

- Procure a favorable balance of short-term and long-term loans
- Hedge against risk of higher interest rates
 - Fixed interest-bearing liabilities ratio
 - 10th period 67.0% ⇒ 11th period 65.5% ⇒ 12th period 65.5%
- Consider obtaining a credit rating

LTV and cash distributions



Loan repayment schedule diversification





Part 3
Reference

Balance Sheets

Reference

As of March 31, 2008 and September 30, 2007

(Thousands of yen)

	March 31, 2008		September 30, 2007	
	Amount	Percentage	Amount	Percentage
ASSETS				
Current Assets:				
Cash and cash equivalents	¥7,320,558		¥7,535,653	
Rental and other receivables	37,855		40,793	
Other current assets	29,860		29,601	
Total current assets	7,388,273	4.4%	7,606,047	4.5%
Property and Equipment, at Cost:				
Buildings and structures including trust accounts	36,132,812		35,614,397	
Machinery and equipment	135,155		129,414	
Tools, furniture and fixtures	19,738		15,354	
Land including trust accounts	128,854,043		128,854,043	
Construction in progress	-		5,369	
Less: accumulated depreciation	(5,353,554)		(4,595,376)	
Net property and equipment	159,788,194	95.6%	160,023,201	95.5%
Investments and Other Assets:				
Deposits	10,000		10,000	
Other	276		276	
Total investments and other assets	10,276		10,276	
Total Assets	¥167,186,743	100.0%	¥167,639,524	100.0%
LIABILITIES				
Current Liabilities:				
Accounts payable	¥210,797		¥237,562	
Short-term loans	24,500,000		24,500,000	
Long-term loans due within one year	3,000,000		-	
Distributions payable	9,621		10,400	
Consumption taxes payable	89,129		52,207	
Rents received in advance	836,851		903,052	
Accrued expenses and other current liabilities	142,954		172,516	
Total current liabilities	28,789,352	17.2%	25,875,737	15.4%
Long-Term Liabilities:				
Long-term loans	43,500,000		46,500,000	
Leasehold and security deposits	12,080,051		12,181,495	
Total long-term liabilities	55,580,051	33.2%	58,681,495	35.0%
Total Liabilities	84,369,403	50.5%	84,557,232	50.4%
Net Assets:				
Shareholders' equity:				
Shares authorized: 2,000,000 shares				
Shares issued and outstanding: 160,000 shares	80,000,000		80,000,000	
Retained earnings	2,817,340	1.7%	3,082,292	1.8%
Total Net Assets	82,817,340	49.5%	83,082,292	49.6%
Total Liabilities and Net Assets	¥167,186,743	100.0%	¥167,639,524	100.0%

Statements of Income and Retained Earnings

Reference

For the six-month periods ended March 31, 2008 and September 30, 2007

(Thousands of yen)

	October 1, 2007 to March 31, 2008		April 1, 2007 to September 30, 2007	
	Amount	Percentage	Amount	Percentage
Operating Revenues:				
Rental revenues	¥5,260,109	100.0%	¥5,351,252	100.0%
Operating Expenses:				
Property-related expenses	1,727,998		1,557,826	
Asset management fees	185,721		178,268	
Custodian and administrative service fees	45,820		53,790	
Other operating expenses	48,190		72,002	
Operating Income	3,252,380	61.8%	3,489,366	65.2%
Non-Operating Revenues:				
Interest income	13,289		14,274	
Other non-operating revenues	2,586		1,774	
Non-Operating Expenses:				
Interest expense	449,963		422,200	
Income before Income Taxes	2,818,292	53.6%	3,083,214	57.6%
Income Taxes:				
Current	1,004		987	
Deferred	(1)		1	
Net Income	2,817,289	53.6%	3,082,226	57.6%
Retained Earnings at the Beginning of Period	51		66	
Retained Earnings at the End of Period	¥2,817,340		¥3,082,292	

Statements of Cash Flows

Reference

For the six-month periods ended March 31, 2008 and September 30, 2007

(Thousands of yen)

	October 1, 2007 to March 31, 2008	April 1, 2007 to September 30, 2007
Cash Flows from Operating Activities:		
Income before income taxes	¥2,818,292	¥3,083,214
Depreciation and amortization	758,178	748,790
Interest income	(13,289)	(14,274)
Interest expense	449,963	422,200
Changes in assets and liabilities:		
Rental and other receivables	4,432	(5,560)
Accounts payable and accrued expenses	(83,529)	88,759
Consumption taxes payable	36,922	(140,914)
Rents received in advance	(66,201)	78,278
Other	(34,593)	46,397
Subtotal	3,870,175	4,306,890
Interest received	13,509	13,203
Interest paid	(446,869)	(405,925)
Income taxes paid	(1,040)	(1,869)
Net cash provided by operating activities	3,435,775	3,912,299
Cash Flows from Investing Activities:		
Purchases of property and equipment including trust accounts	(466,407)	(18,233,444)
Repayment of leasehold and security deposits	(1,263,287)	(287,724)
Proceeds from leasehold and security deposits	1,161,843	2,460,088
Net cash used in investing activities	(567,851)	(16,061,080)
Cash Flows from Financing Activities:		
Net increase in short-term loans	-	5,500,000
Proceeds from long-term loans	-	8,000,000
Distributions paid to shareholders	(3,083,019)	(3,002,224)
Net cash (used in) provided by financing activities	(3,083,019)	10,497,776
Net Change in Cash and Cash Equivalents	(215,095)	(1,651,005)
Cash and Cash Equivalents at the Beginning of Period	7,535,653	9,186,658
Cash and Cash Equivalents at the End of Period	¥7,320,558	¥7,535,653

Breakdown of Property-Related Revenues and Expenses

Reference

(Thousands of yen)

	Total			Nissan Motor New Headquarters Bldg.			Mita MT Bldg.			Marubeni Osaka Headquarters Bldg.			Shin-Yokohama TECH Bldg.			Osaki MT Bldg.			Akasaka-mitsuke MT Bldg.		
	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference
Rental revenues	5,260,109	5,351,251	-91,142	438,302	438,302	-	503,278	503,278	-	600,177	600,177	-	530,757	545,338	-14,581	248,509	380,618	-132,108	751,411	755,770	-4,359
Rent	4,782,347	4,853,963	-71,615	438,302	438,302	-	503,278	503,278	-	600,177	600,177	-	343,005	343,005	-	248,509	380,618	-132,108	708,166	708,166	-
Common charges	110,963	110,963	-	-	-	-	-	-	-	-	-	-	101,919	101,919	-	-	-	-	-	-	-
Land leasing revenues	236,406	236,487	-81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other rental revenues	130,392	149,838	-19,445	-	-	-	-	-	-	-	-	-	85,832	100,413	-14,581	-	-	-	43,244	47,603	-4,359
Property-related expenses	1,727,997	1,557,825	170,172	74,159	74,208	-48	90,323	90,358	-34	135,188	135,260	-71	230,942	245,283	-14,341	295,252	122,429	172,823	190,319	185,745	4,574
Property and other taxes	489,529	489,555	-25	43,250	43,250	-0	40,546	40,552	-6	87,276	87,277	-1	33,210	33,211	-1	37,487	37,494	-7	38,999	38,997	1
Property taxes	489,529	489,555	-25	43,250	43,250	-0	40,546	40,552	-6	87,276	87,277	-1	33,210	33,211	-1	37,487	37,494	-7	38,999	38,997	1
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead expenses	480,290	319,480	160,810	1,877	1,925	-48	1,198	1,227	-28	2,942	3,013	-70	159,555	172,431	-12,875	170,566	3,183	167,383	76,096	72,016	4,079
Property management fees	264,413	120,274	144,139	-	-	-	-	-	-	-	-	-	70,868	70,868	-	140,385	-	140,385	38,868	38,078	790
Utilities	106,978	122,963	-15,984	-	-	-	-	-	-	-	-	-	75,369	89,935	-14,565	-	-	-	28,607	29,985	-1,378
Casualty insurance	27,838	28,168	-330	1,877	1,925	-48	1,171	1,200	-28	2,942	3,013	-70	1,450	1,488	-37	1,190	1,220	-29	895	899	-3
Trust fees	6,625	6,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	74,434	41,448	32,985	-	-	-	27	27	-	-	-	-	11,866	10,139	1,727	28,990	1,962	27,027	7,723	3,052	4,671
Depreciation and amortization	758,178	748,790	9,387	29,031	29,031	-	48,578	48,578	-	44,970	44,970	-	38,176	39,641	-1,464	87,199	81,751	5,447	75,223	74,731	492
Profits and losses from real estate business	3,532,111	3,793,426	-261,314	364,142	364,094	48	412,954	412,919	34	464,988	464,916	71	299,814	300,054	-239	-46,743	258,188	-304,931	561,091	570,025	-8,933
Earnings before depreciation and amortization (NOI)	4,290,289	4,542,216	-251,926	393,174	393,126	48	461,533	461,498	34	509,959	509,887	71	337,991	339,695	-1,704	40,456	339,940	-299,483	636,315	644,756	-8,440

	Ito-Yokado Shonandai			Frespo Inage			Ito-Yokado Shin-Urayasu			Shinbashi Ekimae MTR Bldg.			Park Lane Plaza			Hotel Okura Kobe		
	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference	12 th Period	11 th Period	Difference
Rental revenues	395,045	395,068	-22	236,406	236,487	-81	378,165	378,165	-	420,000	361,666	58,333	114,840	113,168	1,672	643,215	643,211	4
Rent	395,000	395,000	-	-	-	-	378,165	378,165	-	420,000	361,666	58,333	104,526	102,371	2,155	643,215	643,211	4
Common charges	-	-	-	-	-	-	-	-	-	-	-	-	9,043	9,043	-	-	-	-
Land leasing revenues	-	-	-	236,406	236,487	-81	-	-	-	-	-	-	-	-	-	-	-	-
Other rental revenues	45	67	-22	-	-	-	-	-	-	-	-	-	1,269	1,752	-482	-	-	-
Property-related expenses	129,629	130,615	-986	18,224	18,227	-2	123,327	122,530	797	43,149	42,170	978	45,423	48,911	-3,488	352,057	342,083	9,973
Property and other taxes	44,188	44,189	-1	15,724	15,727	-2	43,782	43,782	-	-	-	-	6,436	6,442	-6	98,628	98,629	-1
Property taxes	44,188	44,189	-1	15,724	15,727	-2	43,782	43,782	-	-	-	-	6,436	6,442	-6	98,628	98,629	-1
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead expenses	3,534	4,571	-1,037	2,500	2,500	-	6,157	5,368	789	1,864	1,027	836	18,162	22,442	-4,280	35,834	29,772	6,062
Property management fees	1,800	900	900	-	-	-	1,800	900	900	1,200	600	600	9,491	8,927	563	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	3,001	3,042	-40	-	-	-
Casualty insurance	1,734	1,784	-50	-	-	-	3,129	3,176	-46	439	427	11	280	287	-7	12,725	12,745	-19
Trust fees	-	-	-	2,500	2,500	-	-	-	-	-	-	-	-	-	-	4,125	4,125	-
Other expenses	-	1,887	-1,887	-	-	-	1,228	1,292	-63	225	-	225	5,389	10,185	-4,796	18,983	12,901	6,081
Depreciation and amortization	81,907	81,854	52	-	-	-	73,386	73,379	7	41,284	41,143	141	20,824	20,026	797	217,594	213,681	3,912
Profits and losses from real estate business	265,416	264,452	963	218,181	218,259	-78	254,837	255,634	-797	376,850	319,495	57,354	69,417	64,256	5,160	291,158	301,127	-9,969
Earnings before depreciation and amortization (NOI)	347,323	346,307	1,016	218,181	218,259	-78	328,224	329,013	-789	418,135	360,639	57,496	90,241	84,283	5,958	508,752	514,809	-6,056

Appraisal Values of Portfolio Properties at the Fiscal Period-End

Reference

Use	Property name	Appraisal value at 11 th period-end (Millions of yen)	Appraisal value at 12 th period-end (Millions of yen)	Direct reduction method	Discounted cash flow (DCF) method		Appraiser
				Cap rate	Discount rate	Terminal cap rate	
Office buildings	Nissan Motor New Headquarters Bldg.	18,900	19,100	4.7%	4.5%	4.9%	Nippon Tochi-Tatemono Co., Ltd.
	Mita MT Bldg.	20,800	21,700	5.3%	5.1%	5.5%	Nippon Tochi-Tatemono Co., Ltd.
	Marubeni Osaka Headquarters Bldg.	15,600	15,800	6.4%	4.9%	5.3%	Japan Real Estate Institute
	Shin-Yokohama TECH Bldg.	9,900	9,910	5.6%	5.4%	5.9%	Nippon Tochi-Tatemono Co., Ltd.
	Osaki MT Bldg.	19,100	20,100	4.9%	4.6%	5.0%	Nippon Tochi-Tatemono Co., Ltd.
	Akasaka-mitsuke MT Bldg.	28,600	28,700	4.3%	4.1%	4.5%	Nippon Tochi-Tatemono Co., Ltd.
Retail facilities	Ito-Yokado Shonandai	15,100	15,100	4.6%	4.2%	4.8%	Japan Real Estate Institute
	Frespo Inage	5,760	5,750	7.8%	7.5%	(Note)	Japan Real Estate Institute
	Ito-Yokado Shin-Urayasu	13,800	13,800	4.6%	4.4%	4.9%	Nippon Tochi-Tatemono Co., Ltd.
	Shinbashi Ekimae MTR Bldg.	18,600	19,100	4.3%	4.1%	4.5%	Nippon Tochi-Tatemono Co., Ltd.
Residential	Park Lane Plaza	3,720	3,770	4.9%	4.7%	5.2%	Nippon Tochi-Tatemono Co., Ltd.
Hotel	Hotel Okura Kobe	19,000	19,000	4.9%	4.6%	5.0%	Rich Appraisal Institute K.K.
Total		188,880	191,830	-	-	-	

(Note) The terminal cap rate for frespo Inage has not been established

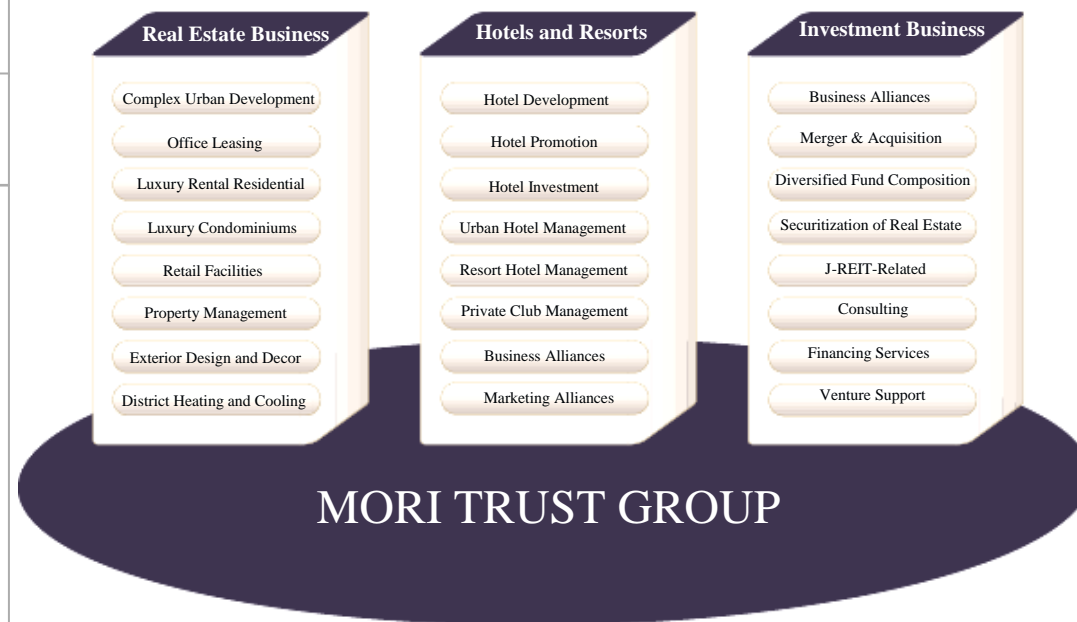
Asset Management Company Remuneration Methods

Reference

	Agreement with MTR	Rate of remuneration as of the 12 th fiscal period-end	Calculation method
Remuneration Method 1	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 0.2% of the total appraisal value of MTR's assets at the fiscal period-end, calculated as the average of the total appraisal value of assets at the relevant fiscal period-end and the total appraisal value of assets at the prior fiscal period-end, multiplied by the number of months of the fiscal period (6), divided by the total number of months (12).	0.2%→0.15%	(Total appraisal value of assets at relevant fiscal period-end + Total appraisal value of assets at prior fiscal period-end) ÷ 2 x 0.15% x 6 ÷ 12
Remuneration Method 2	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 3% of distributable income for the relevant fiscal period. Based on standard accounting principles generally accepted in Japan, distributable income is determined as the sum of net income before income taxes and losses carried forward.	3%→1.5%	Distributable income x 1.5%
Remuneration Method 3	In the event MTR acquires specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be a set percentage of the acquisition price of each property acquisition (excluding consumption tax, local consumption tax and transaction-related expenses), as listed below. The percentages listed below may be reduced depending upon surrounding circumstances. <ul style="list-style-type: none"> • For acquisitions up to ¥15 billion, remuneration is 0.4% of the amount • For acquisitions from ¥15 billion to ¥30 billion, remuneration is 0.1% of the amount • For acquisitions above ¥30 billion, remuneration is 0.05% of the amount 	Refer to left column	Total amount of the acquisition price percentage listed in the left column
Remuneration Method 4	In the event MTR transfers specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be 0.05% of the transfer amount of each asset transfer (excluding consumption tax, local consumption tax and transaction-related expenses).	Refer to left column	Transfer amount x 0.05%

Mori Trust Group Profile & Overview of Business Activities

Name	MORI TRUST Co., Ltd.
Consolidated Results	Net sales: ¥157.3 billion Income before income taxes: ¥44.9 billion (Fiscal year ended March 31, 2007)
Leased Facilities	Rental properties: 58 Hotels: 28 (as of December 1, 2007)
Rented Area	Approx. 2,110,000m ² Rental properties: approx. 1,290,000m ² Hotel rooms: approx. 7,220 (as of December 1, 2007)
Principal Properties Owned	<ul style="list-style-type: none"> Redevelopment Business (multipurpose buildings) Marunouchi Trust Tower North (completed) Main Tower (November 2008 planned completion) Sendai Ichiban-cho Project (construction planned from January 2008 to 2010) Tokyo Shiodome Building (offices, hotel: Conrad Tokyo, shopping area: Pedit Shiodome, others) Shiroyama Garden (Shiroyama Trust Tower, Shiroyama Trust Court, embassy, others) Gotenyama Garden (Gotenyama Trust Tower, Gotenyama Trust Court, Hotel Laforet Tokyo, others) Other Redevelopment Business (office buildings) Akasaka Twin Towers, ATT New Tower, Toranomom 2-chome Tower, others Hotels Laforet Hotels & Resort (resort hotels, 11 golf courses, 2 urban hotels) Conrad Tokyo (Tokyo Shiodome Bldg.) Manpei Hotel (Karuizawa City) Rihga Royal Hotel Group (capital tie-up partners) (9 group hotels, 1 associate hotel) Yokohama Grand Intercontinental Hotel Shangri-La Hotel Tokyo (Marunouchi Trust Tower Main, floors 27-37, planned opening in March 2009)



Contact Information

Reference

Asset Management Company: MORI TRUST Asset Management Co., Ltd

(Financial instruments and exchange business registration with the Kanto Local Finance Bureau,
License No. 407 / Member of the Investment Trusts Association, Japan)

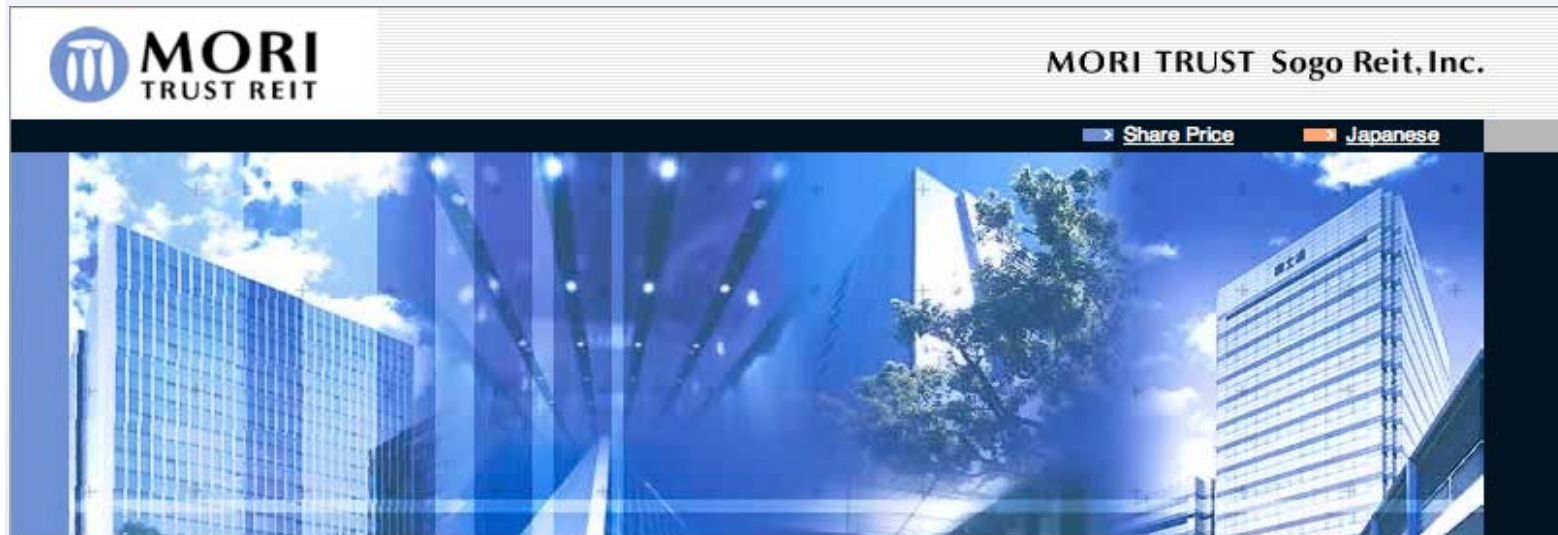
- Finance and Planning Department (IR Section)

Tel: 03-5511-2461

Fax: 03-5511-2471

MORI TRUST Sogo Reit, Inc. Web Site

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



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