

Press Release

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**Notice Concerning Purchase Agreement Execution —
Acquisition of the Akasaka-mitsuke MT Building**

Tokyo, May 11, 2006 — MORI TRUST Sogo Reit, Inc. (MTR) has announced its decision to acquire an asset — the Akasaka-mitsuke MT Building. Brief details are as follows:

1. Acquisition Summary

- 1) Type of asset: real estate
- 2) Property name: Akasaka-mitsuke MT Building
(hereafter the aforementioned property shall be referred to as “the Property”)
- 3) Acquisition price: 27,000 million yen (excluding purchase overheads and taxes)
- 4) Contract date: May 11, 2006
- 5) Planned closing date: May 29, 2006
- 6) Seller: Mori Trust Co., Ltd. (Please refer to 4. Seller’s Overview)
- 7) Acquisition financing: cash on hand
- 8) Settlement method: payment in full at the time of acquisition (however, a deposit will be paid at the time of purchase agreement execution)

Note: The efficacy, implementation and continuation of the purchase agreement relating to the Property and the efficacy, implementation and continuation of the sale agreement relating to the Hitachi Headquarters Building are interdependent. Cancellation of one agreement due to default shall constitute cancellation of the other agreement. Please refer to the press release “Notice Concerning Sale Agreement Execution — Sale of the Hitachi Headquarters Building” issued separately today.

2. Reason for the Acquisition

MTR decided to acquire the Property in accordance with its fundamental investment policies set forth in MTR’s articles of incorporation. This serves to progress reinforced investment in office buildings in central Tokyo.

The following matters were of particular importance in our decision to acquire the Property.

(1) Location

The Property is located in the Akasaka area, a prominent business and commercial district in Tokyo. Approximately three minutes on foot from Akasaka-mitsuke Station, serviced by the Tokyo Metro Ginza and Marunouchi Lines and approximately five minutes on foot from Nagatacho Station, serviced by the Tokyo Metro Hanzomon and Yurakucho Lines, the Property offers convenient access.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation. The forward-looking statements contained herein involve risks and uncertainties that could cause actual results to differ from expectations. These forward-looking statements are applicable as of the date of this release and shall not be updated to reflect future events or circumstances.

Situated at a corner plot intersected by Sotobori-dori and Aoyama-dori, the Property also provides high visibility.

(2) Structure and building facilities

The building stands 12 stories high, and has two levels underground. The total floor area is 17,171.15 m² with a standard floor area of 1,061.54 m².

Following large-scale renovation and upgrade in 2005, each floor has a free-access floor height of 50 mm and power supply capacity of 50VA/m². Renovation included earthquake protection structural enhancements consistent with the Law Concerning Promotion of Earthquake-Proof Repair for Buildings, and improvements to ensure that the Property complies with new earthquake safety standards.

3. Acquisition Details

(1) Asset overview

Location	Land	1-201-1 Moto-Akasaka, Minato-ku
	Building	1-201-1 Moto-Akasaka, Minato-ku
	Address	1-2-3 Moto-Akasaka, Minato-ku
Real estate usage		Office building (Registered types of use: office, store and parking)
Type of	Land	Title
Ownership	Building	Title
Area	Land	2, 194. 38 m ² (Registered land area)
	Building	17, 171. 15 m ² (Registered floor area)
Construction		Steel-framed reinforced concrete, 12 floors above ground, two floors below ground (Registered structure)
Parking lot capacity		45 vehicles
Completion date		February 1975 (Large-scale renovation and upgrade completed in 2005)
Architect (Note 1)		Yasui Architects & Engineers, Inc. (Large-scale renovation and upgrade —Yasui Architects & Engineers, Inc.)
Construction company (Note 2)		Obayashi Corporation (Large-scale renovation and upgrade — Toda Corporation)
Construction inspection agency		Minato-ku, Tokyo
Appraisal value of real estate		27, 200 million yen (Appraisal date: April 30, 2006) 27,900 million yen according to the direct capitalization method (4.5% capitalization rate) 27,000 million yen according to the discounted cash flow method (4.4% discount rate, 4.8% terminal capitalization rate) 19,100 million yen according to the cost method
Appraisal agency		Nippon Tochi-Tatemono Co., Ltd.

Seismic risk (PML)	12. 7% (according to the building seismic risk investigation report produced by Takenaka Corporation)
Collateral	None
Special notes	<ol style="list-style-type: none"> 1. Following large-scale renovation and upgrade conducted in 2005, the majority of spray asbestos material has been removed. While a portion remains, containment measures have been taken to prevent exposure and leakage. 2. A portion of the adjoining building and ducting encroaches the Property's boundary. In addition, certain structures of the Property cross the boundary of adjoining land. 3. A manhole belonging to the adjoining building is located in a passageway on the southwest side of the Property's land. Access has been granted to the adjoining building on a free-of-charge basis to the subject passageway.

Note 1: Industrial and structural designer.

Note 2: Building construction company.

(2) Lease overview

In connection with the acquisition of the Property, MTR shall assume the position of lessor relating to fixed-term leasing agreements with existing tenants. Brief details are as follows:

Number of tenants	1 (Suntory Limited)
Contract type	Fixed-term leasing agreement
Contract period	October 1, 2005 to September 30, 2015
Total rent area	13,194.20 m ²
Total rentable area	13,194.20 m ²
Occupancy rate	100%
Remarks	All rental rooms are leased to Suntory Limited.

Note: Details of monthly rent and security deposits are not disclosed for predetermined reasons. NOI information is provided in reference material 1.

4. Seller's Overview

1)	Business name:	Mori Trust Co., Ltd.
2)	Headquarters:	2-3-17 Toranomom, Minato-ku, Tokyo
3)	Representative:	Akira Mori, President and Representative Director
4)	Capital:	9,000 million yen (as of March 31, 2006)

5)	Principal business:	Real estate
6)	Relationship with MTR:	Mori Trust Co., Ltd. maintains a 65% shareholding in Mori Trust Asset Management Co., Ltd. (“MTAM” or “the Asset Management Company”), MTR’s asset management company, and accordingly falls under the category of a “related party” based on the Law Concerning Investment Trusts and Investment Corporations of Japan (“ the Investment Trust Law”). Moreover, as of September 30, 2005, Mori Trust Co., Ltd. held 28,000 shares of MTR’s total 160,000 shares.

5. Businesses with Related Parties

The acquisition of the Property falls under the category of a transaction with a related party. MTAM undertook all appropriate procedures such as obtaining approval from MTR’s Board of Directors regarding the acquisition price and other terms and conditions in accordance with the Investment Trust Law, MTR’s articles of incorporation and MTAM’s “Regulations on Transactions with Related Parties.”

6. Operating Forecasts

Operating forecasts for the fiscal period ending September 30, 2006 following the acquisition of the Property will be disclosed together with MTR’s announcement of operating results for the fiscal period ended March 31, 2006.

[Attachments]

- Reference 1 Assumptions for NOI for the Property
- Reference 2 Portfolio after acquisition of the Property
- Reference 3 Photograph of the Property

[Reference 1]

Assumptions for NOI for the Property

NOI (Net Operating Income) 1,215 million yen

Note: NOI (Net Operating Income) is the amount of real estate rental revenues less real estate rental expenses (excluding depreciation expense).

Preconditions:

1. The above figure is the annual NOI and exclude special factors in the fiscal year of acquisition.
2. Revenue is based on an occupancy rate of 100%.
3. Expenses include taxes and public dues, insurance premiums and cost of repairs, etc.

[Reference 2]

Portfolio after acquisition of the Property

Area	Usage	Property Code	Property name	Acquisition date	Acquisition price (millions of yen)	% of total	
Central Tokyo	Office buildings	A-1	Hitachi Headquarters Building (Note 1)	2003.3.31	—	—	
		A-2	Nissan Motor New Headquarters Building	2003.3.31	16,000	13.0%	
		A-3	Mita MT Building	2003.12.1	16,000	13.0%	
		A-6	Osaki MT Building	2005.3.31	7,870	6.4%	
				2005.10.28	5,656	4.6%	
		Total			13,526	11.0%	
	A-7	Akasaka-mitsuke MT Building (Note 2)	2006.5.29 (Planned)	27,000	21.9%		
	Subtotal					72,526	28.9%
	Other (Residential property)	C-1	Park Lane Plaza	2004.12.24	3,200	2.6%	
	Subtotal					3,200	2.6%
Subtotal					75,726	61.5%	
Other	Office buildings	A-4	Marubeni Osaka Headquarters Building	2002.9.30	12,500	10.2%	
		A-5	Shin-Yokohama TECH Building	2003.11.14	6,900	5.6%	
	Subtotal					19,400	15.8%
	Retail facilities	B-1	Ito-Yokado Shonandai	2003.3.28	11,600	9.4%	
		B-2	Cresse Inage	2002.3.28	4,200	3.4%	
		B-3	Ito-Yokado Shin-Urayasu	2004.7.30	12,150	9.9%	
Subtotal					27,950	22.7%	
Subtotal					47,350	38.5%	
Total					123,076	100.0%	

Notes:

1. Sale scheduled for May 29, 2006.
2. Acquisition scheduled for May 29, 2006
3. Acquisition price is stated in millions of yen rounded down.

[Reference 3]

Photograph of the Property

