

Press Release

MORI TRUST Sogo Reit, Inc.
1-25-5 Toranomom, Minato-ku, Tokyo
Masaki Murata
Executive Director
(TSE code 8961)

Contact: MORI TRUST Asset Management Co., Ltd.
Hajime Tanaka
Director
Phone: +81-3-5511-2461

**Notice Concerning Sale Agreement Execution —
Sale of the Hitachi Headquarters Building**

Tokyo, May 11, 2006 — MORI TRUST Sogo Reit, Inc. (MTR) has announced its decision to sell the Hitachi Headquarters Building. Brief details are as follows:

1. Sale Summary

- 1) Type of asset: real estate (Note 1)
- 2) Property name: Hitachi Headquarters Building
(hereafter the aforementioned property shall be referred to as “the Property”)
- 3) Sales price: 42,000 million yen (excluding sale overheads and taxes)
- 4) Book value: 41,189 million yen (as of September 30, 2005)
- 5) Difference between sales price and book value: 811 million yen (the difference between 3) and 4) above)
- 6) Contract date: May 11, 2006
- 7) Planned closing date: May 29, 2006
- 8) Purchaser: Mori Trust Co., Ltd. (please refer to 4. Purchaser’s Overview)
- 9) Settlement method: receipt of proceeds in full at the time of sale (however, a deposit will be received at the time of sale agreement execution)

Notes:

1. Notwithstanding the execution of a sale agreement for the purpose of selling the Property, the sale agreement may be cancelled and the Property placed in trust at the request and expense of the purchaser and subject to certain predetermined conditions. Moreover, MTR and the purchaser may thereafter execute a sale agreement in connection with the sale of a trust beneficiary interest in the Property. Subject to negotiations regarding the sale of a trust beneficiary interest in the Property, the trust beneficiary interest sale agreement itself may be cancelled.
2. The efficacy, implementation and continuation of the sale agreement relating to the Property and the efficacy, implementation and continuation of the purchase agreement relating to the Akasaka-mitsuke MT 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 Purchase Agreement Execution — Acquisition of the Akasaka-mitsuke MT Building” issued separately today.

2. Reason for the Sale

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.

The fixed-term leasing agreement between MTR (lessor) and Mori Trust Co., Ltd. (lessee) is scheduled to expire on May 31, 2006. At the same time, the sub-lessee of the Property, Hitachi, Ltd., intends to vacate the Property. Given the aforementioned circumstances and the impact on the portfolio as a whole, MTR has considered the following measures:

1. Contract with a new tenant following large-scale renovation and upgrade
2. Renew the fixed-term leasing agreement with Mori Trust Co., Ltd. in accordance with the memorandum concerning fixed-term leasing agreement dated December 12, 2003.
3. Sell the Hitachi Headquarters Building and pursue new asset acquisition.

Following due consideration of the aforementioned, MTR has decided to sell the Property to Mori Trust Co., Ltd. and to acquire the Akasaka-mitsuke MT Building. Please refer to the press release “Notice Concerning Purchase Agreement Execution — Acquisition of the Akasaka-mitsuke MT Building” issued separately today.

In undertaking the aforementioned transaction, MTR is endeavoring to eliminate uncertainties relating to its portfolio and to secure stability from a medium- to long-term perspective.

3. Sale Details

Asset overview

Location	Land	4-6-1 Kanda Surugadai, Chiyoda-ku
	Building	4-6-1 Kanda Surugadai, Chiyoda-ku
	Address	4-6 Kanda Surugadai, Chiyoda-ku
Real estate usage		Office building (Registered types of use: office and parking)
Type of Ownership	Land	Title
	Building	Title
Area	Land	9,540.58 m ² (Registered land area)
	Building	57,254.61 m ² (Registered floor area)
Construction		Steel frame, steel-framed reinforced concrete, 20 floors above ground, three floors below ground (Registered structure)
Parking lot capacity		168 vehicles
Completion date		March 1983
Construction companies		Kajima Corporation, Shimizu Corporation, Taisei Corporation, Obayashi Corporation
Acquisition date		March 31, 2003
Acquisition price		40,000 million yen
Revenue and income (Note 1) (For the fiscal period ended September 30, 2005)		Real estate rental revenues 1,316 million yen NOI (Note 2) 1,163 million yen
Appraisal value of real estate		41,700 million yen (Appraisal date: April 30, 2006) 43,700 million yen according to the direct capitalization method (4.7% capitalization rate) 41,200 million yen according to the discounted cash flow method (4.6% discount rate, 5.0% terminal capitalization rate) 41,200 million yen according to the cost method
Appraisal agency		Nippon Tochi-Tatemono Co., Ltd.
Seismic risk (PML)		4.9% (according to the building seismic risk investigation report produced by Takenaka Corporation)
Collateral		None

Note 1: Results for the fiscal period ended September 30, 2005 (April 1, 2005 to September 30, 2005)

Note 2: NOI (Net Operating Income) is the amount of real estate rental revenues less real estate rental expenses (excluding depreciation expense).

4. Purchaser's Overview

- 1) Business name: Mori Trust Co., Ltd.
- 2) Headquarters: 2-3-17 Toranomon, 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 sale 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 sales 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 sale of the Property will be disclosed together with MTR's announcement of operating results for the fiscal period ended March 31, 2006.

[Attachment]

Reference 1 Portfolio after sale of the Property

[Reference 1]

Portfolio after sale 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.