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Press Release:
MORI TRUST Sogo Reit, Inc.
1-25-5 Toranomon, Minato-ku, Tokyo
Satoshi Horino
Executive Director
(TSE code 8961)
Asset Management Company:
MORI TRUST Asset Management Co., Ltd.
Satoshi Horino
President and Representative Director
Contact:
Hajime Tanaka
Director and General Manager, Planning and Finance Department
Phone: +81-3-5511-2461

Notice of Private Placement of New Investment Units

Tokyo, September 22, 2008 – MORI TRUST Sogo Reit, Inc. (MTR) has announced that, with respect to the issuance of new investment units through private placement (hereinafter "private placement"), details were decided as follows:

1. Issue of New Investment Units through Private Placement

1) Number of new units offered: 22,000
2) Issue price (amount of payment): 800,000 yen per unit
3) Aggregate issue price: 17,600,000,000 yen
4) Application period (application date): September 30, 2008
5) Closing date: October 1, 2008
6) Name of allottee and number of allocation:
   Allottee: MORI TRUST Co., Ltd.
   Number of allotted units: 22,000
   Amount of payment: 17,600,000,000 yen
7) Offering or allotment method: Private placement
8) Underwriter for offering of new investment units: Goldman Sachs (Japan), Ltd.
9) Each item mentioned above is contingent upon the filing pursuant to the Financial Instruments and Exchange Act taking effect.

2. Changes in issued number of investment units after the issuance of new investment units

Existing number of issued investment units: 160,000

Increase in number of outstanding investment units: 22,000

Total number of units after the issuance: 182,000

3. Reason for issuance and the use of procured funds

1) Purpose of offering investment units issued through private placement

As MORI TRUST Sogo Reit, Inc. announced in its press release “Acquisition of Asset (Conclusion of a Contract) — ON building,” dated August 27, 2008, MTR on August 29, 2008, acquired the ON Building, an office building, for 39,900 million yen. Since a synergy effect can be expected from the combination of the ON Building and Osaki MT Building, which is already owned by MTR, we believe that the acquisition of the ON Building is effective from the perspective of quality improvement in the portfolio.

For the acquisition of the asset, MTR borrowed from financial institutions. As a result, the loan-to-value ratio including interest-bearing debt (LTV), which represents the ratio of interest-bearing debts, such as borrowings, in MTR’s total asset amount, has exceeded 50%, a guide level for the maximum allowed LTV as stipulated in MTR’s financial policies. Note that, however, the maximum allowed LTV may be temporarily exceeded at the time of asset acquisition, and the acquisition of the ON Building falls under this category (see Note 1 for more details). Therefore, a need arose to take response measures promptly and securely to keep the Company’s LTV under the maximum allowed LTV in order to comply with the financial policies and also not to miss potential future opportunities to acquire well-performing assets. In response, MTR has reviewed a variety of measures to address the issue, including public stock offerings and disposition of currently held assets, and reached the decision that issuance of new investment units through allocation to a third party in order to repay a part of the borrowings is the best option to adopt with regard to security, mobility, and flexibility, considering the recent changes in the capital market environment, financial situations, and MTR’s stable future growth, among other factors. It is expected that LTV after the implementation of the private placement will fall to 44% (see Note 2). As a result, MTR becomes able to stabilize its financial base pursuant to MTR’s financial policies, and at the same time gain the capability to acquire properties with the new borrowings. Therefore, MTR will become able to grow further externally since it would not miss opportunities to invest in well-performing assets.

Incidentally, to minimize the impact of dilution on distributions induced by the issuance of new investment units, it was issued on September 22, 2008.

Note 1: As of August 31, 2008, MTR’s LTV stood at 53%. However, the figure represents only a reference value based on a trial calculation that used a provisional balance sheet for the fiscal period ended September 30, 2008. As such, the figure has not been audited by accounting auditors.

Note 2: This figure is based on the information available to MTR as of September 22, 2008, and certain assumptions that are deemed as reasonable. The actual LTV may vary due to acquisition or sale of properties in the near future, new borrowings or repayment of the existing borrowings, changes in the real estate market and changes in other situations surrounding MTR, among other factors.

2) Calculation method for issue price

The issue price was determined by multiplying 0.988 by the amount obtained by deducting scheduled distribution of 19,609 yen for the 13th fiscal period ended September 30, 2008, as announced on May 14, 2008, from 829,000 yen, representing the average closing price of ordinary transactions for investment securities that display MTR's investment units at the Tokyo Stock Exchange on each transaction day in the week (from September 12, 2008, to September 18, 2008) immediately prior to the two business days immediately prior to the day of issuance resolution (September 22, 2008), rounded to the nearest thousand. Incidentally, the closing price for MTR's investment unit on the business day immediately prior to the day of issuance resolution (September 19, 2008) was 837,000 yen.

3) Amount of fund to be procured (an estimate for proceeds after deductions)

17,600,000,000 yen

4) Specific use of the procured fund

MTR plans to use the proceeds from the private placement (17,600,000,000 yen) for repayment of 20,000 million yen, a part of MTR's short-term borrowing on August 29, 2008, as the acquisition fund for the ON Building, which is due on October 1, 2008.

5) Scheduled expenditure of the procured fund

October 2008

6) MTR's position on the reasonableness of the use of the procured fund

As stated in 1) above, MTR operates its assets with the guide level of maximum allowed LTV of 50%. As a result of the borrowings from financial institutions for the acquisition of the ON Building, MTR's LTV exceeded 50%. However, by using the procured fund of the private placement to repay a part of the borrowings, LTV is expected to drop to a value bellowed the maximum allowed LTV (Refer to 4. Estimation of post-issuance LTV for details). As a result, MTR becomes able to stabilize its financial base in pursuant to MTR's financial policies, and at the same time to gain the capability to acquire properties with the new borrowings. Therefore, MTR will become able to further grow externally since it would not miss opportunities to invest in well-performing assets.

Because of the reasons stated above, MTR is of the opinion that the use of the proceeds of the private placement for repayment of a part of the borrowings will enable it to conduct stable medium- to long-term operations, and therefore it is a reasonable use of the procured fund.

7) Estimated influence of the private placement on MTR's operations

Estimated influence of the private placement on MTR's operations is stated in the press release "Notice Concerning Revisions to Performance Forecasts for Fiscal Period Ended September 30, 2008, and Fiscal Period

Ending March 31, 2009," dated September 22, 2008.

4. Estimation of post-issuance LTV

It is expected that LTV (See Notes below), after the repayment of the borrowings with the proceeds of the private placement, will stand at 44%.

Notes: LTV: Amount of interest-bearing debts/Amount of total assets

In addition, the above estimate is based on the information available to MTR as of September 22, 2008, and certain assumptions that are deemed reasonable. The actual LTV may vary with the acquisition or sale of properties in the near future, new borrowings or repayment of the existing borrowings, changes in the real estate market and changes in other situations surrounding MTR, among other factors.

5. Performance in the three most recent fiscal periods and equity finance situations

1) Performance in the three most recent fiscal periods

Settlement period	Fiscal period ended March 31, 2007	Fiscal period ended September 30, 2007	Fiscal period ended March 31, 2008
Net income per unit (yen)	18,746	19,263	17,608
Distribution per unit (yen)	18,746	19,264	17,608
Net asset per unit (yen)	518,746	519,264	517,608

2) Recent investment unit prices

① Performance in the three most recent fiscal periods

	Fiscal period ended March 31, 2007	Fiscal period ended September 30, 2007	Fiscal period ended March 31, 2008
Opening price	1,040,000 yen	1,540,000 yen	1,350,000 yen
Highest price	1,760,000 yen	1,630,000 yen	1,370,000 yen
Lowest price	982,000 yen	1,090,000 yen	792,000 yen
Closing price	1,540,000 yen	1,370,000 yen	855,000 yen

② Performance in the most recent half-year period

	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008
Opening price	925,000 yen	857,000 yen	905,000 yen	1,010,000 yen	1,010,000 yen	983,000 yen
Highest	936,000 yen	945,000 yen	1,020,000	1,040,000	1,040,000	988,000 yen

price			yen	yen	yen	
Lowest price	792,000 yen	851,000 yen	900,000 yen	944,000 yen	968,000 yen	868,000 yen
Closing price	855,000 yen	895,000 yen	1,000,000 yen	1,000,000 yen	991,000 yen	944,000 yen

③ Investment unit price on the business day immediately prior to the day of the issuance resolution

	As of September 19, 2008
Opening price	808,000 yen
Highest price	839,000 yen
Lowest price	808,000 yen
Closing price	837,000 yen

3) Equity finance situations in the private placement

*Capital increase by way of private placement

Issuance date	October 1, 2008
Amount of raised funds	17,600,000,000 yen (Issue price: 800,000 yen) Estimated proceeds after deductions
Number of outstanding investment units at the time of offering	160,000 units
Increase in the number of outstanding investment units	22,000 units
Total number of outstanding investment units after offering	182,000 units
Allottee	MORI TRUST Co., Ltd.

4) Equity finance situations in the three most recent years

*Capital increase by way of public offering

Not applicable

*Capital increase by way of private placement

Not applicable

Note: This document is a public announcement regarding the issue of new investment units, and has not been prepared as a solicitation for investment. We urge investors to undertake any investment decision at their own judgment.

6. Major investors and ratio of investment units held

1) Major investors and ratio of investment units held prior to and after the offering

Before offering (as of March 31, 2008)		After offering	
MORI TRUST Co., Ltd.	30.00 %	MORI TRUST Co., Ltd.	38.46 %
NikkoCiti Trust and Banking Corp. (Investment trust account)	7.74%	NikkoCiti Trust and Banking Corp. (Investment trust account)	6.81%
Japan Trustee Services Bank, Ltd. (Investment trust account)	6.27%	Japan Trustee Services Bank, Ltd. (Investment trust account)	5.52%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	5.67%	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	4.98%
The Master Trust Bank of Japan, Ltd. (Investment trust account)	4.00%	The Master Trust Bank of Japan, Ltd. (Investment trust account)	3.52%
North Pacific Bank, Ltd.	2.39%	North Pacific Bank, Ltd.	2.10%
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	1.98%	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	1.74%
Kansai Urban Banking Corp.	1.56%	Kansai Urban Banking Corp.	1.37%
The Bank of Ikeda, Ltd.	1.50%	The Bank of Ikeda, Ltd.	1.32%
The Fuji Fire and Marine Insurance Co., Ltd.	1.44%	The Fuji Fire and Marine Insurance Co., Ltd.	1.26%

Note 1: The ratio of investment units held is rounded to two places right of the decimal.

Note 2: The above chart assumes there is no change in the content of the list of major investors dated March 31, 2008, when calculating the ratio of investments by investors after the issuance of new investment units by way of private placement. For this reason, the actual ratio of investment by the investors may not necessarily match the above figures.

2) Whether or not there is an agreement between MTR and the abovementioned allottee regarding satisfaction of conductivity requirements in the case that the ratio of investment by an investor exceeds 40% as a result of the private placement:

Not applicable. Incidentally, as stated in 1) above, the ratio of investment units held by MORI TRUST Co., Ltd. after the implementation of the private placement is expected to stand at 38.46% (see Note), and therefore will not require satisfaction of conductivity requirements.

Note: See Note 2 in 1) above.

7. Expected influence of the private placement on MTR's performance

This is discussed in the press release "Notice Concerning Revisions to Performance Forecasts for Fiscal Period Ended September 30, 2008, and Fiscal Period Ending March 31, 2009," dated September 22, 2008.

8. Reasonableness of issuance terms, etc.

1) Basis for issue price calculation and decision (in the case of discount, its reason)

The issue price was determined by multiplying 0.988 by the amount obtained by deducting scheduled distribution of 19,609 yen for the 13th fiscal period ended September 30, 2008, as announced on May 14, 2008, from 829,000 yen, representing the average closing price of ordinary transactions for investment securities that display MTR's investment units at the Tokyo Stock Exchange on each transaction day in the week (September 12-18, 2008) immediately prior to the two business days immediately prior to the day of issuance resolution (September 22, 2008), rounded to the nearest thousand. We used the average closing price during the above period to determine the issue price as we decided it is more objective and fairer as the basis of determination. In addition, we determined the discount by taking into consideration the price fluctuation risk between the issuance resolution day and closing date, as well as the fact that payment would be made after the date of right allotment for distribution.

Incidentally, the amount of MTR's net asset per investment unit was 517,608 yen at the end of the most recent settlement (March 31, 2008).

2) Basis for determination that the impact of the number of investment units to be issued and the impact of dilution on distributions induced by the issuance of new investment units stay within a reasonable level

The number of investment units to be issued was determined by taking into account the level of LTV after completion of partial repayment of the borrowings for the acquisition of the ON Building with the proceedings from the issuance of new investment units, and the degree of investment unit dilution. The forecast for distribution per investment unit in the fiscal period ending March 31, 2009 (14th fiscal period) is stated in the press release "Notice Concerning Revisions to Performance Forecasts for Fiscal Period Ended September 30, 2008, and Fiscal Period Ending March 31, 2009," dated September 22, 2008. The estimated distribution exceeds the level of distribution forecast for the fiscal period ending March 31, 2009 (14th fiscal period) announced in the "12th Fiscal Period (from October 1, 2007 to March 31, 2008)" for the Fiscal Period Ended March 31, 2008 (October 1, 2007 to March 31, 2008).

For the reasons discussed above, we believe that the impact of investment unit dilution induced by the private placement is minimal and therefore not lacking reasonableness.

Incidentally, distributions in the fiscal period ended September 30, 2008 (13th fiscal period) will not be impacted by the issuance of new investment units, since the period is prior to the issuance.

9. Reason for selection of the allottee

1) Overview of the allottee

1	Company name	MORI TRUST Co., Ltd.
2	Business areas	Urban development, hotel management and investment business

3	Date of establishment	June 10, 1970
4	Head office address	3-17 Toranomon 2-chome, Minato-ku, Tokyo 105-0001
5	Name and title of representative	Akira Mori, President and CEO
6	Capital	10,000 million yen (as of March 31, 2008)
7	Number of outstanding shares	12,000,000 (as of March 31, 2008)
8	Net asset	167,551 million yen (consolidated, as of March 31, 2008)
9	Total asset	924,177 million yen (consolidated, as of March 31, 2008)
10	Settlement date	March 31
11	Number of employees	2,213 (consolidated, as of April 2008)
12	Major shareholders and ratio of shareholding	MORI TRUST Holdings, Inc. (69.61%) (as of March 31, 2008)
13	Relationship between MTR or asset management company and the allottee	The allottee owns 48,000 units of out of MTR's total outstanding investment units of 160,000 as of March 31, 2008. The allottee is a tenant at the Nissan Motor New Headquarters building, the Osaki MT Building, and the Mita MT Building, all of which are owned by MTR. In addition, MTR and the allotee have signed a trademark license agreement and an agreement concerning information related to properties. The allottee is the parent company of MORI TRUST Asset Management Co., Ltd., which is MTR's asset management company (investment ratio: 65%), and falls under the category of interested party as stipulated in the Law Concerning Investment Trust and Investment Corporation.
14	Performance in the two most recent years (consolidated)	

Settlement period	Fiscal period ended March 31, 2008	Fiscal period ended March 31, 2007
Sales	160,716 million yen	157,332 million yen
Operating income	57,459 million yen	40,264 million yen
Ordinary income	52,427 million yen	44,902 million yen
Net income	35,079 million yen	22,011 million yen

2) Reason for selecting the allottee

The allottee has consistently been a major investor in MTR since MTR's establishment in October 2001. As of the end of the fiscal period ended March 31, 2008 (12th fiscal period), the allottee held 30% of the outstanding investment units. In addition, the allottee and MTR have collaborated in the area of information exchange concerning real estate and other matters. Therefore, MTR selected MORI TRUST Co., Ltd. as the allottee under the belief that after the private placement, the allottee will continue to extend understanding toward MTR's management policies that is centered on medium- to long-term stable operations.

3) Holding policy of the allottee

The allottee plans to promise to MTR and the asset management company not to sell, offer collateral on, loan and take other actions on the 22,000 investment units, which the allottee plans to acquire through private placement, to a third party without obtaining prior written consent of MTR and the asset management company during a six-month period starting October 1, 2008, until the end date of this period.

This press release was distributed at the Kabuto Press Club, the Land, Infrastructure, Transport and Tourism Press Club and the Construction Newspapers Press Club at the Ministry of Land, Infrastructure, Transport and Tourism.