

Press Release

Issuer of Real Estate Investment Trust Securities

MORI TRUST Sogo Reit, Inc.

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Notice Concerning Issuance of Investment Corporation Bonds

Tokyo, February 10, 2017 – Mori Trust Sogo Reit, Inc. (MTR) announced today its decision to issue a total of 5 billion yen in investment corporation bonds.

1. Outline of the investment corporation bonds

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|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Name of bonds: | (i) MORI TRUST Sogo Reit, Inc. Eighth Series Unsecured Investment Corporation Bonds (Ranking Pari Passu among the specified Investment Corporation Bonds)
(ii) MORI TRUST Sogo Reit, Inc. Ninth Series Unsecured Investment Corporation Bonds (Ranking Pari Passu among the specified Investment Corporation Bonds) |
| | In the following items, matters common to the (i) and (ii) are not described separately with regard to the respective series. |
| (2) Issue amount: | (i) 4 billion yen
(ii) 1 billion yen
A total of 5 billion yen |
| (3) Bond certificate: | The Bonds Transfer Act is applicable to the bonds, thus investment corporation bond certificates will not be issued. |
| (4) Issuance price: | (i) 100.002 yen per 100 yen face value
(ii) 100 yen per 100 yen face value |
| (5) Redemption price: | 100 yen per 100 yen face value |
| (6) Interest rate: | (i) 0.001% per annum
Eighth Series Unsecured Investment Corporation Bonds will be issued over the par value, therefore the subscriber's yield on the investment corporation bonds will be around 0.0003% per annum.
(ii) 1.084% per annum |
| (7) Amount per offering: | 100 million yen |
| (8) Offering method: | Public placement |

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- (9) Date of offering: February 10, 2017
 (10) Date of payment: February 23, 2017
 (11) Collateral: There is no secured mortgage or guarantee on the bonds. There are no assets reserved as security for the bonds.
 (12) Redemption method and date: (i) The total amount to be redeemed on February 21, 2020
 (ii) The total amount to be redeemed on February 23, 2037
 The corporation bonds may be repurchased and cancelled at any time after the date of payment unless otherwise specified by the transfer agent.
 (13) Interest payment date: February 23 and August 23 of each year
 (14) Covenants: Negative pledge
 (15) Ratings: AA (Japan Credit Rating Agency, Ltd.)
 (16) Fiscal agent /Issuing and payment agent: Sumitomo Mitsui Trust Bank, Limited
 (17) Underwriters: SMBC Nikko Securities Inc.

2. Reason for bond issuance

To secure funds needed for the redemption of Fourth series unsecured investment corporation bonds (5,000 million yen) coming due on February 24, 2017.

3. Amount, timing, and use of the bond sale proceeds

- (1) Net amount of proceeds: approximately 4,970 million yen
 (2) Timing and use:

The proceeds from the bond issuance will be used as a source of funds for the redemption of fourth series unsecured investment corporation bonds (5,000 million yen) coming due on February 24, 2017. The difference (30 million yen) between the amount of funds to be procured and funds for the redemption will be allotted from cash on hand.

4. Status of loans and bonds after the bond issuance

(Million yen)

	Before	After	Increase/Decrease
Short-term loans	6,000	6,000	—
Long-term loans	141,000	141,000	—
Investment Corporation Bonds	13,000	13,000 (Note)	0
Total	160,000	160,000	0

(Note) Balance after the redemption of Fourth series unsecured investment corporation bonds coming due on February 24, 2017

5. Others

The risks relating to the issuance of the subject corporate bonds will not alter MTR's "Investment Risks" as detailed in the MTR Securities Report dated December 22, 2016.

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