

Press Release

Issuer of Real Estate Investment Trust Securities

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Sale and Termination of Lease of Asset (Ginza MTR Building)

Tokyo, October 31, 2014— Mori Trust Asset Management Co., Ltd., the asset management company which manages assets on behalf of Mori Trust Sogo Reit, Inc. (MTR), has announced the sale and termination of lease of an asset. Details are as follows:

1. Sale Summary (Plan)

- | | |
|--------------------|--|
| (1) Type of asset: | Real estate |
| | (i) Co-owned interest: 50% |
| | (ii) Co-owned interest: 50% |
| (2) Property name: | Ginza MTR Building (hereinafter “the Property”) |
| (3) Sale price: | (i) 12,000 million yen |
| | (ii) 12,000 million yen |
| | A total of 24,000 million yen |
| | (excluding sale overheads and taxes) |
| (4) Book value: | (i) 8,156 million yen (at the end of March 2014) |
| | (ii) 8,156 million yen (at the end of March 2014) |
| | A total of 16,313 million yen |
| (5) Profit: | (i) 3.5 billion yen |
| | (ii) 3.8 billion yen |
| | A total of 7.3 billion yen |
| | (Because of unconfirmed elements, including expenses for the sale, the amounts above are approximate estimates.) |
| (6) Contract date: | October 31, 2014 |

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- (7) Planned closing date: (i) December 1, 2014
(ii) April 13, 2015
- (8) Buyer: Please refer to 4. Buyer Overview.
- (9) Settlement method: Payment at the planned time of sale

2. Reason for Sale

MTR has decided to sell the Property in accordance with its investment criteria set forth in MTR's Articles of Incorporation. The following is the background to the decision.

MTR investigated leasing or selling spaces to be vacated by a large tenant (the leasing agreement) will expire at the end of March 2015).

The Property is competitive in terms of location: It is conveniently located for transportation and is easily recognized. However, 32 years have passed since its completion, and there is concern over increasing repair expenses in order to maintain its competitiveness. In addition, it is uncertain whether tenants can be found if rent remains unchanged.

Considering the competitiveness of the Property and potential expenses, MTR has decided that selling its ownership in the current real estate market is more beneficial than retaining ownership.

The Property will be sold in two installments, which will allow the loss of income from leasing generated by the sale to be supplemented with gains from the sale over two fiscal periods.

3. Sale Details

Asset overview

Location	Land	6-209-2 Ginza, Chuo-ku, Tokyo and four other plots
	Building	6-209-2 and 6-209-3 Ginza, Chuo-ku, Tokyo 7-209-10 Ginza, Chuo-ku, Tokyo
	Address	6-18-2 Ginza, Chuo-ku, Tokyo
Real estate use		Office building (Registered types of use: office and parking facilities)
Ownership form	Land	Title
	Building	Sectional title
Area	Land	4,655.56 m ² (including the area of spaces co-owned by other co-owners)
	Building	The entire building: 38,901.73 m ² Area of the space exclusively possessed by MTR (from the 5th underground floor to the 17th floor above ground): 23,614.49 m ²
Construction		Steel-reinforced concrete, reinforced concrete, and steel frame, 17 floors above ground and five underground floors (Registered structure)
Parking space		70 spaces
Completion date		March 1982 (large-scale renovation in 2010)
Architect		Nihon Sekkei, Inc.
Construction company		Kajima Corporation, Taisei Corporation

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Acquisition date	March 31, 2003
Acquisition price	16,000 million yen
Appraisal value of the real estate	14,600 million yen (appraisal date: September 30, 2014)
Appraisal agency	Japan Real Estate Institute
Seismic risk (PML)	8.1% (according to the building seismic risk investigation report produced by Takenaka Corporation)
Collateral	None
Remarks	The area of the land is the aggregate of the areas of all five plots of the site of the Property and includes the area of the space co-owned by another co-owner (Shinbashi Enbujo).
Details of tenants	
Number of tenants	5
Revenue in real estate rental	(Note)
Total rental area	13,629.99 m ²
Total rentable area	13,637.38 m ²
Occupancy rate	99.9% (as of October 31, 2014)

(Note) The revenue in real estate rental of the Property is not disclosed due to unavoidable reasons. The earnings from real estate rental of the Property in the period ended March 31, 2014 stood at 447 million yen.

4. Buyer Overview

The buyer is a Japanese operating company. MTR is not identifying the operating company, as it has not obtained consent. There are no capital, human resources, or business relationships to be disclosed between MTR and the asset manager and the buyer. The buyer is not a related party.

5. Intermediary Overview

The intermediary is a Japanese operating company. MTR is not identifying the operating company because it has not obtained consent. There are no capital, human resources, or business relationships to be disclosed between MTR and the asset manager and the intermediary. The intermediary is not a related party.

6. Operating Forecasts

MTR is considering using the gain from the sale of the Property for the stable management of assets in the medium to long term. MTR will announce its operating forecasts for the period ending March 2015 promptly following its completion.

MTR plans to announce its operating forecasts for the period ending September 2014 on November 13, 2014.

Attachment

Reference 1 Portfolio as of December 1, 2014

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Portfolio as of December 1, 2014

Area	Usage	Property Code	Property Name	Acquisition Date	Acquisition Price (Million yen)	% of Total	
Central Tokyo	Office Buildings	A-2	Ginza MTR Building (Note2)	2003.3.31	8,000	2.3%	
		A-3	Mita MT Building	2003.12.1	16,000	4.5%	
		A-6	Osaki MT Building	2005.3.31	7,870	2.2%	
				2005.10.28	5,656	1.6%	
		Total			13,526	3.8%	
		A-8	ON Building	2008.8.29	39,900	11.3%	
	A-9	Tokyo Shiodome Building	2010.4.13	110,000	31.1%		
	A-11	Kioicho Building	2014.10.1	34,300	9.7%		
	Subtotal					221,726	62.7%
	Retail Facilities	B-4	Shinbashi Ekimae MTR Building	2007.4.25	18,000	5.1%	
		B-6	SHIBUYA FLAG	2013.4.24	32,040	9.1%	
	Subtotal					50,040	14.2%
	Other (Residential property)	C-1	Park Lane Plaza	2004.12.24	3,200	0.9%	
	Subtotal					3,200	0.9%
Subtotal					274,966	77.8%	
Other	Office Buildings	A-4	Osaka Marubeni Building	2002.9.30	12,500	3.5%	
		A-5	Shin-Yokohama TECH Building	2003.11.14	6,900	2.0%	
		A-10	Tenjin Prime	2012.7.12	6,940	2.0%	
	Subtotal					26,340	7.4%
	Retail Facilities	B-1	Ito-Yokado Shonandai	2003.3.28	11,600	3.3%	
		B-2	Frespo Inage	2002.3.28	2,100	0.6%	
		B-3	Ito-Yokado Shin-Urayasu	2004.7.30	12,150	3.4%	
		B-5	Kohnan Sagamihara-Nishihashimoto	2012.10.18	7,460	2.1%	
	Subtotal					33,310	9.4%
	Other (Hotels)	C-2	Hotel Okura Kobe	2006.9.20	19,000	5.4%	
Subtotal					19,000	5.4%	
Subtotal					78,650	22.2%	
Total					353,616	100.0%	

(Note 1) Acquisition prices are rounded down to the nearest million yen.

(Note2) The acquisition price is that for ownership (50%).

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