

Press Release

Issuer of Real Estate Investment Trust Securities

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Notice of Tenant's Vacation

Tokyo, January 19, 2015 – MORI TRUST Sogo Reit, inc. (MTR) announces that it has received a notice from a tenant advising of the termination of the lease agreement for Kioicho Building (hereinafter “the Property”), which is owned by MTR. Details are as follows:

1. Outline of tenant's vacation (termination of agreement)

- | | |
|--|-------------------------------|
| (1) Name of tenant | : Nagashima Ohno & Tsunematsu |
| (2) Property name | : Kioicho Building |
| (3) Terminated leased area | : 3,178.66 m ² |
| (4) Percentage of total rentable area of the Property | : 12.8% (Note 1) |
| (5) Percentage of total rentable area of MTR's portfolio | : 0.6% (Note 2) |
| (6) Scheduled termination date | : July 15, 2015 |

(Note 1) Total rentable area of the Property (as of December 31, 2014) : 24,748.42 m²

(Note 2) Total rentable area of MTR (as of December 31, 2014) : 499,244.74 m²

Meanwhile, MTR has already received a notice from the tenant advising of the termination of the lease agreement for 995.12 m² on April 15, 2015. MTR has also been informed by the tenant of the termination of the lease agreement for the remaining 3,797.82 m² by around the end of July 2015, and it expects to receive an official termination notice this month.

Taking these factors into account, the outline of the termination of the lease agreement with the tenant is as follows.

Scheduled termination date	April 15, 2015	July 15, 2015	July 2015	Total
Terminated leased area	995.12 m ²	3,178.66 m ²	3,797.82 m ²	7,971.60 m ²
Percentage of total rentable area of the Property	4.0%	12.8%	15.3%	32.2%
Percentage of total rentable area of MTR's portfolio	0.2%	0.6%	0.8%	1.6%

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2. Future leasing

The Kioicho area, where the Property is located, is an area with a concentration of offices, including those of both Japanese and overseas leading companies, and the verdant environment of Shimizudani Park and other amenities. Considering the Property's standard office floor area of approximately 380 tsubo and the fact that most of the entrance hall and common areas on office floors have been renovated, the Property is believed to hold strong appeal for tenants.

With the trend of vacancy rates falling in the Tokyo area, MTR believes that the area is a sound market for leasing. Taking this environment into consideration, MTR will strive to be actively engaged in leasing activities with the cooperation of MORI TRUST CO., LTD., MTR's sponsor, and the Property's property management company.

3. Performance projections after tenant's vacation

Because all the scheduled termination dates of the tenant fall within the fiscal period ending September 30, 2015 (from April 1, 2015 to September 30, 2015), the tenant's vacation will not impact on MTR's operation for the fiscal period ending March 31, 2015. Consequently, MTR is keeping its performance projections for this period unchanged.

As for the operational situation for the fiscal period ending September 30, 2015 (from April 1, 2015 to September 30, 2015), gains on sales of approximately 3.8 billion yen are expected to occur as a result of sales of 50% of the co-owned interest in Ginza MTR Building. However, MTR is currently considering the possibility of using the gains to achieve steady medium- to long-term asset management. As a result, it is difficult at present to undertake calculations in a reasonable manner, and no figures have been published.

Moreover, as announced in the Financial Summary for the fiscal period ended September 30, 2014 dated November 13, 2014, MTR assumes that it will appropriate part of the gains on sales from sales of 50% of the co-owned interest in Ginza MTR Building for internal reserves in the fiscal period ending March 31, 2015. MTR will be engaged in leasing promotion activities for the above property. However, if a vacancy period (including a free-rent period) occurs after October 2015, MTR will also consider the possibility of using internal reserves to cover the drop in income in the leasing business.

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