MORI TRUST Sogo Reit, Inc.

MORI TRUST Asset Management Co., Ltd.

16th Fiscal Period
(October 1, 2009 to March 31, 2010)
Information Package

Contents

Part 1	**Highlights of Operations**	**2**
Part 2	**Summary of the 16th Fiscal Period (ended March 31, 2010) Settlement**	**4**
Part 3	**Topical Overview of the 17th Fiscal Period (Ending September 2010)**	**9**
Part 4	**Basic Policy and Status of Operations**	**14**
Part 5	**Reference**	**23**

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Part 1
Highlights of Operations

Highlights of Operations

Highlights of the 16th Fiscal Period Settlement

The dividend per share remained at above 20,000 yen, despite falls in revenues and income because of renovations to the Ginza MTR Building.

Actual results for the 16th fiscal period	20,006 yen (down 2,666 yen from the previous period, 1,006 above the forecast)

◆ Status of the Ginza MTR Building

Renovation work undertaken (November 2009 – February 2010)

Delivered to a new tenant (February 2010) → Occupancy at the end of the period: 64.0%

Of five vacant floors, three floors have been leased out (the lease contract began on June 1, 2010)

Operations Topics for the 17th Fiscal Period

Asset replacement (April 13, 2010)

The largest property in the portfolio was acquired. The quality of the portfolio improved due to the asset replacement.

Tokyo Shiodome Building acquired: 110 billion yen

Akasaka-mitsuke MT Building sold: 26.9 billion yen

Borrowings associated with the acquisition (April 13, 2010)

Considering the effect on dividends in the 17th fiscal period, the property acquisition was brought forward and used only borrowings

Borrowings increased 88 billion yen → Balance of interest-bearing liabilities: 180.8 billion yen

LTV at the end of the 16th fiscal period: 44.3% → LTV after the asset replacement (Note): approx. 61%

Exceeding 50%, the benchmark for the upper limit of LTV

Issuing of new investment units (resolved on May 13, 2010)

Proceeds from capital increase were appropriated to the repayment of 40 billion yen, part of the borrowings for the acquisition.

Issuing of new investment units: 60,000 units
Total number of outstanding investment units: 182,000 units → 242,000 units
Total amount issued: Approx. 39 billion yen

LTV after repayment of borrowings (Note): lowered to approx. 47%

(Note) The amount of total assets, the basis for the LTV calculation, is calculated, taking into account the balance of borrowings at the time of calculation and the amount of total assets at the end of the 16th fiscal period.

Expected dividends for the 17th and the 18th fiscal periods

The dividend level before the capital increase is expected to be largely maintained, despite an increase in the number of outstanding investment units (approx. 33%) through a new issue

Expected dividend per share for the 17th fiscal period	19,600 yen
Expected dividend per share for the 18th fiscal period	20,100 yen

Part 2
Summary of the 16th Fiscal Period (ended March 31, 2010) Settlement

Overview of the 16th Fiscal Period Settlement

Overview of the 16th Fiscal Period Settlement

(Million yen)

	16th fiscal period Actual	15th fiscal period Actual	Change (over previous period)		16th fiscal period Initial forecast (Note)
Operating revenues	6,736	7,105	-369	-5.2%	6,710
Operating income	4,304	4,742	-438	-9.2%	4,143
Income before income taxes	3,642	4,127	-485	-11.8%	3,458
Net income	3,641	4,126	-485	-11.8%	3,457
Dividend per share (Yen)	20,006	22,672	-2,666	-11.8%	19,000
Number of shares issued	182,000	182,000	-	-	182,000

(Note) Announced on November 13, 2009

(Main factor for changes over the previous period)

Effect of a non-income producing period associated with renovations taking place at the Ginza MTR Building

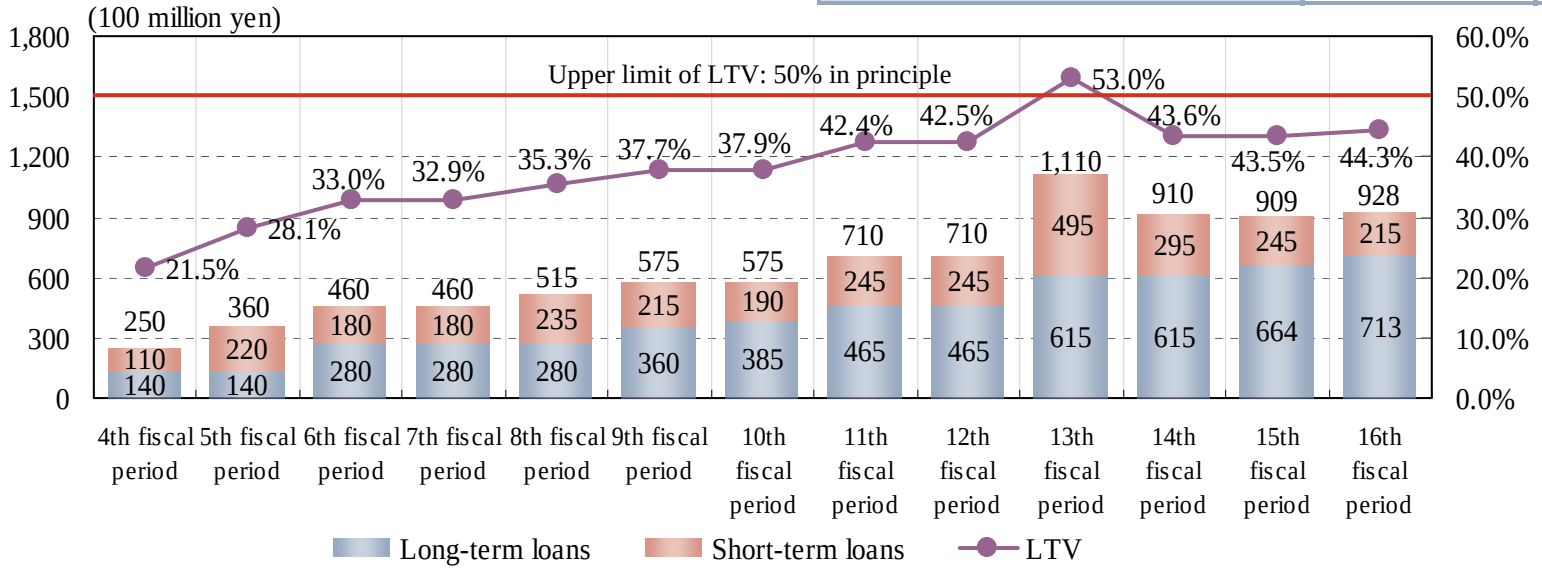
Topical Overview of the 16th Fiscal Period 1: Interest-Bearing Liabilities

Interest-bearing liabilities

	As of the end of the 16th fiscal period
Total interest-bearing liabilities (Million yen)	92,800
Short-term loans	21,500
Long-term loans (including loans expected to be repaid within one year)	71,300
LTV (Loan To Value ratio)	44.3%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid within one year)	76.8%
Fixed interest-bearing liabilities ratio	76.8%
Average interest for borrowings during fiscal period	1.48%
Short-term loans	1.26%
Long-term loans	1.56%

Balance of borrowings from financial institutions
(as of the end of the 16th fiscal period)

Lender	Balance of borrowings (million yen)	Breakdown (%)
Development Bank of Japan Inc.	22,300	24.0%
Mizuho Corporate Bank, Ltd.	15,500	16.7%
The Sumitomo Trust & Banking Corporation	14,500	15.6%
Mitsubishi UFJ Trust and Banking Corporation	13,000	14.0%
Sumitomo Mitsui Banking Corporation	7,500	8.1%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,500	7.0%
Shinsei Bank, Limited	5,000	5.4%
The Dai-ichi Life Insurance Company, Limited	2,500	2.7%
Aozora Bank, Ltd.	2,000	2.2%
ORIX Trust and Banking Corporation	2,000	2.2%
Nippon Life Insurance Company	1,000	1.1%
The Hachijuni Bank, Ltd.	1,000	1.1%
Total	92,800	100.0%



Topical Overview of the 16th Fiscal Period 2: Shareholders

Top 10 shareholders

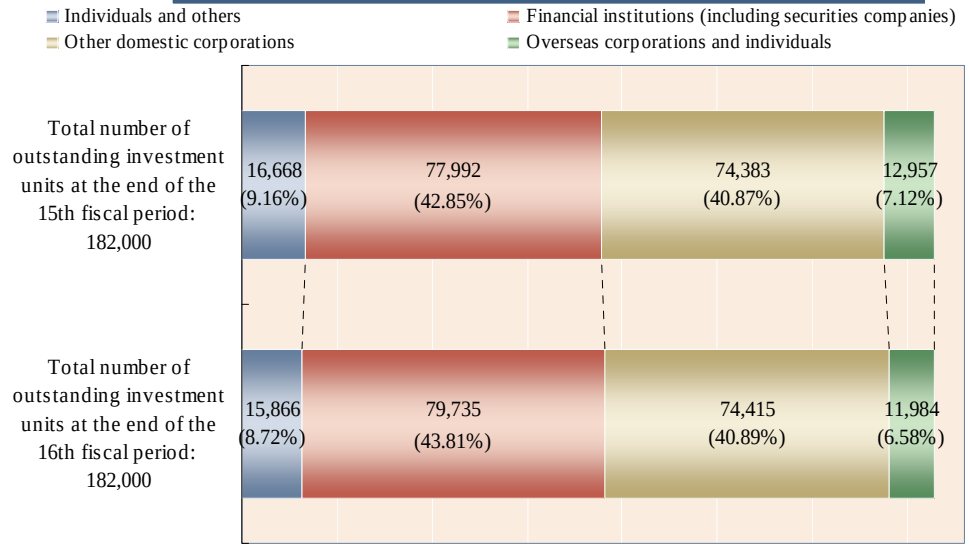
15th fiscal period

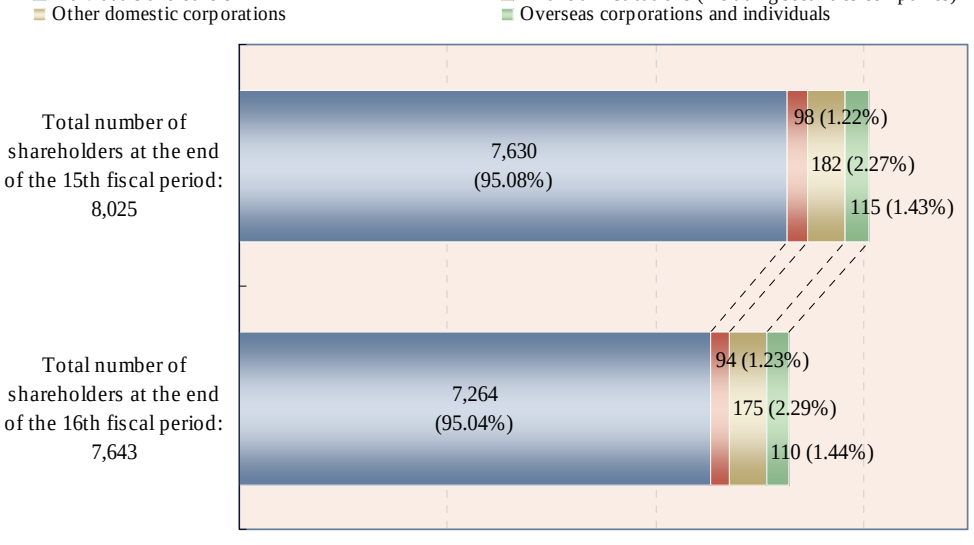
Shareholders	Number of shares held	Percent of total
Mori Trust Co, Ltd.	70,000	38.46%
NikkoCiti Trust and Banking Corporation (investment trust)	14,666	8.06%
Japan Trustee Services Bank, Ltd. (trust account)	12,423	6.83%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	9,819	5.40%
The Master Trust Bank of Japan, Ltd. (trust account)	7,536	4.14%
The Nomura Trust and Banking Co., Ltd. (investment trust)	4,254	2.34%
North Pacific Bank, LTD.	3,831	2.10%
Kansai Urban Banking Corporation	2,500	1.37%
AIG Edison Life Insurance Company GA NON DIMA	2,397	1.32%
The Bank of Ikeda, Ltd.	2,200	1.21%
Total	129,626	71.22%

16th fiscal period

Shareholders	Number of shares held	Percent of total
Mori Trust Co, Ltd.	70,000	38.46%
NCT Trust and Banking Corporation (investment trust)	14,335	7.88%
Japan Trustee Services Bank, Ltd. (trust account)	13,830	7.60%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	10,888	5.98%
The Master Trust Bank of Japan, Ltd. (trust account)	6,598	3.63%
The Nomura Trust and Banking Co., Ltd. (investment trust)	5,520	3.03%
North Pacific Bank, LTD.	3,831	2.10%
AIG Edison Life Insurance Company GA NON DIMA	3,532	1.94%
American Life Insurance Company GA-L	3,000	1.65%
Kansai Urban Banking Corporation	2,660	1.46%
Total	134,194	73.73%

Composition of shareholders





Topical Overview of the 16th Fiscal Period 3: Indicators

		Unit	12th fiscal period	13th fiscal period	14th fiscal period	15th fiscal period	16th fiscal period
Total assets	①	Million yen	167,186	209,400	208,922	208,884	209,634
Interest-bearing liabilities	②	Million yen	71,000	111,000	91,000	90,925	92,800
Total net assets	③	Million yen	82,817	83,260	101,779	101,726	101,241
Profits from real estate rental business	④	Million yen	3,532	4,067	4,842	5,099	4,618
Gain on sale of real estate	⑤	Million yen	-	-	-	-	-
Depreciation and amortization	⑥	Million yen	758	800	872	863	806
NOI	⑦=④+⑥	Million yen	4,290	4,868	5,714	5,962	5,424
Capital improvements	⑧	Million yen	528	59	232	84	1,284
Net cash flows	⑨=⑦-⑧	Million yen	3,761	4,808	5,482	5,878	4,140
Income before income taxes	⑩	Million yen	2,818	3,261	3,832	4,127	3,642
Net income	⑪	Million yen	2,817	3,260	4,179	4,126	3,641
FFO	⑫=⑪+⑥-⑤	Million yen	3,575	4,061	5,051	4,990	4,447
Total distribution	⑬	Million yen	2,817	3,260	4,179	4,126	3,641
Shares issued and outstanding	⑭	Shares	160,000	160,000	182,000	182,000	182,000
Total net assets per share	⑮=③/⑭	Yen	517,608	520,377	559,226	558,936	556,270
Dividend per share	⑯=⑬/⑭	Yen	17,608	20,377	22,962	22,672	20,006
FFO per share	⑰=⑫/⑭	Yen	22,347	25,381	27,754	27,418	24,436
ROA (annualized)	⑱=⑩/①/6×12		3.4%	3.1%	3.7%	4.0%	3.5%
ROE (annualized)	⑲=⑪/③/6×12		6.8%	7.8%	8.2%	8.1%	7.2%
LTV ratio	⑳=②/①		42.5%	53.0%	43.6%	43.5%	44.3%

Part 3
Topical Overview of the 17th Fiscal Period
(Ending September 2010)

Overview of the 17th Fiscal Period 1: Quality Improved through Asset Replacement

The quality of the portfolio was improved by acquiring the Tokyo Shiodome Building, the largest property in the portfolio, on April 13, 2010 and selling the Akasaka-mitsuke MT Building.

Tokyo Shiodome Building acquired

Overview

Mori Trust Co., Ltd.	Seller	Transferee	Mori Trust Co., Ltd.
110,000 million yen	Acquisition price	Selling price	26,900 million yen
		Profit from disposition	Approx. 170 million yen (Note 1)
111,500 million yen	Appraisal value (Note 2)		23,300 million yen
April 13, 2010	Date of acquisition	Date of sale	April 13, 2010
January 2005	Completion		February 1975
5 years	Age		35 years
Central Tokyo	Area classification		Central Tokyo
Office building (Note 3)	Use classification		Office building

(Note 1) Capital gain is an estimate as of May 13, 2010.
(Note 2) Value as of March 31, 2010
(Note 3) Multipurpose building including hotel and stores, in addition to offices

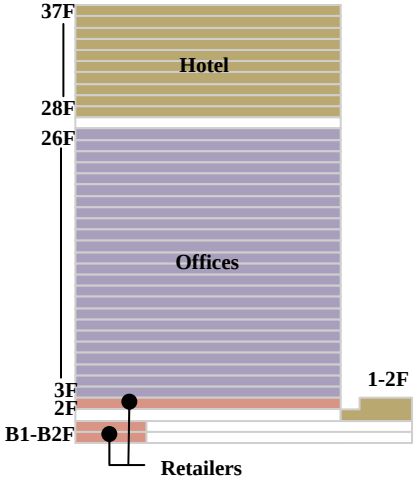
Akasaka-mitsuke MT Building sold

Significance of asset replacement

- Acquisition of a large property with strong market competitiveness and expansion of asset size
  Asset size after replacement (the sum of acquisition prices): 282.9 billion yen
- Improvement in average age of portfolio
  Before replacement: approx. 22 years → After replacement: approx. 14 years
- Stable revenues secured over the long term
  Tokyo Shiodome Building: Lease contract with a fixed rent for a long period
  (Offices/retailers) Master lease contract for 10 years
  (Hotel) Master lease contract for approx. 25 years

Overview of the 17th Fiscal Period 2: Overview of Tokyo Shiodome Building

- ◆ Located in an area with a high concentration of large scale businesses in an extensive redevelopment district of 31 hectares
- ◆ Excellent location with high visibility and excellent view overlooking Tokyo Bay, facing the Hamarikyu Garden
- ◆ Large new mixed-use building with state-of-the-art specifications



A large property accounting for approx. 38.9% of the portfolio

A master lease contract with fixed rent with Mori Trust

◆Lease period
(Offices/retailers) 10 years (April 13, 2010 – April 12, 2020)
(Hotel) Approx. 25 years (April 13, 2010 – December 31, 2035)
◆Monthly rent
(Offices/retailers) 435 million yen
(Hotel) 30 million yen (April 13, 2010 – April 12, 2020)
35 million yen (April 13, 2020 – December 31, 2035)
◆Total rentable area: 95,697.03m^2
◆Total rented area: 95,697.03m^2
◆Occupation rate: 100%

Securing stable revenues over the long term by minimizing the lease termination risk and the risk of rent falls

Property Summary

Location (address)		9-1 Higashi-shinbashi 1-chome, Minato-ku, Tokyo
Use		Office, hotel, retailers
Area	Land	17,847m^2 (including the interests of other quasi-co-owners in the right to acquire reserved land) (Note 1)
	Building	191,394.06m^2 (Note 2)
Structure		Steel-reinforced concrete, reinforced concrete, flat-roofed steel-reinforced concrete building with 37 stories above the ground and four underground stories
Acquisition price		110 billion yen
Appraisal value		111.5 billion yen (as of March 31, 2010)
Acquisition date		April 13, 2010
Seller		Mori Trust Co., Ltd.

(Note 1) The land area is an object of the right to acquire reserved land quasi-co-owned by MTR and includes the portion related to quasi-ownership by other quasi-co-owners. Of the right to the land, the quasi-ownership share of MTR is 50 hundredths.
(Note 2) Building is a co-owned building, and the area obtained by multiplying the floor area by the ownership share of MTR is 95,697.03 m^2.

Overview of the 17th Fiscal Period 3: Overview of Financing for Property Acquisition

Changes in LTV

At the end of the 16th fiscal period (March 31, 2010)	At the time of acquiring property (April 13, 2010)	Capital increase by public offering	After capital increase (June 11, 2010)
Balance of interest-bearing liabilities: 92.8 billion yen	Increase in loans due to the acquisition of the property: 88 billion yen		Repayment of 40 billion yen in loans using the proceeds of the capital increase
LTV 44.3%	LTV approx. 61% (Note)		LTV approx. 47% (Note)

Exceeding 50%, the benchmark for the upper limit of LTV

(Note) The amount of total assets, the basis of the LTV calculation, is calculated, taking into account the balance of borrowings at the time of calculation and the amount of total assets at the end of the 16th fiscal period.

Outline of the issue of new investment units

- Number of investment units issued: 60,000 units (the number of outstanding investment units after the issue: 242,000 units)
- Offer price: 670,800 yen per unit
- Issue value: 650,160 yen per unit
- Total issue value: 39,009 million yen
- Resolution date: May 13, 2010
- Price-fixing date: May 24, 2010
- Payment date: May 31, 2010
- Use of proceeds: Appropriated to the repayment of certain borrowings (40 billion yen) for property acquisition

Forecasts for the 17th and 18th Fiscal Periods

Forecast for the 17th fiscal period

- Forecast dividend for the 17th fiscal period: 19,600 yen per share

Major negative factors:

Increase in income due to the acquisition of the Tokyo Shiodome Building
Full-year contribution of leases in the Ginza MTR Building due to the completion of renovations
Realization of capital gain on the Akasaka-mitsuke MT Building (approx. 170 million yen)

Major positive factors:

Decline in income due to the sale of the Akasaka-mitsuke MT Building
Increase in borrowings associated with the acquisition of property
New investment unit issue costs

		Forecast for the 17th fiscal period	16th fiscal period Actual	Difference	
				Amount	Comparison with the fiscal period under review
Operating revenues	(a)	9,002	6,736	2,265	33.6%
Property-related revenues	(b)	8,832	6,736	2,095	31.1%
Rental revenues		8,535	6,447	2,087	
Other rental revenues		296	288	8	
Gains on sale of real estate		170	-	170	-
Operating expenses	(c)	3,023	2,431	591	24.3%
Property-related expenses	(d)	2,595	2,117	477	22.6%
Rental expenses		2,595	2,117	477	
Property and other taxes		579	591	-12	
Overhead expenses		669	720	-51	
Depreciation and amortization	(e)	1,347	806	541	
Service, general and administrative expenses		427	314	113	36.1%
Profits and losses from real estate rental business	(f)=(b)-(d)	6,236	4,618	1,618	35.0%
Earnings before depreciation and amortization	(e)+(f)	7,583	5,424	2,159	39.8%
Operating income	(a)-(c)	5,978	4,304	1,674	38.9%
Non-operating revenues		3	5	-2	-38.9%
Non-operating expenses		1,238	667	570	85.4%
Interest expense		1,118	667	450	
Investment unit issue costs		120	-	120	
Income before income taxes		4,744	3,642	1,102	30.3%
Pretax net income for the fiscal period under review		4,744	3,642	1,102	30.3%
Net income		4,743	3,641	1,102	30.3%

	The 16th fiscal period Actual	The 17th fiscal period Forecast	The 18th fiscal period Forecast
	(Oct. 1, 2009 - Mar. 31, 2010)	(Apr. 1, 2010 - Sep. 30, 2010)	(Oct. 1, 2010 - Mar. 31, 2011)
Operating revenues (Million yen)	6,736	9,002	8,940
Operating income (Million yen)	4,304	5,978	5,916
Income before income taxes (Million yen)	3,642	4,744	4,865
Net income (Million yen)	3,641	4,743	4,864
Dividend per share (Yen)	20,006	19,600	20,100
Number of shares issued	182,000	242,000	242,000

Assumptions

- Assets under management are 13 properties by adding the Tokyo Shiodome Building acquired on April 13, 2010 to properties owned as of March 31, 2010, excluding the Akasaka-mitsuke MK Building transferred on April 13, 2010.
- The number of outstanding investment units is 242,000, by adding net investment units of 60,000 issued by public offering that are determined at the Board of Directors meeting held on May 13, 2010 to 182,000 as of March 31, 2010.
- Operating revenues include a capital gain of approx. 170 million yen on the Akasaka-mitsuke MT Building.
- For other assumptions, please see the “Forecast for Operations” in the financial results published on May 13, 2010.

The business forecasts for the 17th and 18th fiscal periods are calculated by using the assumptions described above. Actual operating revenues, operating income, income before income taxes, net income, cash dividends per share, etc., may differ materially from forecasts due to changes in the operating environment. Accordingly, MTR does not guarantee the accuracy of forecast amounts.

Part 4
Basic Policy and Status of Operations

Basic Policy and Characteristics of MORI TRUST Sogo Reit

Basic Policy

Stable operations over the medium and long terms

- Progressing with steady accumulation of portfolio property assets
- Securing stable income

Operate with a view toward "profitability," "stability," and "growth potential"

Stable operations

- Steady growth of asset size
- Maintaining high occupancy rates
- Stable dividends

Characteristics of MORI TRUST Sogo Reit

"Diversified REIT" with a portfolio consisting mainly of office buildings in central Tokyo

Construction of a stable portfolio with selectively acquired properties

Selectively investing in properties that contribute to stable operations over the medium and long terms

Broad collaboration with the Mori Trust Group

Strong pipeline for the acquisition and disposition of real estate

Solid financial strategy

Maintaining an appropriate level of LTV with conservative LTV as the basis

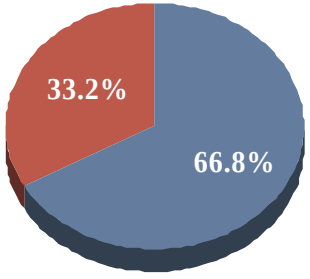
Portfolio Allocation Policy

Target portfolio

		Region		Total
		Central Tokyo (Note 1)	Other areas (Note 2)	
Use	Office Buildings	60 to 70%	10 to 20%	70 to 90%
	Retail Facilities	0 to 10%	10 to 20%	10 to 30%
	Other (Note 3)			
Total		60 to 80%	20 to 40%	100%

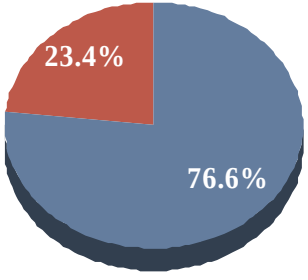
(Note 1) "Central Tokyo" refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku Wards.
(Note 2) "Other Areas" refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area excluding central Tokyo) and other major regional cities.
(Note 3) Restricted to investments in residential properties and hotels for the foreseeable future.

Regional diversification



Central Tokyo Other

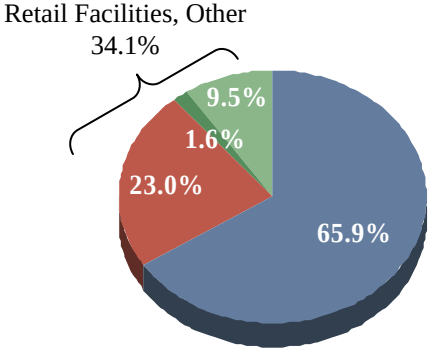
<At the end of the 16th fiscal period>



Central Tokyo Other

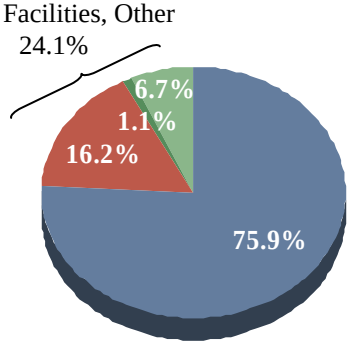
<After asset replacement>
After acquiring the Tokyo Shiodome Building and selling the Akasaka-mitsuke MT Building

Use diversification



Office Buildings Retail Facilities
Other (Residential) Other (Hotel)

<At the end of the 16th fiscal period>



Office Buildings Retail Facilities
Other (Residential) Other (Hotel)

<After asset replacement>
After acquiring the Tokyo Shiodome Building and selling the Akasaka-mitsuke MT Building

(Note) For properties with multiple uses, the attribute is judged by their principle use.

Financial Policy and Strategy

Financial policy and strategy

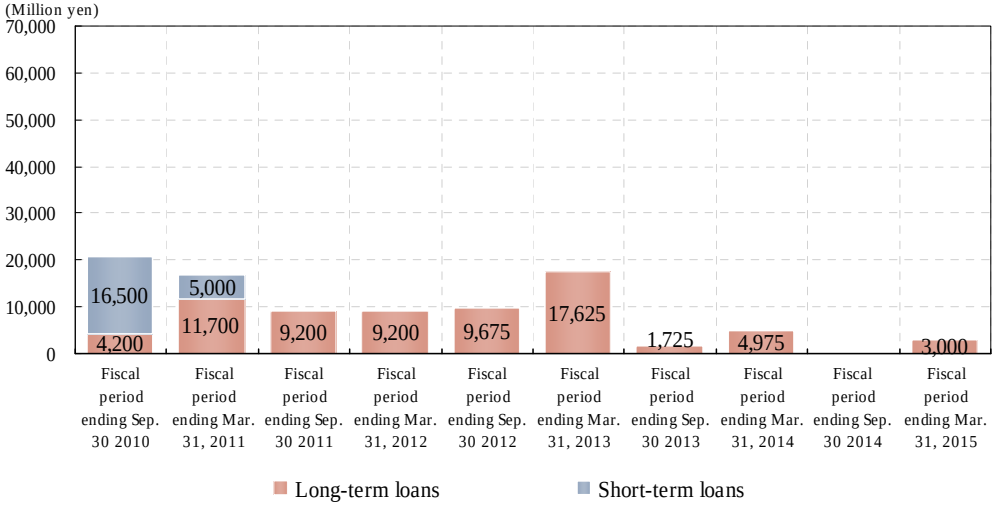
- Conservative LTV is the basis, and the 50% upper limit of LTV is the benchmark
- Diversify repayment maturities
- Procure short-term borrowings and long-term debt in a balanced manner, paying attention to reducing financing costs and the effect of changes in the financial environment
- Establish a credit line to ensure flexible fundraising

  Mizuho Corporate Bank: 20 billion yen (of which, 10 billion yen is based on a contract coming due on July 13, 2010)

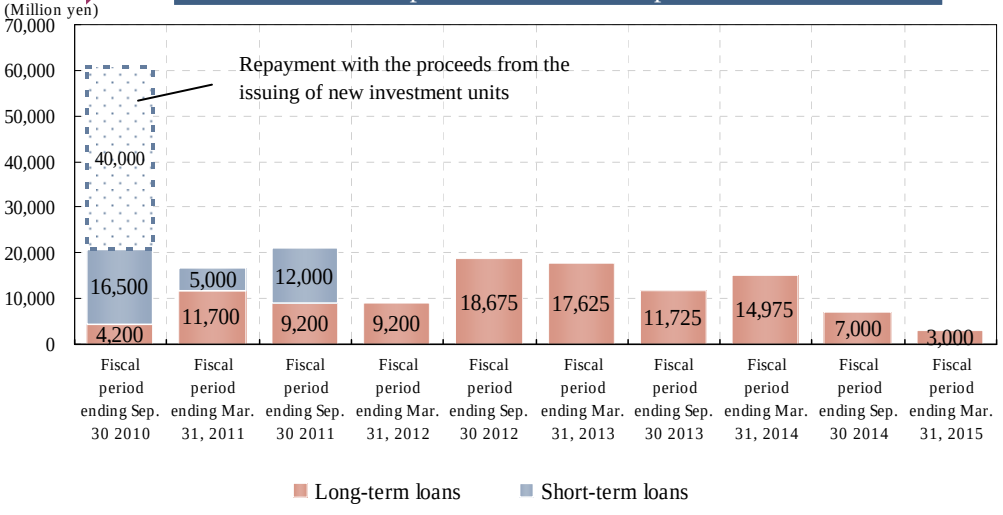
  Sumitomo Mitsui Banking: 10 billion yen

Loan repayment schedule diversification

At the end of the 16th fiscal period

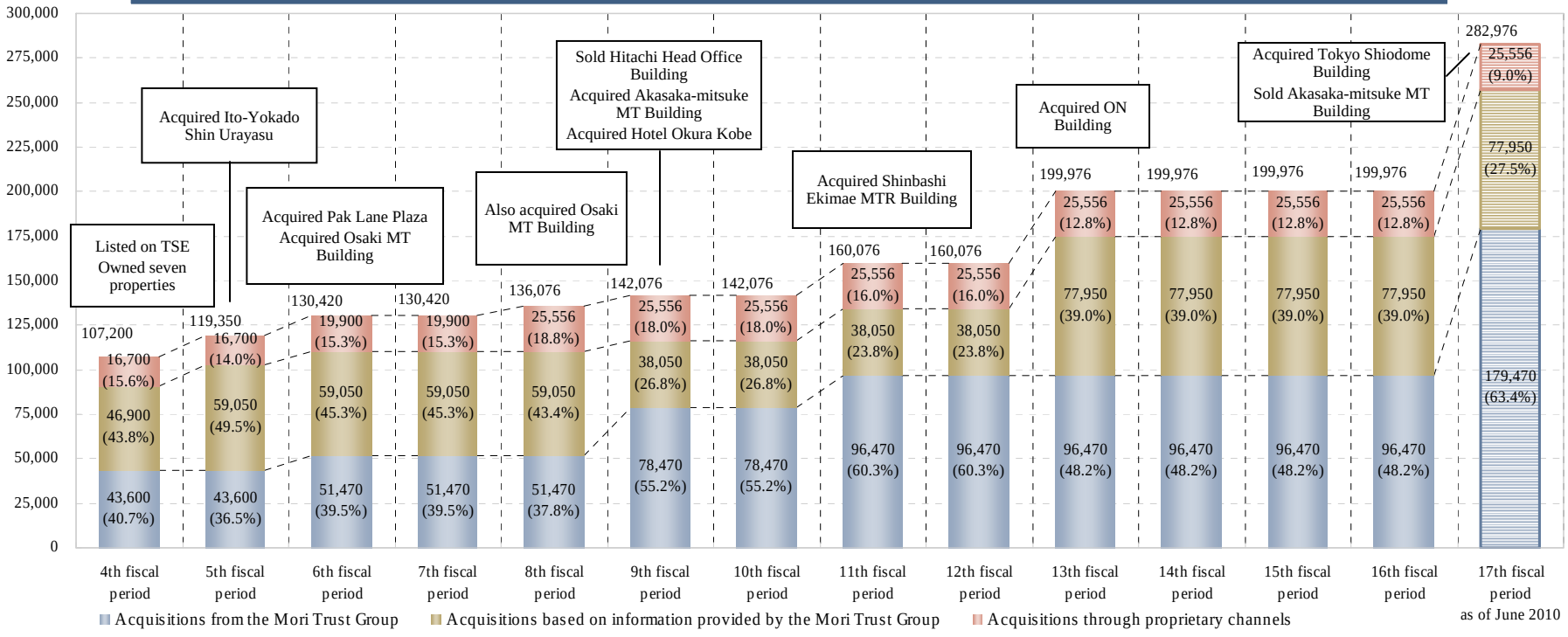


After borrowing funds for the acquisition of the Tokyo Shiodome Building and repaying borrowings with the proceeds from the capital increase



Status of Operations 1: Changes in Asset Size

Changes in asset size (the sum of acquisition prices) by seller



Property acquisitions

Acquisitions from the Mori Trust Group	Acquisitions Based on Information Provided by the Mori Trust Group	Acquisitions through Proprietary Channels
Ginza MTR Bldg.	Ito-Yokado Shin-Urayasu	Marubeni Osaka Headquarters Bldg.
Mita MT Bldg.	Shin-Yokohama TECH Bldg.	Frespo Inage
Osaki MT Bldg.	Hotel Okura Kobe	Park Lane Plaza
Ito-Yokado Shonandai	ON Bldg.	Osaki MT Bldg. (additional acquisition)
Akasaka-mitsuke MT Bldg. (sold in the 17th fiscal period)		
Shinbashi Ekimae MTR Bldg.		
Tokyo Shiodome Building (acquired in the 17th fiscal period)		

: Acquisitions through sale-and-lease-back

: Properties acquired or transferred in the 17th fiscal period

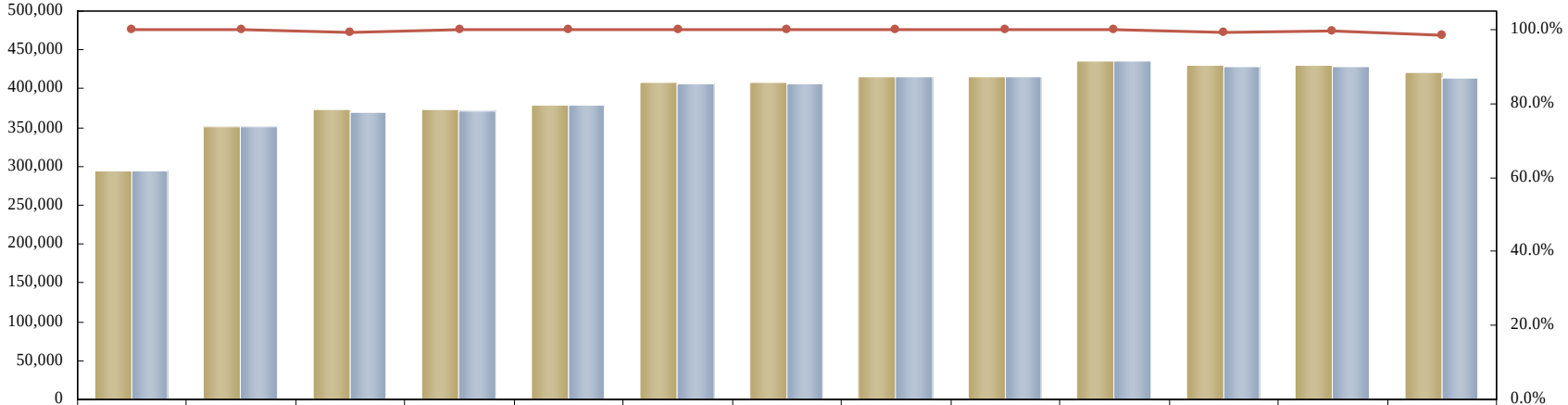
Status of Operations 2: Portfolio Summary (At the end of the 16th Fiscal Period)

Use	Name	Location	Construction completion	Acquisition date	Acquisition Price (Million yen)	16th fiscal period Book value at the end of fiscal period (Million yen)	16th fiscal period End-of-period calculation (Million yen)	Floor Area (m^2)	PML (Note 5)	NOI yield (Note 6)
Office Buildings	Ginza MTR Bldg.	Chuo Ward, Tokyo	March 1982 (Renovated in 2010)	March 31, 2003	16,000	16,687	16,000	38,901.73 (Note 1)	8.1%	0.4%
	Mita MT Bldg.	Minato Ward, Tokyo	September 1974 (Renovated in 1997)	December 1, 2003	16,000	16,038	21,000	21,043.02	10.5%	9.4%
	Marubeni Osaka Headquarters Bldg.	Chuo Ward, Osaka	March 1984	September 30, 2002	12,500	12,217	13,000	41,574.47	3.4%	8.1%
	Shin-Yokohama TECH Bldg.	Kohoku Ward, Yokohama City	February 1986	November 14, 2003	6,900	6,848	5,310	25,187.22	8.7%	8.6%
	Osaki MT Bldg.	Shinagawa Ward, Tokyo	July 1994 (Renovated in 2008)	(1) March 31, 2005 (2) October 28, 2005 (Additional acquisition)	13,526	13,355	16,300	26,980.68 (Note 2)	11.5%	7.1%
	Akasaka-mitsuke MT Bldg. (Note 3)	Minato Ward, Tokyo	February 1975 (Renovated in 2005)	May 29, 2006	27,000	26,707	23,300	17,171.15	12.7%	4.7%
	ON Bldg.	Shinagawa Ward, Tokyo	November 1990	August 29, 2008	39,900	40,525	32,400	32,812.27	8.0%	4.2%
Retail Facilities	Ito-Yokado Shonandai	Fujisawa City, Kanagawa Prefecture	November 2002	March 28, 2003	11,600	10,990	12,500	53,393.66	14.0%	6.0%
	Frespo Inage	Inage Ward, Chiba City	—	March 28, 2002	4,200	4,386	4,990	(79,113.42) (Note 4)	-	10.4%
	Ito-Yokado Shin-Urayasu	Urayasu City, Chiba Prefecture	September 2000	July 30, 2004	12,150	11,890	11,600	57,621.38	18.9%	5.1%
	Shinbashi Ekimae MTR Bldg.	Minato Ward, Tokyo	April 1999	April 25, 2007	18,000	17,946	18,000	7,820.45	12.2%	4.8%
Resi-dential	Park Lane Plaza	Shibuya Ward, Tokyo	June 1988	December 24, 2004	3,200	3,340	3,150	5,246.78	14.9%	5.2%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe City	March 1989	September 20, 2006	19,000	18,096	16,600	72,246.86	17.8%	5.3%
Total	—	—	—	—	199,976	199,032	194,150	-	4.5%	5.4%

(Note 1) MTR has acquired part ownership of the Ginza MTR Building. The floor area owned by MTR totals 23,614.49m^2.
(Note 2) MTR has acquired co-ownership of the building. The ownership share is calculated at the ratio of 838,899/1,000,000.
(Note 3) MTR sold the Akasaka-mitsuke MT Building to Mori Trust Co., Ltd. on April 13, 2010.
(Note 4) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.
(Note 5) Probable Maximum Loss (PML) refers to the expected maximum loss ratio caused by an earthquake based on a loss confidence value of 90%. The expected maximum-level earthquake refers to an earthquake that occurs once every 50 years with a 10% excess-probability. This means that an earthquake of this magnitude statistically occurs once every 475 years.
(Note 6) NOI earnings yield is calculated by converting NOI in the 16th fiscal period to an annual basis.

Ginza MTR Bldg. | Mita MT Bldg. | Marubeni Osaka Headquarters Bldg. | Shin-Yokohama TECH Bldg. | Osaki MT Bldg. | Akasaka-mitsuke MT Bldg. | ON Bldg. | Ito-Yokado Shonandai | Frespo Inage | Ito-Yokado Shin-Urayasu | Sinbashi Ekimae MTR Bldg. | Park Lane Plaza | Hotel Okura Kobe

Status of Operations 3: Occupancy Rate



	End of the 4th fiscal period (Mar. 31, 2004)	End of the 5th fiscal period (Sep. 30, 2004)	End of the 6th fiscal period (Mar. 31, 2005)	End of the 7th fiscal period (Sep. 30, 2005)	End of the 8th fiscal period (Mar. 31, 2006)	End of the 9th fiscal period (Sep. 30, 2006)	End of the 10th fiscal period (Mar. 31, 2007)	End of the 11th fiscal period (Sep. 30, 2007)	End of the 12th fiscal period (Mar. 31, 2008)	End of the 13th fiscal priod (Sep. 30, 2008)	End of the 14th fiscal period (Mar. 31, 2009)	End of the 15th fiscal priod (Sep. 30, 2009)	End of the 16th fiscal period (Mar. 31, 2010)
Total rentable area (m^2)	294,362.40	351,983.78	372,371.04	372,361.77	379,051.60	407,231.68	407,231.68	415,293.05	415,293.05	435,947.65	430,324.51	430,324.51	420,201.27
Total rented area (m^2)	294,362.40	351,983.78	369,879.12	371,952.09	378,721.50	406,905.66	407,084.64	414,819.99	414,789.53	435,413.38	427,611.44	427,775.84	412,898.49
Portofolio occupancy rate	100.0%	100.0%	99.3%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.4%	99.4%	98.3%

Office Buildings	Ginza MTR Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	64.0%
	Mita MT Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Marubeni Osaka Headquarters Bldg.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Shin-Yokohama TECH Bldg.	100%	100%	91%	100%	100%	100%	100%	100%	100%	100%	90.7%	90.7%	90.7%
	Osaki MT Bldg.	-	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Akasaka-mitsuke MT Bldg.	-	-	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%
	ON Bldg.	-	-	-	-	-	-	-	-	-	100%	100%	100%	100%
	Hitachi Headquarters Bldg. (Sold)	100%	100%	100%	100%	100%	-	-	-	-	-	-	-	-
Retail Facilities	Ito-Yokado Shonandai	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Frespo Inage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Ito-Yokado Shin-Urayasu	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Shinbashi Ekimae MTR Bldg.	-	-	-	-	-	-	-	100%	100%	100%	100%	100%	100%
Resi-dential	Park Lane Plaza	-	-	82.7%	90.8%	92.6%	92.7%	96.7%	89.4%	88.7%	88.0%	77.5%	81.2%	83.7%
Hotel	Hotel Okura Kobe	-	-	-	-	-	100%	100%	100%	100%	100%	100%	100%	100%

Status of Operations 4: Overview of Lease Contracts

(As of March 31, 2010)

Use	Name	Tenant/Masterlessee		Type of lease contract		Lease contract expiry
		Major tenant/ master lessee	Total			
Office Buildings	Ginza MTR Bldg.	Hanwa Co., Ltd.	2	Direct lease	Fixed-term building lease and building lease	March 31, 2015 (Lease contract with Hanwa)
	Mita MT Bldg.	Hitachi Eletronics Services Co., Ltd.	3	Direct lease	Building lease and fixed-term building lease	November 30, 2011 (Lease contract with Hitachi Eletronics Services)
	Marubeni Osaka Headquarters Bldg.	Marubeni Corporation	1	Master lease	Fixed-term building lease	September 30, 2012
	Shin-Yokohama TECH Bldg.	Fujitsu Co., Ltd.	3	Direct lease	Building lease	Feburuary 28, 2011 (Lease contract with Fujitsu)
	Osaki MT Bldg. (Note 1)	Mori Trust Co., Ltd.	1	Master lease	Fixed-term building lease	March 31, 2010
	Akasaka-mitsuke MT Bldg. (Note 2)	Suntory Limited	1	Direct lease	Fixed-term building lease	September 30, 2015
	ON Bldg.	Kobe Steel Ltd.	1	Direct lease	Building lease	March 31, 2011
Retail Facilities	Ito-Yokado Shonandai	Ito-Yokado Co., Ltd.	1	Master lease	Building lease	November 20, 2022 (No cancellation prior to November 20, 2017)
	Frespo Inage	Daiwa Lease Co, Ltd.	1	Direct lease	Land lease (Note 3)	June 2, 2023
	Ito-Yokado Shin-Urayasu	Ito-Yokado Co., Ltd.	1	Master lease	Building lease	July 29, 2020 (No cancellation prior to July 29, 2017)
	Shinbashi Ekimae MTR Bldg.	Kimuraya Select	1	Direct lease	Building lease	May 31, 2011
Residential	Park Lane Plaza	—	14	Direct lease	Building lease and fixed-term building lease	(Lease contracts of not more than 3 years)
Hotel	Hotel Okura Kobe	Hotel Okura Kobe	1	Direct lease	Fixed-term building lease	March 31, 2022

(Note 1) MTR re-entered into a fixed-term building lease contract for three years beginning on April 1, 2010 with Mori Trust Co., Ltd.

(Note 2) MTR sold the Akasaka-mitsuke MT Building to Mori Trust Co., Ltd. on April 13, 2010.

(Note 3) Land lease rights stipulated in Article 24 of the pre-amendment Law of Land and Building Lease, which was subsequently amended by the Law to Partially Amend the Law of Land and Building Lease (Law No. 132 of 2007).

Status of Operations 5: Real Estate Market Environment and Operating Strategies

Real estate market environment

- Investment market

  Although transactions remain inactive, the financing environment is improving and the investment market is showing signs of a recovery, as indicted by the rebound in corporate earnings and the resumption of the PO of REITs.

- Leasing market

  While rent levels are indicating a possible bottoming out in S-class buildings in prime locations, revisions to lower rents and rising vacancy rates still prevailing. There is no relief in sight for areas with a wide gap between supply and demand. But buildings having high quality specifications in favored area are experiencing an increase of inquiries and indeed vacant spaces in most sought-after areas are decreasing. That might indicate a turnaround of the market.

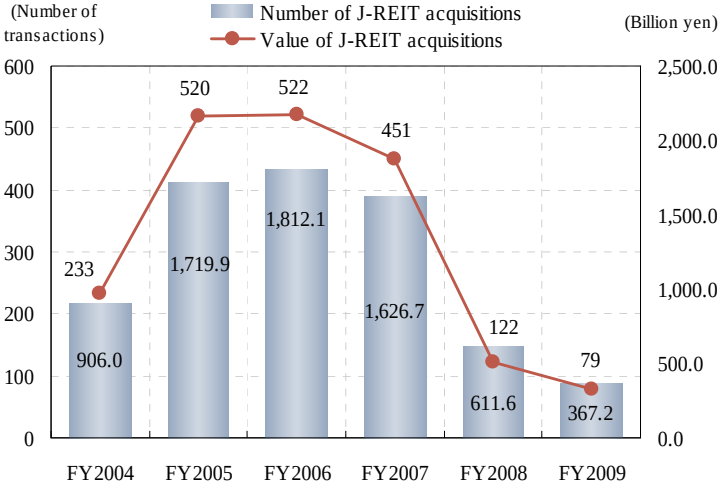
Operating strategies

- Although it is difficult to acquire quality properties at a large discount in central Tokyo, opportunities for acquisition could increase. Prepare for opportunities to acquire quality properties by improving the ability to collect information on property sales.

- Put the best leasing strategy in place to secure tenants and raise occupancy rates in the Ginza MTR Building, Shin-Yokohama TECH Building and Park Lane Plaza Building, taking into account the conditions in the markets in which each property is located and the characteristics of the properties themselves.

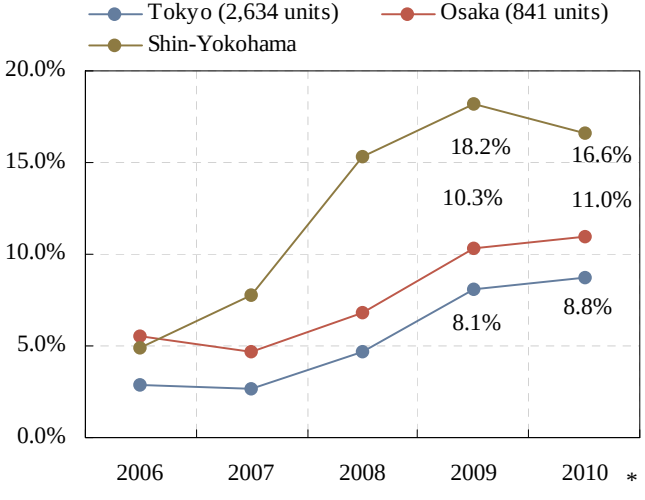
- Operate properties to maintain high occupancy rates and to achieve stable revenues by making efforts to satisfy tenant requirements.

Amount and number of REIT property acquisition



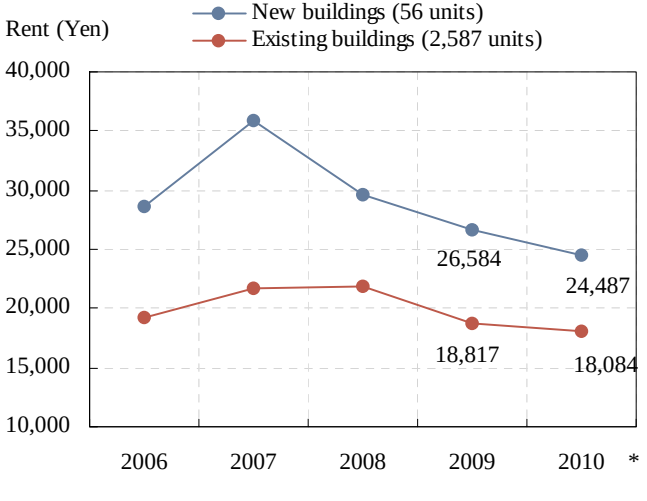
Source: Prepared by the Company based on published data

Vacancy rates for office buildings in Tokyo, Osaka and Shin-Yokohama (year-end)



Source: Prepared by the Company based on published data of Miki Shoji Co., Ltd.

Average rents for office buildings in Tokyo (year-end)

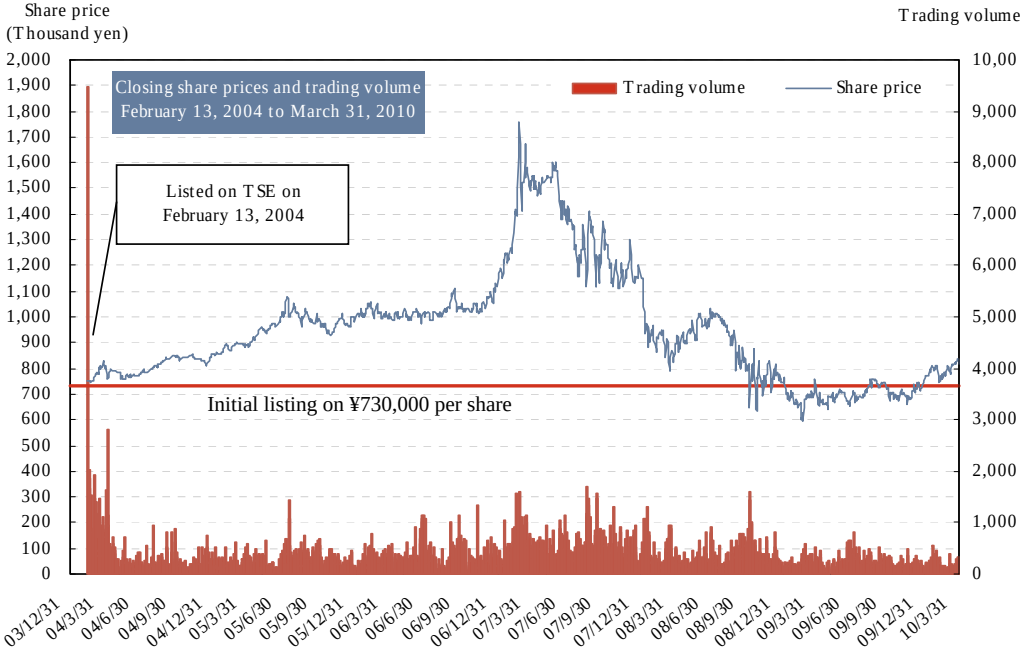


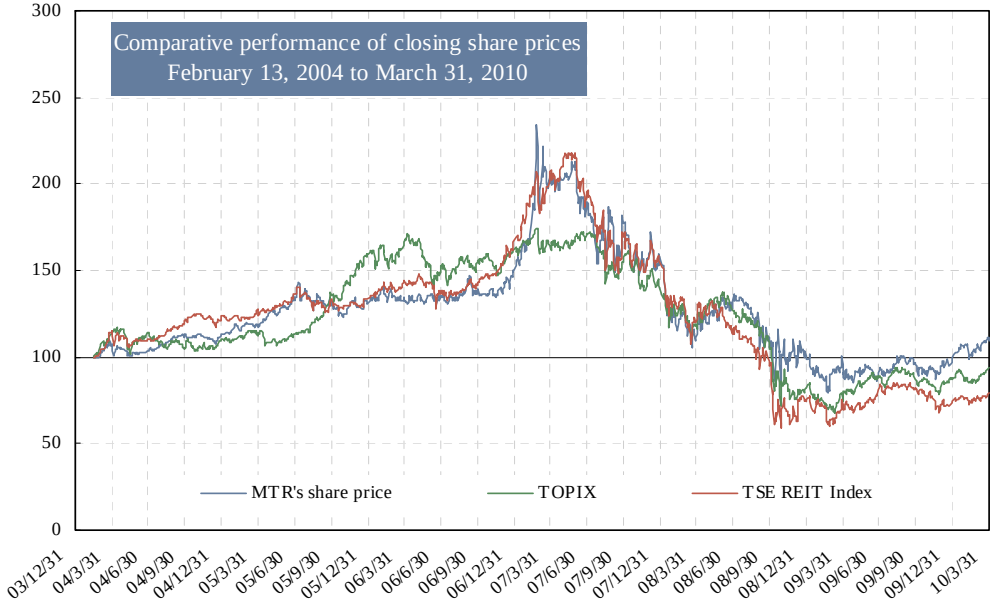
Source: Prepared by the Company based on published data of Miki Shoji Co., Ltd.

* As of March 31, 2010

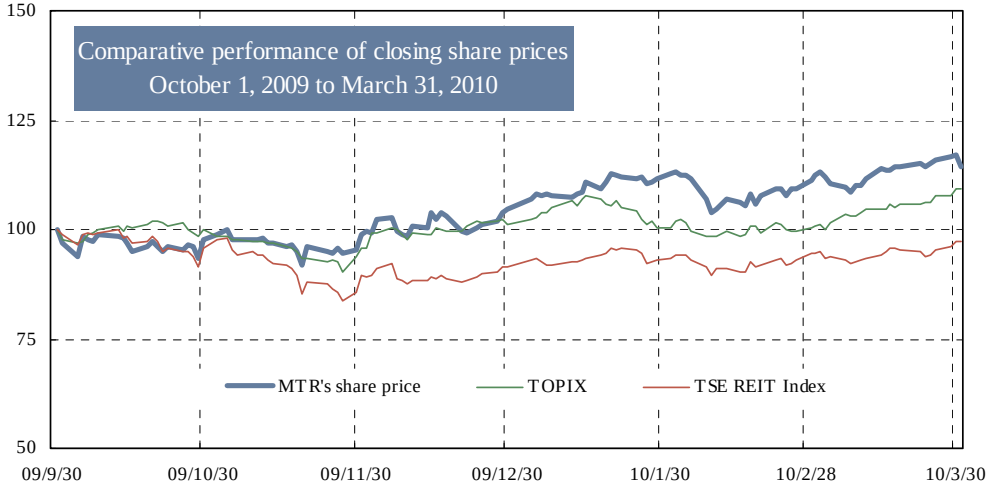
Part 5
Reference

Trends in Share Prices



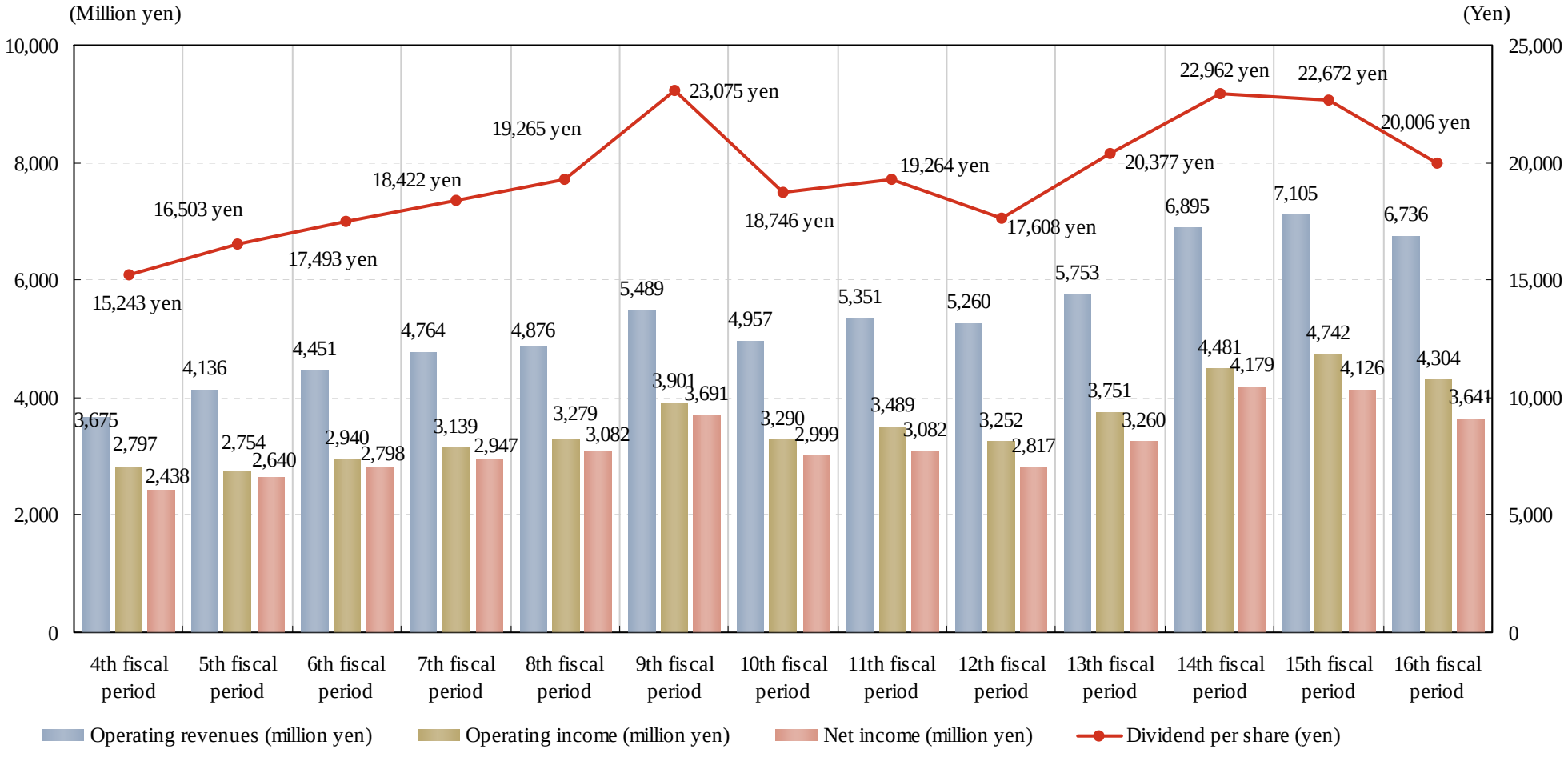


* A base of 100 is used to compare MTR's share price at IPO with the TSE REIT Index and TOPIX.



* Against the investment unit price, TSE REIT Index, and TOPIX price of October 1, 2009 as the base figure of 100.

Performance



Interest-Bearing Liabilities at the End of the Period

	Lender	Drawdown date	Outstanding balance as of March 31, 2010 (million yen)	The 16th fiscal period Average interest rate for borrowings		Repayment date	Repayment method
Short-term loans	Mizuho Corporate Bank, Ltd.	August 31, 2009	5,000	1.32%	Floating	August 31, 2010	Bullet repayment on maturity Unsecured/Non-guaranteed
	Mitsubishi UFJ Trust and Banking Corporation		3,500	1.32%			
	The Sumitomo Trust & Banking Corporation		2,500	1.32%			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	1.32%			
	Sumitomo Mitsui Banking Corporation		1,000	1.32%			
	Mizuho Corporate Bank, Ltd.	September 18, 2009	500	1.28%			
	The Sumitomo Trust & Banking Corporation		500	1.28%			
	Mitsubishi UFJ Trust and Banking Corporation		500	1.28%			
	Sumitomo Mitsui Banking Corporation		500	1.28%			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	1.28%			
	Mizuho Corporate Bank, Ltd.	February 26, 2010	3,000	1.06%		February 28, 2011	
	The Sumitomo Trust & Banking Corporation		1,000	1.06%			
	Sumitomo Mitsui Banking Corporation		1,000	1.25%			
Subtotal			21,500				
Long-term loans	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	August 29, 2008	4,000	1.46%	Fixed	August 31, 2010	Bullet repayment on maturity Unsecured/Non-guaranteed
	Shinsei Bank, Limited	April 25, 2007	3,000	1.59%		February 28, 2011	
	Development Bank of Japan Inc.	March 26, 2004	2,500	1.65%			
	Development Bank of Japan Inc.	February 28, 2006	2,000	1.46%			
	Shinsei Bank, Limited	February 28, 2007	2,000	1.55%			
	Nippon Life Insurance Company	February 28, 2006	1,000	1.46%			
	The Hachijuni Bank, Ltd.	February 28, 2007	1,000	1.55%			
	The Sumitomo Trust & Banking Corporation	August 29, 2008	5,000	1.58%		August 31, 2011	
	Mitsubishi UFJ Trust and Banking Corporation		3,000	1.58%			
	Development Bank of Japan Inc.	August 31, 2006	1,000	1.68%			
	Development Bank of Japan Inc.	February 28, 2005	4,000	1.44%		February 29, 2012	
	The Sumitomo Trust & Banking Corporation	August 31, 2009	3,000	1.62%			
	Development Bank of Japan Inc.	April 25, 2007	2,000	1.74%			
	Mizuho Corporate Bank, Ltd.	August 31, 2009	4,000	1.67%		August 31, 2012	
	Mitsubishi UFJ Trust and Banking Corporation		3,000	1.67%			
	Development Bank of Japan Inc.	March 25, 2009	2,850	1.81%			(Note 1) Unsecured/Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 26, 2010	5,000	1.58%		February 28, 2013	Bullet repayment on maturity Unsecured/Non-guaranteed
	Mizuho Corporate Bank, Ltd.		3,000	1.58%			
	Mitsubishi UFJ Trust and Banking Corporation		3,000	1.58%			
	The Sumitomo Trust & Banking Corporation		2,500	1.58%			
	Aozora Bank, Ltd.	March 12, 2010	2,000	1.56%		March 12, 2013	
	ORIX Trust and Banking Corporation	March 19, 2010	2,000	1.50%		March 19, 2013	
	Development Bank of Japan Inc.	September 25, 2009	1,950	1.83%		August 30, 2013	(Note 2) Unsecured/Non-guaranteed
	The Dai-ichi Life Insurance Company, Limited	February 28, 2007	2,500	1.92%		February 28, 2014	Bullet repayment on maturity Unsecured/Non-guaranteed
	Development Bank of Japan Inc.	March 12, 2010	3,000	1.69%		March 12, 2014	(Note 3) Unsecured/Non-guaranteed
	Development Bank of Japan Inc.	August 29, 2008	3,000	1.96%		February 27, 2015	Bullet repayment on maturity Unsecured/Non-guaranteed
Subtotal			71,300				
Total			92,800				

(Note 1) 75 million yen will be repaid at the end of every six months beginning on August 31, 2009 and 2,550 million yen will be repaid on August 31, 2012.
(Note 2) 50 million yen will be repaid at the end of every six months beginning on February 26, 2010 and 1,650 million yen will be repaid on August 30, 2013.
(Note 3) 75 million yen will be repaid at the end of every six months beginning on September 12, 2010 and 2,475 million yen will be repaid on March 12, 2014.

Balance Sheets

BALANCE SHEETS (As of March 31, 2010 and September 30, 2009)

(Thousand yen)

	March 31, 2010	September 30, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	¥10,477,548	¥10,201,157
Rental and other receivables	64,461	69,461
Other current assets	31,209	49,253
Total current assets	10,573,218	10,319,871
Property and Equipment, at Cost:		
Buildings and structures including trust accounts	43,454,604	42,235,579
Machinery and equipment including trust accounts	138,643	138,643
Tools, furniture and fixtures including trust accounts	115,882	50,444
Land including trust accounts	164,019,716	164,019,716
Less: accumulated depreciation	(8,696,562)	(7,890,240)
Net property and equipment	199,032,283	198,554,142
Investments and Other Assets:		
Deposits	10,000	10,000
Long-term prepaid expenses	18,359	-
Other	276	276
Total investments and other assets	28,635	10,276
Total Assets	¥209,634,136	¥208,884,289
LIABILITIES		
Current Liabilities:		
Accounts payable	¥397,916	¥104,107
Short-term loans	21,500,000	24,500,000
Long-term loans due within one year	15,900,000	19,750,000
Distributions payable	10,253	9,660
Consumption taxes payable	12,950	115,648
Rents received in advance	1,071,558	1,103,511
Accrued expenses and other current liabilities	252,465	200,184
Total current liabilities	39,145,142	45,783,110
Long-Term Liabilities:		
Long-term loans	55,400,000	46,675,000
Leasehold and security deposits including trust accounts	13,847,838	14,699,806
Total long-term liabilities	69,247,838	61,374,806
Total Liabilities	108,392,980	107,157,916
Net Assets:		
Shareholders' equity:		
Shares authorized: 2,000,000 shares		
Shares issued and outstanding: 182,000 shares	97,600,000	97,600,000
Retained earnings	3,641,156	4,126,373
Total Net Assets	101,241,156	101,726,373
Total Liabilities and Net Assets	¥209,634,136	¥208,884,289

The accompanying notes form an integral part of these financial statements.

Statements of Income and Retained Earnings

STATEMENTS OF INCOME AND RETAINED EARNINGS
For the six-month periods ended March 31, 2010 and September 30, 2009

(Thousand yen)

	October 1, 2009 to March 31, 2010	April 1, 2009 to September 30, 2009
Operating Revenues:		
Rental revenues	¥6,736,116	¥7,105,333
Operating Expenses:		
Property-related expenses	2,117,877	2,006,239
Asset management fees	204,357	219,672
Custodian and administrative service fees	52,946	59,516
Other operating expenses	56,778	77,209
Operating Income	4,304,158	4,742,697
Non-Operating Revenues:		
Interest income	3,819	4,436
Other non-operating revenues	1,913	893
Non-Operating Expenses:		
Interest expense	667,810	620,795
Other non-operating expenses	-	-
Income before Income Taxes	3,642,080	4,127,231
Income Taxes:		
Current	995	965
Deferred	(2)	4
Net Income	3,641,087	4,126,262
Retained Earnings at the Beginning of Period	69	111
Retained Earnings at the End of Period	¥3,641,156	¥4,126,373

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

STATEMENTS OF CASH FLOWS
For the six-month periods ended March 31, 2010 and September 30, 2009

(Thousand yen)

	October 1, 2009 to March 31, 2010	April 1, 2009 to September 30, 2009
Cash Flows from Operating Activities:		
Income before income taxes	¥3,642,080	¥4,127,231
Depreciation and amortization	806,321	863,840
Interest income	(3,819)	(4,436)
Interest expense	667,810	620,796
Changes in assets and liabilities:		
Rental and other receivables	5,000	(4,320)
Accounts payable and accrued expenses	75,787	(52,630)
Consumption taxes payable	(102,698)	(150,912)
Rents received in advance	(31,952)	20,096
Other	(16,245)	(30,418)
Subtotal	5,042,284	5,389,247
Interest received	4,280	4,757
Interest paid	(654,338)	(621,174)
Income taxes paid	(867)	(359)
Net cash provided by operating activities	4,391,359	4,772,471
Cash Flows from Investing Activities:		
Purchases of property and equipment including trust accounts	(1,066,040)	(152,745)
Repayment of leasehold and security deposits	(1,230,004)	(17,742)
Proceeds from leasehold and security deposits including trust accounts	431,787	302,411
Net cash provided by (used in) investing activities	(1,864,257)	131,924
Cash Flows from Financing Activities:		
Net increase in short-term loans	(3,000,000)	(5,000,000)
Proceeds from long-term loans	20,500,000	12,000,000
Payment of long-term loans	(15,625,000)	(7,075,000)
Distributions paid to shareholders	(4,125,711)	(4,178,216)
Net cash used in financing activities	(2,250,711)	(4,253,216)
Net Change in Cash and Cash Equivalents	276,391	651,179
Cash and Cash Equivalents at the Beginning of Period	10,201,157	9,549,978
Cash and Cash Equivalents at the End of Period	¥10,477,548	¥10,201,157

The accompanying notes form an integral part of these financial statements.

Breakdown of Property-Related Revenues and Expenses

(Thousand yen)

	Total			Ginza MTR Bldg.			Mita MT Bldg.			Marubeni Osaka Headquarters Bldg.			Shin-Yokohama TECH Bldg.			Osaki MT Bldg.			Akasaka-mitsuke MT Bldg.		
	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference
Rental revenues	6,736,115	7,105,332	-369,217	(Note)-	518,653	-	898,941	923,785	-24,844	600,177	600,177	-	465,994	475,942	-9,947	526,818	527,659	-841	746,141	753,417	-7,275
Rent	5,931,481	6,258,356	-326,875	-	518,653	-	758,745	758,745	-	600,177	600,177	-	302,568	302,568	-	526,817	527,659	-842	708,166	708,166	-
Common charges	279,794	279,794	-	-	-	-	-	-	-	-	-	-	97,251	97,251	-	-	-	-	-	-	-
Land leasing revenues	236,406	236,406	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other rental revenues	288,433	330,776	-42,342	-	-	-	140,195	165,040	-24,844	-	-	-	66,174	76,122	-9,947	0	-	0	37,975	45,250	-7,275
Property-related expenses	2,117,876	2,006,239	111,637	(Note)-	73,251	-	201,239	216,079	-14,839	137,993	138,095	-101	206,746	217,693	-10,946	140,708	135,337	5,370	151,523	173,095	-21,572
Property and other taxes	591,343	592,523	-1,180	-	42,525	-	42,682	42,685	-3	90,444	90,446	-2	33,796	33,798	-2	38,089	38,097	-7	41,412	41,415	-3
Property taxes	591,343	591,375	-32	-	42,525	-	42,682	42,685	-3	90,444	90,446	-2	33,796	33,798	-2	38,089	38,097	-7	41,412	41,415	-3
Other taxes	-	1,147	-1,147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead expenses	720,211	549,876	170,334	-	1,694	-	108,544	123,487	-14,942	2,532	2,670	-138	134,742	147,049	-12,306	8,928	3,585	5,342	66,162	72,400	-6,238
Property management fees	277,751	238,108	39,642	-	-	-	52,061	54,870	-2,808	-	-	-	69,737	69,811	-74	-	-	-	38,983	39,014	-31
Utilities	195,451	211,930	-16,479	-	-	-	48,722	60,145	-11,423	-	-	-	57,760	68,654	-10,893	-	-	-	24,226	29,196	-4,969
Casuality insurance	27,780	28,591	-810	-	1,694	-	1,009	1,064	-54	2,532	2,670	-138	1,239	1,308	-69	1,015	1,071	-55	801	846	-44
Trust fees	7,625	7,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	211,602	63,620	147,981	-	-	-	6,751	7,407	-656	-	-	-	6,004	7,274	-1,269	7,912	2,514	5,398	2,151	3,344	-1,193
Depriciation and amrtization	806,321	863,839	-57,517	-	29,031	-	50,012	49,906	106	45,016	44,978	38	38,208	36,845	1,362	93,690	93,654	35	43,948	59,279	-15,331
Profits and losses from real estate business	4,618,239	5,099,093	-480,854	-5,749	445,402	-451,151	697,701	707,706	-10,005	462,184	462,082	101	259,248	258,248	999	386,110	392,321	-6,211	594,618	580,321	14,296
Earnings before depreciation and amortization (NOI)	5,424,561	5,962,932	-538,371	32,536	474,433	-441,897	747,714	757,612	-9,898	507,201	507,060	140	297,456	295,094	2,361	479,800	485,976	-6,176	638,567	639,601	-1,034

	ON Bldg.			Ito-Yokado Shonandai			Frespo Inage			Ito-Yokado Shin-Urayasu			Shinbashi Ekimae MTR Bldg.			Park Lane Plaza			Hotel Okura Kobe		
	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference	16th	15th	Difference
Rental revenues	(Note)-	(Note)-	-	395,045	395,045	0	236,406	236,406	-	378,165	378,165	-	459,000	511,000	-52,000	107,838	109,899	-2,060	645,817	632,118	13,699
Rent	-	-	-	395,000	395,000	-	-	-	-	378,165	378,165	-	459,000	511,000	-52,000	97,485	98,637	-1,151	645,817	632,118	13,699
Common charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,043	9,043	-	-	-	-
Land leasing revenues	-	-	-	-	-	-	236,406	236,406	-	-	-	-	-	-	-	-	-	-	-	-	-
Other rental revenues	-	-	-	45	45	0	-	-	-	-	-	-	-	-	-	1,308	2,217	-909	-	-	-
Property-related expenses	(Note)-	(Note)-	-	129,399	129,989	-590	18,225	18,226	-1	143,335	129,934	13,401	73,369	73,382	-13	39,888	42,812	-2,924	313,266	354,750	-41,484
Property and other taxes	-	-	-	43,110	43,114	-4	15,725	15,726	-1	47,439	47,443	-3	30,509	30,505	4	6,670	6,673	-3	100,292	100,293	0
Property taxes	-	-	-	43,110	43,114	-4	15,725	15,726	-1	47,439	47,443	-3	30,509	30,505	4	6,670	6,673	-3	100,292	100,293	0
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead expenses	-	-	-	3,996	4,800	-803	2,500	2,500	-	22,094	8,970	13,124	1,504	1,536	-32	17,773	19,499	-1,725	44,550	33,007	11,543
Property management fees	-	-	-	1,800	1,800	-	-	-	-	1,800	1,800	-	1,200	1,200	-	8,705	9,901	-1,195	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,140	3,302	-161	18	-	18
Casuality insurance	-	-	-	1,486	1,562	-76	-	-	-	2,894	2,973	-78	304	318	-14	240	253	-13	12,768	12,839	-70
Trust fees	-	-	-	-	-	-	2,500	2,500	-	-	-	-	-	-	-	-	-	-	4,125	4,125	-
Other expenses	-	-	-	710	1,437	-727	-	-	-	17,399	4,196	13,203	-	17	-17	5,687	6,042	-354	27,638	16,043	11,594
Depriciation and amrtization	-	-	-	82,292	82,074	217	-	-	-	73,802	73,521	280	41,355	41,341	14	15,444	16,639	-1,194	168,422	221,450	-53,027
Profits and losses from real estate business	719,337	739,472	-20,135	265,646	265,055	590	218,180	218,179	0	234,829	248,230	-13,401	385,630	437,617	-51,986	67,950	67,086	863	332,551	277,367	55,184
Earnings before depreciation and amortization (NOI)	835,178	854,588	-19,410	347,938	347,130	807	218,180	218,179	0	308,631	321,752	-13,120	426,985	478,958	-51,972	83,394	83,726	-331	500,974	498,817	2,157

(Note) For reasons beyond the control of the Company, real estate leasing revenues and expenses for Ginza MTR Building in the 16th fiscal period and for ON Building are not disclosed.

Appraisal Values of Portfolio Properties at the Fiscal Period-End

Use	Property name	15th fiscal period End-of-period appraisal value (Million yen)	16th fiscal period End-of-period appraisal value (Million yen)	Difference (Million yen)	Direct reduction method		Discounted cash flow (DCF) method		Appraiser
					Cap rate	Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
Office buildings	Ginza MTR Bldg.	16,000	16,000	-	5.0%	-	4.8%	5.2%	Nippon Tochi-Tatemono Co., Ltd.
	Mita MT Bldg.	20,600	21,000	400	5.6%	-	5.4%	5.8%	Nippon Tochi-Tatemono Co., Ltd.
	Marubeni Osaka Headquarters Bldg.	13,500	13,000	-500	7.6%	+0.3%	5.5%	5.9%	Japan Real Estate Institute
	Shin-Yokohama TECH Bldg.	7,300	5,310	-1,990	6.1%	-	5.9%	6.4%	Nippon Tochi-Tatemono Co., Ltd.
	Osaki MT Bldg.	17,700	16,300	-1,400	5.1%	-	4.8%	5.2%	Nippon Tochi-Tatemono Co., Ltd.
	Akasaka-mitsuke MT Bldg.	24,300	23,300	-1,000	4.7%	-	4.4%	4.8%	Nippon Tochi-Tatemono Co., Ltd.
	ON Bldg.	36,100	32,400	-3,700	4.6%	-	4.3%	4.8%	Japan Real Estate Institute
Retail facilities	Ito-Yokado Shonandai	12,500	12,500	-	5.6%	-	5.3%	5.8%	Japan Real Estate Institute
	Frespo Inage	5,010	4,990	-20	9.0%	-	8.4%	- (Note)	Japan Real Estate Institute
	Ito-Yokado Shin-Urayasu	11,800	11,600	-200	5.4%	+0.1%	5.2%	5.7%	Nippon Tochi-Tatemono Co., Ltd.
	Shinbashi Ekimae MTR Bldg.	18,000	18,000	-	4.8%	-	4.6%	5.0%	Nippon Tochi-Tatemono Co., Ltd.
Resi-dential	Park Lane Plaza	3,190	3,150	-40	5.0%	-0.4%	5.2%	4.8%	Nippon Tochi-Tatemono Co., Ltd.
Hotel	Hotel Okura Kobe	16,900	16,600	-300	5.6%	+0.1%	5.4%	5.7%	Rich Appraisal Institute K.K.
Total end-of-period appraisal value (1)		202,900	194,150	-8,750	-	-	-	-	
Total end-of-period book value (2)		198,554	199,032	478					
Difference (1)-(2)		4,345	-4,882	-9,228					

(Note) The terminal cap rate for Frespo Inage has not been established.

(Reference)
The end-of-period appraisal value, the end-of-period book value, and the difference after adjustment for the asset replacement on April 13, 2010 (the acquisition of the Tokyo Shiodome Building and the transfer of the Akasaka-mitsuke MT Building) are as follows. For the Tokyo Shiodome Building, the appraisal value as of March 31, 2010 (111.5 billion yen) and the acquisition price (110 billion yen) are used for the end-of-period appraisal value and the end-of-period book value, respectively.

End-of-period appraisal value after adjustment (1)'	(Million yen)	282,350
End-of-period book value after adjustment (2)'	(Million yen)	282,324
Difference (1)-(2)	(Million yen)	26

Asset Management Company Remuneration Methods

	Agreement with MTR	Calculation rate for remuneration as of the end of the 16th fiscal period	Calculation method
Remuneration Method 1	For each operation period, the average amount of the total appraisal value of assets at the end of the settlement period under review and the total appraisal value of assets at the end of the previous settlement period shall be multiplied by up to 0.2%, being the percentage determined by the Board of Management meeting, multiplied by the number of months in the operation period under review, namely 6, and divided by 12.	0.15% (Note 1)	(Total appraisal value of assets at relevant fiscal period-end + Total appraisal value of assets at prior fiscal period-end) ÷ 2 x 0.15% x 6 ÷ 12
Remuneration Method 2	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 3% of distributable income for the relevant fiscal period. Based on standard accounting principles generally accepted in Japan, distributable income is determined as the sum of net income before income taxes and losses carried forward.	1.5% (Note 2)	Distributable income x 1.5%
Remuneration Method 3	In the event MTR acquires specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be a set percentage of the acquisition price of each property acquisition (excluding consumption tax, local consumption tax and transaction-related expenses), as listed below. The percentages listed below may be reduced depending upon surrounding circumstances. - For acquisitions up to ¥15 billion, remuneration is 0.4% of the amount - For acquisitions from ¥15 billion to ¥30 billion, remuneration is 0.1% of the amount - For acquisitions above ¥30 billion, remuneration is 0.05% of the amount	Refer to left column	Total amount of the acquisition price percentage listed in the left column
Remuneration Method 4	In the event MTR transfers specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be 0.05% of the transfer amount of each asset transfer (excluding consumption tax, local consumption tax and transaction-related expenses).	Refer to left column	Transfer amount x 0.05%

(Note 1) At a Board of Management meeting held on September 29, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.

(Note 2) At a Board of Management meeting held on November 27, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.

Mori Trust Group

Mori Trust Group Profile & Overview of Business Activities

Name	MORI TRUST Co., Ltd.
Consolidated Results	Net sales: ¥133.2 billion Income before income taxes: ¥20.5 billion (Fiscal period ended March 31, 2010)
Leased Facilities	Rental properties: 60 Hotel and resort facilities: 29 (as of March 31, 2010)
Rented Area	Approx. 1,980,000m^2
	(Rental properties: approx. 1,210,000m^2, Hotel rooms: approx. 7,100) (as of March 31, 2010)
Principal Properties Owned	●Redevelopment Business (multipurpose buildings) Marunouchi Trust City (Marunouchi Trust Tower Main Tower, North, offices, Hotel, shopping area, others) Sendai Trust City (Sendai Trust Tower: offices, Hotel, shopping area - Completed in April 2010 The Residence Ichiban-cho: residence - Completed in June 2010) Tokyo Shiodome Building (offices, Hotel, shopping area: Pedi Shiodome, others) Shiroyama Garden (Shiroyama Trust Tower, Shiroyama Trust Court, embassy, others) Gotenyama Garden (Gotenyama Trust Tower, Gotenyama Trust Court, Hotel Laforet Tokyo, others) ●Other Redevelopment Business (office buildings) Akasaka Twin Towers, ATT New Tower Toranomon 2-chome Tower, others ●Hotel/resort facilities Laforet Hotels & Resort (Resort hotels, 12 golf courses, 2 urban hotels) Manpei Hotel (Karuizawa City) Conrad Tokyo (Tokyo Shiodome Bldg.) Shangri-La Hotel Tokyo (Marunouchi Trust Tower Main (Lease contract)) Westin Hotel Sendai (Sendai Trust Tower, scheduled opening in August 2010) Rihga Royal Hotel Group (capital tie-up partners) (9 group hotels, 1 associate hotel)

Contact Information

Asset Management Company: MORI TRUST Asset Management Co., Ltd.

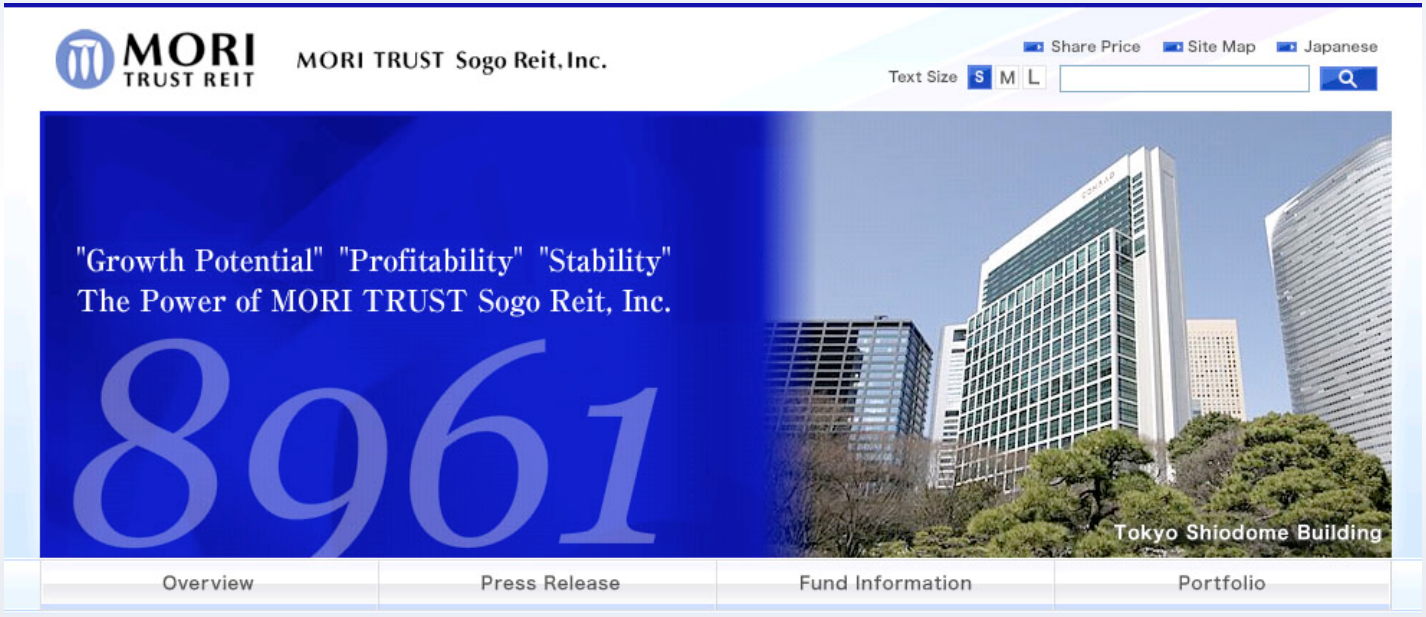
(Financial instruments and exchange business registration with the Kanto Local Finance Bureau, License No. 407/ Member of the Investment Trusts Association, Japan)

- Finance and Planning Department (IR Section)

  Tel: 03-3568-8311
  Fax: 03-3568-8322

MORI TRUST Sogo Reit, Inc. Web Site

- URL: http://www.mt-reit.jp/english/



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