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Press Release

Issuer of Real Estate Investment Trust Securities

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Conclusion of Basic Agreement (Sale of Part of Frespo Inage, etc.)

Tokyo, November 14, 2011 - MORI TRUST Sogo Reit, Inc. (MTR) has announced the conclusion of a basic agreement with Daiwa Lease Co., Ltd. (“Daiwa Lease”), the tenant of Frespo Inage (land in trust referred to as “the Property”) owned by MTR, on the sale of part of the Property and the treatment of the pending lawsuit to demand rent reduction. Details are as follows:

1. Overview of the Basic Agreement

A. Sale of part of the Property

- (1) Planned type of asset : real estate (50% of the Property) (Note)
- (2) Planned sale price : 2,450 million yen
(excluding amount equivalent to fixed property tax and city planning tax)
- (3) Planned contract date : Any day until February 29, 2012
- (4) Planned closing date : February 29, 2012
- (5) Buyer : Daiwa Lease
- (6) Other : Detailed terms of the agreement on the sale (excluding the above (1) to (5))
will be specified in the sales agreement.

Note: The property will be divided into two sections of equal area – one for sale and the other for continuous retention. The fiduciary will sell the land for sale to the buyer.

B. Changes to the business leasehold agreement of the Property

The monthly rent for the land for continuous retention after the sale, which is 50% of the Property, in (1) above will be changed to 20,646,000 yen (the amount obtained by multiplying the current rent price by 50% and adding 1,000,000 yen), and the land will continue to be leased to Daiwa Lease.

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C. Treatment of the lawsuit to demand reduction of the Property rent

If the above partial sale and lease of the Property are implemented, the lawsuit to demand rent reduction filed by Daiwa Lease as of September 18, 2009, will be settled (dropped).

D. Liability for damage

Even if conclusion of the sales agreement is not eventually reached, no claims for damages will be made.

2. Reason for Concluding the Basic Agreement

A lawsuit to demand rent reduction was filed as of September 18, 2009, by Daiwa Lease, the Property tenant, with the fiduciary as the defendant, and is pending. In the consultations with Daiwa Lease, we confirmed that reconstruction of medium- to long-term and stable operation of the Frespo Inage commercial facilities would benefit both sides, and considered solutions that would satisfy both parties, which would ensure medium- to long-term and stable operation of MTR and medium- to long-term business reconstruction, including improvement of the financial position of Daiwa Lease during the period. As a result, we have reached the conclusion of the basic agreement as described in the above section 1.

The partial sale of the Property according to the basic agreement will help settle the lawsuit, increase the rent per unit prices, and ensure medium- to long-term, stable earnings based on the solid leasing relationship established after the sale of the Property.

3. Operating Forecasts

We will continue our discussions based on the basic agreement and will make new announcements when decisions on the pending issues concerning the partial sale are made.

The gains on the partial sale of the Property, if implemented, are estimated to be approximately 245 million yen, of which approximately 147 million yen will be internally reserved. Please refer to “MTR Announces Financial Results for its 19th Fiscal Period (REIT)” released today for the financial outlook including such earnings.

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Reference: Overall descriptions of the Property before the partial sale

Property Name	Frespo Inage (Note 1)
Fiduciary	The Sumitomo Trust and Banking Co., Ltd.
Location	731-17 Naganumahara-Cho, Inage-Ku, Chiba City, Chiba, Japan
Real estate usage	Land for commercial facilities
Ownership	Title
Area	79,113.42 m ² (registered land area)
Acquisition date	March 28, 2002
Acquisition price	4,200,000,000 yen
Book value	4,386,526,561 yen (as of September 30, 2011)
Value calculated at end of period	4,950,000,000 yen (appraisal date: September 30, 2011)
Appraisal agency	Japan Real Estate Institute
Collateral	None
Details of tenants	
Number of tenants	1
Revenue in real estate rental	235 million yen (Note 2)
Total rent area	79,113.42 m ²
Total rentable area	79,113.42m ²
Occupancy rate	100.0% (as of September 30, 2011)

(Note 1)The Property includes only land and not a building.

(Note 2) Revenue is the actual number in the term ended September 2011 (from April 1, 2011 to September 30, 2011).

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