

Press Release

Issuer of Real Estate Investment Trust Securities

MORI TRUST Sogo Reit, Inc.

2-11-7 Akasaka, Minato-ku, Tokyo

Satoshi Horino,

Executive Director

(TSE code 8961)

Asset Management Company:

MORI TRUST Asset Management Co., Ltd.

Satoshi Horino,

President and Representative Director

Contact:

Michio Yamamoto

Director and General Manager, Planning and Financial Department

Phone: +81-3-3568-8311

Acquisition of Asset (Contract to be Concluded)— Kohnan Sagamihara-Nishihashimoto

Tokyo, October 16, 2012 — Mori Trust Sogo Reit, Inc. (MTR) has announced the acquisition of an asset. Details are as follows:

1. Acquisition Summary (Plan)

- | | |
|-------------------------------|---|
| (1) Type of asset: | real estate |
| (2) Property name: | Kohnan Sagamihara-Nishihashimoto (hereinafter “the Property”) |
| (3) Acquisition price: | 7,460 million yen (excluding purchase overheads and taxes) |
| (4) Planned contract date: | October 18, 2012 |
| (5) Planned acquisition date: | October 18, 2012 |
| (6) Seller: | KAG 12 Investment TMK (see 4. Seller Overview below) |
| (7) Acquisition financing: | loans |
| (8) Settlement method: | payment in full at the time of acquisition |

2. Reason for Acquisition

MTR will acquire the Property in accordance with its investment criteria set forth in MTR’s Articles of Incorporation. The acquisition strengthens its investments in retail facilities.

The following matters were of particular importance in our decision to acquire the Property.

(1) Location

The Property is located at a bedroom suburb of the Tokyo area about one kilometer west of Hashimoto Station on the JR Yokohama Line, JR Sagami Line, and Keio Sagamihara Line. The market area within

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three kilometers of the Property has a considerable population of more than 150,000.

Located along Route 413 and about 500 meters west of Route 16, the Property is convenient for consumers living in a wider area and features a good location as a roadside retail facility.

Sagamihara Interchange on the Metropolitan Inter-City Expressway will be completed about four kilometers west of the Property in 2014, making access from a wider area easier. Moreover, Kanagawa prefecture and Sagamihara city have agreed to invite a station on the Linear Chuo Shinkansen near Hashimoto Station. The Hashimoto area is expected to become a more important regional hub.

(2) Structure and building facilities

The Property was completed in August 2005. It has five floors above ground. The total floor space exceeds 40,000 m². The parking facilities have 862 spaces. The Property is competitive as a roadside retail facility.

(3) Tenant

The Property has a fixed-long term building lease agreement with the tenant, Kohnan Shoji Co., Ltd., and secures stable rent income.

Kohnan Shoji is a major operator of do-it-yourself stores primarily in the Kinki area, especially in Osaka prefecture. Kohnan Shoji has expanded into the Kanto, Chubu, and Kyushu areas in recent years. The Property has, in addition to a do-it-yourself store, subtenants such as a sports store, clothing store, and foods supermarket.

3. Acquisition Details

(1) Asset overview

Location	Land	5-4-4 Nishihashimoto, Midori-ku, Sagamihara
	Building	5-4-4 Nishihashimoto, Midori-ku, Sagamihara
	Address	5-4-3 Nishihashimoto, Midori-ku, Sagamihara
Real estate usage		Retail facility (Registered types of use: retail and parking)
Ownership	Land	Ownership
	Building	Ownership
Area	Land	19,878.57 m ² (Registered land area)
	Building	40,283.77 m ² (Registered floor area)
Construction		Steel frame, five floors above ground (Registered structure)
Parking lot capacity		862 vehicles
Completion date		August 2005
Architect		Yugen Kaisha Nankai Sogo Sekkei
Construction company		TOA CORPORATION
Construction inspection agency		JAPAN ERI CO., LTD.

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Appraisal value	Appraisal value: 7,560 million yen Appraisal date: September 1, 2012 Appraisal agency: Japan Real Estate Institute Details of appraisal: Direct capitalization method 7,600 million yen (6.0% capitalization rate) Discounted cash flow method 7,510 million yen (5.7% discount rate, 6.2% terminal capitalization rate) Cost method 7,490 million yen
Seismic risk (PML)	13.5% (according to the building seismic risk investigation report produced by Takenaka Corporation)
Collateral	None
Remarks	None

(2) Lease overview

Number of tenants	1 (Kohnan Shoji Co., Ltd.)
Type of contract	Fixed term building lease agreement (lease of a building)
Duration of lease	From September 28, 2005 to September 27, 2023
Total rent area	40,283.77 m ²
Total rentable area	40,283.77 m ²
Occupancy rate	100%

(Note) The monthly rent and security deposit are not disclosed under unavoidable circumstances. Please refer to Reference 1 for the assumptions for NOI for the Property.

4. Seller Overview

- (1) Business name: KAG 12 Investment TMK
- (2) Headquarters: 6-56-15 Kameido, Koto-ku, Tokyo
- (3) Representative: Representative Director, Masaki Aguni
- (4) Capital: 51.7 million yen (as of June 30, 2012)
- (5) Principal businesses: acquisition, management, and disposal of assets in accordance with asset liquidation plans under the Act on Securitization of Assets
- (6) Relationships with MTR and the Asset Management Company: None

5. Intermediary Overview

- (1) Intermediary: CBRE K.K.
- (2) Headquarters: 2-2-12 Hamamatsucho, Minato-ku, Tokyo
- (3) Representative: Representative Director, Benjamin Mark Duncan
- (4) Capital: 150 million yen (as of December 31, 2011)
- (5) Established: February 21, 1970
- (6) Principal businesses: comprehensive commercial real estate services for domestic and foreign companies
- (7) Intermediary commission: The intermediary has not agreed to disclose the intermediary omission.
- (8) Relationships with MTR and the Asset Management Company: None

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6. Operating Forecasts

The operating forecasts following the acquisition of the Property will be announced on November 14, 2012, when the financial results for the fiscal period ended September 30, 2012 are scheduled for announcement.

Attachments

Reference 1 Assumptions for NOI for the Property

Reference 2 Portfolio after acquisition of the Property

Reference 3 Photograph of the Property, Vicinity MAP of the Property

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Assumptions for NOI for the Property

(Million yen)

NOI (Net Operating Income)	452
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Note: NOI is the amount of real estate rental revenues less real estate rental expenses (excluding depreciation).

Preconditions:

1. The above figure is the annual NOI and excludes special factors in the fiscal year of acquisition.
2. Revenues are based on an assumed occupancy rate of 100%.
3. Expenses include taxes and public dues, and insurance premiums.

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Portfolio after acquisition of Property

Area	Usage	Property Code	Property Name	Acquisition Date	Acquisition Price (Million yen) (Note1)	% of Total	
Central Tokyo	Office Buildings	A-2	Ginza MTR Building	2003.3.31	16,000	5.4%	
		A-3	Mita MT Building	2003.12.1	16,000	5.4%	
		A-6	Osaki MT Building	2005.3.31	7,870	2.7%	
				2005.10.28	5,656	1.9%	
		Subtotal				13,526	4.6%
		A-8	ON Building	2008.8.29	39,900	13.5%	
	A-9	Tokyo Shiodome Building	2010.4.13	110,000	37.3%		
	Subtotal					195,426	66.2%
	Retail Facilities	B-4	Shinbashi Ekimae MTR Building	2007.4.25	18,000	6.1%	
	Subtotal					18,000	6.1%
Other (Residential property)	C-1	Park Lane Plaza	2004.12.24	3,200	1.1%		
Subtotal					3,200	1.1%	
Subtotal					216,626	73.4%	
Other	Office Buildings	A-4	Osaka Marubeni Building (Note2)	2002.9.30	12,500	4.2%	
		A-5	Shin-Yokohama TECH Building	2003.11.14	6,900	2.3%	
		A-10	Tenjin Prime	2012.7.12	6,940	2.4%	
	Subtotal					26,340	8.9%
	Retail Facilities	B-1	Ito-Yokado Shonandai	2003.3.28	11,600	3.9%	
		B-2	Frespo Inage	2002.3.28	2,100	0.7%	
		B-3	Ito-Yokado Shin-Urayasu	2004.7.30	12,150	4.1%	
		B-5	Kohnan Sagamihara-Nishihashimoto	2012.10.18 (Planned)	7,460	2.5%	
	Subtotal					33,310	11.3%
	Other (Hotels)	C-2	Hotel Okura Kobe	2006.9.20	19,000	6.4%	
Subtotal					19,000	6.4%	
Subtotal					78,650	26.6%	
Total					295,276	100.0%	

(Note1) Acquisition prices are rounded down to the nearest million yen.

(Note2) Marubeni Osaka Headquarters Building was renamed Osaka Marubeni Building on October 1, 2012.

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Photograph of the Property



Vicinity MAP of the Property

Metropolitan Inter-City Expressway
Sagamihara Interchange
(4km away, planed completion in
2014FY)



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