



May 29, 2008

**MORI TRUST Co., Ltd.**

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# PRESS RELEASE

## Financial Report for the Fiscal Year Ended March 2008

~ Ordinary income increased continuously, and sets new record high. ~

The Mori Trust Group recently announced its consolidated business performance for the year ended March 2008. The Group consists of 21 consolidated companies and five equity-method affiliates, and includes Mori Trust Co., Ltd., MT Facility Service Co., Ltd., and Mori Kanko Trust Co., Ltd.

### [Mori Trust Group Consolidated Financial Report] (April 1, 2007 – March 31, 2008)

(Figures in millions of yen; figures less than one million yen rounded off; percentages in parentheses indicate year-over-year change)

	FY 2006	FY 2007	FY 2008 (projected)
1 Operating revenue	157,332	160,716 (2.2%)	170,000 (5.8%)
Leasing	63,373	65,599 (3.5%)	69,000 (5.2%)
Hotel	34,527	24,572 (28.8%)	25,000 (1.7%)
Sales of real estate	44,582	51,534 (15.6%)	59,000 (14.5%)
Other (interior construction in leased spaces, etc.)	14,848	19,010 (28.0%)	17,000 (10.6%)
2 Operating income	40,264	57,459 (42.7%)	60,000 (4.4%)
3 Ordinary income	44,902	52,427 (16.8%)	55,000 (4.9%)
4 Net income	22,011	35,079 (59.4%)	36,000 (2.6%)

#### Consolidated Companies (21 companies)

(\*:Companies added to consolidation)

MORI TRUST Co., Ltd. / MT FACILITY SERVICE Co., Ltd. / MORI KANKO TRUST Co., Ltd. / MAMPEI HOTEL / MT&HILTON HOTEL Co., Ltd. / MT GOLF DEVELOPMENT Co., Ltd. / LAFORET T&S Co., Ltd. / FORETSEINE Co., Ltd. / TOYO HOUSING MANAGEMENT, Inc. / \*TOYO GREEN BUILDING Co., Ltd. / URBAN LIFE Co., Ltd. / URBAN LIFE JUUTAKUHANBAI Co., Ltd. / LIZ INVESTMENT Co., Ltd. / MT LABO Co., Ltd. / \*MT LABO CAPITAL Co., Ltd. / \*MTL FUND NO.1 INVESTMENT LIMITED PARTNERSHIP / MT GENEX Corp. / MORI TRUST ASSET MANAGEMENT Co., Ltd. / SHIROYAMA HEATING & COOLING SUPPLY Co., Ltd. / OHONO KOGYO Co., Ltd. / AZMAX Corp.

#### Equity-Method Affiliates (5 companies)

PARCO CO., LTD. / THE ROYAL HOTEL, LIMITED / YOKOHAMA GRAND INTERCONTINENTAL HOTEL Co., Ltd. / MORI TRUST SOGO REIT, Inc. / URBAN SERVICE Co., Ltd.

(As of March 31, 2008)

## Release of consolidated financial statements of the Mori Trust Group

In preparation for the next generation, the Mori Trust Group has set out to adopt a group management strategy capable of combining a diverse range of companies and businesses into a conglomerate entity. Reorganizing to situate Mori Trust as a holding company for Group entities, the Group will be better positioned to effect a more dynamic implementation of its management strategies.

Following the reorganization of Mori Kanko Trust in October 2006, in August 2007 MT Facility Service Co., Ltd. (until then a subsidiary of Mori Trust Holdings) was reorganized as a subsidiary of Mori Trust, completing the corporate reorganization through which Mori Trust became the core company in the Group.

As a result, the former reports on the consolidated business performance of Mori Trust Holdings will be replaced by reports on Mori Trust's consolidated business performance, beginning with the fiscal year (ended March 2008).

## Overview of FY 2007 business performance

In the fiscal year ended March 2008, sales totaled approximately 160.7 billion yen while ordinary income continued to increase, reaching a record high of 52.4 billion yen.

Despite ongoing polarization in the office leasing market, the Group's strategy of concentrating its main properties in central Tokyo has paid off, allowing the portion of sales consisting of leasing revenues to remain strong. In this fiscal year, declines in revenues due to factors such as the sale of properties, including the Shiroyama MT Building and the expiration of the rental contract on the Toranomom 17 Mori Building, were more than offset by increased occupancy rates and rents in existing rental office buildings such as Akasaka Twin Towers, Kamiyacho MT Building, and Shiroyama Trust Tower, resulting in leasing revenues of approximately 65.5 billion yen.

Hotel revenues also remained strong, as the Laforet Club resorts and the Mampei Hotel performed well and the Conrad Tokyo saw rising occupancy rates and average daily rates. Looking at the Group's hotel businesses as a whole, the removal of InterContinental the Grand Yokohama from consolidation due to designation of the property as an equity-method affiliate (as a result of a shift in February 2007 to a system of joint management with the Ishin Hotels Group) resulted in revenue hotel revenues of approximately 24.5 billion yen.

Factors including the sale of the Shiroyama MT Building, which had been owned by Mori Trust, as well as revenues from sale of units in FORETSEINE's luxury Foretseine Azabu Nagasaka , Foretseine Ikedayama-Koen condominium project and revenues from sale of Urban Life units, led to an increase in revenues from real-estate sales to 51.5 billion yen.

Other revenues totaled approximately 19 billion yen, due to factors such as increased construction subcontracting revenues at MT Facility Service, despite the negative effect on revenues of the spinoff of MT Genex's exterior product segment.

The Group booked consolidated ordinary income of approximately 52.4 billion yen this fiscal year, due to a range of factors, including an increase in the operating income ratio attributable to increased sales and to improved efficiency and increased investment income from equity-method affiliates. The ratio of sales to ordinary income stood at approximately 32.6 percent.

#### Business performance projections for FY 2008

In an increasingly uncertain business environment, the Mori Trust Group aims to take advantage of new opportunities while also enhancing its ability to withstand risk, by reshuffling assets to improve the quality of our portfolios.

The company forecasts operating revenues for the year ending March 2009 at approximately 170 billion yen, which would constitute an increase of approximately 10 billion yen.

With regard to the portion of sales consisting of leasing revenues, polarization is expected to continue in the office leasing market; however, the Group's asset portfolio--with the main properties concentrated in central Tokyo--is expected to enjoy strong leasing revenues on existing properties. In addition, revenues from the entry of the Marunouchi Trust Tower Main Building, planned for completion in November 2008, and the operation over the entire fiscal year of Hotel Sunroute Plaza Shinjuku (completed in August 2007), are also expected to contribute, resulting in a forecast of approximately 69 billion yen in leasing revenues.

As for hotel revenues, performance is projected to remain strong at the Laforet Club resorts, the Mampei Hotel, and the Conrad Tokyo, leading to a forecast of approximately 25 billion yen in such revenues.

Construction is planned to be delivered this fiscal year for a number of luxury condominium properties, such as condominium subsidiary Foretseine's Foretseine Akasaka Tangocho and Urban Life's Matsugasaki Kitayamadori Urban Life. Revenues from other sources, such as the sale of properties to be replaced in Mori Trust's asset portfolio, are expected to remain roughly at the average annual level. As a result, revenues from real-estate sales are projected at approximately 59 billion yen.

Other revenues are expected to total approximately 17 billion yen, due to factors such as the sale of MT Genex's exterior product segment in January 2008.

Ordinary income is expected to total approximately 55 billion yen, with the ratio of sales to ordinary income remaining above 30 percent this fiscal year. The Group is aiming to enhance its ability to withstand risk and to take advantage of new opportunities while continuing to build a strong revenue-generating structure.

**Mori Trust makes MT Facility Service a subsidiary**

In August 2007, MT Facility Service, which handles building-management agency services as well as operation, administration, design, and subcontracting, was made a wholly owned subsidiary of Mori Trust, as part of the Group's efforts to establish a structure with Mori Trust as the central company in the Group.

**Mori Trust and JTB Estate complete joint construction of Hotel Sunroute Plaza Shinjuku**

In August 2007, construction was completed on the Hotel Sunroute Plaza Shinjuku, through a joint project between Mori Trust and JTB Estate. This feature-packed hotel opened for business on September 7, 2007, with an emphasis on accommodations: 624 guestrooms all feature broadband Internet access, and guests can enjoy the services of restaurants, meeting rooms, bars, and relaxation rooms.

**MT Labo and Mori Trust establish corporate investment fund**

In August 2007, MT Labo and Mori Trust jointly established a 10-billion-yen corporate investment fund known as MTL Fund I Investment LLP. This investment fund will invest in companies working to create value through a broad range of means, including a focus on increasing corporate value and business restructuring, with no restrictions in terms of industry or business types, while making use of a management support tool developed by MT Labo.

**MT Genex decides on business alliances and restructuring (advancing into new businesses and transferring existing businesses)**

In May 2007, MT Genex entered into a business alliance with Toda Corp. with a view to entering the renovation business.

In October 2007, MT Genex established Kyoei Genex to handle exterior products as a joint venture with Kyowa Tokan and Maruei Kogyo, and transferred its exterior product segment to Kyoei Genex in January 2008.

**Urban Life delivers construction of a top-class condominium project in the Kinki region**

In June 2007, Urban Life delivered construction of a top-class condominium project in the Kinki region, The Urban Life Okamoto, in the luxurious residential district of Okamoto, Higashinada-ku, Kobe, Hyogo Prefecture.

### **Conrad Tokyo's China Blue restaurant awarded a star in *Michelin Guide 2008 Tokyo***

In November 2007, the Conrad Tokyo's Chinese restaurant China Blue was awarded one star in *Michelin Guide 2008 Tokyo: Restaurants & Hotels*, published by Michelin Travel Publications of France. The Michelin staff was particularly impressed with Chef Albert Tse's delicate seasoning, fresh ideas, and thoughtful service. In addition, in the hotel section the Conrad Tokyo was awarded five red pavilions, the highest rank available.

### **Mori Trust acquires St. Hakuba Wedding Chapel**

In January 2008, Mori Trust acquired the St. Hakuba Wedding Chapel, a wedding facility located in the village of Hakuba, Kita-Azumi-gun, Nagano Prefecture. The Chapel now serves as the official wedding chapel of the neighboring Laforet Club Hotel Hakubahappo.

### **Mori Trust begins construction on the hotel and office building of the Sendai Ichibancho Project (tentative name)**

In January 2008, Mori Trust began construction on the hotel and office building of the tentatively named Sendai Ichibancho Project, located on the former site of the Tohoku Gakuin middle and high schools in central Sendai, Miyagi Prefecture.

When complete, this building will feature state-of-the-art facilities and stand as the tallest building (180 meters) in Japan's Tohoku region (and, for that matter, in the rest of northern Japan). It will develop into a high-quality multipurpose complex combining offices with the latest high-grade specs, the first luxury hotel in the Tohoku area operated by an overseas hotel group, and commercial facilities. As a new landmark in Sendai promising to develop into an international business and cultural center, this project aims to create a highly attractive urban environment.

### **Mori Trust acquires Toranomom Pastoral (land and building)**

In January 2008, Mori Trust acquired the land and building of Toranomom Pastoral from the Mutual Aid Association of Agriculture, Forestry and Fishery Corporation Personnel, jointly with a special-purpose corporation advised by daVinci Advisors. The site is slated for mixed-use redevelopment by both companies.

Developing early as a locus of overseas businesses, embassies, hotels, and other facilities, the Toranomom-Kamiyacho area in Tokyo's Minato Ward is home to an international community. In

this area, Toranomom Pastoral is located on a site approximately 16,500 square meters in area adjacent to the Tokyo Metro's Kamiyacho Station. Accordingly, the site is poised to evolve as a large-scale international redevelopment project worthy to represent Japan.

Embodying the consolidated expertise built up by Mori Trust through its development of numerous rental office buildings and luxury residential properties in this area, such as Shiroyama Garden, this large-scale redevelopment project promises to bring added value to Tokyo.

### **Universal Express changes name to Laforet T&S**

In April 2008, Universal Express, a subsidiary of Mori Kanko Trust handling sales of domestic and international package tours and a variety of other travel services, changed its name to Laforet T&S.

### **Mori Trust plans construction of a residential tower adjacent to the Sendai Ichibancho Project (tentative name) hotel and office building**

In June 2008, Mori Trust plans to begin construction on a residential tower on a site adjacent to the hotel and office building of the tentatively named Sendai Ichibancho Project in the city of Sendai, Miyagi Prefecture.

### **Mori Trust plans to complete construction of Marunouchi Trust Tower Main Building adjacent to Tokyo Station's Yaesu North Exit**

In November 2008, construction is planned to be completed for Mori Trust's Marunouchi Trust Tower Main Building, a large new project on a site adjacent to Tokyo Station's Yaesu North Exit. In this excellent location, Tokyo's gateway to the world, this project will serve as a base for international business and cultural exchange. Plans call for a combination of state-of-the-art offices, the luxurious Shangri-La Hotel, Tokyo, and a tourist information center.

### **Foretseine plans to deliver construction of Foretseine Akasaka Tangocho**

In February 2009, Foretseine plans to deliver construction on the luxurious Foretseine Akasaka Tangocho condominium project.

### **Shangri-La Hotel, Tokyo plans to open for business**

In March 2009, the Shangri-La Hotel, Tokyo, the first hotel in Japan from the Shangri-La group of hotels, which has earned the trust of guests around the world for combining Western services with warm Eastern hospitality, plans to open on the upper floors of the Marunouchi Trust Tower Main Building. Famous around the world for its luxurious, healing spa facilities, this hotel also plans to feature the first of its own Chi chain of spas in Japan.

\*Projections of business performance found in this document are based on judgments reflecting information available as of the date this document was released. Actual business performance may vary due to various unanticipated factors.

<Reference>

Overview of real-estate projects

Multipurpose Redevelopment Project  
Marunouchi Trust Tower Main (Project) / North



Address	1-8 Marunouchi, Chiyoda-ku, Tokyo	
Site Area	12,026.77m <sup>2</sup>	
Total floor area	Approx. 180,600m <sup>2</sup>	
	Main(Project)	North
Total floor area	Approx. 115,400m <sup>2</sup>	65,241.59m <sup>2</sup>
Total floor space available for lease	Approx. 50,500m <sup>2</sup>	40,156.38m <sup>2</sup>
Number of floors	37 stories above ground, 4 stories below ground	19 stories above ground, 3 stories below ground
Maximum height	178m	99.6m
Primary use	office (3-26F) hotel (27-37F) retail (2F)	office (3-19F) retail (1-2F) tourist information center (1F)
Building completion	November 2008 (scheduled)	September 2003
Hotel tenant	Shangri-La Hotel, Tokyo	
Guest room	202rooms	
Restaurant and bar facilities	Italian Cuisine, Japanese Cuisine and Lobby Lounge	
Recreation facilities	CHI spa, Health club, Indoor swimming pool	
other facilities	Wedding chapel, Shangri-La Ball Room, Meeting facilities, Horizon Club Lounge	
Starting date	March 2009 (scheduled)	

Sendai Ichibancho Project (tentative name)



Address	1-9 Ichibancho, Aoba-ku, Sendai, Miyagi
Site area	13,550.52m <sup>2</sup> (except for the area of residence tower approximately 3,100m <sup>2</sup> )
Total floor area	Approx. 125,300m <sup>2</sup>
Number of floors	37 stories above ground, 2 stories below ground
Maximum height	Approx. 180m
Primary use	Office, Hotel, Retail
Car park	Approx. 500 units
Construction started	January 2008
Scheduled for completion	April 2010 (scheduled)
Concept of the project	A new landmark tower for the Tohoku region; A premium urban development fusing a diverse range of urban functions
Floor structure of office, retail, and hotel wing	Office: 1F Entrance 4-24F Office (Rental space for standard floor for office Approx. 2,200m <sup>2</sup> . Total space available for lease Approx. 46,300m <sup>2</sup> ) Hotel: 1-3F Entrance, Banquet hall, Chapel, 25-26F Lobby, Lounge, Restaurant, Banquet hall, etc. 28-36F Guest rooms 37F Restaurant Retail: 1-3F The above floor structure is based on plans as of the date this document was released. It is subject to change.

Note: The residential project—based on the same development themes as the office, retail, and hotel wing -will involve a luxury condominium tower(with a total of approximately 200 residential units) matching well with the rest of the project.

## Condominium Residences

Foretseine Co., Ltd.

### Foretseine Akasaka Tangocho



Address	4-5, Akasaka, Minato-ku, Tokyo
Site area	1,343.40m <sup>2</sup>
Total floor area	5,619.30m <sup>2</sup>
Number of floors	4 stories above ground, 3 stories below ground
Number of units	19 units
Expected completion	late February 2009 (scheduled)

### Foretseine Akasaka Hikawacho



Address	6-9, Akasaka, Minato-ku, Tokyo
Site area	1,283.86m <sup>2</sup>
Total floor area	7,775.29m <sup>2</sup>
Number of floors	12 stories above ground, 2 stories below ground
Number of units	35 units
Expected completion	mid-May 2009 (scheduled)

Urban Life Co., Ltd.

### The Urban Life Okamoto



Address	5, Okamoto Higashi Nada-ku, Kobe-city
Site area	1,378.05m <sup>2</sup>
Total floor area	2,068.05m <sup>2</sup>
Number of floors	3 stories above ground, 1 story below ground
Number of units	10 units
Completion	June 2007

### Urban Life Kobe Sannomiya The Tower



Address	6, Kanocho, Chuo-ku, Kobe-city
Site area	4,098.49m <sup>2</sup>
Total floor area	35,630.96m <sup>2</sup>
Number of floors	34 stories above ground, 1 story below ground
Number of units	271 units
Expected completion	December 2009 (scheduled)

### Matsugasaki Kitayama-dori Urban Life



Address	Kumojicho, Matsugasaki, Sakyo-ku, Kyoto-shi
Site area	1,210.58m <sup>2</sup>
Total floor area	4,436.58m <sup>2</sup>
Number of floors	7 stories above ground, 1 story below ground
Number of units	32 units
Expected completion	late July 2008 (scheduled)

## Overview of Hotel & Resort business

### The Laforet Hotels and Resorts



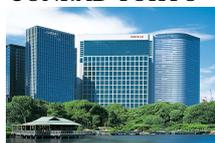
Name of Hotel	Address	Guest Room, etc.
Laforet Shuzenji	Izu-shi, Shizuoka	296 Rooms
Laforet Shuzenji & Country club		18 Holls
Laforet Gora	Hakone-machi, Ashigarashimo-gun, Kanagawa	34 Rooms
Laforet Ito	Ito-shi, Shizuoka	84 Rooms
Laforet Yamanakako	Yamanakako-mura, Minamitsuru-gun, Yamanashi	104 Rooms
Laforet Nasu	Nasu-machi, Nasu-gun, Tochigi	120 Rooms
Laforet Shirakawa Golf course	Izumizaki-mura, Nishi-Shirakawa-gun, Fukushima	18 Holls 48 Rooms
Laforet Zao Resort & Spa	Zao-machi, Katta-gun, Miyagi	197 Rooms
Laforet Club Hotel Nakakaruzawa	Karuizawa-machi, Kita-Saku-gun, Nagano	84 Rooms
Laforet Club Hotel Hakubahappo	Hakuba-mura, Kita-Azumi-gun, Nagano	45 Rooms
Laforet Biwako	Moriyama-shi, Shiga	272 Rooms
Laforet Nankishirahama	Shirahama-machi, Nishi-Muro-gun, Wakayama	182 Rooms
Hotel Laforet Tokyo	Shinagawa-ku, Tokyo	248 Rooms
Hotel Laforet Shin-Osaka	Yodogawa-ku, Osaka-shi, Osaka	332 Rooms
Laforet & Matsuo Golf Club	Sammu-shi, Chiba	18 Holls

### Mampeï Hotel



Address	Karuizawa-cho, Kitasaku-gun, Nagano
Guest Room	88 Rooms
Restaurant and bar facilities	Main dining room, Chinese restaurant Manzanro, Yugyoan Tankuma Kita-mise restaurant specializing in Kyoto cuisine, and Kappo Yugyoan, Cafe, Bar,
Other facilities	Function Rooms, Exthetic Salon, Shop, etc.
Starting Date	1894

### CONRAD TOKYO



Address	1 Higashi-shinbashi, Minato-ku Tokyo
Guest Room	290 Rooms (including 68 suites)
Restaurant and bar facilities	Gordon Ramsay at Conrad Tokyo (French), Cerise by Gordon Ramsay (Brasserie), China Blue (Chinese), Kazahana (Japanese), TwentyEight (Bar & Rouge)
Other facilities	Spa & Fitness, Indoor pool, Banquet rooms, Wedding Chapel, etc.
Starting Date	2005

### RIHGA ROYAL HOTELS



RIHGA ROYAL HOTELS		
Name of Hotel	Address	Guest Room
RIHGA ROYAL HOTEL (Osaka)	Kita-ku, Osaka	973 Rooms
RIHGA ROYAL HOTEL Tokyo	Shinjuku-ku, Tokyo	126 Rooms
RIHGA ROYAL HOTEL Kyoto	Shimogyo-ku, Kyoto	484 Rooms
RIHGA ROYAL HOTEL Hiroshima	Naka-ku, Hiroshima	490 Rooms
RIHGA ROYAL HOTEL Kokura	Kokurakita-ku, Kitakyushu-shi, Fukuoka	295 Rooms
RIHGA ROYAL HOTEL Niihama	Niihama-shi, Ehime	94 Rooms
RIHGA Nakanoshima Inn	Nishi-ku, Osaka	340 Rooms
RIHGA ROYAL HOTEL Sakai	Sakai-shi, Osaka	241 Rooms
Kuroyon Royal Hotel	Omachi-shi, Nagano	73 Rooms
Associates Hotel		
RIHGA Hotel Zest Takamatsu	Takamatsu-shi, Kagawa	122 Rooms

### INTERCONTINENTAL YOKOHAMA GRAND



Address	Minato Mirai, Nishi-ku, Yokohama-shi, Kanagawa
Guest Room	600 Rooms
Restaurant and bar facilities	Chinese restaurant Karyu, Asian bistro Spicy J, restaurant Azur, Japanese restaurant Nadaman, Italian restaurant La Vela, Lounge & bar Marine Blue, Music lounge, Buffet dining, Pastry shop Seafood bistro
Other facilities	Spa, Fitness, Banquet Halls, Wedding Chapel, etc.
Starting Date	1991

### [Latest Hotel Project]

#### Shangri-La Hotel, Tokyo



\*Image Perspective

Address	1-8 Marunouchi, Chiyoda-ku, Tokyo
Guest Room	202 Rooms
Room Type	Deluxe room, Premiere room, Horizon room, Executive suite, Shangri-La suite, Presidential suite
Restaurant and bar facilities	Italian Cuisine, Japanese Cuisine and Lobby Lounge
Recreation facilities	CHI spa, Health club, Indoor swimming pool
Other facilities	Wedding chapel, Shangri-La Ball Room, Meeting facilities, Horizon Club Lounge
Starting Date	March 2009 (scheduled)

#### SENDAI ICHIBANCHO PROJECT : Plan of Hotel



\*Image Perspective

Address	1-9, Ichibancho, Aoba-ku, Sendai
Guest Room	Approx. 300 Rooms
Facilities	Restaurants, Lounge, Banquet Hall, Wedding Chapel, etc.
Starting Date	During fiscal year 2010 (scheduled)

### **MTL Fund No.1 Investment Limited Partnership established**

MT Labo and Mori Trust have jointly established a corporate investment fund known as MTL Fund No.1 Investment Limited Partnership to invest in companies working to increase corporate value and to create new value, with no restrictions on industry or business types.

The unique investment policy of this 10-billion-yen investment fund is to make use of the AXIS management support tool developed by MT Labo to uncover the potential needs of companies that are working aggressively to increase corporate value through restructuring efforts. Solutions will be provided on a continuous basis, enabling such companies to grow into superior investments.

### **Investment in GV-I and GV-II venture-capital funds**

As part of its investment business, the Group invests in the GV-I and GV-II venture-capital funds aimed at growing the industries of the future. Through an alliance with the consulting firm Global Brain, these funds are characterized by the added ability to provide management consulting services to firms in which they invest. Already the GV-I fund has seen three of the 11 firms it has invested in go public. At present, the GV-II fund has invested in six companies.

Mori Trust Group: Total floor area leased or managed

**Leased or managed facilities (as of March 2008)**

○Leased buildings: Approx. 1,300,000 m<sup>2</sup> (60 buildings)

○Hotel & Resort facilities:

28 hotels (6,886 guest rooms)

(Laforet Hotels & Resorts 13 locations; Laforet & Matsuo Golf Club; MAMPEI HOTEL; CONRAD TOKYO; INTERCONTINENTAL YOKOHAMA GRAND; Hotel SUNROUTE PLAZA SHINJUKU; RIHGA ROYAL HOTELS & Associates Hotels(Capital & Business tie-up partner: 10hotels))

Total floor area	Approx. 2,110,000 m <sup>2</sup>
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## Mori Trust Group: summary of consolidated companies

### Mori Trust Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Akira Mori  
 Established June 10, 1970  
 Capital 10 billion yen  
 Business sectors Urban development, hotel management and investment business

### Mori Kanko Trust Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Hiroshi Shimamoto  
 Established April 1, 2006  
 Capital 2 billion yen  
 Business sectors Operation of the Laforet Hotels & Resorts

### MT&Hilton Hotel Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Kazuhiko Oiwa  
 Established October 22, 2004  
 Capital 20 million yen  
 Business sectors Operation of the Conrad Tokyo

### Laforet T&S Co., Ltd.

Location Nihonbashihoncho, Chuo-ku, Tokyo  
 President Ryoji Tanaka  
 Established May 9, 1970  
 Capital 55 million yen  
 Business sectors Sales and planning for domestic and overseas organized travel and other various services industries

### Toyo Housing Management Inc.

Location Roppongi, Minato-ku, Tokyo  
 President Nobuo Konomi  
 Established November 27, 1979  
 Capital 10 million yen  
 Business sectors Leasing management and operations of real estate

### Urban Life Co., Ltd.

Location Minamisenba, Chuo-ku, Osaka-shi, Osaka  
 Chair Kazuo Sase  
 President Yoshio Ko  
 Established July 31, 1970  
 Capital 3 billion yen  
 Business sectors Development, planning, and sales of condominiums, office buildings and stores

### LIZ INVESTMENT Co., Ltd.

Location Marunouchi, Chiyoda-ku, Tokyo  
 Representative Shinji Arakawa  
 Established July 28, 2005  
 Capital 3 million yen  
 Business sectors Ownership and leasing of commercial buildings

### MTL Fund No.1 Investment Limited Partnership

General Partner MT Labo Co., Ltd.  
 Established August 31, 2007

### MT Genex Corp.

Location Shimbashi, Minato-ku, Tokyo  
 Chair Hirokazu Takahashi  
 President Hitoshi Suzuki  
 Established October 1945  
 Capital Approx. 1.072 billion yen  
 Business sectors Facelift of building and housing, parking operation management, etc.

### Shiroyama Heating & Cooling Supply Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Akira Mori  
 Established November 6, 1989  
 Capital 300 million yen  
 Business sectors Local heating and cooling services in the Shiroyama garden and adjacent area

### Azmax Corp.

Location Kyobashi, Chuo-ku, Tokyo  
 President Michinobu Mizobe  
 Established August 11, 1947  
 Capital 499 million yen  
 Business sectors Manufacturing and sales of steel products

### MT Facility Service Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Kuniyoshi Murakami  
 Established April 1, 2002  
 Capital 100 million yen  
 Business sectors Agents for building owners; Building operation management and subcontracting on design

### Mampei Hotel

Location Toranomon, Minato-ku, Tokyo  
 Chair Yasuharu Sato  
 General Manager Kazuyasu Abe  
 Established 1894  
 Capital 502.97 million yen  
 Business sectors Ownership and operation of the Mampei Hotel

### MT Golf Development Inc.

Location Toranomon, Minato-ku, Tokyo  
 President Toshio Komatsu  
 Established November 11, 2004  
 Capital 100 million yen  
 Business sectors Ownership and management of the Laforet & Matsuo Golf Club

### FORETSEINE Co., Ltd

Location Toranomon, Minato-ku, Tokyo  
 President Nobuo Konomi  
 Established August 7, 2001  
 Capital 550 million yen  
 Business sectors Planning, development and sales of urban residence

### Toyo Green Building Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Nobuo Konomi  
 Established March 1, 1978  
 Capital 90 million yen  
 Business sectors Condominium management service

### Urban Life Juutakuhanbai Co., Ltd.

Location Minamisenba, Chuo-ku, Osaka-shi, Osaka  
 President Kenkichi Takatsu  
 Established July 29, 1982  
 Capital 300 million yen  
 Business sectors Planning and sales of condominiums, dealing, brokerage of leasing and operations of real estate

### MT Labo Co., Ltd.

Location Akasaka, Minato-ku, Tokyo  
 Chair Akira Mori  
 President Masaki Murata  
 Established April 3, 2006  
 Capital 300 million yen  
 Business sectors Investment banking services

### MT Labo Capital Co., Ltd.

Location Akasaka, Minato-ku, Tokyo  
 President Hidemitsu Mori  
 Established December 3, 2007  
 Capital 50 million yen  
 Business sectors Management of investment fund; Consulting

### MORI TRUST Asset Management Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Satoshi Horino  
 Established February 28, 2000  
 Capital 400 million yen  
 Business sectors Operation of real estate investment trusts

### Ohno Kogyo Co., Ltd.

Location Kyobashi, Chuo-ku, Tokyo  
 Chair Akira Mori  
 Established August, 1937  
 Capital 50 million yen  
 Business sectors Leasing management and operation of real estate, and steel operation

## Mori Trust Group: summary of equity-method affiliates

**PARCO CO., LTD.**

Location Minamiikebukuro, Toshima-ku, Tokyo  
 Established February 13, 1953  
 Business sectors Development, operation, consulting,  
 and property management for shopping centers, etc.

**THE ROYAL HOTEL, LIMITED**

Location Kita-ku, Osaka-shi, Osaka  
 Established March 14, 1932  
 Business sectors Hotel management centered on lodgment,  
 banquet and restaurant, and hotel  
 incidental business

**YOKOHAMA GRAND INTERCONTINENTAL Co., Ltd.**  
 Location Minato Mirai, Nishi-ku, Yokohama-shi, Kanagawa  
 Established May 12, 1988  
 Business sectors Operation of  
 INTERCONTINENTAL YOKOHAMA GRAND

**MORI TRUST Sogo REIT, Inc.**  
 Location Toranomon, Minato-ku, Tokyo  
 Established October 2, 2001  
 Business sectors Investment in real estate and asset backed  
 securities investing primarily in real estate

**URBAN SERVICE Co., Ltd.**  
 Location Minamisenba, Chuo-ku, Osaka-shi, Osaka  
 Established April 5, 1979  
 Business sectors General management of condominiums  
 and other buildings, etc.

Consolidated Financial Statements (As of March 31, 2008)

Consolidated Balance Sheets

MORI TRUST Co., Ltd.

(¥ millions)

	2008	2007
<b>Assets</b>		
<b>. Current assets</b>		
1 Cash and deposits	16,376	23,638
2 Notes and accounts receivable-trade	4,344	5,395
3 Short-term investment securities	3,697	3,879
4 Real estate for sale	91,947	86,543
5 Other inventories	2,290	2,180
6 Deferred tax assets	1,267	1,499
7 Other	9,573	5,330
Allowance for doubtful accounts	49	68
<b>Total current assets</b>	<b>129,448</b>	<b>128,398</b>
<b>. Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings and structures, net	130,999	137,306
(2) Machinery, equipment and vehicles, net	1,762	1,772
(3) Tools, furniture and fixtures, net	1,530	1,752
(4) Land	539,122	428,807
(5) Golf courses	3,248	3,244
(6) Construction in progress	20,788	9,151
<b>Total property, plant and equipment</b>	<b>697,452</b>	<b>582,034</b>
<b>2 Intangible assets</b>		
(1) Leasehold right	6,366	6,366
(2) Goodwill	1,509	2,003
(3) Other	1,613	484
<b>Total intangible assets</b>	<b>9,490</b>	<b>8,855</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	20,349	22,181
(2) Investments in unconsolidated subsidiaries and affiliates	52,525	51,563
(3) Long-term loans receivable	1,496	1,586
(4) Deferred tax assets	374	1,027
(5) Guarantee deposits	11,094	11,608
(6) Other	2,086	2,805
Allowance for doubtful accounts	142	988
<b>Total investments and other assets</b>	<b>87,785</b>	<b>89,784</b>
<b>Total noncurrent assets</b>	<b>794,728</b>	<b>680,674</b>
<b>Total assets</b>	<b>924,177</b>	<b>809,073</b>

## MORI TRUST Co., Ltd.

(¥ millions)

	2008	2007
<b>Liabilities</b>		
<b>. Current liabilities</b>		
1 Notes and accounts payable-trade	9,224	10,338
2 Short-term loans payable	196,310	106,480
3 Current portion of long-term loans payable	122,474	112,781
4 Accounts payable-other	3,199	2,795
5 Income taxes payable	6,829	14,357
6 Accrued expenses	1,836	1,533
7 Advances received	9,507	7,439
8 Deposits received	917	2,840
9 Provision for bonuses	446	316
10 Provision for directors' bonuses	19	12
11 Other	302	1,648
<b>Total current liabilities</b>	<b>351,067</b>	<b>260,542</b>
<b>. Noncurrent liabilities</b>		
1 Long-term loans payable	264,784	286,057
2 Long-term lease deposited	62,665	56,361
3 Long-term guarantee deposited	64,945	65,167
4 Long-term deposits received	1,359	1,491
5 Deferred tax liabilities	8,614	2,055
6 Provision for retirement benefits	2,759	2,714
7 Other	430	694
<b>Total noncurrent liabilities</b>	<b>405,558</b>	<b>414,542</b>
<b>Total liabilities</b>	<b>756,626</b>	<b>675,085</b>
<b>Net assets</b>		
<b>. Shareholders' equity</b>		
1 Capital stock	10,000	10,000
2 Capital surplus	6,643	6,383
3 Retained earnings	166,781	132,854
4 Treasury stock	21,096	21,135
<b>Total shareholders' equity</b>	<b>162,328</b>	<b>128,103</b>
<b>. Valuation and translation adjustments</b>		
1 Valuation difference on available-for-sale securities	672	1,256
2 Deferred gains or losses on hedges	101	31
3 Foreign currency translation adjustment	36	99
<b>Total valuation and translation adjustments</b>	<b>737</b>	<b>1,125</b>
<b>. Minority interests</b>	<b>5,960</b>	<b>4,758</b>
<b>Total net assets</b>	<b>167,551</b>	<b>133,987</b>
<b>Total liabilities and net assets</b>	<b>924,177</b>	<b>809,073</b>

Consolidated Statements of Income

MORI TRUST Co., Ltd.

(¥ millions)

	2008	2007
<b>. Operating revenue</b>	<b>160,716</b>	<b>157,332</b>
<b>. Operating cost</b>	<b>90,183</b>	<b>106,032</b>
<b>Operating gross profit</b>	<b>70,533</b>	<b>51,299</b>
<b>. Selling, general and administrative expenses</b>	<b>13,073</b>	<b>11,035</b>
<b>Operating income</b>	<b>57,459</b>	<b>40,264</b>
<b>. Non-operating income</b>		
1 Interest and dividends income	767	923
2 Gain on sales of securities	-	6,515
3 Equity in earnings of affiliates	1,905	1,645
4 Financial income-other	395	999
5 Other	476	1,311
<b>Total non-operating income</b>	<b>3,545</b>	<b>11,394</b>
<b>. Non-operating expenses</b>		
1 Interest expenses	7,224	5,801
2 Loss on valuation of securities	1,058	-
3 Other	295	953
<b>Total non-operating expenses</b>	<b>8,577</b>	<b>6,755</b>
<b>Ordinary income</b>	<b>52,427</b>	<b>44,902</b>
<b>. Extraordinary income</b>		
1 Gain on sales of noncurrent assets	12,870	-
2 Gain on sales of investment securities	-	1,500
3 Other	273	479
<b>Total extraordinary income</b>	<b>13,143</b>	<b>1,979</b>
<b>. Extraordinary loss</b>		
1 Loss on sales of noncurrent assets	-	350
2 Loss on retirement of noncurrent assets	766	2,258
3 Impairment loss	2,306	-
4 Loss on valuation of investment securities	1,142	-
5 Other	177	859
<b>Total extraordinary losses</b>	<b>4,392</b>	<b>3,468</b>
<b>Income before income taxes and minority interests in income</b>	<b>61,177</b>	<b>43,413</b>
Income taxes-current	16,417	21,881
Income taxes-deferred	8,636	1,236
<b>Total income taxes</b>	<b>25,053</b>	<b>20,645</b>
<b>Minority interests in income</b>	<b>1,044</b>	<b>757</b>
<b>Net income</b>	<b>35,079</b>	<b>22,011</b>