



PRESS RELEASE

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Financial Report for the Fiscal Year Ended March 2011

Mori Trust Group recently announced its consolidated business performance for the year ended March 31, 2011. The Group consists of 23 consolidated companies, including MORI TRUST CO., LTD., MORI TRUST BUILDING MANAGEMENT CO., LTD., and MORI KANKO TRUST CO., LTD., and three equity-method affiliates.

[Mori Trust Group Consolidated Financial Report] (April 1, 2010 – March 31, 2011)

(Figures in millions of yen; figures less than one million yen are rounded down.)

	FY 2010	FY 2011	FY 2012 (projection)
1 Operating revenue	133,259	111,962	115,000
Leasing	62,544	58,515	56,000
Hotel	27,801	19,492	15,000
Real estate sales	30,572	19,889	30,000
Other (Subsidiaries' construction subcontracting, etc.)	12,341	14,065	14,000
2 Operating income	25,028	20,110	21,000
3 Ordinary income	20,573	17,135	18,000
4 Net income	8,899	14,742	10,000

FY 2011 Operating Results

- In the fiscal year ended March 31, 2011, operating revenue totaled 111.9 billion yen and ordinary income was 17.1 billion yen. Factors including gain on the sale of the Tokyo Shiodome Building resulted in net income of 14.7 billion yen, up 66% from the previous year.

Overview of FY 2011 business performance

- Leasing business accounted for 58.5 billion yen of operating revenue. Although the opening of Sendai Trust City in August 2010 and acquisition of the Akasaka Mitsuke MT Building made a significant contribution, the business was adversely affected primarily by weakness in the real estate leasing market.
- The opening of the Westin Sendai contributed new revenue to the hotel business, but the exclusion of YOKOHAMA GRAND INTER-CONTINENTAL HOTEL Co., Ltd. from the scope of consolidation led to revenue of 19.4 billion yen.
- Revenue from real estate sales business was 19.8 billion yen, driven in part by subsidiaries' condominium sales.
- Increased income from subsidiaries contributed to 14.0 billion yen in revenue from other business.
- With regard to non-operating income/expenses, efforts continued to be made to reduce interest-bearing liabilities, resulting in ordinary income of 17.1 billion yen. While gain on the sale of the Tokyo Shiodome Building boosted extraordinary income, losses on valuation of real estate holdings and impairment losses incurred by affiliates resulted in net income of 14.7 billion yen.
- The business and asset portfolio was reviewed in accordance with management policies aimed at building a stronger corporate base. This resulted in a more robust financial position, with the shareholders' equity ratio increasing to 25.5%, up from 21.4% in FY 2010.

Business performance projections for FY 2012

- The impact of subdued demand for office space, and hotel accommodation and banquet facilities due to the effects of the Great East Japan Earthquake has been built into projections for the year ending March 31, 2012. As a result, revenue forecasts are 56.0 billion yen for leasing business and 15.0 billion yen for hotel business. Revenue from real estate sales business is forecast to total 30.0 billion yen, partly driven by condominium sales.

Operating revenue is expected to be 115.0 billion yen and ordinary income is forecast at 18.0 billion yen. Due mainly to the absence of the preceding year's extraordinary income from the sale of the Tokyo Shiodome Building, net income is projected to be 10.0 billion yen.

Projections contained in this document have been made on the basis of information available when it was released. Due to various unforeseeable factors, actual performance may differ from such projections.

■ Investment and Rental Properties

The consolidated balance sheet amount and fair value of investment and rental properties owned by Mori Trust Group are set out below (fair value at fiscal year-end was calculated in-house, based primarily on the Japanese Real Estate Appraisal Standards).

Consolidated balance sheet amount: 522.9 billion yen

Fair value: 1,007.5 billion yen

Unrealized profit: 484.5 billion yen

FY 2011 key business topics

Real Estate Business

◇ Projects in Sendai

• Sendai Trust City Grand Opening

The grand opening of Sendai Trust City, developed on the former site of the Tohoku Gakuin junior and senior high schools in the Aoba-ku, Ichibancho area of central Sendai, was held on August 1, 2010. Creating a new landmark for the city, the complex consists of two towers: the 180-meter Sendai Trust Tower is the tallest building in the Tohoku region and houses the Westin Sendai, offices, and the Trust City Plaza retail facility, while the Residence Ichibancho condominium occupies the neighboring tower. The complex also includes Trust City Conference Sendai, a rental meeting room facility offering up-to-the-minute infrastructure for business operations.

Since its opening, Sendai Trust City has attracted crowds of visitors for events including live performances allied to the 20th Jozeji Street Jazz Festival, “Pink Ribbon” breast cancer awareness activities, and the First Winter Campaign. Sendai Trust City also won the Design Week in Sendai Grand Prize at the Seventh Urban Good Design Exhibition.

• Sendai Branch Established

Mori Trust established a Sendai Branch in January 2011 as a local, community-oriented base for supervising management of Sendai Trust City and the Sendai MT Building to contribute to the further development of the city.

• Great East Japan Earthquake

When the Great East Japan Earthquake struck on March 11, 2011, strong tremors measuring at least 6-lower on the Japan Meteorological Agency seismic intensity scale were recorded in Sendai. The seismic response control structure of Sendai Trust Tower and the seismically isolated structure of the Residence Ichibancho and the Sendai MT Building averted major damage. These buildings are all equipped with emergency power generators, and Mori Trust’s Sendai Branch, in cooperation with the rest of the Group, took the lead in swiftly supporting tenants’ efforts to continue business. Sendai Trust Tower and the Sendai MT Building are now highly rated by companies that place a premium on business continuity. The Westin Sendai closed temporarily after the earthquake, but resumed virtually full operations on April 29 after conducting thorough inspections.

Immediately after the earthquake an in-house disaster response headquarters was set up, and Tokyo head office collaborated with the Sendai Branch to accommodate people unable to return home at Sendai Trust Tower, the

Westin Sendai, and the Sendai MT building. Various types of support continue to be provided to people and areas affected by the disaster.

◇ **Projects in the Kyobashi area**

The Kyobashi area adjacent to Tokyo Station has long been a magnet for office buildings, and with growing opportunities for reconstruction it is now attracting attention as a district with potential for future development. Mori Trust is currently undertaking two development projects in the area.

(1) Kyobashi 2-Chome Project (tentative name)

This development is reshaping the block occupied by the former site of the Kyobashi Chiyoda Building, acquired in 2001 and renamed the Kyobashi MT Building. Most of the construction will be devoted to offices, but the complex will also contain hotel facilities to make the most of this prime site situated between Ginza and Nihonbashi and close to Tokyo Station. As well as featuring earthquake-resistant construction, the complex will add a much-needed green zone to the area, with some 2,200 m² of gardens and related facilities occupying more than half of the site.

(2) Kyobashi 1-Chome OM Project (tentative name)

On July 1, 2010, Mori Trust merged with OHNO KOGYO CO., LTD., one of its consolidated companies, and took over the Ohno Building reconstruction plan. The development project is moving ahead favorably. Solar power generation panels and LED lighting are being considered for this environmentally friendly office building. Such systems will reap energy savings of more than 40% according to ERR indicators specified in Japan's Act on the Rational Use of Energy.

◇ **Projects in the Toranomom/Kamiyacho Area**

(1) Toranomom 4-Chome Project (tentative name) (former Toranomom Pastoral Site)

Mori Trust acquired Toranomom Pastoral in 2008, and in partnership with Leeds TMK it completed demolition of the building between May 2010 and January 2011. Redevelopment plans are currently being drawn up.

(2) Former Site of Ministry of Agriculture, Forestry and Fisheries Training Center

Following its successful bid in January 2010 for the former site of a MAFF training center in Roppongi 1-chome, Mori Trust began demolition work on the site in December 2010. The work should be completed in November 2011, and redevelopment plans are currently being drawn up.

◇ **Restructuring of Residence Business**

Mori Trust has restructured some group companies and businesses to create a stronger base for group-wide residence business. Aimed at maintaining the brand value that FORETSEINE CO., LTD. has established as a developer of luxury condominiums, this reorganization will enable the company to adapt swiftly and flexibly to market conditions and undertake high-quality developments in keeping with the Foretseine brand. Former Foretseine subsidiary Toyo Housing Management Inc. has become a subsidiary of MT Genex Corporation. As part of measures to secure stable revenues and enhance leasing business, Urban Life Co., Ltd. has acquired the fixed assets of its subsidiary LIZ INVESTMENT Co., Ltd., which has been dissolved.

Hotel and Resort Business

◇ Mori Kanko Trust Business

• The Westin Sendai Opening

The Westin Sendai opened for business in Sendai Trust City on August 1, 2010 as the first international urban hotel to be operated under franchise by MORI KANKO TRUST CO., LTD. Its sweeping views from the upper floors, spacious guest rooms (even standard rooms measure 42 m²), and attentive service have earned the praise of many guests. In September 2010 the hotel hosted the APEC Senior Officials' Meeting III (SOM3), helping Sendai to fulfill its vision of becoming an international center by attracting this high-level conference. By offering even higher standards of service, the Westin Sendai will develop with the Tohoku region and aims to be a truly international hotel.

• Laforet Hotels and Resorts

This business operates, on a corporate membership basis, resort hotels and golf clubs in key leisure spots throughout Japan and an urban hotel in the two metropolitan areas of Tokyo and Shin-Osaka. Applying the concept of “select and focus,” Laforet Hotels and Resorts is staying abreast of the times by boosting the efficiency of its operating systems through initiatives including appropriate cost management and new product development in all its facilities. Its hotel and resort business has established a solid track record of results. Laforet Shuzenji marked the celebration of the 10,000th wedding ceremony at its St. Laforet Chapel. Laforet Hotels and Resorts is currently mobilizing its facilities nationwide to help revitalize the Tohoku region affected by the Great East Japan Earthquake.

• Rental Conference Rooms and Tourist Information Centers

Mori Kanko Trust has taken over business formerly handled by Laforet T&S Co., Ltd. and will use its wealth of tourism know-how and expertise in corporate training and conference operations honed over many years of hospitality services and hotel management to further develop Tourist Information Center Tokyo (TIC Tokyo) and Trust City Conference facilities offering city-center rental meeting rooms. In February 2011, Laforet T&S shareholders resolved to wind up the company.

◇ Hotels listed in Michelin Guide

The following Mori Trust Group hotels have earned listings in the *Michelin Guide Tokyo Yokohama Kamakura 2011* and the *Michelin Guide Kyoto Osaka Kobe 2011*.

CONRAD TOKYO	5 Red Pavilion [4 consecutive years]
Gordon Ramsay at Conrad Tokyo (Modern French)	1 star [3 consecutive years]
China Blue (Chinese)	1 star [4 consecutive years]
RIHGA Royal Hotel Osaka	3 Pavilion [2 consecutive years]
RIHGA Royal Hotel Kyoto	3 Pavilion [2 consecutive years]
Hotel Laforet Shin-Osaka	2 Pavilion [2 consecutive years]

Investment Business

◇ REIT Business

In April 2010 Mori Trust transferred the Tokyo Shiodome Building to Mori Trust Sogo Reit, Inc. and acquired the Akasaka Mitsuke MT Building. In May, Mori Trust Sogo Reit increased its capital by 39.0 billion yen through a public offering, earning the title of “J-REIT of the Year” in the equity section of the Thomson Reuters DealWatch Awards 2010. The Japan Credit Rating Agency assigned Mori Trust Sogo Reit a long-term senior debt rating of AA, and the company issued its first unsecured investment corporation bond in February 2011.

◇ Business in China

China has recorded remarkable growth in recent years, and Mori Trust has been examining joint business in this market with Ikyu Corporation, in which it holds shares. The two companies agreed to launch an accommodation reservation site for Chinese users specializing in luxury hotels. They will establish a joint venture in the form of an SPC registered in the Cayman Islands, tentatively called Mori Trust Ikyu Inc., which will operate the site through a wholly owned subsidiary in China, tentatively called Mori Trust Ikyu Co., Ltd. Through a tie-up with the Phoenix TV Group, a prominent Chinese conglomerate, the launch will be boosted by a link carried on the top page of leading Chinese news portal site ifeng.com (<http://www.ifeng.com>), which is operated by the Phoenix TV Group.

Other China-related investments are also being made, including private equity fund and resource sector investments, and funds will continue to be invested in China in various forms as opportunities arise.

◇ Matters Relating to Group Companies

In April 2011 Mori Trust decided to assign its officers to fill two of the five non-independent director positions on the board of PARCO CO., LTD.

Other Matters

◇ Appointment to Nippon Keidanren Executive Director

Mori Trust President and CEO Akira Mori was appointed executive director of Nippon Keidanren on May 27, 2010.

<Reference>

Overview of redevelopment projects

○ Multipurpose Redevelopment Project

◇ SENDAI TRUST CITY



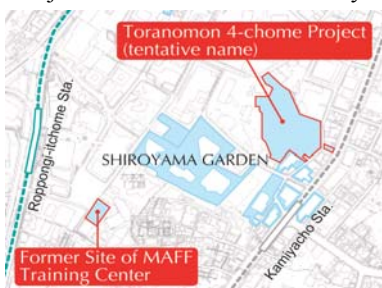
	SENDAI TRUST TOWER	THE RESIDENCE ICHIBANCHO
Address	9-1 Ichibancho 1-chome, Aoba-ku, Sendai-shi, Miyagi	9-2 Ichibancho 1-chome, Aoba-ku, Sendai-shi, Miyagi
Site area	13,550.52m ²	3,099.49m ²
Total floor area	125,295.96m ²	30,359.96m ²
Number of floors	37 stories above ground, 2 stories below ground	29 stories above ground, 1 story below ground
Maximum height	Approx. 180m	Approx. 100m
Primary use	Office (6-24F), Hotel (1-3F, 25-37F), Retail (1-5F)	Residence
Building completion	April 2010	June 2010
Hotel	The Westin Sendai	
Guest room	292 rooms	
Restaurant and bar facilities	Symphony (Restaurant), HORIZON (Lounge & Bar), Ichimuan (Japanese)	
Other facilities	Spa, Wedding chapel, Banquet hall, etc.	
Starting date	August 2010	

◇ Projects in the Kyobashi Area



	Kyobashi 2-chome Project (tentative name)	Kyobashi 1-chome OM Project (tentative name)
Address	1-8 Kyobashi 2-chome, Chuo-ku, Tokyo	19-7 Kyobashi 1-chome, Chuo-ku, Tokyo
Primary use	Office, Retail, Hotel	Office, Retail, Parking
Site area	4,403.86m ²	1,347.20m ²
Building area	2,334.78m ²	1,203.90m ²
Total floor area	52,000.00m ²	9,770.33m ²
Maximum height	Approx. 109m	Approx. 38m
Number of floors	21 stories above ground, 3 stories below ground	8 stories above ground, 1 story below ground
Start of construction (schedule)	Around Fall 2011	August 2011
Completion (schedule)	Around the end of 2013	September 2012

◇ Projects in the Toranomon/Kamiyacho Area



	Toranomon 4-chome Project (tentative name)	Former Site of Ministry of Agriculture, Forestry and Fisheries Training Center
Address	24-6 Toranomon 4-chome, Minato-ku, Tokyo	113-16 Roppongi 1-chome, Minato-ku, Tokyo
Site area	16,271.47m ²	1,782.13m ²
Demolition of the existing structure	From May 2010 to January 2011	From December 2010 to November 2011
Development plan	To be determined	To be determined

Mori Trust Group: Total floor area leased or managed

○ Number of rental/managed facilities (as of March 31, 2011)

- Rental buildings: Approx. 1,350,000m² (65 buildings)
- Hotel & Resort facilities: 29 hotels (Number of rooms: Approx. 6,800)
 (Laforet Hotels & Resorts (14); The Westin Sendai; MAMPEI HOTEL; CONRAD TOKYO;
 RIHGA Royal Hotels, RIHGA associate hotels (Capital & Business tie-up partner: 10 hotels);
 Shangri-La Hotel, Tokyo; Hotel Sunroute Plaza Shinjuku)

Overview of Hotel & Resort business

[New Hotel]

■ The Westin Sendai



Address	Aoba-ku, Sendai-shi, Miyagi (SENDAI TRUST TOWER 1-3F, 25-37F)
Guest room	292 Rooms
Restaurant and bar facilities	Symphony (Restaurant), HORIZON (Lounge & Bar), Ichimuan (Japanese)
Other facilities	Spa, Wedding chapel, Banquet hall, etc.
Starting date	August 2010

■ Laforet Hotels & Resorts



Name of hotel	Address	Guest room, etc.
Laforet Shuzenji	Izu-shi, Shizuoka	296 Rooms
Laforet Shuzenji & Country club		18 Holes
Laforet Gora	Hakone-machi, Ashigarashimo-gun, Kanagawa	34 Rooms
Laforet Ito	Ito-shi, Shizuoka	84 Rooms
Laforet Yamanakako	Yamanakako-mura, Minami-Tsuru-gun, Yamanashi	104 Rooms
Laforet Nasu	Nasu-machi, Nasu-gun, Tochigi	118 Rooms
Laforet Shirakawa Golf course	Izumizaki-mura, Nishi-Shirakawa-gun, Fukushima	18 Holes 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-cho, 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 Holes

■ MAMPEI HOTEL



Address	Karuizawa-machi, Kita-Saku-gun, Nagano
Guest room	109 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, Shop, etc.
Starting date	1894

■ CONRAD TOKYO



Address	Minato-ku, Tokyo (TOKYO SHIODOME BUILDING 1F, 28-37F / ANNEX 1-2F)
Guest room	290 Rooms
Restaurant and bar facilities	Gordon Ramsay at Conrad Tokyo (French), Cerise by Gordon Ramsay (Brasserie), China Blue (Chinese), Kazahana (Japanese), TwentyEight (Bar & Lounge)
Other facilities	Mizuki Spa & Fitness, Indoor pool, Banquet rooms, Wedding Chapel, etc.
Starting date	July 2005

■ RIHGA Royal Hotels, RIHGA associate hotels



■ RIHGA Royal Hotels, RIHGA associate hotels		
Name of hotel	Address	Guest room
RIHGA Royal Hotel Osaka	Kita-ku, Osaka-shi, Osaka	973 Rooms
RIHGA Royal Hotel Tokyo	Shinjuku-ku, Tokyo	126 Rooms
RIHGA Royal Hotel Kyoto	Shimogyo-ku, Kyoto-shi, Kyoto	484 Rooms
RIHGA Royal Hotel Hiroshima	Naka-ku, Hiroshima-shi, Hiroshima	486 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-shi, Osaka	340 Rooms
RIHGA Royal Hotel Sakai	Sakai-ku, Sakai-shi, Osaka	241 Rooms
Kuroyon Royal Hotel	Omachi-shi, Nagano	73 Rooms
RIHGA Hotel Zest Takamatsu	Takamatsu-shi, Kagawa	122 Rooms

■ Shangri-La Hotel, Tokyo ※Lease



*image Perspective

Address	Chiyoda-ku, Tokyo (MARUNOUCHI TRUST TOWER MAIN 1F, 27-37F, B1F)
Guest room	202 Rooms
Restaurant and bar facilities	Italian restaurant Piacere, Japanese restaurant Nadaman, The Lobby Lounge
Other facilities	CHI, The Spa at Shangri-La, Health club, Indoor swimming pool, Wedding chapel, Ballroom, Meeting facilities, Horizon Club Lounge
Starting date	March 2009

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 TRUST BUILDING MANAGEMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo
 President Kenichi Uchimura
 Established April 1, 2002
 Capital 100 million yen
 Business sectors Building management

MORI KANKO TRUST CO., LTD.

Location Kitashinagawa, Shinagawa-ku, Tokyo
 President Kazuyasu Abe
 Established April 3, 2006
 (date of foundation since incorporation-type company split)
 Capital 2 billion yen
 Business sectors Operation of the Laforet Hotels & Resorts

MAMPEI HOTEL

Location Toranomon, Minato-ku, Tokyo
 Chair Miwako Date
 President Yasutaka Yanai
 Established 1894
 Capital 100 million yen
 Business sectors Ownership and operation of the Mampei Hotel

MT&Hilton Hotel Co., Ltd.

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

MT GOLF DEVELOPMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo
 President Toshio Komatsu
 Established November 19, 2004
 Capital 100 million yen
 Business sectors Ownership and operation of Laforet & Matsuo Golf Club

FORETSEINE CO., LTD.

Location Toranomon, Minato-ku, Tokyo
 President Nobuo Konomi
 Established March 31, 2011
 (date of foundation since incorporation-type company split)
 Capital 100 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 Co., Ltd.

Location Motoyaminamimachi, Higashinada-ku, Kobe, Hyogo
 President Kouichi Takahashi
 Established July 31, 1970
 Capital 3 billion yen
 Business sectors Development, planning, and sales of condominiums, office buildings and stores

URBAN LIFE JUUTAKUHANBAI Co., Ltd.

Location Motoyaminamimachi, Higashinada-ku, Kobe, Hyogo
 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 100 million yen
 Business sectors Management of investment fund, consulting

MTL Fund No.1 Investment Limited Partnership

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

MT Advanced Technology Co., Ltd.

Location Akasaka, Minato-ku, Tokyo
 President Masaki Murata
 Established February 27, 2009
 Capital 450 million yen
 Business sectors ICT consulting services & ICT solutions offering

MT GENEX CORPORATION

Location Shinbashi, Minato-ku, Tokyo
 President Hitoshi Suzuki
 Established October 1945
 Capital Approx. 1,072 million yen
 Business sectors Facelift of building and housing, and parking operation management, etc.

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

MORI TRUST Asset Management Co., Ltd.

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

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 Nihonbashi, Chuo-ku, Tokyo (since April 2011)
 President Michinobu Mizobe
 Established August 11, 1947
 Capital 499 million yen
 Business sectors Manufacturing and selling cold drawn special steel shapes

Note: The general meeting of shareholders of Laforet T&S Co., Ltd. convened on February 1, 2011 resolved to wind up the company, and liquidation procedures are under way.

(as of March 31, 2011)

Mori Trust Group: summary of equity-method affiliates

THE ROYAL HOTEL, LIMITED

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

PARCO CO., LTD.

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

MORI TRUST Sogo Reit, Inc.

Location Akasaka, Minato-ku, Tokyo
Established October 2, 2001
Business sectors Investment in real estate and asset-backed securities investing primarily in real estate

(as of March 31, 2011)

Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2011 and 2010)

MORI TRUST CO., LTD. and its consolidated subsidiaries

(¥ millions)

	2011	2010
Assets		
I . Current assets		
1 Cash and deposits	40,071	26,734
2 Notes and accounts receivable-trade	3,233	4,925
3 Short-term investment securities	46,454	23,287
4 Real estate for sale	16,564	59,957
5 Real estate for sale in process	105,560	16,911
6 Real estate for development	15,996	9,641
7 Other inventories	2,247	2,327
8 Deferred tax assets	1,099	717
9 Other	3,742	5,949
Allowance for doubtful accounts	(383)	(3,823)
Total current assets	234,586	146,626
II . Noncurrent assets		
1 Property, plant and equipment		
(1) Buildings and structures, net	159,810	148,466
(2) Machinery, equipment and vehicles, net	1,882	2,022
(3) Land	392,061	523,503
(4) Golf courses	1,489	1,489
(5) Construction in progress	422	19,352
(6) Other, net	1,393	1,469
Total property, plant and equipment	557,060	696,304
2 Intangible assets		
(1) Leasehold right	6,225	6,225
(2) Goodwill	113	582
(3) Other	816	1,218
Total intangible assets	7,155	8,027
3 Investments and other assets		
(1) Investment securities	9,563	7,075
(2) Investments in unconsolidated subsidiaries and affiliates	28,716	69,345
(3) Long-term loans receivable	850	1,400
(4) Deferred tax assets	647	945
(5) Guarantee deposits	5,143	10,397
(6) Other	1,489	1,693
Allowance for doubtful accounts	(236)	(69)
Total investments and other assets	46,174	90,788
Total noncurrent assets	610,390	795,120
Total assets	844,976	941,746

Note: Figures less than one million yen are rounded down.

(¥ millions)

	2011	2010
Liabilities		
I . Current liabilities		
1 Notes and accounts payable-trade	4,955	8,934
2 Short-term loans payable	187,600	237,001
3 Current portion of long-term loans payable	85,581	132,653
4 Accounts payable-other	3,420	4,387
5 Income taxes payable	4,509	6,975
6 Accrued expenses	662	1,613
7 Advances received	5,250	6,332
8 Deposits received	826	2,255
9 Provision for bonuses	389	393
10 Provision for loss on disaster	505	-
11 Other	289	327
Total current liabilities	293,990	400,875
II . Noncurrent liabilities		
1 Long-term loans payable	203,519	204,765
2 Long-term lease deposited	53,755	57,838
3 Long-term guarantee deposited	63,361	62,855
4 Long-term deposits received	304	296
5 Deferred tax liabilities	9,180	7,085
6 Provision for retirement benefits	2,695	3,276
7 Other	182	233
Total noncurrent liabilities	332,999	336,351
Total liabilities	626,989	737,226
Net assets		
I . Shareholders' equity		
1 Capital stock	10,000	10,000
2 Capital surplus	-	6,643
3 Retained earnings	205,321	206,285
4 Treasury stock	-	(21,096)
Total shareholders' equity	215,321	201,832
II . Valuation and translation adjustments		
1 Valuation difference on available-for-sale securities	134	(433)
2 Deferred gains or losses on hedges	(28)	(74)
3 Foreign currency translation adjustment	(65)	(50)
Total valuation and translation adjustments	40	(558)
III . Minority interests	2,624	3,246
Total net assets	217,986	204,519
Total liabilities and net assets	844,976	941,746

Note: Figures less than one million yen are rounded down.

Consolidated Statements of Income (For the years ended March 31, 2011 and 2010)

(¥ millions)

	2011	2010
I . Operating revenue	111,962	133,259
II . Operating cost	78,891	94,032
Operating gross profit	33,071	39,226
III . Selling, general and administrative expenses	12,960	14,198
Operating income	20,110	25,028
IV . Non-operating income		
1 Interest and dividends income	1,818	293
2 Gain on sales of securities	–	294
3 Gain on valuation of securities	–	842
4 Equity in earnings of affiliates	743	2,046
5 Other	1,248	847
Total non-operating income	3,810	4,325
V . Non-operating expenses		
1 Interest expenses	5,619	7,687
2 Loss on sales of securities	–	427
3 Other	1,166	664
Total non-operating expenses	6,785	8,779
Ordinary income	17,135	20,573
VI . Extraordinary income		
1 Gain on sales of noncurrent assets	52,882	856
2 Gain on sales of investment securities	12,974	–
3 Gain on sales of subsidiaries and affiliates' stocks	–	353
4 Other	73	975
Total extraordinary income	65,930	2,185
VII . Extraordinary loss		
1 Loss on sales of noncurrent assets	–	253
2 Loss on retirement of noncurrent assets	–	152
3 Impairment loss	40,690	517
4 Equity in losses of affiliates	7,032	–
5 Business restructuring expenses	6,695	–
6 Other	3,069	327
Total extraordinary losses	57,488	1,251
Income before income taxes and minority interests	25,577	21,507
Income taxes-current	9,492	11,171
Income taxes-deferred	1,187	3,044
Total income taxes	10,679	14,215
Income before minority interests	14,898	–
Minority interests in income (loss)	156	(1,608)
Net income	14,742	8,899

Note: Figures less than one million yen are rounded down.