



MORI TRUST Sogo Reit, Inc.

MORI TRUST Asset Management Co., LTD.



28th Fiscal Period
(October 1, 2015 to March 31, 2016)
Information Package

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1.	28th Fiscal Period Highlights	2
2.	Summary of the 28th Fiscal Period (ended March 31, 2016) Settlement	7
3.	Basic Policy and Status of Operations	13
4.	Reference	22

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1. 28th Fiscal Period Highlights

■ **28th fiscal period distribution: ¥3,520** (down ¥1,010 vs. the 27th fiscal period, up ¥20 vs. the forecast)

- Even with a **lower** internal reserves reduction of **¥260 million** instead of an initial **¥350 million**, it secured distributions that were higher than forecast.
- When excluding gains on property sales and other temporary factors in the previous period (equivalent to about ¥1,200), the distribution per unit remained almost flat (before the internal reserves reduction).

■ **Forecast distribution for the 29th fiscal period: ¥3,550**

(up ¥30 vs. the 28th fiscal period, increase of ¥30 from initial forecast)

With the **decrease** of the internal reserves reduction from an initial **¥320 million to ¥250 million**

■ **Forecast distribution for the 30th fiscal period: ¥3,570**

(up ¥20 vs. forecast for the 29th fiscal period)

Including the internal reserves reduction of ¥130 million (**down ¥120 million vs. the 29th fiscal period**)

Main Topics

■ **Leasing status of owned properties**

<Kioicho Building>

- Although a main tenant vacated in July 2015, the leasing situation has progressed well for the time being, with **the occupancy rate recovering to 89.3%** (Note).

<Shin-Yokohama TECH Building>

- A company related to an existing tenant is scheduled to move in, with **the occupancy rate rising to 97.8%** (Note).

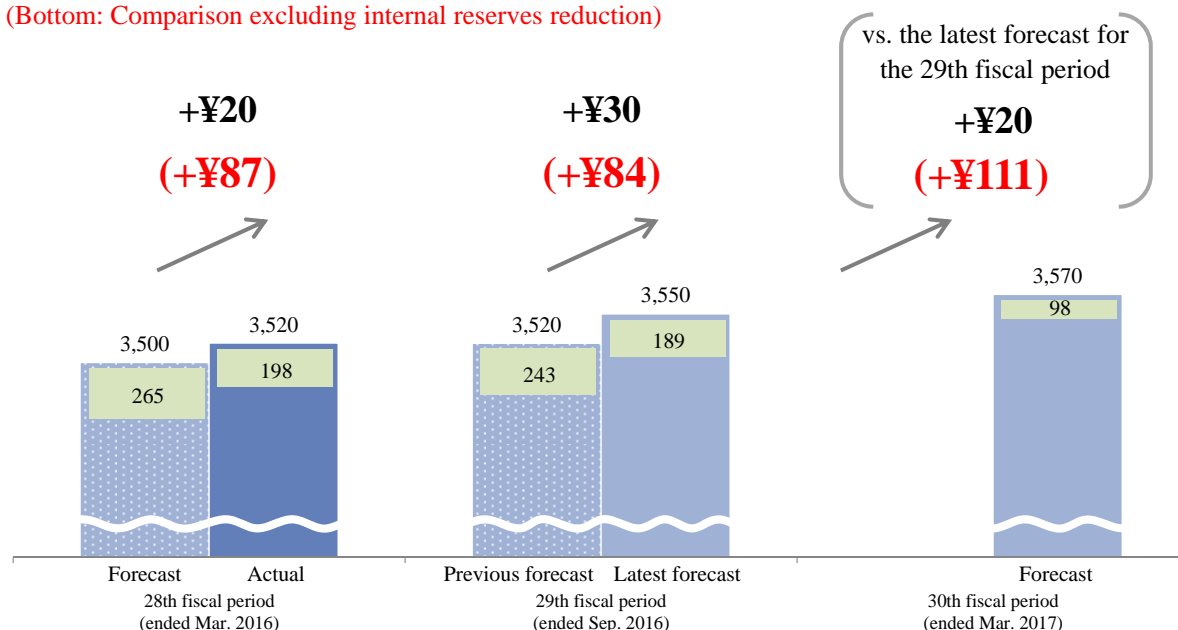
(Note) The percentages shown are estimated based on lease agreements concluded by May 2, 2016. Refer to page 5 in this document for more information.

■ **Issuance of investment corporation bonds (February 2016)**

- It issued three-year bonds in the same period for the sixth consecutive year, totaling ¥3 billion **at an interest rate of 0.110%**.
- It was **the first bond issuance as a private company** after the Bank of Japan decided to adopt a negative interest rate policy in January 2016.

Distribution per Unit (Yen)

Top: Comparison including internal reserves reduction
(Bottom: Comparison excluding internal reserves reduction)



28th fiscal period actual

- Even with a lower internal reserves reduction, it realized distributions that were ¥20 higher than forecast.

29th fiscal period forecast

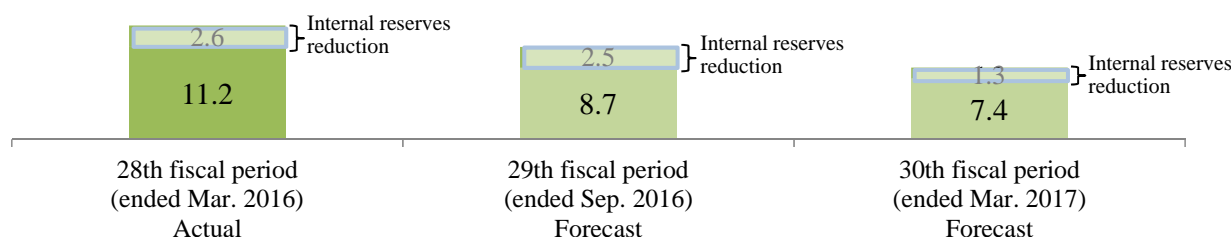
- Even with a lower internal reserves reduction, it is expected to realize distributions that are ¥30 higher than previously forecast.

30th fiscal period forecast

- The internal reserves reduction will be further decreased to ¥130 million.
- It is projected that an internal reserves balance of ¥740 million will be secured at the end of the 30th fiscal period.

Internal reserves reduction per unit (yen)

Changes in Internal Reserve Balance (100 million yen)



<Rationale for decreases in internal reserves reduction>

Because the Company has experienced revenue recovery supported by the favorable leasing situation of owned properties.

Kioicho Building

- Since the beginning of 2016, the Company has received more inquiries from prospective tenants. Leasing has progressed well, with the occupancy rate recovering to 89.3%.
- Although a main tenant vacated in July 2015, pushing down the occupancy rate, the occupancy rate has recovered to its level at the time of acquisition.



	Upon acquisition (As of Oct. 1, 2014)	Upon the vacation of a main tenant (As of Aug. 1, 2015)	Upon the announcement of the financial results of the previous fiscal period (Note 2) (based on the lease agreements concluded)	Current (Note 3) (based on the lease agreements concluded)
Entire building	90.8%	55.8%	64.4%	89.3%
Office and retail spaces	87.6%	37.8%	49.4%	85.3%

<Positive factors for leasing>

- An excellent location and a sense of quality of the building
- Leasing spaces, scarce in the area, sufficient to accommodate large tenants
- The leasing ability of the Mori Trust Group

It has successfully captured demand for office expansion and a better location.

Shin-Yokohama TECH Building

- It has successfully captured demand for the office consolidation of a company related to an existing tenant, allowing the occupancy rate to rise to 97.8%.

	At the end of this fiscal period (As of Mar. 31, 2016)	Current (Note 3) (based on the lease agreements concluded)
Entire building	90.5%	97.8%



(Note 1) For the residential part of the Kioicho Building, MTR enters into a pass-through master lease agreement with Mitsui Fudosan Residential Lease Co., Ltd. being the master lease company. The occupancy rate of the entire building shown above is based on sublease agreements.

(Note 2) The percentages shown are estimated based on lease agreements concluded by the end of October 2015.

(Note 3) The percentages shown are estimated based on lease agreements concluded by May 2, 2016.

7th issuance of investment corporation bonds

- It issued three-year bonds **in the same period for the sixth consecutive year**.
- The issuance **totaled ¥3 billion at an interest rate of 0.110%**.
- It was the **first bond issuance by a private company** after the Bank of Japan decided to adopt a negative interest rate policy in January 2016.
- It issued and managed bonds while the interest rates of the benchmark bonds, three-year government bonds, were going further into negative territory, and the bond market was fluctuating significantly.
- Taking the market trend into account, it shifted from spread pricing to absolute value pricing.

(Issuances of investment corporation bonds)

	Term (years)	Value issued (¥ in billions)	Yield	Date of issuance
1st issuance	3	5.0	0.830%	Feb. 2011
2nd issuance	3	5.0	0.760%	Feb. 2012
3rd issuance	3	6.0	0.450%	Feb. 2013
4th issuance	3	5.0	0.241%	Feb. 2014
5th issuance	3	4.0	0.181%	Feb. 2015
6th issuance	12	1.0	1.066%	Feb. 2015
7th issuance	3	3.0	0.110%	Feb. 2016

Redeemed

Issued in the current fiscal period

Reference

- The lower base rate triggered by the Bank of Japan's introduction of negative interest rates
→ Resulted in a prolonged borrowing period and reduced borrowing costs

(Refinancing conducted after the decision was made to adopt a negative interest rate policy)

■ February, March, April 2016

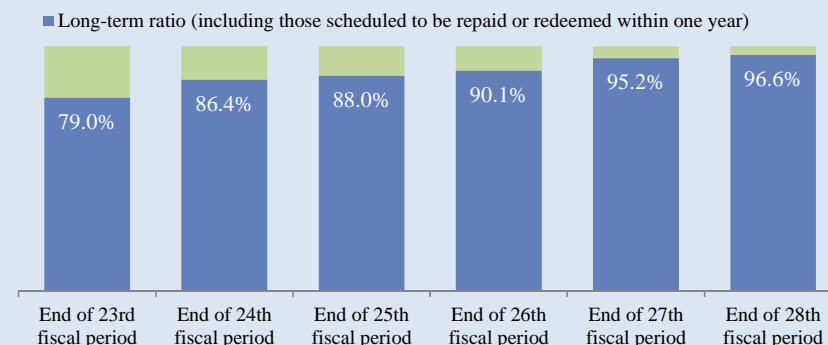
Repayment Overview	
Total amount	¥18.5 billion
Average borrowing period	2.78 years
Average interest rate	0.610%



Borrowing Overview	
Total amount	¥18.5 billion
Average borrowing period	5.43 years
Average interest rate	0.350%

- Shrinking difference in interest rates between long-term and short-term loans
→ Converted some short-term loans to long-term loans

(Changes in the long-term loan ratio (including those scheduled to be repaid or redeemed within one year))



2. Summary of the 28th Fiscal Period (ended March 31, 2016) Settlement

			(Million yen)		
	27th fiscal period Actual	28th fiscal period Actual	Change (over previous period)		28th fiscal period forecast (Note)
Operating revenues	12,975	8,558	-4,417	-34.0%	8,537
Operating income	7,258	4,971	-2,286	-31.5%	4,870
Ordinary income	6,643	4,385	-2,258	-34.0%	4,270
Net income	6,428	4,477	-1,951	-30.4%	4,382
Total distribution	5,979	4,646	-1,333	-22.3%	4,620
Distribution per unit (yen)	4,530	3,520	-1,010	-22.3%	3,500
Number of units issued	1,320,000	1,320,000	—	—	1,320,000

(Note) Announced November 13, 2015

(Major factors that contributed to the changes compared with the previous period)

● Absence of gain on sale of Ginza MTR Building	-¥3,865 million	
● Increase in rental revenue, etc. (Midosuji MTR Building)	+¥32 million	
● Decrease in rental revenue, etc. (Kioicho Building, Osaka Marubeni Building)	-¥583 million	
● Absence of loss on sale of Osaka Marubeni Building	+¥1,620 million	
● Decrease in property and other taxes (Osaka Marubeni Building and Ginza MTR Building)	+¥110 million	
● Decrease in repair expenses	+¥85 million	
● Decrease in depreciation	+¥121 million	
● Decrease in other rental business expenses and service, general and administrative expenses	+¥193 million	
● Decrease in interest expenses	+¥27 million	
● Internal reserves (reserves for reduction entry and accompanying income taxes - deferred)	+¥924 million	(Internal reserves from the previous fiscal period: ¥663 million; Internal reserves reduction in this fiscal period: ¥261 million)

Interest-bearing liabilities (as of the end of the 28th fiscal period)

Total interest-bearing liabilities (million yen)	161,000
Short-term loans	5,500
Long-term loans (including long-term loans due within one year)	142,500
Investment corporation bonds (including investment corporation bonds due within one year)	13,000
LTV (Loan To Value ratio)	48.2%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	96.6%
Fixed interest-bearing liabilities ratio	96.6%
Average interest for borrowings during fiscal period	0.71%
Short-term loans	0.32%
Long-term loans and investment corporation bonds	0.72%
Average duration of interest-bearing liabilities (years)	2.7

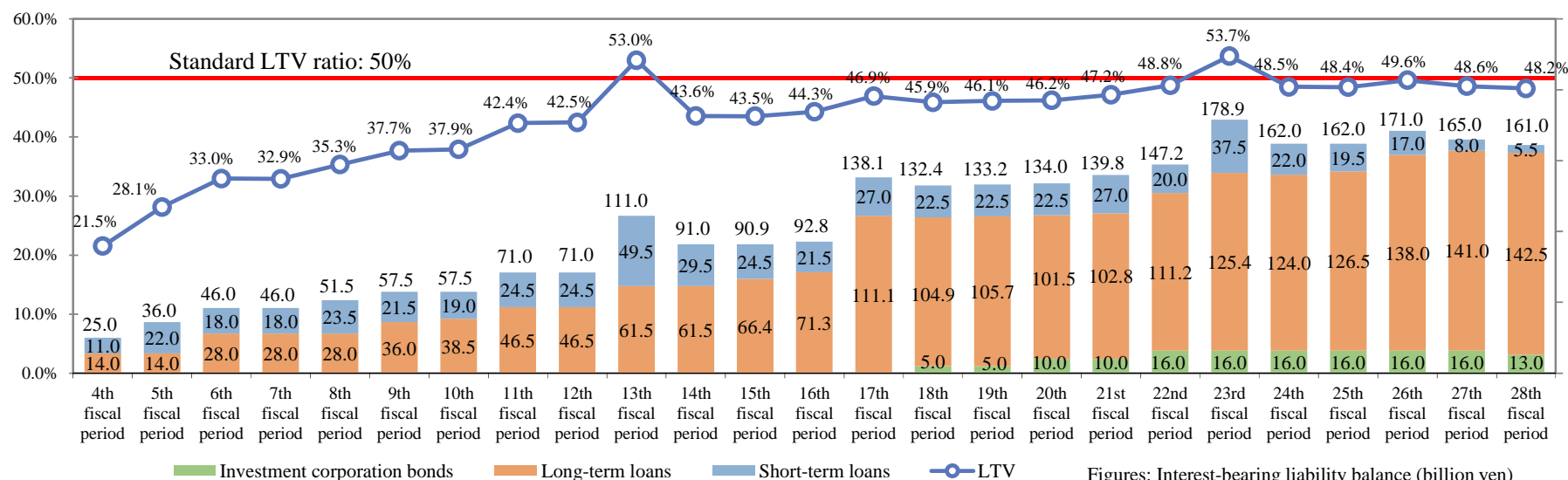
Rating (as of the end of the 28th fiscal period)

Rating agency:	Japan Credit Rating Agency, Ltd. (JCR)
Liabilities rated:	Long-Term Issuer Rating
Rating (outlook):	AA (stable)

Breakdown of interest-bearing liabilities (as of the end of the 28th fiscal period)

Classification	Lender	Balance of borrowings (million yen)	(%)
Loans	Mizuho Bank, Ltd.	29,000	18.0%
	Sumitomo Mitsui Banking Corporation	28,000	17.4%
	Sumitomo Mitsui Trust Bank, Limited.	19,000	11.8%
	Mitsubishi UFJ Trust and Banking Corporation	17,500	10.9%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,500	9.6%
	Development Bank of Japan Inc.	15,000	9.3%
	The Bank of Fukuoka, Ltd.	5,500	3.4%
	Aozora Bank, Ltd.	4,500	2.8%
	Resona Bank, Limited	4,500	2.8%
	ORIX Bank Corporation	3,000	1.9%
	Nippon Life Insurance Company	2,500	1.6%
	The Hachijuni Bank, Ltd.	1,000	0.6%
	Mizuho Trust & Banking Co., Ltd.	1,000	0.6%
	The Ashikaga Bank, Ltd.	1,000	0.6%
	The Dai-ichi Life Insurance Company, Limited	500	0.3%
	The Nishi-Nippon City Bank, Ltd.	500	0.3%
Subtotal		148,000	91.9%
Investment corporation bonds		13,000	8.1%
Total investment-bearing liabilities		161,000	100.0%

Changes in interest-bearing liability balance and LTV at end of fiscal period



Figures: Interest-bearing liability balance (billion yen)

Top 10 Unitholders

■ End of 27th Fiscal Period (1,320,000 units issued)

Unitholders	Number of units held	Ownership ratio
Japan Trustee Services Bank, Ltd. (trust account)	361,863	27.41%
MORI TRUST Holdings, Inc.	300,000	22.73%
The Master Trust Bank of Japan, Ltd. (trust account)	108,023	8.18%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	72,697	5.51%
The Nomura Trust and Banking Co., Ltd. (investment trust)	44,402	3.36%
MA Platform, Inc.	30,070	2.28%
Mori Trust Co., Ltd.	20,000	1.52%
MetLife, Inc.	13,600	1.03%
State Street Bank and Trust Company 505223	12,577	0.95%
Cbny Dfa International Real Estate Securities Portfolio	11,028	0.84%
Total of top 10 unitholders	974,260	73.81%

■ End of 28th Fiscal Period (1,320,000 units issued)

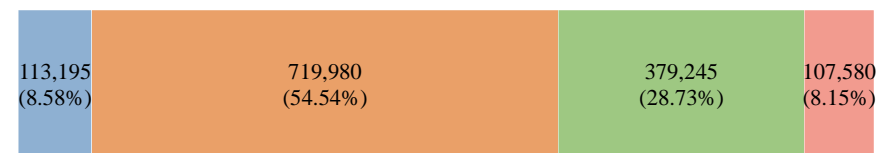
Unitholders	Number of units held	Ownership ratio
Japan Trustee Services Bank, Ltd. (trust account)	342,642	25.96%
MORI TRUST Holdings, Inc.	300,000	22.73%
The Master Trust Bank of Japan, Ltd. (trust account)	70,833	5.37%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	69,945	5.30%
The Nomura Trust and Banking Co., Ltd. (investment trust)	44,860	3.40%
MA Platform, Inc.	30,070	2.28%
Mori Trust Co., Ltd.	20,000	1.52%
State Street Bank and Trust Company 505223	14,373	1.09%
Cbny Dfa International Real Estate Securities Portfolio	12,079	0.92%
State Street Bank - West Pension Fund Clients - Exempt 505233	11,689	0.89%
Total of top 10 unitholders	916,491	69.43%

(Note) Mori Trust Holdings, Inc. reported to MTR that it would acquire the 30,070 investment units of MTR held by MA Platform, Inc. in addition to the 20,000 units held by Mori Trust Co., Ltd. For more information, please refer to the press release titled "Notice of Change in Number of Investment Units Held by Large Investors" dated May 6, 2016.

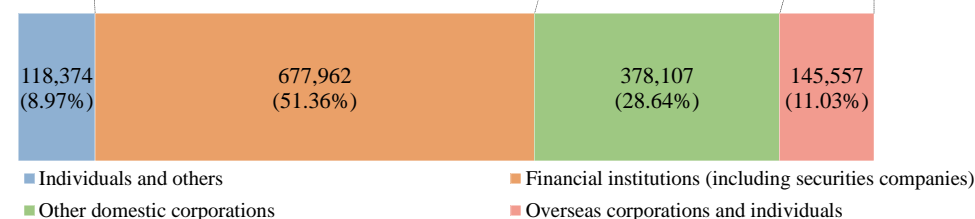
Composition of Unitholders

Investment unit ratios

■ Total number of outstanding investment units at the end of the 27th fiscal period: 1,320,000

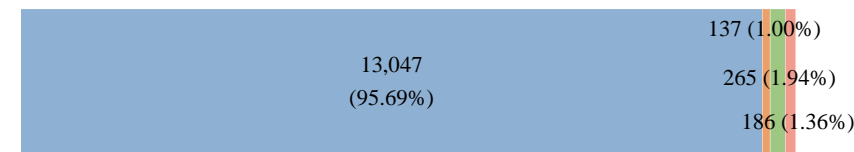


■ Total number of outstanding investment units at the end of the 28th fiscal period: 1,320,000

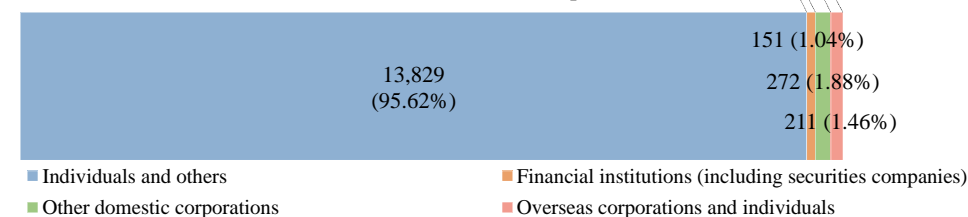


Investment unitholder ratio

■ Total number of unitholders at the end of the 27th fiscal period: 13,635



■ Total number of unitholders at the end of the 28th fiscal period: 14,463



Forecast for the 29th Fiscal Period

Forecast distribution for the 29th fiscal period: **¥3,550**

- Expected increase in profit due to the leasing progress of the Kioicho Building, etc.
- Imposition of property tax for the Midosuji MTR Building
- Assumes reduction of part of internal reserves (¥250 million)

(Million yen)

	28th Fiscal Period Forecast	29th Fiscal Period Forecast	Difference	
			Amount	%
Operating revenues (a)	8,558	8,666	108	1.3%
Real estate rental business revenues (b)	8,558	8,666	108	1.3%
Rental business revenues	8,310	8,367	57	
Other rental business revenues	248	299	51	
Operating expenses (c)	3,586	3,666	80	2.2%
Real estate rental business expenses (d)	3,152	3,214	62	2.0%
Rental business expenses	3,152	3,214	62	
Property and other taxes	879	919	39	
Overhead expenses	842	876	34	
Depreciation (e)	1,429	1,418	-11	
Service, general and administrative expenses	434	452	17	4.1%
Profit from real estate rental business (f)=(b)-(d)	5,406	5,452	46	0.9%
Earning before depreciation and amortization (NOI) (e)+(f)	6,836	6,870	34	0.5%
Operating income (a)-(c)	4,971	5,000	28	0.6%
Non-operating revenues	3	1	-2	-60.6%
Non-operating expenses	590	564	-25	-4.3%
Ordinary income	4,385	4,437	51	1.2%
Income before income taxes	4,385	4,437	51	1.2%
Income taxes - current	0	1	0	12.0%
Income taxes - deferred	-92	-79	13	-14.4%
Net income	4,477	4,515	38	0.8%

	28th Fiscal Period Actual	29th Fiscal Period Forecast	30th Fiscal Period Forecast
	(October 1, 2015 to March 31, 2016)	(April 1, 2016 to September 30, 2016)	(October 1, 2016 to March 31, 2017)
Operating revenues (million yen)	8,558	8,666	8,834
Operating income (million yen)	4,971	5,000	5,139
Ordinary income (million yen)	4,385	4,437	4,583
Net income (million yen)	4,477	4,515	4,623
Total distribution (million yen)	4,646	4,686	4,712
Distribution per unit (yen)	3,520	3,550	3,570
No. of units issued	1,320,000	1,320,000	1,320,000

(Note) It is assumed that distributions for the 29th and 30th fiscal periods will be financed by a portion of the internal reserves.

Assumptions

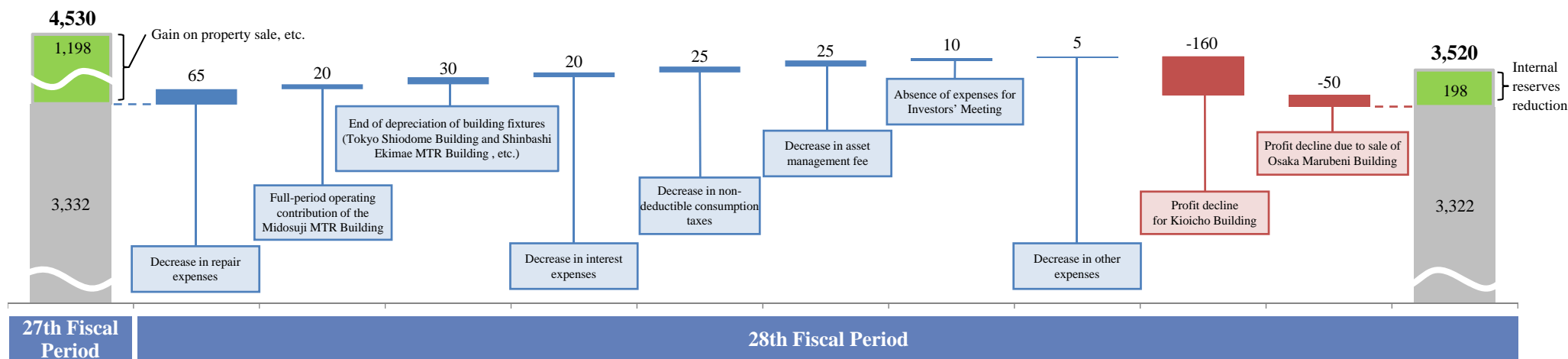
- Assumes that a total of 15 properties will be under management as of March 31, 2016.
- Assumes 1,320,000 investment units issued and outstanding as of March 31, 2016.
- Assumes that a portion worth ¥250 million of the internal reserves accumulated until the 28th fiscal period, under the application of the “Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010”, totaling ¥1,123 million, which makes up the sum of reduced reserves and relevant corporate income tax adjustments, will finance the distributions for the purpose of calculating distributions for the 29th fiscal period. On the reduction of reduced reserves (¥170 million) for distributions, deferred tax liabilities (¥79 million) will decrease, and this decrease will be a cause for increase in net income (corporate income tax adjustments).
- Assumes that a portion worth ¥130 million of the internal reserves accumulated until the 29th fiscal period, under the application of the “Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010”, totaling ¥873 million, which makes up the sum of reduced reserves and relevant corporate income tax adjustments, will finance the distributions for the purpose of calculating distributions for the 30th fiscal period. On the reduction of reduced reserves (¥88 million) for distributions, deferred tax liabilities (¥41 million) will decrease, and this decrease will be a cause for increase in net income (corporate income tax adjustments).

The business forecasts for the 29th and 30th fiscal periods have been calculated based on the preceding assumptions. This is not a guarantee of actual operating revenues, operating income, ordinary income, net income, and/or per-unit distributions, and such may differ according to circumstances occurring in the future.

■ 27th Fiscal Period Actual vs 28th Fiscal Period Actual (Decrease of ¥1,010 vs the 27th fiscal period)

When excluding gain on property sale and other temporary factors in the previous period (equivalent to ¥1,198) and the internal reserves reduction in this fiscal period (equal to ¥198), the distribution per unit **decreased by ¥10 from the previous fiscal period**.

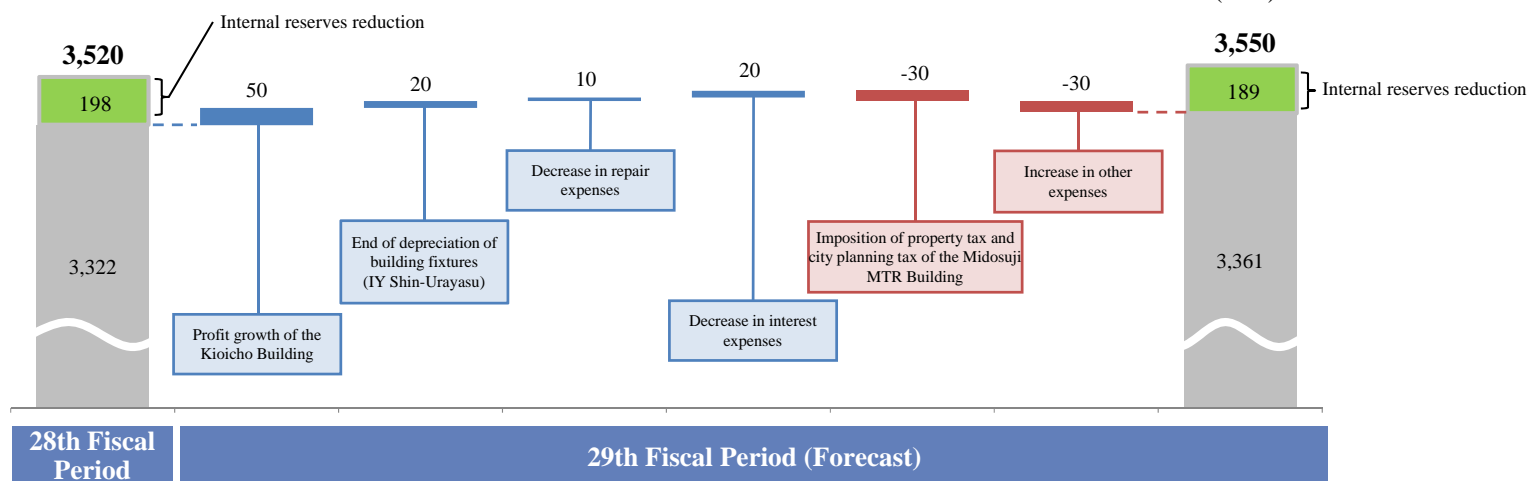
(Yen)



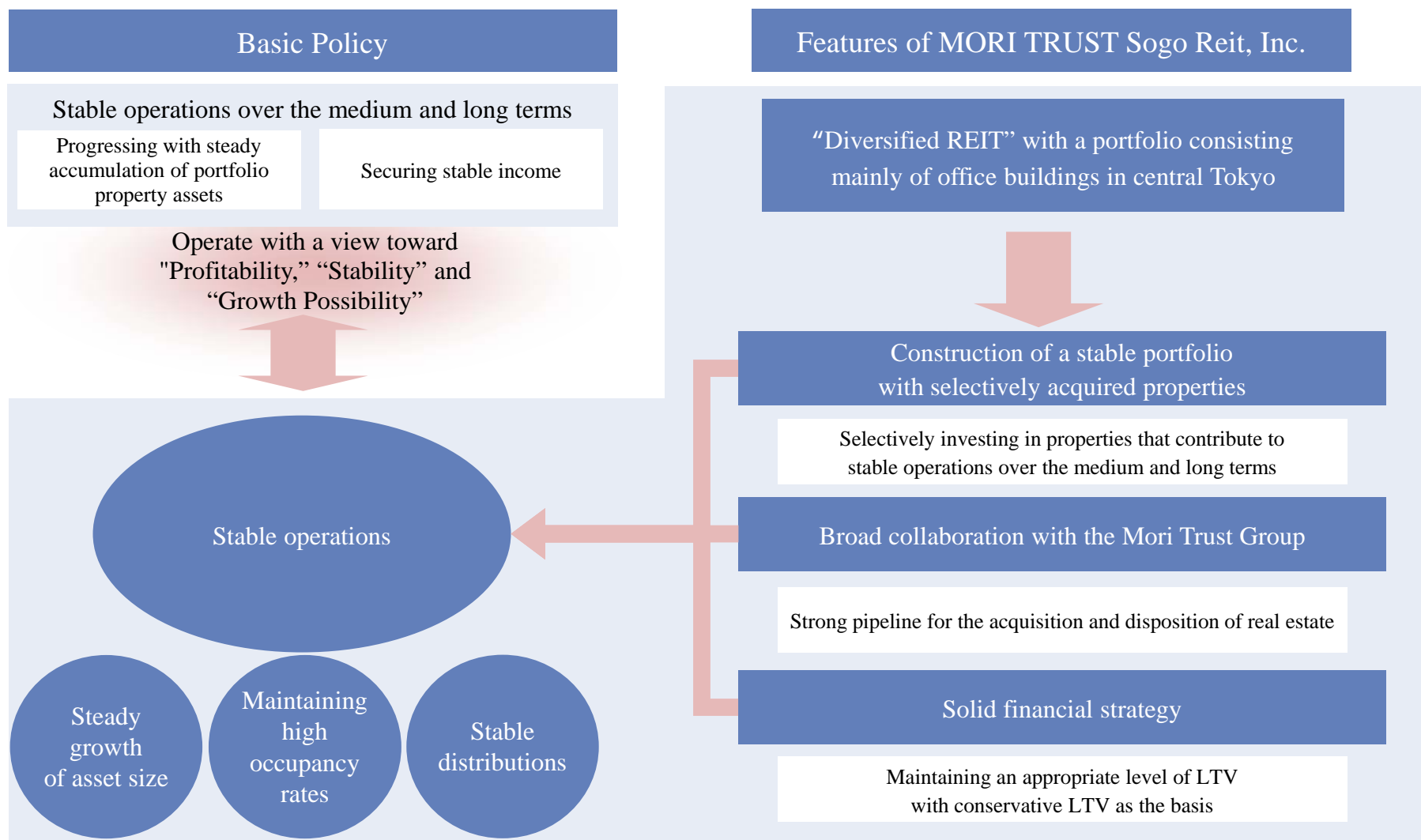
■ 28th Fiscal Period Actual vs 29th Fiscal Period Forecast (Increase of ¥30 vs the 28th fiscal period)

When excluding the internal reserves reduction in this fiscal period (equal to ¥198) and the internal reserves reduction in the 29th fiscal period (equal to ¥189), the distribution per unit is **projected to increase by ¥40 from this fiscal period**.

(Yen)



3. Basic Policy and Status of Operations



■ Target portfolio and actual performance

(as of the end of the 28th fiscal period)

		Region				Total	
		Central Tokyo (Note 1)		Other areas (Note 2)			
		Target	Actual	Target	Actual	Target	Actual
Use	Office Buildings	60 to 70%	60.5%	10 to 20%	7.3%	70 to 90%	67.8%
	Retail Facilities	0 to 10%	16.2%	10 to 20%	15.9%	10 to 30%	32.2%
	Other (Note 3)						
Total		60 to 80%	76.7%	20 to 40%	23.3%	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.

(Note 4) The investment ratios are based on acquisition prices.

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
- Consider issuing investment corporation bonds
- Establish a credit line to ensure flexible fundraising

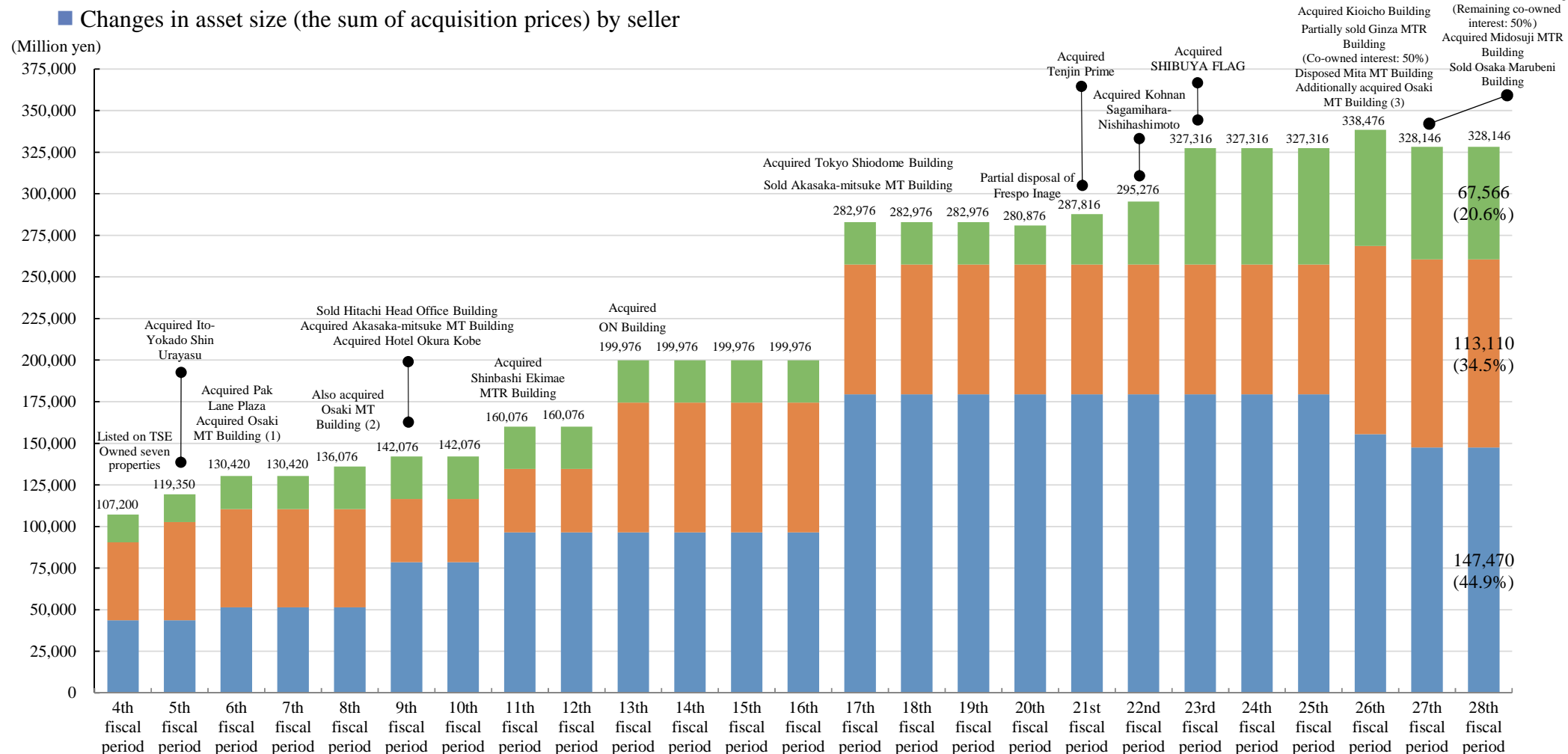
Mizuho Bank: ¥10 billion Sumitomo Mitsui Banking: ¥10 billion

■ Loan repayment schedule diversification (at the end of the 28th fiscal period)



Status of Operations 1: Changes in Asset Size

3. Basic Policy and Status of Operations



■ Property acquisitions

Acquisitions from the Mori Trust Group	Acquisitions Based on Information Provided by the Mori Trust Group	Acquisitions through Proprietary Channels
Tokyo Shiodome Building Osaki MT Building (1) Shinbashi Ekimae MTR Building Ito-Yokado Shonandai	ON Building Kioicho Building Osaki MT Building (additional acquisition) (3) Shin-Yokohama TECH Building Ito-Yokado Shin-Urayasu Hotel Okura Kobe	Osaki MT Building (additional acquisition) (2) Midosuji MTR Building Tenjin Prime SHIBUYA FLAG Kohnan Sagami-hara-Nishihashimoto Frespo Inage Park Lane Plaza

Status of Operations 2: Portfolio Summary (At the end of the 28th Fiscal Period)

3. Basic Policy and Status of Operations

Use	Name	Location	Construction completion	Acquisition date	Acquisition Price (Million yen)	28th fiscal period Book value at the end of fiscal period (Million yen)	28th fiscal period End-of-period appraisal value (Million yen)	Total floor space (m ²)	PML (Note 7)	NOI yield (Note 8)
Office Buildings	Tokyo Shiodome Building	Minato Ward, Tokyo	January, 2005	April 13, 2010	110,000	105,349	125,000	191,394.06 (Note 1)	6.0%	4.4%
	ON Building	Shinagawa Ward, Tokyo	November, 1990	August 29, 2008	39,900	39,717	29,700	32,812.27	8.0%	3.1%
	Kioicho Building	Chiyoda Ward, Tokyo	November, 1989	October 1, 2014	34,300	34,477	35,400	63,535.55 (Note 2)	11.3%	1.2%
	Osaki MT Building	Shinagawa Ward, Tokyo	July 1994 (Renovated in 2008)	(1) March 31, 2005 (2) October 28, 2005 (3) January 30, 2015 ((2), (3): Additional acquisition)	14,386 (Note 3)	13,488	12,400	26,980.68 (Note 4)	11.5%	3.8%
	Midosuji MTR Building	Chuo Ward, Osaka City	March, 1999	April 30, 2015	10,170	10,289	10,200	15,129.16	2.1%	4.4%
	Tenjin Prime	Chuo Ward, Fukuoka City	October, 2008	July 12, 2012	6,940	6,806	8,210	7,722.04	6.4%	6.1%
	Shin-Yokohama TECH Building	Kohoku Ward, Yokohama City	February, 1986	November 14, 2003	6,900	6,630	4,820	25,187.22	8.7%	6.5%
Retail Facilities	SHIBUYA FLAG	Shibuya Ward, Tokyo	August, 2009	April 24, 2013	32,040	32,679	37,300	7,766.49	11.9%	4.3%
	Shinbashi Ekimae MTR Building	Minato Ward, Tokyo	April, 1999	April 25, 2007	18,000	17,477	20,900	7,820.45	12.2%	4.7%
	Ito-Yokado Shin-Urayasu	Urayasu City, Chiba Prefecture	September, 2000	July 30, 2004	12,150	11,308	11,600	57,621.38	18.9%	5.2%
	Ito-Yokado Shonandai	Fujisawa City, Kanagawa Prefecture	November, 2002	March 28, 2003	11,600	10,073	12,300	53,393.66	14.0%	5.7%
	Kohnan Sagami-hara-Nishihashimoto	Midori Ward, Sagami-hara City	August, 2005	October 18, 2012	7,460	7,536	8,100	40,283.77	13.5%	6.1%
	Frespo Inage	Inage Ward, Chiba City	—	March 28, 2002	2,100 (Note 5)	2,193	2,660	(39,556.71) (Note 6)	-	11.0%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe City	March, 1989	September 20, 2006	19,000	16,783	16,600	72,246.86	17.8%	5.0%
Residential	Park Lane Plaza	Shibuya Ward, Tokyo	June, 1988	December 24, 2004	3,200	3,211	3,170	5,246.78	14.9%	4.6%
Total	—	—	—	—	328,146	318,023	338,360	—	5.2%	4.2%

(Note 1) The Tokyo Shiodome Building is a co-owned building and the floor area of 95,697.03m² is calculated by multiplying MTR's co-owned interest (ratio of 50/100) with the total floor space.

(Note 2) MTR has acquired sectional ownership of the Kioicho Building. The total floor space stated is the total floor space for the portion of one building that represents the sectional ownership. The exclusive portion of the floor space owned by a fiduciary of the trust in which MTR is the sole beneficiary is 24,598.85 m².

(Note 3) The acquisition price for the Osaki MT Building is the total of each of the acquisition price as of March 31, 2005 (¥7,870 million), October 28, 2005 (¥5,656 million) and January 30, 2015 (¥860 million).

(Note 4) The Osaki MT Building is a co-owned building, and the floor area of 24,495.21m² is calculated by multiplying MTR's co-owned interest (ratio of 907,880/1,000,000) with the total floor space.

(Note 5) As 50% of the land in trust associated with Frespo Inage has been disposed, the price of Frespo Inage is the price equivalent to 50% of the acquisition price of the entire property or ¥4,200 million.

(Note 6) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.

(Note 7) 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 8) NOI earnings yield is calculated by converting NOI in the 28th fiscal period to an annual basis.

Status of Operations 3: Appraisal Values of Portfolio Properties at the Fiscal Period-End

3. Basic Policy and Status of Operations

Use	Name	27th fiscal period End-of-period appraisal value (Million yen)	28th 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	Tokyo Shiodome Building	121,000	125,000	4,000	3.7%	-0.1%	3.7%	3.9%	Rich Appraisal Institute K.K.
	ON Building	29,400	29,700	300	4.1%	-0.1%	3.8%	4.3%	Japan Real Estate Institute
	Kioicho Building	35,500	35,400	-100	3.6%	-0.1%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.
	Osaki MTBuilding	12,100	12,400	300	4.0%	-0.1%	3.7%	4.2%	Japan Real Estate Institute
	Midosuji MTR Building	10,200	10,200	—	4.0%	—	3.8%	4.2%	Daiwa Real Estate Appraisal Co., Ltd.
	Tenjin Prime	8,020	8,210	190	4.7%	-0.1%	4.5%	5.0%	Japan Real Estate Institute
	Shin-Yokohama TECH Building	4,650	4,820	170	5.5%	-0.2%	5.3%	5.8%	Nippon Tochi-Tatemono Co., Ltd.
Retail Facilities	SHIBUYA FLAG	36,600	37,300	700	3.5%	-0.1%	3.3%	3.7%	Japan Real Estate Institute
	Shinbashi Ekimae MTR Building	20,400	20,900	500	4.1%	-0.1%	3.9%	4.3%	Nippon Tochi-Tatemono Co., Ltd.
	Ito-Yokado Shin-Urayasu	11,400	11,600	200	5.5%	-0.1%	5.3%	5.8%	Japan Real Estate Institute
	Ito-Yokado Shonandai	12,100	12,300	200	5.4%	-0.1%	5.1%	5.6%	Japan Real Estate Institute
	Kohnan Sagamihara-Nishihashimoto	7,970	8,100	130	5.6%	-0.1%	5.3%	5.8%	Japan Real Estate Institute
	Frespo Inage	2,670	2,660	-10	8.8%	—	8.4%	— (Note)	Japan Real Estate Institute
Hotel	Hotel Okura Kobe	16,300	16,600	300	5.2%	-0.1%	5.0%	5.3%	Rich Appraisal Institute K.K.
Residential	Park Lane Plaza	3,160	3,170	10	4.1%	—	4.7%	3.8%	Nippon Tochi-Tatemono Co., Ltd.

	27th fiscal period (Million yen)	28th fiscal period (Million yen)	Difference (Million yen)
Total end-of-period appraisal value (1)	331,470	338,360	6,890
Total end-of-period book value (2)	318,495	318,023	-472
Difference (1) - (2)	12,974	20,336	7,362

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

Status of Operations 4: Overview of Lease Contracts (At the end of the 28th Fiscal Period)

3. Basic Policy and Status of Operations

Use	Name	Total number of tenants	Occupancy rate (%)	Major tenant/master lessee			
					Type of lease contract	Lease contract expiry	
Office Buildings	Tokyo Shiodome Building	1	100.0	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	(Offices/retailers) April 12, 2020 (Hotel) December 31, 2035
	ON Building	1	100.0	Kobe Steel Ltd.	Direct lease	Building lease	March 31, 2017
	Kioicho Building	(Note 1) 30	(Note 1) 66.1 (65.5)	—	—	—	—
	Osaki MT Building	(Note 2) 1	(Note 2) 100.0 (98.2)	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	March 31, 2019
	Midosuji MTR Building	(Note 3) 1	(Note 3) 100.0 (92.9)	Japan Property Solutions Co., Ltd.	Master lease	Building lease	March 31, 2017
	Tenjin Prime	(Note 4) 14	(Note 4) 100.0	Sumitomo Mitsui Banking Corporation	Direct lease (Note 4)	Fixed-term building lease	October 31, 2018
	Shin-Yokohama TECH Building	8	90.5	Fujitsu Co., Ltd.	Direct lease	Building lease	September 30, 2016
Retail Facilities	SHIBUYA FLAG	(Note 4) 3	(Note 4) 100.0	H&M Hennes & Mauritz Ltd.	Direct lease (Note 4)	- (Note 5)	- (Note 5)
	Shinbashi Ekimae MTR Building	1	100.0	Yamada Denki Co., Ltd.	Direct lease	Building lease	May 31, 2017
	Ito-Yokado Shin-Urayasu	1	100.0	Ito-Yokado Co., Ltd.	Master lease	Building lease	July 29, 2020 (No cancellation prior to July 29, 2017)
	Ito-Yokado Shonandai	1	100.0	Ito-Yokado Co., Ltd.	Master lease	Building lease	November 20, 2022 (No cancellation prior to November 20, 2017)
	Kohnan Sagami-hara-Nishihashimoto	1	100.0	Kohnan Shoji Co., Ltd.	Master lease	Fixed-term building lease	September 27, 2023
	Frespo Inage	1	100.0	Daiwa Lease Co, Ltd.	Direct lease	Land lease	December 2, 2027
Hotel	Hotel Okura Kobe	1	100.0	Hotel Okura Kobe	Direct lease	Fixed-term building lease	March 31, 2022
Residential	Park Lane Plaza	16	92.7	—	—	—	—
Total		81	(Note 6) 97.9 (97.5)				

(Note 1) Regarding the office portion of the Kioicho Building, MTR leases the office portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. Regarding the residential portion, the agreement used is the master lease pass-through model. The total number of tenants and the occupancy rate stated above are those under the sublease agreement for the office portion and the master lease agreement for the residential portion. The total number of tenants based on the sublease agreements for the office and residential portions is 63. The figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreements of the office and residential portions of the building.

(Note 2) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building. The number of tenants under the sublease agreement is eleven. In addition, the figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreement.

(Note 3) The agreement used for the Midosuji MTR Building is the master lease pass-through model, and the total number of tenants based on the sublease agreement is 27. The figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreement.

(Note 4) MTR leases the land and building of Tenjin Prime and SHIBUYA FLAG from a fiduciary trust company under a master lease agreement and subleases it to tenants. The total number of tenants and the occupancy rate of the above properties are those under the sublease agreements. The type of lease contract with major tenants is based on the sublease agreements.

(Note 5) Lease contract expiry is not shown, as consent from tenants has not been obtained.

(Note 6) The occupancy rate in brackets is the total that was calculated based on occupancy rates in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building.

Real Estate Market

Investment market

- Real estate investment by REIT's in 2015 was almost comparable to the level of 2014. With a large IPO of a logistic REIT at the beginning of 2016, investment activities remain higher than the level of last year. Although expected yields are at an all-time low, investors' appetite has remained strong. In particular, investment activities in logistic and hotel properties are robust.
- Although the real estate investment market has not seen a significant impact of the negative interest rate adopted by the Bank of Japan in January, the financing environment is already favorable. In light of strong willingness to invest by different sectors, including REITs, there are signs of possible market overheating, and the situation remains unpredictable. However, because the leasing market is strong, this situation is likely to continue in the immediate future.

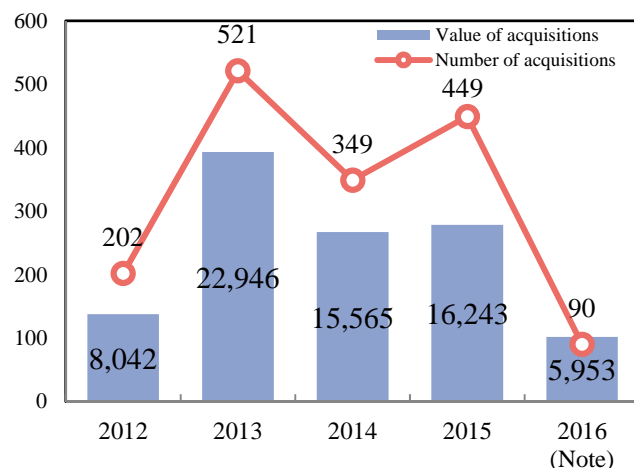
Leasing market

- The relatively limited supply office buildings in the Tokyo Metropolitan CBD area since 2013, combined with the office expansion activities spurred by the improvement of corporate performance, has caused vacant spaces to decline year after year, which makes it difficult to find sizeable blocs in large office buildings at modestly priced rents. Except for those that are bullish on their rentals, newly constructed large buildings are largely able to find tenants by the time of completion.
- Because the new supply until 2020 is projected to be nearly the same as the past level, the leasing market is expected to remain stable. However, Class B and C buildings, where the improvement in the supply-demand balance has been slower, are likely to continue to suffer from a situation where the improvement in occupancy rates must be a priority issue.

Our Strategy

- Since last year, the number of properties coming onto the market in the Tokyo Metropolitan CBD area has been limited, because of the expectation of even higher prices and the fact that the disposition of buildings owned by funds has run its course, make opportunities scarce. Due to fewer buying opportunities, the transactions realized are inevitably highly priced. While a cautious approach is necessary, we would like to take positive action once we think it is a good opportunity.
- Influenced by a decrease in the expected yield of CBD properties, investment grade properties located outside the CBD area have also experienced soaring prices, regardless of the type or region. While there are limited opportunities to acquire properties under favorable conditions, still we can expect a higher yield in comparison to CBD area properties. We would like to make investment decisions by fully analyzing the location, tenant risk, revenue stability, and other factors.
- Vacant spaces in office buildings owned by MTR have been significantly reduced as a result of proactive leasing activities in cooperation with Mori Trust and the PMs of each property. We will continue our efforts to improve the situation, and we will raise rents as much as possible when we renew leases or replace tenants.

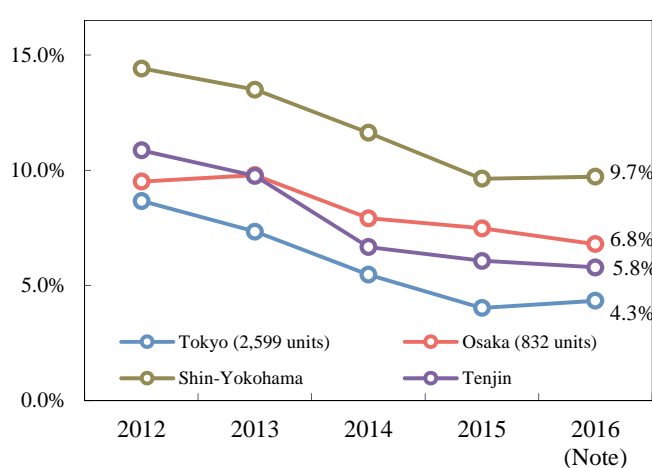
(Number of transactions) ■ Amount and number of REIT property acquisition (IPOs are added) (100 million yen)



Source: Prepared by the Company based on published data

(Note) As of March 31, 2016

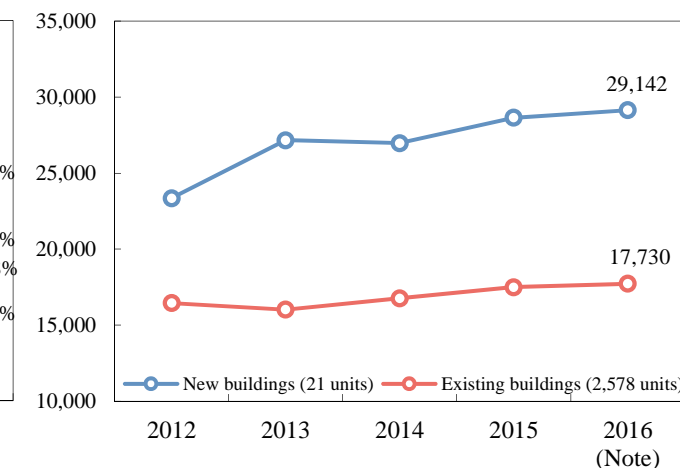
■ Vacancy rates for office buildings in Tokyo, Osaka, Shin-Yokohama, and Tenjin (year-end)



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

MORI TRUST Sogo Reit, Inc.

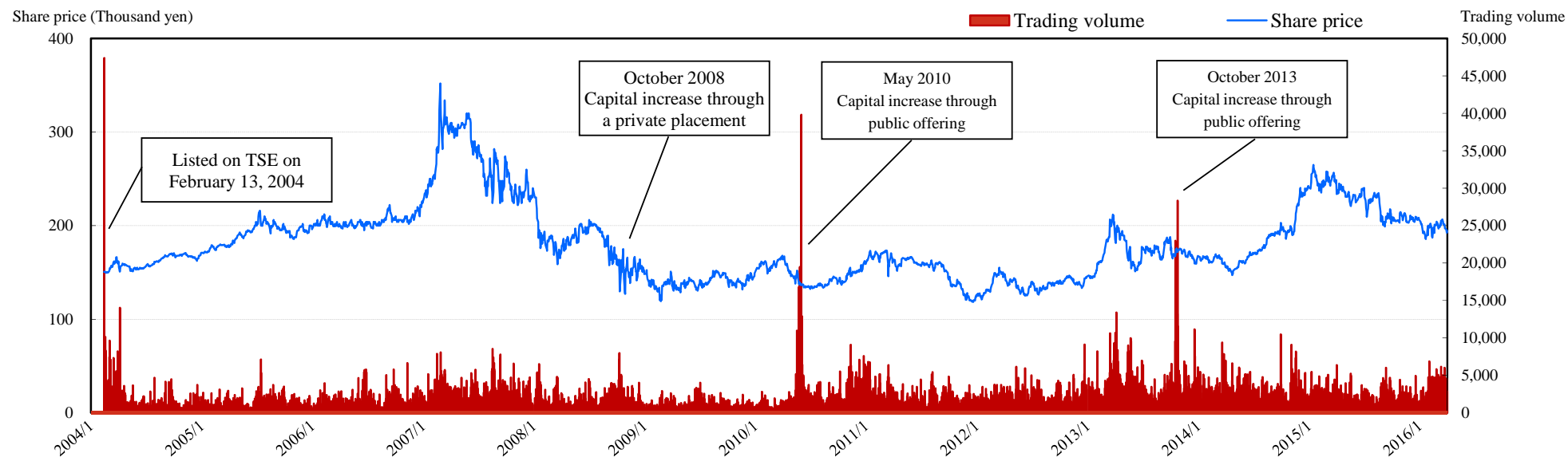
■ Average rents for office buildings in Tokyo (year-end)



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

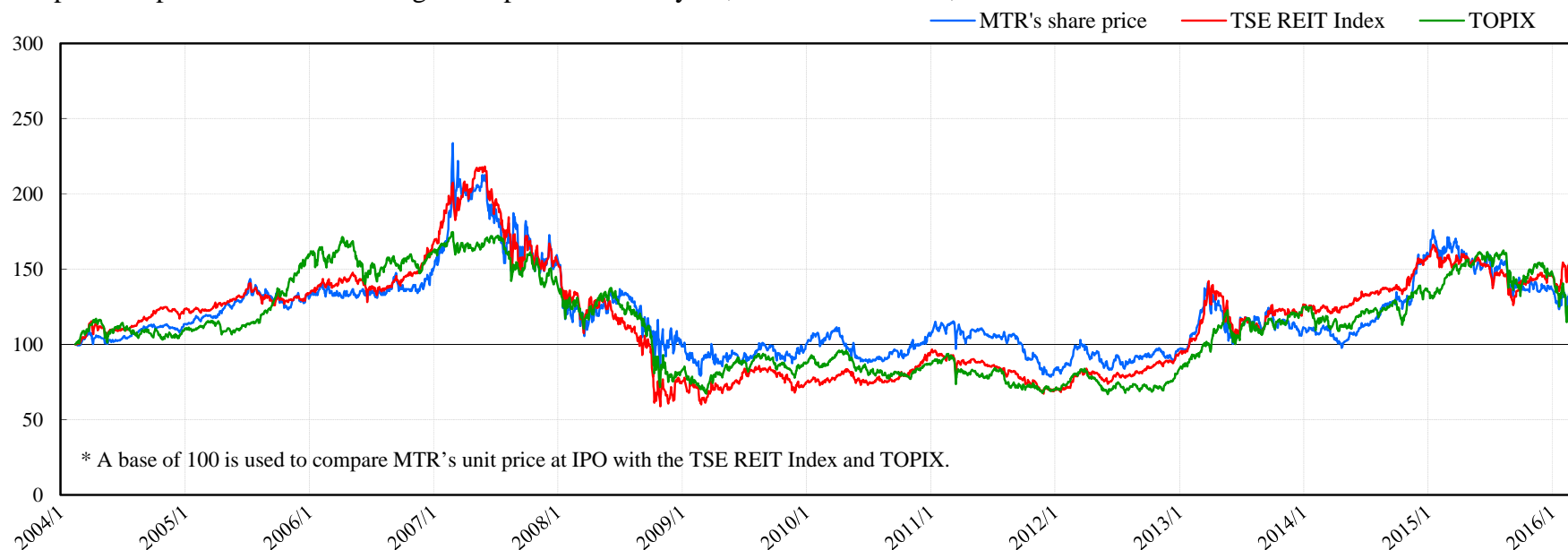
4. Reference

■ Closing share price and trading volume February 13, 2004 to March 31, 2016

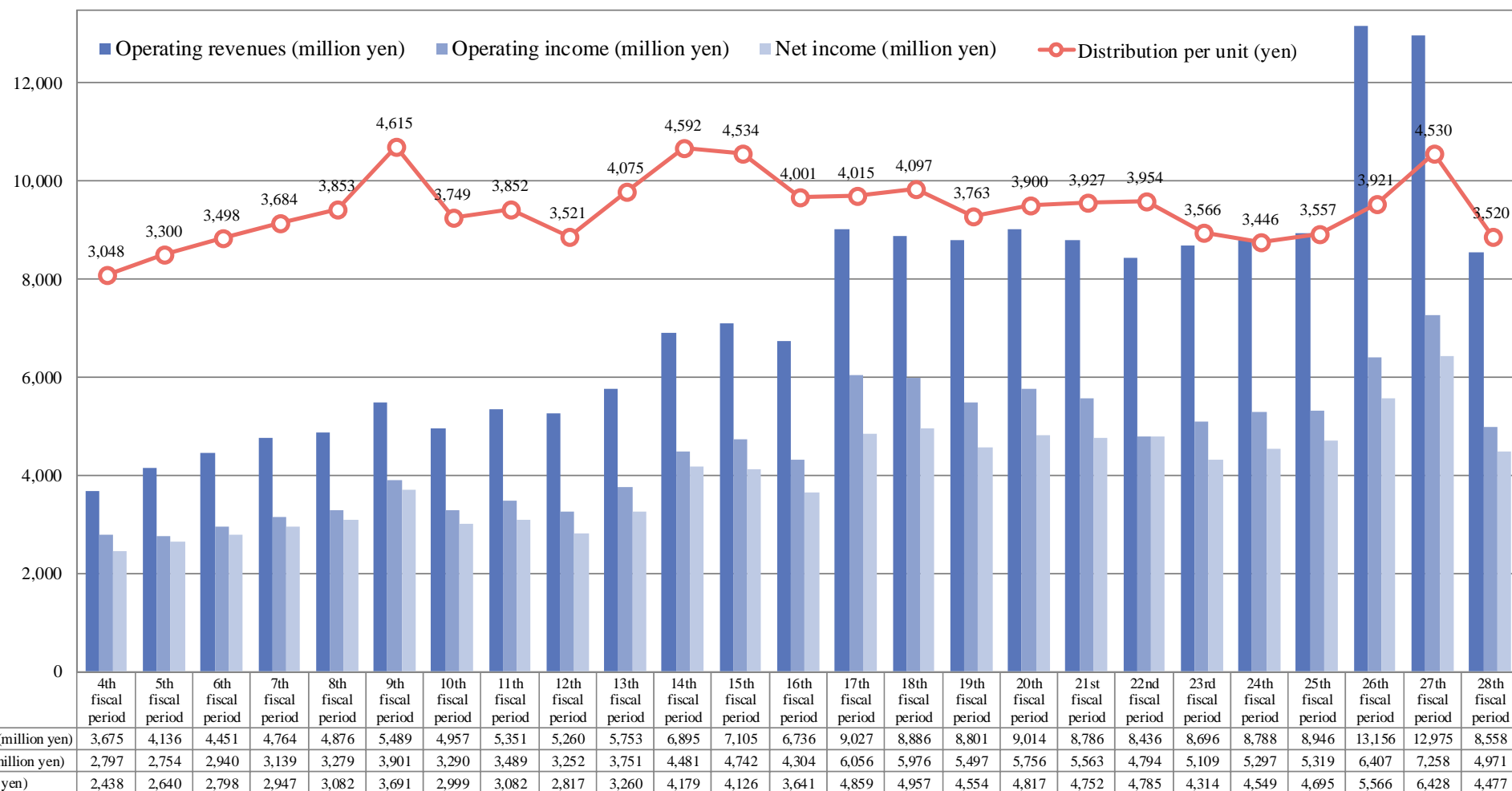


(Note) Unit price and trading volume take into account the split of investment units (at the ratio of 1 to 5 units) on April 1, 2014, and figures prior to April 1, 2014 are revised accordingly.

■ Comparative performance of closing share price February 13, 2004 to March 31, 2016

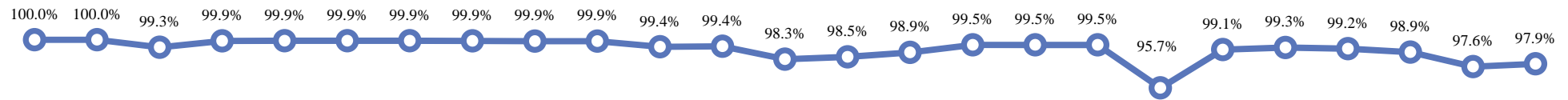


(Million yen)



(Note) Investment units were split at a ratio of 1 to 5 as of April 1, 2014. Distribution per unit before the split is the actual distribution per unit divided by five and rounded down to the nearest yen.

■ Occupancy Rate since the Listing



■ Occupancy rate, etc. at the end of the 28th fiscal period

Total rentable area	Total rented area	Occupancy rate (Note 6)
486,662.03 m ²	476,200.32 m ²	97.9% (97.5%)

4th fiscal period (Mar. 2004)	5th fiscal period (Sep. 2004)	6th fiscal period (Mar. 2005)	7th fiscal period (Sep. 2005)	8th fiscal period (Mar. 2006)	9th fiscal period (Sep. 2006)	10th fiscal period (Mar. 2007)	11th fiscal period (Sep. 2007)	12th fiscal period (Mar. 2008)	13th fiscal period (Sep. 2008)	14th fiscal period (Mar. 2009)	15th fiscal period (Sep. 2009)	16th fiscal period (Mar. 2010)	17th fiscal period (Sep. 2010)	18th fiscal period (Mar. 2011)	19th fiscal period (Sep. 2011)	20th fiscal period (Mar. 2012)	21st fiscal period (Sep. 2012)	22nd fiscal period (Mar. 2013)	23rd fiscal period (Sep. 2013)	24th fiscal period (Mar. 2014)	25th fiscal period (Sep. 2014)	26th fiscal period (Mar. 2015)	27th fiscal period (Sep. 2015)	28th fiscal period (Mar. 2016)
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■ Property-Related Occupancy Rate (Most Recent 10 Fiscal Periods)

		19th fiscal period (Sep. 2011)	20th fiscal period (Mar. 2012)	21st fiscal period (Sep. 2012)	22nd fiscal period (Mar. 2013)	23rd fiscal period (Sep. 2013)	24th fiscal period (Mar. 2014)	25th fiscal period (Sep. 2014)	26th fiscal period (Mar. 2015)	27th fiscal period (Sep. 2015)	28th fiscal period (Mar. 2016)
Office Buildings	Tokyo Shiodome Building	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	ON Building	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Kioicho Building (Note 2)	-	-	-	-	-	-	-	91.4% (90.8%)	60.6% (60.0%)	66.1% (65.5%)
	Osaki MT Building (Note 3)	100% (89.5%)	100% (92.7%)	100% (96.9%)	100% (85.9%)	100% (65.3%)	100% (83.8%)	100% (98.6%)	100% (98.6%)	100% (100%)	100% (98.2%)
	Midosuji MTR Building (Note 4)	-	-	-	-	-	-	-	-	100% (90.2%)	100% (92.9%)
	Tenjin Prime (Note 5)	-	-	100%	100%	100%	100%	98.6%	98.6%	100%	100%
	Shin-Yokohama TECH Building	89.5%	89.5%	89.5%	90.5%	90.5%	89.5%	89.5%	90.5%	90.5%	90.5%
Retail Facilities	SHIBUYA FLAG (Note 5)	-	-	-	-	100%	100%	100%	100%	100%	100%
	Shinbashi Ekimae MTR Building	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Ito-Yokado Shin-Urayasu	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Ito-Yokado Shonandai	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Kohnan Sagami-hara-Nishihashimoto	-	-	-	100%	100%	100%	100%	100%	100%	100%
	Frespo Inage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hotel	Hotel Okura Kobe	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Residential	Park Lane Plaza	91.4%	96.7%	94.1%	85.1%	95.9%	100%	92.7%	100%	96.7%	92.7%
Total (Note 6)		99.5%	99.5%	99.5%	95.7%	99.1% (95.2%)	99.3% (97.7%)	99.2% (98.0%)	98.9% (98.8%)	97.6% (97.3%)	97.9% (97.5%)

(Note 1) The occupancy rate for each asset, such as real estate, is the percentage of the total rented area out of the total rentable area. The total occupancy rate is based on assets, such as real estate, held by MTR as of the end of each fiscal period.

(Note 2) Regarding the office portion of the Kioicho Building, MTR leases the building portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. For the residential section, MTR enters into a pass-through master lease agreement. The occupancy rates stated above are those under the sublease agreement for the office portion and the master lease agreement for the residential portion. The figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreements of the office and residential portions of the building.

(Note 3) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building, and the figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreement.

(Note 4) The agreement used for the Midosuji MTR Building is the master lease pass-through model, and the occupancy rate in brackets for the building is that based on the sublease agreement.

(Note 5) MTR leases the land and building of Tenjin Prime and SHIBUYA FLAG from a fiduciary trust company under a master lease agreement and subleases it to tenants. The occupancy rates of the above properties are for those under the sublease agreements.

(Note 6) The occupancy rate in brackets is the total that was calculated based on occupancy rates in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building.

Breakdown of Property-Related Revenues and Expenses

4. Reference

(Thousand yen)

	Total		Tokyo Shiodome Building		ON Building		Kioicho Building		Osaki MT Building (Note 2)		Midosuji MTR Building (Note 2)		Tenjin Prime		Shin-Yokohama TECH Building		SHIBUYA FLAG	
	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th
Rental revenues	9,110,181	8,558,417	2,795,000	2,795,000	(Note 1) -	(Note 1) -	824,506	626,711	321,131	317,350	250,322	282,442	269,566	268,023	386,258	377,088	(Note 1) -	(Note 1) -
Rent	8,280,459	7,866,154	2,795,000	2,795,000	-	-	681,072	557,550	320,071	316,461	201,604	226,705	230,339	230,381	235,517	236,746	-	-
Common charges	371,003	320,287	-	-	-	-	63,781	10,433	-	-	20,731	24,712	22,179	20,830	81,768	81,768	-	-
Land leasing revenues	123,609	123,609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other rental revenues	335,108	248,366	-	-	-	-	79,652	58,727	1,060	888	27,986	31,023	17,047	16,811	68,971	58,573	-	-
Property-related expenses	3,574,514	3,152,012	921,400	896,202	(Note 1) -	(Note 1) -	620,243	614,319	95,364	100,355	105,283	110,167	81,387	82,812	216,963	201,680	(Note 1) -	(Note 1) -
Property and other taxes	989,993	879,909	383,408	383,403	-	-	86,373	86,594	33,733	33,727	-	-	22,163	22,163	29,140	29,138	-	-
Property taxes	985,638	878,581	383,408	383,403	-	-	85,269	85,269	33,733	33,727	-	-	22,163	22,163	29,140	29,138	-	-
Other taxes	4,355	1,328	-	-	-	-	1,104	1,325	-	-	-	-	-	-	-	-	-	-
Overhead expenses	1,033,590	842,266	3,751	3,885	-	-	336,517	328,351	4,160	9,055	54,658	59,334	30,995	32,199	138,135	122,264	-	-
Property management fees	462,767	438,760	-	-	-	-	229,079	253,350	-	-	24,367	30,439	8,858	7,200	64,466	64,490	-	-
Utilities	279,977	201,338	-	-	-	-	51,870	39,787	-	-	25,432	25,537	14,259	13,736	64,840	51,315	-	-
Casualty insurance	24,061	21,517	3,751	3,586	-	-	1,579	1,425	795	756	528	581	205	196	806	767	-	-
Trust fees	6,619	6,700	-	-	-	-	800	800	-	-	419	500	750	750	-	-	-	-
Other expenses	260,164	173,949	-	299	-	-	53,188	32,988	3,365	8,298	3,910	2,276	6,922	10,316	8,021	5,691	-	-
Depreciation and amortization	1,550,930	1,429,836	534,241	508,912	-	-	197,352	199,373	57,469	57,572	50,624	50,832	28,227	28,449	49,688	50,277	-	-
Profits and losses from real estate business	5,535,666	5,406,405	1,873,599	1,898,797	494,289	540,245	204,262	12,392	225,767	216,995	145,039	172,274	188,179	185,211	169,294	175,408	665,386	663,216
Earnings before depreciation and amortization (NOI)	7,086,597	6,836,241	2,407,840	2,407,710	581,009	627,128	401,615	211,765	283,237	274,567	195,663	223,107	216,406	213,660	218,982	225,685	688,795	686,629

	Shinbashi Ekimae MTR Building		Ito-Yokado Shin-Urayasu		Ito-Yokado Shonandai		Kohnan Sagami-hara-Nishihashimoto		Frespo Inage		Hotel Okura Kobe		Park Lane Plaza		Ginza MTR Building (Note 2)		Osaka Marubeni Building (Note 2)	
	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th	27th	28th
Rental revenues	459,000	459,000	378,165	378,165	395,045	395,045	(Note 1) -	(Note 1) -	123,609	123,609	628,712	625,426	97,784	96,164	7,438	-	349,244	-
Rent	459,000	459,000	378,165	378,165	395,000	395,000	-	-	-	-	628,712	625,426	87,702	84,655	6,623	-	298,095	-
Common charges	-	-	-	-	-	-	-	-	-	-	-	-	9,043	9,043	-	-	-	-
Land leasing revenues	-	-	-	-	-	-	-	-	123,609	123,609	-	-	-	-	-	-	-	-
Other rental revenues	-	-	-	-	45	45	-	-	-	-	-	-	1,038	2,465	814	-	51,149	-
Property-related expenses	68,404	53,951	133,935	135,978	156,597	146,829	(Note 1) -	(Note 1) -	8,270	8,269	337,415	342,988	31,611	33,728	23,386	-	277,572	-
Property and other taxes	30,612	30,609	43,110	43,110	39,582	39,578	-	-	7,270	7,269	88,397	88,396	6,865	6,862	11,885	-	96,437	-
Property taxes	30,612	30,609	43,110	43,110	39,582	39,578	-	-	7,270	7,269	88,397	88,396	6,865	6,862	11,261	-	95,763	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624	-	674	-
Overhead expenses	1,404	1,396	16,579	18,170	33,621	23,385	-	-	1,000	1,000	54,107	64,153	12,615	15,126	6,185	-	105,753	-
Property management fees	1,200	1,200	1,620	1,620	1,620	1,620	-	-	-	-	-	-	7,692	9,357	1,897	-	52,431	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	3,297	3,062	1,416	-	42,435	-
Casualty insurance	204	196	2,791	2,899	979	937	-	-	-	-	8,742	8,279	160	153	313	-	1,380	-
Trust fees	-	-	-	-	-	-	-	-	1,000	1,000	2,000	2,000	-	-	-	-	-	-
Other expenses	-	-	12,167	13,651	31,022	20,827	-	-	-	-	43,365	53,873	1,464	2,553	2,558	-	9,505	-
Depreciation and amortization	36,386	21,945	74,245	74,697	83,393	83,866	-	-	-	-	194,910	190,438	12,131	11,740	5,315	-	75,381	-
Profits and losses from real estate business	390,595	405,048	244,229	242,186	238,448	248,216	168,044	186,199	115,338	115,339	291,296	282,437	66,172	62,436	-15,948	-	71,671	-
Earnings before depreciation and amortization (NOI)	426,982	426,994	318,475	316,884	321,841	332,082	209,477	227,633	115,338	115,339	486,207	472,875	78,304	74,176	-10,633	-	147,053	-

(Note 1) The rental revenues and property-related expenses of ON Building, SHIBUYA FLAG, and Kohnan Sagami-hara-Nishihashimoto are not disclosed due to unavoidable circumstances.

(Note 2) Properties sold and purchased during the 27th fiscal period: Acquisition of the Midosuji MTR Building (April 30, 2015), sale of the Ginza MTR Building (April 13, 2015), and the sale of the Osaka Marubeni Building (August 7, 2015)

Office Buildings Retail Facilities Other (Hotel, Residential)

Interest-Bearing Liabilities at the End of the Period

4. Reference

Short-term loans

Lender	Outstanding balance at end of period (million yen)	Average interest rate	Drawdown date	Repayment date
Mizuho Bank, Ltd.	500	Floating	April 10, 2015	April 8, 2016
Resona Bank, Limited	500		May 29, 2015	May 31, 2016
Mitsubishi UFJ Trust and Banking Corporation	3,500		August 31, 2015	August 31, 2016
Resona Bank, Limited	1,000		August 31, 2015	August 31, 2016
Total	5,500			

Long-term loans

Lender	Outstanding balance at end of period (million yen)	Average interest rate	Drawdown date	Repayment date
Mizuho Bank, Ltd.	5,000	Fixed	April 12, 2013	April 12, 2016
The Bank of Fukuoka, Ltd.	1,000		April 24, 2013	April 22, 2016
Resona Bank, Limited	1,000		April 24, 2013	April 22, 2016
Sumitomo Mitsui Trust Bank, Limited.	2,000		August 31, 2012	August 31, 2016
Mizuho Bank, Ltd.	1,000		August 30, 2013	August 31, 2016
Mizuho Bank, Ltd.	1,000		August 31, 2011	August 31, 2016
Sumitomo Mitsui Banking Corporation	1,000		August 30, 2013	August 31, 2016
Development Bank of Japan Inc.	500		August 30, 2013	August 31, 2016
Nippon Life Insurance Company	500		February 28, 2011	August 31, 2016
Resona Bank, Limited	1,500		October 18, 2012	October 18, 2016
The Bank of Fukuoka, Ltd.	2,000		January 24, 2014	January 31, 2017
The Bank of Fukuoka, Ltd.	500		January 31, 2012	January 31, 2017
Development Bank of Japan Inc.	2,000		February 29, 2012	February 28, 2017
The Hachijuni Bank, Ltd.	1,000		February 28, 2014	February 28, 2017
The Dai-ichi Life Insurance Company, Limited	500		February 28, 2014	February 28, 2017
Mizuho Bank, Ltd.	4,000		October 11, 2013	April 11, 2017
Aozora Bank, Ltd.	1,000		October 11, 2013	April 11, 2017
The Ashikaga Bank, Ltd.	1,000		April 24, 2013	April 24, 2017
Sumitomo Mitsui Trust Bank, Limited.	5,500		August 29, 2014	August 31, 2017
Mizuho Bank, Ltd.	4,000		August 31, 2012	August 31, 2017
Mitsubishi UFJ Trust and Banking Corporation	1,000		August 29, 2014	August 31, 2017
Development Bank of Japan Inc.	2,000		October 18, 2012	September 29, 2017
Sumitomo Mitsui Trust Bank, Limited.	1,000		October 1, 2014	September 29, 2017
Sumitomo Mitsui Trust Bank, Limited.	1,000		December 26, 2014	December 26, 2017
Mitsubishi UFJ Trust and Banking Corporation	1,000		December 26, 2014	December 26, 2017
Sumitomo Mitsui Banking Corporation	5,000		February 28, 2013	February 28, 2018
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000		February 28, 2013	February 28, 2018
Mizuho Bank, Ltd.	3,000		February 28, 2013	February 28, 2018
ORIX Bank Corporation	2,000		March 19, 2013	March 19, 2018
Development Bank of Japan Inc.	1,500		April 24, 2013	March 19, 2018
Mitsubishi UFJ Trust and Banking Corporation	4,500		April 13, 2015	April 13, 2018
Mizuho Bank, Ltd.	3,000		April 24, 2013	April 24, 2018
Aozora Bank, Ltd.	1,000		April 24, 2013	April 24, 2018
The Bank of Fukuoka, Ltd.	1,000		May 30, 2014	May 31, 2018
ORIX Bank Corporation	1,000		August 30, 2013	August 30, 2018
Mitsubishi UFJ Trust and Banking Corporation	3,000		August 31, 2015	August 31, 2018
Development Bank of Japan Inc.	1,000		August 31, 2012	August 31, 2018
Sumitomo Mitsui Banking Corporation	1,000		February 28, 2014	February 28, 2019
Development Bank of Japan Inc.	2,000		April 11, 2014	April 11, 2019

Mizuho Bank, Ltd.	1,000	Fixed	0.75%	April 11, 2014	April 11, 2019
Sumitomo Mitsui Banking Corporation	3,000		0.96%	April 24, 2013	April 24, 2019
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000		1.04%	August 30, 2013	August 30, 2019
Mizuho Bank, Ltd.	1,500		0.53%	August 31, 2015	August 30, 2019
Mizuho Bank, Ltd.	1,500		0.69%	August 29, 2014	August 30, 2019
Development Bank of Japan Inc.	1,000		1.12%	August 31, 2012	August 30, 2019
Sumitomo Mitsui Banking Corporation	5,000		1.04%	April 12, 2013	October 11, 2019
Sumitomo Mitsui Banking Corporation	2,000		0.97%	October 11, 2013	October 11, 2019
Mizuho Bank, Ltd.	1,500		0.64%	October 17, 2014	October 17, 2019
Mizuho Bank, Ltd.	1,000		0.62%	December 26, 2014	December 26, 2019
The Bank of Fukuoka, Ltd.	500		0.62%	December 26, 2014	December 26, 2019
Resona Bank, Limited	500		0.62%	December 26, 2014	December 26, 2019
Nippon Life Insurance Company	500		0.62%	December 26, 2014	December 26, 2019
The Nishi-Nippon City Bank, Ltd.	500		0.57%	December 26, 2014	December 26, 2019
The Bank of Fukuoka, Ltd.	500		0.62%	January 30, 2015	January 31, 2020
Sumitomo Mitsui Trust Bank, Limited.	3,000		0.63%	February 27, 2015	February 28, 2020
Mitsubishi UFJ Trust and Banking Corporation	3,000		0.20%	February 29, 2016	February 28, 2020
Development Bank of Japan Inc.	1,000		0.88%	March 12, 2014	March 12, 2020
Sumitomo Mitsui Trust Bank, Limited.	4,000		0.65%	April 13, 2015	April 13, 2020
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000		1.07%	April 24, 2013	April 24, 2020
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000		1.18%	August 30, 2013	August 31, 2020
Nippon Life Insurance Company	500		0.63%	August 31, 2015	August 31, 2020
Nippon Life Insurance Company	1,000		0.55%	September 30, 2015	September 30, 2020
Sumitomo Mitsui Banking Corporation	3,000		1.09%	October 11, 2013	October 9, 2020
Sumitomo Mitsui Trust Bank, Limited.	1,500		0.27%	February 29, 2016	February 26, 2021
Mizuho Bank, Ltd.	1,000		0.27%	February 29, 2016	February 26, 2021
Development Bank of Japan Inc.	1,000		1.02%	March 12, 2014	March 12, 2021
Mitsubishi UFJ Trust and Banking Corporation	1,500		0.30%	March 31, 2016	March 31, 2021
Sumitomo Mitsui Banking Corporation	5,000		1.02%	April 11, 2014	April 9, 2021
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500		0.89%	October 1, 2014	October 1, 2021
Sumitomo Mitsui Banking Corporation	1,000		0.83%	December 26, 2014	December 24, 2021
Aozora Bank, Ltd.	500		0.83%	December 26, 2014	December 24, 2021
Development Bank of Japan Inc.	3,000		0.84%	February 27, 2015	February 28, 2022
Sumitomo Mitsui Banking Corporation	2,000		0.80%	April 30, 2015	April 28, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,000		0.45%	February 29, 2016	February 28, 2023
Mizuho Trust & Banking Co., Ltd.	1,000		0.45%	February 29, 2016	February 28, 2023
Aozora Bank, Ltd.	2,000		0.54%	March 11, 2016	March 11, 2024
Total	142,500				

Investment corporation bonds

Issue	Balance at end of period (million yen)	Interest rate	Issue date	Maturity date
Fourth unsecured investment corporation bonds	5,000	0.24%	February 24, 2014	February 24, 2017
Fifth unsecured investment corporation bonds	4,000	0.18%	February 26, 2015	February 26, 2018
Seventh unsecured investment corporation bonds	3,000	0.11%	February 25, 2016	February 25, 2019
Sixth unsecured investment corporation bonds	1,000	1.07%	February 26, 2015	February 26, 2027
Total	13,000			

(Note) The short-term loans, long-term loans, and investment corporation bonds above are all unsecured and unguaranteed.

Total interest-bearing liabilities at the end of the period:
¥161,000 million

(As of September 30, 2015 and March 31, 2016)

(Thousand yen)

	As of September 30, 2015	As of March 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	¥20,723,263	¥15,561,519
Rental and other receivables	63,651	74,321
Other current assets	60,990	36,532
Total current assets	20,847,904	15,672,372
Property and Equipment, at Cost:		
Buildings and structures including trust accounts	68,891,866	69,202,542
Machinery and equipment including trust accounts	134,255	136,239
Tools, furniture and fixtures including trust accounts	141,019	146,960
Land including trust accounts	268,780,622	269,419,427
Less: accumulated depreciation	(19,451,963)	(20,881,687)
Net property and equipment	318,495,799	318,023,481
Investments and Other Assets:		
Software	153	134
Deposits	10,000	10,000
Long-term prepaid expenses	6,843	20,857
Deferred investment corporation bond issuance costs	37,765	41,269
Other	3,842	3,842
Total investments and other assets	58,603	76,102
Total Assets	¥339,402,306	¥333,771,955
LIABILITIES		
Current Liabilities:		
Accounts payable	¥576,667	¥430,961
Short-term loans	8,000,000	5,500,000
Investment corporation bonds due within one year	6,000,000	5,000,000
Long-term loans due within one year	22,500,000	20,500,000
Distributions payable	11,664	9,679
Consumption taxes payable	214,580	169,075
Rents received in advance	1,395,330	1,392,744
Accrued expenses and other current liabilities	653,102	576,515
Total current liabilities	39,351,343	33,578,974
Long-Term Liabilities:		
Investment corporation bonds	10,000,000	8,000,000
Long-term loans	118,500,000	122,000,000
Leasehold and security deposits including trust accounts	10,196,117	10,433,037
Deferred tax liabilities	447,560	354,915
Total long-term liabilities	139,143,677	140,787,952
Total Liabilities	178,495,020	174,366,926
NET ASSETS		
Shareholders' equity:		
Shares authorized: 10,000,000 shares		
Shares issued and outstanding: 1,320,000 shares	153,990,040	153,990,040
Voluntary reserve		
Reserve for reduction entry	488,665	937,647
Retained earnings	6,428,581	4,477,342
Total surplus	6,917,246	5,414,989
Total Net Assets	160,907,286	159,405,029
Total Liabilities and Net Assets	¥339,402,306	¥333,771,955

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

Statements of Income and Retained Earnings

4. Reference

(For the six-month periods ended September 30, 2015 and March 31, 2016)

(Thousand yen)

	April 1, 2015 to September 30, 2015	October 1, 2015 to March 31, 2016
Operating Revenues:		
Rental revenues	¥9,110,181	¥8,558,418
Gain on sale of investment property	3,865,518	-
Operating Expenses:		
Property-related expenses	3,574,515	3,152,012
Loss on sale of investment property	1,620,611	-
Asset management fees	350,485	318,031
Custodian and administrative service fees	75,167	64,058
Other operating expenses	96,691	52,493
Operating Income	7,258,230	4,971,824
Non-Operating Revenues:		
Interest income	1,682	2,021
Reversal of distributions payable	1,211	-
Interest on tax refund	246	-
Receipt insurance	-	340
Other non-operating revenues	-	1,450
Non-Operating Expenses:		
Interest expense	576,975	552,351
Interest expense on investment corporation bonds	28,787	26,203
Amortization of investment corporation bond issuance costs	11,823	11,491
Income before Income Taxes	6,643,784	4,385,590
Income Taxes:		
Current	896	893
Deferred	214,307	(92,645)
Net Income	6,428,581	4,477,342
Retained Earnings at the End of Period	¥6,428,581	¥4,477,342

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

MORI TRUST Sogo Reit, Inc.

Statements of Cash Flows

4. Reference

(For the six-month periods ended September 30, 2015 and March 31, 2016)

(Thousand yen)

	April 1, 2015 to September 30, 2015	October 1, 2015 to March 31, 2016
Cash Flows from Operating Activities:		
Income before income taxes	¥6,643,784	¥4,385,590
Depreciation and amortization	1,550,931	1,429,836
Amortization of investment corporation bond issuance costs	11,823	11,491
Interest income	(1,682)	(2,021)
Interest expense	605,763	578,554
Changes in assets and liabilities:		
Rental and other receivables	12,424	(10,671)
Accounts payable and accrued expenses	17,326	(126,800)
Consumption tax refundable	(8,873)	-
Consumption taxes payable	214,580	(45,506)
Rents received in advance	(103,226)	(2,586)
Decrease due to sale of property and equipment	20,538,939	-
Other	57,196	(57,392)
Subtotal	29,538,985	6,160,495
Interest received	1,682	2,021
Interest paid	(609,487)	(586,028)
Income taxes paid	(865)	(865)
Net cash provided by operating activities	28,930,315	5,575,623
Cash Flows from Investing Activities:		
Purchases of property and equipment including trust accounts	(10,619,756)	(977,706)
Repayment of leasehold and security deposits including trust accounts	(1,748,614)	(103,872)
Proceeds from leasehold and security deposits including trust accounts	792,436	340,792
Net cash used in investing activities	(11,575,934)	(740,786)
Cash Flows from Financing Activities:		
Net decrease in short-term loans	(9,000,000)	(2,500,000)
Proceeds from long-term loans	16,500,000	11,000,000
Repayment of long-term loans	(13,500,000)	(9,500,000)
Proceeds from issuance of investment corporation bonds	-	3,000,000
Redemption of investment corporation bonds	-	(6,000,000)
Payments of investment corporation bond issuance costs	-	(14,996)
Distributions paid to shareholders	(5,176,097)	(5,981,585)
Net cash used in financing activities	(11,176,097)	(9,996,581)
Net Change in Cash and Cash Equivalents	6,178,284	(5,161,744)
Cash and Cash Equivalents at the Beginning of Period	14,544,979	20,723,263
Cash and Cash Equivalents at the End of Period	¥20,723,263	¥15,561,519

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

		Unit	24th fiscal period (March 2014)	25th fiscal period (September 2014)	26th fiscal period (March 2015)	27th fiscal period (September 2015)	28th fiscal period (March 2016)
Total assets	(1)	Million yen	334,053	334,429	344,694	339,402	333,771
Interest-bearing liabilities	(2)	Million yen	162,000	162,000	171,000	165,000	161,000
Total net assets	(3)	Million yen	158,637	158,782	159,654	160,907	159,405
Profits from real estate rental business	(4)	Million yen	5,716	5,740	5,993	5,535	5,406
Gain on sale of real estate	(5)-1	Million yen	-	-	3,517	3,865	-
Loss on sale of real estate	(5)-2	Million yen	-	-	2,605	1,620	-
Depreciation and amortization	(6)	Million yen	1,438	1,442	1,603	1,550	1,429
NOI	(7) = (4) + (6)	Million yen	7,154	7,182	7,597	7,086	6,836
Capital improvements	(8)	Million yen	189	176	271	289	315
Net cash flows	(9) = (7) - (8)	Million yen	6,965	7,006	7,325	6,796	6,521
Ordinary income	(10)	Million yen	4,550	4,696	5,750	6,643	4,385
Net income	(11)	Million yen	4,549	4,695	5,566	6,428	4,477
FFO	(12) = (11) + (6) - (" (5)-1" - " (5)-2")	Million yen	5,988	6,137	6,258	5,734	5,907
Total distribution	(13)	Million yen	4,549	4,695	5,175	5,979	4,646
Units issued and outstanding	(14)	Units	264,000	1,320,000	1,320,000	1,320,000	1,320,000
Total net assets per unit	(15) = (3) / (14)	Yen	600,897	120,289	120,950	121,899	120,761
Distribution per unit	(16) = (13) / (14)	Yen	17,233	3,557	3,921	4,530	3,520
FFO per unit	(17) = (12) / (14)	Yen	22,683	4,649	4,741	4,344	4,475
ROA (annualized)	(18) = (10) / (1) / 6 x 12		2.7%	2.8%	3.3%	3.9%	2.6%
ROE (annualized)	(19) = (11) / (3) / 6 x 12		5.7%	5.9%	7.0%	8.0%	5.6%
LTV ratio	(20) = (2) / (1)		48.5%	48.4%	49.6%	48.6%	48.2%

(Note) Investment units were split at a ratio of 1 to 5 as of April 1, 2014.

	Agreement with MTR	Calculation rate for remuneration as of the end of the 28th 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 one half.	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 1/2
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.

The Mori Trust Group started out as a general developer, focusing on business related to urban development and resort development. The Group is now branching out into other business fields, targeting businesses that will value to cities.

■ MORI TRUST CO., LTD.

MORI TRUST, the core company of the Mori Trust Group

Promoting business based on a structure capable of quickly responding to the times, with Real Estate, Hotels and Resorts, and Investment positioned as the main pillars of business.

■ Company Information

Name	MORI TRUST CO., LTD.
Established	June 10, 1970
President	Akira Mori
Capital	30 billion yen
Business	Real estate development, hotel management and investment business

■ Consolidated Financial Results, etc. (MORI TRUST)

Consolidated Results	Operating revenues: ¥272.8 billion Ordinary income: ¥62.2 billion (Fiscal period ended March 31, 2015) * Consolidated financial results of MORI TRUST (MORI TRUST CO., LTD., 20 consolidated subsidiaries and two equity-method affiliates)
Leased Facilities	Rental properties: 101 Hotel and resort facilities: 32 (as of March 31, 2016)
Leased Area	Approx. 1,940,000 m ² (Rental properties: approx. 1,280,000 m ² , Hotel rooms: approx. 7,200) (as of March 31, 2016)
Principal Properties Owned	<ul style="list-style-type: none"> Urban Development Business <ul style="list-style-type: none"> Marunouchi Trust City (Marunouchi Trust Tower Main Tower, North) Kyobashi Trust Tower Shiroyama Garden (Shiroyama Trust Tower, Shiroyama Trust Court, embassy, others) Gotenyama Trust City (Gotenyama Trust Tower, Gotenyama Trust Court, others) Sendai Trust City (Sendai Trust Tower, The Residence Ichiban-cho) (Tokyo Shiodome Building) Other Redevelopment Business (office buildings) <ul style="list-style-type: none"> ATT New Tower, Toranomon 2-chome Tower, others Hotel/resort facilities <ul style="list-style-type: none"> Laforet Hotels & Resort (12 facilities in Japan, including Tokyo Marriot Hotel and Courtyard by Marriot Shin-Osaka Station) Laforet & Matsuo Golf Club Conrad Tokyo (Tokyo Shiodome Building) Suiran, a Luxury Collection Hotel, Kyoto Westin Hotel Sendai (Sendai Trust Tower) Courtyard by Marriott Tokyo Station (Kyobashi Trust Tower) MAMPEI HOTEL CO., LTD. (Karuizawa City) RIHGA Royal Hotels, RIHGA associate hotels (capital and business alliances among 11 hotels nationwide) (Shangri-La Hotel Tokyo (Marunouchi Trust Tower Main (Lease contract), Hotel Sunroute Plaza Shinjuku (Lease contract))



Contact Information

Asset Management Company	MORI TRUST Asset Management Co., Ltd. Finance and Planning Department (IR Section) (Financial instruments and exchange business registration with the Kanto Local Finance Bureau, License No. 407/ Member of the Investment Trusts Association, Japan)
Tel.	03-6435-7011

(Introduction of Website)

URL: <http://www.mt-reit.jp/en/>

MORI TRUST Sogo Reit, Inc.
Securities Code: 8991

Font Size: A A

Site Map JAPANESE

Overview of MTR Features of MTR Portfolio Financial Information IR Information

News Release

Latest Information Press Release List of latest information RSS

May. 1, 2015 Updated "List of loans and bonds" was updated

Apr. 27, 2015 Release Notice of a New Loan (62.9KB)

Apr. 22, 2015 Release Notice Concerning Changes to the Certificate of Incorporation and Appointment of Officers (45.9KB)

Apr. 20, 2015 Updated "Changes in occupancy rate" was updated

Apr. 16, 2015 Updated "Investors' Meeting" was updated

Apr. 9, 2015 Release Notice of Loan Refinance (63.1KB)

Distribution per Unit As of Nov. 13, 2014

Actual distributions
The 25th fiscal period (ended September 30, 2014) **3,557** yen

Forecast distributions
The 26th fiscal period (ending March 31, 2015) **3,800** yen

Portfolio Data As of Apr. 30, 2015

Number of properties owned **16**

MORI TRUST Sogo Reit, Inc.
Securities Code: 8991

Font Size: A A

Site Map JAPANESE

Overview of MTR Features of MTR Portfolio Financial Information IR Information

Home IR Information Results Highlight

Results Highlight

Last 5 FP 21st to 25th FP 16th to 20th FP 11th to 15th FP 6th to 10th FP 1st to 5th FP

Performance

(million yen)

21st Fiscal Period (Sep. 30, 2012) 22nd Fiscal Period (Mar. 31, 2013) 23rd Fiscal Period (Sep. 30, 2013) 24th Fiscal Period (Mar. 31, 2014) 25th Fiscal Period (Sep. 30, 2014)

Operating revenue Ordinary income Net income Distribution per unit (right axis)

IR information

- Press Release
- IR Library
- Results Highlight
- IR Schedule
- Distributions
- Investors' Meeting

Total assets · Net assets

(million yen) (%)

350,000 50

- This document is intended to provide information about the business performance and strategies of MORI TRUST Sogo Reit, Inc. (MTR). It is not intended and should not be construed as an inducement or invitation to purchase or invest in the products or investment units of MTR. We caution readers to contact their securities company representative if intending to acquire or sell any of MTR's investment products or investment units.
- Statements in this document that are not historical facts are “forward-looking statements.” While MTR takes all reasonable care in the preparation of this document, it does not guarantee the accuracy and completeness of its content.
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