ON TO THE NEXT STAGE
TOP REIT’S DECLARATION OF ITS BASIC POLICY

TOP REIT, Inc. (TOP REIT) is committed to providing our investors with stable results and steady portfolio growth in the medium to long-term through the management of a diversified portfolio and optimal utilization of our sponsors.

BASIC POLICY

Optimal Utilization of Sponsors
- Credibility
- Property pipeline/warehousing function
- Personnel support

TOP REIT’S DECLARATION OF ITS BASIC POLICY

TOP REIT, Inc. (TOP REIT) is committed to providing our investors with stable results and steady portfolio growth in the medium to long-term through the management of a diversified portfolio and optimal utilization of our sponsors.

PERFORMANCE HIGHLIGHTS

TENTH FISCAL PERIOD

TOP REIT'S DECLARATION OF ITS BASIC POLICY

SPONSORS

Sumitomo Trust & Banking

Nippon Steel City Produce (Nippon Steel Group)

Oji Real Estate (Oji Paper Group)

Note: The forecasts presented above are the current estimated figures calculated based on certain assumptions and actual figures may vary due to changes in circumstances. The forecasts should not be construed as a guarantee of the actual dividends.

An Open Line
A LETTER FROM THE EXECUTIVE OFFICER OF THE INVESTMENT CORPORATION

Dear Investors,

We at TOP REIT, Inc. (TOP REIT) and TOP REIT Asset Management Co., Ltd. sincerely pray for the speedy and complete recovery of the affected areas and express our condolences for the victims of the tsunamis and aftershocks in relation to the Great East Japan Earthquake on March 11, 2011. In the Tenth Fiscal Period (November 1, 2010 – April 30, 2011), the Japanese economy was in the midst of returning to a solid path of recovery when the Great East Japan Earthquake hit Japan, followed by the ongoing nuclear plant incidents. The impact of these has created the risk that the economy will stagnate due to such factors as a drop in the functionality of the supply chain in the manufacturing sector and suppression of personal consumption.

Under such circumstances, TOP REIT has continued to steadily manage its portfolio and prudently manage its finances as it strives to expand the portfolio and maintain dividends. Despite the severe real estate market climate, TOP REIT Asset Management’s observance of prudent asset management enabled TOP REIT to maintain a continued high occupancy rate and to overcome a concentrated period of rent revisions by achieving major rent revision agreements that were mostly within the expected ranges. Furthermore, despite continuing to consider the acquisition of new properties, TOP REIT decided to postpone the acquisition of properties this fiscal period because of the economic climate and the need to discern the impact of the earthquake on the real estate market.

Consequently, TOP REIT’s performance in the Tenth Fiscal Period was operating revenue of 5,967 million yen (period-on-period decrease of 1.5%), ordinary income of 2,194 million yen (period-on-period decrease of 0.5%). However due to recording of an extraordinary loss of 37 million yen in expenses to repair minor damages to the portfolio caused by the earthquake, net income was 2,157 million yen (period-on-period decrease of 2.1%). TOP REIT is also paying out a dividend per unit at 13,922 yen.

TOP REIT will continue to prudently manage its portfolio within the projected continued stagnation of the real estate market and take steady steps towards achieving the “NEXT STAGE” by acquiring new properties. We thank you and ask for your continued support and understanding.

Hiroaki Amano
Executive Officer
TOP REIT, Inc.

Amano entered Sumitomo Trust and Banking Co., Ltd. in 1970. After serving as the General Manager of the Fukuoka Branch, and Director and General Manager of Corporate Business Department at the Head Office, he entered Wakachiku Construction Co., Ltd. in 2001 and served as Managing Director. He was appointed as Corporate Advisor of TOP REIT Asset Management Co., Ltd. in July 2009 and he has been Executive Officer of TOP REIT, Inc. since August 2009.

CONTENTS

1. TOP REIT’S DECLARATION OF ITS BASIC POLICY
2. TENTH FISCAL PERIOD PERFORMANCE HIGHLIGHTS
3. AN OPEN LINE LETTER FROM THE EXECUTIVE OFFICER OF THE INVESTMENT CORPORATION
4. AN OPEN LINE LETTER FROM THE PRESIDENT OF THE ASSET MANAGEMENT COMPANY
5. QUESTIONS RECEIVED AFTER THE EARTHQUAKE REGARDING PROPERTIES
6. MEASURES FOR ELECTRICITY CONSERVATION THIS SUMMER
7. FINANCIAL STANDING
8. PROPERTY HIGHLIGHTS
9. PORTFOLIO SUMMARY
10. PORTFOLIO LIST
11. PORTFOLIO
12. TOP REIT ASSET MANAGEMENT CO., LTD.
13. UNIT PRICE PERFORMANCE AND VOLUME TABLE/UNITHOLDERS’ SCHEDULE
14. ASSET MANAGEMENT OVERVIEW: FINANCIAL SUMMARY
First, let me explain the real estate conditions that surround Top REIT. In the case of the real estate market in Tokyo, the vacancy rate in Central Tokyo continues to fluctuate at a high level. Despite the fact that there are some Class 5 and Class A buildings where rents have previously been adjusted and the climbing of the vacancy rate has been brought under control with buildings where there are positive trends such as companies moving in to obtain more floor space. There has not been a full-fledged recovery in rental demand. In the case of rent levels, there has been a gradual slowing in the breadth of the decrease, but the market is still relatively weak and a lot of time is probably necessary before there is a true recovery. On the other hand, in the case of the real estate investment market, reorganization of the J-REIT market has progressed with a number of J-REIT mergers being completed and this has led to an increase in size and an improvement in trust. This combined with growing public offerings points to an improvement in the environment for fund raising and consequently growing acquisitions of properties. As for the J-REIT market, the Bank of Japan has begun buying J-REIT investment units and this is expected to strongly contribute to stabilizing the market going forward.

1. EARTHQUAKE’S IMPACT ON THE PORTFOLIO

As for the earthquake’s impact on our portfolio, there was no damage that affects management conditions. Top REIT Asset Management contracted with an external expert to conduct studies on the fourteen properties we own in the Tokyo Metropolitan Area. This expert found minute damage to the interiors and exteriors, facilities, etc., but the cost of the restorations related to the concerned damage was only 33 million yen and this was recorded as an extraordinary loss in the Tenth Fiscal Period as an earthquake related expense.

2. SUCCESSFULLY SECURED STABLE REVENUES IN THE TENTH FISCAL PERIOD DESPITE SEvere CONDITIONS

(1) Maintain High Occupancy and Steady Returns through Optimal Management of Portfolio

Top REIT posted an occupancy of more than 99% for the entire Tenth Fiscal Period and has successfully managed the end-of-period occupancy at over 99% since listing. It is true that the Japanese real estate rental market continues to struggle with vacancies growing and rent levels being weak. Approximately 75% of our portfolio is comprised of major office buildings in the central three wards of Tokyo – Chiyoda, Chuo and Minato – including the NIC Head Office Building and Office Towers Y and Z of Harumi Island Triton Square. Additionally, representative companies of Japan use our properties as head offices including Nippon Electric Co., Ltd. and Sumitomo Metal Industries Co., Ltd. These facts have contributed to the high occupancy we have maintained since listing. Furthermore, reflecting on the end of the Ninth Fiscal Period (end of October 2010), Top REIT was facing vacancies in Nittetsu Honmachi Building, Faret East Building and Shibakoen Building. However, TRAM orchestrated continued leasing activities and during the Tenth Fiscal Period, both the Nittetsu Honmachi Building and Faret East Building recovered occupancies of 100%. Furthermore, the luxury residential complex known as Fukasawa House maintained an average occupancy of 94% for the fiscal period. Furthermore, Ecology Toyosu Procentury, a residential property that has very convenient access and is comprised of primarily studio apartments, reached an occupancy of 100% in February 2011 and enjoyed an average occupancy of more than 98% for the fiscal period.

(2) Most Rent Revisions Fall within Expectations

The Tenth Fiscal Period was a critical period for Top REIT in which major biannual rent revisions. The primary properties where we faced rent revisions during this fiscal period were part of Harumi Island Triton Square Office Tower Y, one of our flagship properties, Kanda-Nishiki-Cho Sanchome Building and Harumi Island Triton Square Office Tower Z where we faced contract negotiations with the subleasing firm whose fixed term lease contract was maturing. The total number of tenants TRAM had to negotiate with, including those of other buildings, was sixteen. These tenants comprise around 30% of all monthly rental revenues collected (including common expenses). As the asset manager, TRAM is also aware that it is just these times where the asset manager is tested for its management abilities and so TRAM committed itself to negotiating new rents that fell within the expected range with these tenants. TRAM diligently negotiated with each tenant within the opaque economic climate in which the corporate earnings of the tenants were severe and the needs they faced for reducing costs strong. As a result of TRAM’s efforts, most of the negotiations were completed within the expected range.

An Open Line

A LETTER FROM THE PRESIDENT OF THE ASSET MANAGEMENT COMPANY

ON TO THE NEXT STAGE

The following is an overview of TOP REIT, Inc.’s (Top REIT) performance over its Tenth Fiscal Period (November 1, 2010 – April 30, 2011) from the perspective of the asset manager. The overview is presented by Nobuhito Endo, President and Representative Director of Top REIT Asset Management Co., Ltd. (TRAM).

Nobuhito Endo
President and Representative Director
Top REIT Asset Management Co., Ltd.

Endo attended Sumitomo Trust and Banking Co., Ltd. in April 1978. He was promoted to General Manager of the Real Estate Management Department in April 2004 and served as the General Manager of the Real Estate Information Development Department from April 2006. He was appointed President and Representative Director of Top REIT Asset Management on July 2007 and Executive Officer of Top REIT in October 2007. He resigned as Executive Officer in July 2009 to focus on his asset management duties.

(3) Top REIT Postpones Property Acquisitions

Within the present stagnation of real estate market conditions, there has been an emergence of risks that rents will be lowered, risks of tenants moving out and down time risk related to leasing up the space after previous tenants relocate. Down time risk includes the time needed to lease up space, the use of free rent for a set period even if the space has been filled, etc. This means there is a greater risk that the dividend will be lowered. Top REIT is no exception. The dividend level will be lowered in the Eleventh and Twelfth Fiscal Periods due to lower rents as a result of the negotiated major rent revisions discussed earlier, the key tenant of Akasaka Oji Building relocating and depending on the actual terms given to new tenants. Under these conditions, the acquisition of new properties is essential to reduce the scope of the fall in the dividend level. Top REIT has been aware of the severity of this situation from before and in the Tenth Fiscal Period we continued to source information using various
 dividends per unit (actual and forecast)

(1) Projected Management Overview for the Eleventh and Twelfth Fiscal Periods

First, the following are the assumptions on which the projections for the management conditions for the Eleventh and Twelfth Fiscal Periods are based. Please see page 1 for the projected operating revenue, etc.

A. The fifteen properties owned by Top REIT as of June 14, 2011 are the assumptions for the portfolio.
B. For real estate revenue for existing properties, Top REIT takes into consideration execution of new agreements, early termination of agreements, etc. that have been finalized as of June 14, 2011, along with current real estate leasing market conditions, and also takes into account factors that may cause fluctuations in such aspects as risks of reductions in revenue due to decreased amounts of rent of tenants when they reach their rent revision period next year.

For the balance of interest-bearing liabilities, the assumption is that 67.5 million yen in long-term payables will be paid during both the Eleventh and Twelfth Fiscal Periods. Additionally, the assumption for loans to be repaid in November is that they will be refinanced at a certain interest level.

(2) Projections on Leasing Up the Akasaka Oji Building

In the spring of 2010, newspapers broke the news that Sony Computer Entertainment, one of our key tenants, would be consolidating in the Shingawa District. Since then we have had inquiries about this building from real estate brokers and individual companies. Later, in December 2010, Top REIT received from the tenant a notice that the lease agreement would be terminated on September 18, 2011. Top REIT has continued to follow up with other parties that had made inquiries from before and has conducted full-fledged leasing activities following receipt of the official termination notice. As a result, there are several candidate tenants proactively considering the location and we have negotiated lease terms with each candidate. Unfortunately, the Great East Japan Earthquake changed the market abruptly and candidates asked to terminate negotiations so that they could review their relocation plans. We are presently once again fully committed to leasing activities.

As of June 14, Top REIT has successfully concluded a contract with one tenant. Further, the property’s pleasant environment, despite being in Central Tokyo near Aoyama or Roppongi, and its excellent convenience has led tenants to consider leasing up the Akasaka Oji Building so that they can move up the Akasaka Oji Building.

(3) Implementation of a Recovery Plan that Foresees the Twelfth Fiscal Period Dividend Level as the Bottom

As described earlier, Top REIT expects the Twelfth Fiscal Period to be a difficult period. The major development that will have a negative impact on the figures is the relocating of the key tenant at the Akasaka Oji Building and the accompanying results of attracting successor tenants. We are presently in the midst of conducting earnest tenant leasing activities, but candidates are reflecting the slump of the real estate leasing market and submitting offers with terms that fall below present rent levels and that demand free rent for a set period of time. Therefore, even if the property is successfully leased up, there is little possibility that rental revenues will be generated from the date the lease commences and so there is a strong possibility that revenues will not improve for a certain period of time.

As the asset manager, TRAM regrets the concerns it is causing the investors, but also announces that the following management strategy (recovery plan) will be implemented to ensure that the dividend level of the Twelfth Fiscal Period is the bottom and that a recovery is commenced in the Thirteenth Fiscal Period and after.

A. TRAM will proactively work to lease up the Akasaka Oji Building so that the vacant period can be minimized and work to lease up tenants that will pay a certain level of rent.
B. TRAM will continue to prudently manage the other portfolio properties and further strengthen tenant relations as a means to defend against further tenant relocations and to maintain the occupancy rate.
C. TRAM will diligently negotiate with tenants on rent revisions that Top REIT faces in the Eleventh and Twelfth Fiscal Periods.

- Faces Aoyama-dori Street (Route 246) to feature high visibility, while standing adjacent to Akasaka Imperial Gardens where the Crown Prince’s Palace is located as well as the Canadian Embassy, which provide abundant greenery despite the business surroundings.
- Located a four-minute walk from Aoyama 1-chome Station on the Tokyo Metro Ginza Line and Hanzomon Line and Toei Oedo Line, enjoying high convenience for access.
- Has specifications comparable to most modern office buildings, including individually controlled air conditioning systems (renovated in 2006), office automation-compatible floors and insalvable to multiple tenants.
- Administration by staff/mechanical security at night and on holidays.
A LETTER FROM THE PRESIDENT OF THE ASSET MANAGEMENT COMPANY

D. TRAM and Top REIT will strive to acquire new properties by broadly examining not only office buildings in Central Tokyo but also competitive rental apartments with strong locations and access.

4. STRATEGY FOR THE NEXT STAGE
Top REIT has not acquired a new building since the Kanda Nishiki-cho 3-Chome Building in January 2010. As long as there is no external growth leading to a greater portfolio size, the management projections for the Eleventh and Twelfth Fiscal Periods will be severe. Under the slumping real estate market conditions of today, it is unavoidable that rents will be revised downwards and this ultimately means that dividend levels will also be reduced. It is essential for Top REIT to achieve external growth by acquiring new properties in order to break out of this situation. Top REIT and TRAM will continue to follow the management strategy of placing the greatest priority on acquiring properties that contribute to improving the revenues of the overall portfolio while showing concern for the levels of approaching dividends. This will still be based on the policy for external growth and strategy for the REIT that has existed from before. Therefore, Top REIT is committed to continuing the management strategy for the NEXT STAGE it has observed from before and to realize the goals of the NEXT STAGE by steadily expanding the portfolio size in line with the discerned best timing for doing so.

CURRENT MANAGEMENT POLICY

Factors of Dividend Decrease at 11th FP and 12th FP
- Major tenant moving out of Akasaka Oji Building
- Possibility of few rent requests from new tenants
- Weak rents due to delayed recovery of company results
- Putting off of acquisition of new properties
- Secure foothold for revenues through flawless management of existing properties
- Place utmost focus on securing tenants for Akasaka Oji Building
- In addition to continuing to strengthen tenant relations, implement measures to prevent tenants moving out and maintain high occupancy rates.
- External growth that perceives good acquisition opportunities for superior properties (acquisition of superior properties with cash on hand + additional bank loans)
- Utilize the sponsor’s strengths (properties owned or brokered by sponsors) as well as various information channels

TARGET PORTFOLIO SHARE

DIVIDEND LEVEL early recovery to 13,000 yen ~ 14,000 yen

Questions Received After the Earthquake Regarding Properties

What were the effects of the earthquake on Harumi Island Triton Square?
When Harumi Island Triton Square opened, each tenant was given a pamphlet titled “Preparing for Earthquakes.” We are more confident in earthquake resistance now.

- Since Harumi is a landfill, does that mean the ground is weak?
- Harumi Triton Square is supported by a strong stratum (Katsura layer group) located about 30m below ground with plenty of soil bearing capacity. The conditions are about the same as central urban regions such as Marunouchi and Shibuya.
- Aren’t skyscrapers prone to severe damage in earthquakes?

The building employs a damage level control structure which protects the main structural material by passing the damage to the energy-absorbing material. It has the effect of not only protecting humans but also mitigates the impact of earthquakes on facilities and appliances. Also, with the energy-absorbing material, quick recovery from damage is made possible.

- What about tsunamis?

The Harumi district is safeguarded by a seawall for earthquakes and is protected from tsunamis and high tides. Harumi Triton Square is especially well protected as it faces Asashio Canal which is surrounded by a seawall and a water gate. Also, Harumi is a designated regional evacuation area for times of disasters.

Has there been liquefaction at areas surrounding Ecology Toyosu Procentury?
There has been no liquefaction at Ecology Toyosu Procentury. Restoration works of some form or another are taking place at 13 owned properties and restoration costs for this property is actually the least of the 15 properties at 99,078 yen. Only minimal restoration work was required and it has already been completed.

Measures for Electricity Conservation This Summer

A Restricion of electrical power use came into effect as of June 1, 2011 based on article 27 of the Electricity Business Act. Subject to the restriction are large consumers with contract electricity of 500kw or more in the supply area of Tokyo Electric Power and Tohoku Electric Power. (Restriction in the supply area of Tokyo Electric Power: the hours between 9:00 ~ 21:00 of July 1, 2011 to September 22, 2011 except Saturdays, Sundays and holidays)

- Turn off lights of vending machines
- Turn off exhaust fans
- Turn off electric water heater at hot water supply room
- Shop in Musashino Shopping Square are turning off unnecessary lights, adjusting lighting and minimum air conditioning.

■ PROPERTY ACQUISITION TARGET

Office Towers
- Excellent location in Central Tokyo
- High-quality specifications
- Properties with strong competitiveness (ability to attract tenants, long-life and stable operations)
- Target office buildings in Central Tokyo and residential properties in the Tokyo Metropolitan Area

Other than offices
- Primary focus on residential properties
- Located in Central Tokyo and surrounding areas, close to railway stations and with excellent transit access
- Stable occupancy rates and rent levels

■ GROWTH STRATEGY FOR THE NEXT STAGE

GROWTH METHODS
- Fully utilize the Top REIT Edge - Sponsor Strength - Superior Portfolio
- Implement growth strategy with an external focus on the dividend level (10,000 yen ~ 14,000 yen)
- While securing a foothold for revenues, acquire competitive and highly profitable properties
- Flexibly select fund raising means according to the market environment
- Bank loans: Flexibly utilize strong bank financing
- Investment corporation bonds: Consider in view of market environment, etc.
- Capital increases through public offerings: Consider investment unit price levels and property returns, as well as amount of net assets and dividend
- Consider M&A and joining of new sponsors

GROWTH STRATEGY
- Turn off unnecessary lights and suspend operation of some elevators
- Raise air conditioning temperature and suspend some air conditioning
- Turn off electric water heater at hot water supply room
- Turn off hand dryers at restrooms
- Turn off exhaust fans
- Turn off lights of vending machines
Top REIT conducts prudent financial management based on a financial policy. During the Tenth Fiscal Period, Top REIT conducted the following refinancing towards extending the average remaining period of interest-bearing liabilities, to offset interest rate fluctuation risks and to enlarge the fund raising platform.

1) Refinanced 6.7 billion yen in short-term loans that matured in February 2011
   - Converted the entire amount into short-term loans on the repayment date (February 2011)
   - Proceeded to convert this amount of financing into an approximately 5-year syndicate long-term loan with three new lenders participating, before maturity (March 2011)

2) Refinanced 16.7 billion yen in long-term loans that matured in March 2011
   - Converted the entire amount into an approximately 5-year long-term loan on the repayment date (March 2011)
   - On the same date, the interest rate was fixed through execution of an interest rate swap agreement with 16.7 billion yen in refinancing as its principal

As a result of the refinancing, the total interest-bearing liabilities as of the end of the Tenth Fiscal Period was 94.11 billion yen and the LTV was 50.5%.

There are no interest-bearing liabilities that mature in the Eleventh Fiscal Period. Top REIT is committed to achieving diverse and flexible fund raising as it prepares to acquire new properties and refinance existing interest-bearing liabilities in the future. As for the fund raising to achieve the goals of the “NEXT STAGE,” we will conduct prudent financial management that flexibly selects between the use of cash on hand, bank loans, issuance of investment corporation bonds, public offerings and such after adequately considering the returns on the properties to be newly acquired and the market environment.

### AVERAGE REMAINING PERIOD OF INTEREST-BEARING LIABILITIES

<table>
<thead>
<tr>
<th>9th FP</th>
<th>10th FP</th>
</tr>
</thead>
<tbody>
<tr>
<td>(as of October 31, 2010)</td>
<td>(as of April 30, 2011)</td>
</tr>
<tr>
<td>1 year and 9 months</td>
<td>2 years and 6 months</td>
</tr>
</tbody>
</table>

### HISTORY OF DEBT STRUCTURE AND LTV

<table>
<thead>
<tr>
<th>(100 million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
</tr>
<tr>
<td>1,000</td>
</tr>
<tr>
<td>750</td>
</tr>
<tr>
<td>500</td>
</tr>
<tr>
<td>250</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

### OUTSTANDING INTEREST-BEARING LIABILITIES

<table>
<thead>
<tr>
<th>Outstanding Interest-bearing liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumitomo Trust and Banking</td>
</tr>
<tr>
<td>Mizuho Corporate Bank</td>
</tr>
<tr>
<td>The Dai-Ichi Life Insurance</td>
</tr>
<tr>
<td>Development Bank of Japan</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
</tr>
<tr>
<td>Raisoma Bank</td>
</tr>
<tr>
<td>Bank of Tokyo-Mitsubishi UFJ</td>
</tr>
<tr>
<td>The Bank of Fukuoka (new)</td>
</tr>
<tr>
<td>Chuo-Mitsui Trust and Banking Company</td>
</tr>
<tr>
<td>The Hiroshima Bank (new)</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking</td>
</tr>
<tr>
<td>The Yamaguchi Bank (new)</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
<tr>
<td>No. 1 Unsecured Investment Corporation Bonds</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

### SPREAD OUT OF REPAYMENT DATES AND EXTENDING REMAINING PERIODS

*Scheduled repayment of 67.5 million yen each period between the 10th FP and 21st FP.

### MANAGING THE RISK OF FLUCTUATING INTEREST RATES

- The average remaining period of interest-bearing liabilities was extended by converting the 23.4 billion yen in borrowings into long-term loans of approximately 5 years
- Spreading out of repayment dates
- Reducing interest rate fluctuation risks by executing an interest rate swap agreement with 16.7 billion yen in financing as its principal
- *Expanded fund raising platform with the inclusion of three new lenders
- *Reduced fund raising costs in the syndicate loan contract that included the new lenders

GREATER STABILITY WITH EXTENDED AVERAGE REPAYMENT PERIOD

The average remaining period of interest-bearing liabilities was extended by converting the 23.4 billion yen from borrowings into long-term loans of approximately 5 years. This not only helps to manage interest rate fluctuations, but also assists in managing liquidity and in preparing for future fund raising. This is particularly important in the current environment where interest rates are expected to remain at low levels. By extending the average remaining period of interest-bearing liabilities, Top REIT is able to manage interest rate risks more effectively and maintain greater financial stability. This extended period provides Top REIT with greater flexibility in managing financial resources and in preparing for future fund raising.

Managing the risk of fluctuating interest rates is crucial for any real estate investment trust. By extending the average remaining period of interest-bearing liabilities, Top REIT is able to manage interest rate risks more effectively and maintain greater financial stability. This extended period provides Top REIT with greater flexibility in managing financial resources and in preparing for future fund raising. This is particularly important in the current environment where interest rates are expected to remain at low levels.

In addition to extending the average remaining period of interest-bearing liabilities, Top REIT is also taking steps to manage liquidity. One key aspect of this is the refinancing of短期 loans that matured in March and April, with the intention of extending the average remaining period of interest-bearing liabilities. This not only helps to manage interest rate fluctuations, but also assists in managing liquidity and in preparing for future fund raising. It is important to note that the refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.

- It is important to note that the refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
- The refinancing clearly evidenced the strengths of Top REIT and particularly realized the following points.
**HARUMI ISLAND TRITON SQUARE OFFICE TOWERS Y&Z**

Shiba, Minato Ward, Tokyo

Quasi-co-ownership (jun-kyoyu) of beneficiary interests in trust of real estate (shintaku juike-ken) (ratio of quasi-co-ownership is 50%)

Floor space: 144,476.05m²

Completion: January 1990

Acquisition price: 41,950 million yen

Portfolio share: 28.1%

**NEC HEAD OFFICE BUILDING**

Number of Top Level Office Buildings Certified in 2011 (Tokyo)

- Top-level office buildings: 14
- Near-top-level office buildings: 22

Superior Special Global Warming Countermeasure Office Buildings refer to office buildings where those with extremely superior levels of promoting global warming countermeasures are certified as “top-level” and those with superior levels of such are certified “near-top-level” according to the standards set by the governor of Tokyo. Greenhouse gas emissions reduction obligations, imposed on large-scale office buildings, are reduced for certified buildings. Various facility performances and operational systems are subject to assessment.

Shiba, Minato Ward, Tokyo

Quasi-co-ownership (jun-kyoyu) of beneficiary interests in trust of real estate (shintaku juike-ken) (ratio of quasi-co-ownership is 60%)

Floor space: 164,476.05m²

Completion: January 1990

Acquisition price: 41,950 million yen

Portfolio share: 28.1%
J-REIT portfolio management can be defined as the conducting of investment by an asset management company for its J-REIT in accordance with said J-REIT’s investment policy and the management of said J-REIT’s portfolio with the aim of maximizing the value and profitability of the overall portfolio. The basic policy of Top REIT consists of the pursuit of both external growth and qualitative improvement of assets based on a basic core policy of managing a diversified portfolio and optimally utilizing sponsors’ strengths. Therefore, Top REIT Asset Management is devoted to creating a special value added for the existing portfolio by applying our management strength and optimally utilizing our sponsors.

PORTFOLIO SUMMARY
BUILDING A SUPERIOR PORTFOLIO THAT GENERATES STEADY RESULTS

**DIVERSIFIED PORTFOLIO**

- Targeted areas are primarily Central Tokyo, the three major metropolitan areas and cities designated by government ordinance
- Asset allocation is targeted at up to 50% (Note)

- Targeted areas are primarily the Tokyo metropolitan area, three major metropolitan areas and cities designated by government ordinance
- Asset allocation is targeted at up to 50% (Note)

- Targeted areas are regions that are appropriate for each usage of the property
- Asset allocation is targeted at up to 10% (Note)

**PORTFOLIO HISTORY**

**Expansion of Portfolio**

- 8 properties
  - NEC Head Office Building 41,950
  - Harumi Island Triton Square Office Tower Y 33,000
  - Harumi Island Triton Square Office Tower Z 20,000
  - Kanda Nishi-cho 3-chome Building (former Sanritomo Corporation Nishi-cho Building) 12,700
  - Akiakasa Oji Building 9,660
  - Shibuya-Omotesando No 5,770
  - Kanda Park Plaza 5,156
  - Faret East Building 2,091
  - Nittetsu Honmachi Building 1,100

- 14 properties
  - Sagamihara Shopping Center 12,000
  - Itō-Yukado Higashi-Narashino Store 8,900
  - Musashinurara Shopping Square 4,335
  - Saitama New City Center Building 2,590
  - Otsuka Hall 1,700

- 15 properties
  - NEC Head Office Building 41,950
  - Harumi Island Triton Square Office Tower Y 33,000
  - Harumi Island Triton Square Office Tower Z 20,000
  - Kanda Nishi-cho 3-chome Building (former Sanritomo Corporation Nishi-cho Building) 12,700
  - Akiakasa Oji Building 9,660
  - Shibuya-Omotesando No 5,770
  - Kanda Park Plaza 5,156
  - Faret East Building 2,091
  - Nittetsu Honmachi Building 1,100

**Diversification of Uses**

- Residential 9.7%
  - Harumi Island Triton Square Office Tower Y 21.3%
  - Harumi Island Triton Square Office Tower Z 20.3%
  - Harumi Island Triton Square Office Tower X 18.9%

- Retail 15.5%
  - NEC Head Office Building 45.8%
  - Harumi Island Triton Square Office Tower Y 11.4%

**Diversification of Property Share Risk**

- NEC Head Office Building 37.0%
  - Harumi Island Triton Square Office Tower Y 18.9%
  - Harumi Island Triton Square Office Tower Z 20.3%

Note: The charts represent rounded figures and so totals sometime do not equal 100.0%
Top REIT boasts a diversified portfolio built around Central Tokyo office properties.

**Portfolio**

**Top REIT Remains Committed to Building a Strong, Diversified Portfolio Centered on the Tokyo Area**

**Geographic Area**

- IPO: 1.1%
- 1st FP: 1.0%
- 2nd/3rd FP: 0.8%
- 4th FP: 0.7%
- 5th/6th/7th FP: 0.7%
- 8th/9th/10th FP: 0.6%

**Portfolio**

- Office: 88.5%
- Retail: 18.4%
- Other: 2.6%
- Office: 70.6%
- Retail: 19.3%
- Other: 16.1%
- Office: 75.5%
- Retail: 15.5%
- Other: 9.0%
- Office: 75.1%

**Properties**

- Total acquisitions (as of April 30, 2011): ¥175,047 million
- Appraised value (as of April 30, 2011): ¥170,670 million
- Rentable area: 291,627.72 m²

**Rentable Area**

- Central Tokyo: 13.0%
- Tokyo: 1.1%
- Osaka: 1.0%
- Wall: 79.0%
- Chiba: 1.7%

**Top REIT**

- Remains committed to building a strong, diversified portfolio centered on the Tokyo area.

**Properties**

- Business Report for Tenth Fiscal Period

---

**Map**

- Tokyo Metropolitan Area
- Chib: Central Tokyo
- Osaka: Osaka
- Chiba: Chiba
- Tokyo: Tokyo
- Saitama: Saitama
- Kanagawa: Kanagawa
- Kanto: Kanto
- Chubu: Chubu
- Kansai: Kansai
- Chugoku: Chugoku
- Hokuriku: Hokuriku
- Tohoku: Tohoku
- Echigo: Echigo
- Hokkaido: Hokkaido

---

**Portfolio**

- Properties
- Appraised value (as of April 30, 2011)
- Total acquisitions (as of April 30, 2011)
As the asset manager of Top REIT, Top REIT Asset Management Co., Ltd. (TRAM) is committed to the successful management of the Top REIT portfolio and to delivering optimal dividends and performance to investors. The management philosophy of the company calls for building Top REIT into a “top brand” for investors, contributing to achieving the sound growth and development of the real estate investment trust market and real estate market, contributing to the growth of society and the economy, and the formation of a desirable city.

The operating philosophy that TRAM follows to achieve these goals is outlined in the figure below.

Top REIT enjoys the robust support of three Japanese business leaders through TRAM. TRAM is sponsored and owned by Sumitomo Trust and Banking (38%), Nippon Steel City Produce (31%), and Oji Real Estate (31%), the real estate development arm of Nippon Steel and Oji Real Estate respectively. The support provided by these sponsors is outlined in the figure below.
UNIT PRICE PERFORMANCE AND VOLUME TABLE

<table>
<thead>
<tr>
<th>Category</th>
<th>10th Fiscal Period</th>
<th>9th Fiscal Period</th>
<th>8th Fiscal Period</th>
<th>7th Fiscal Period</th>
<th>6th Fiscal Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading Volume (unit)</td>
<td>¥10,000</td>
<td>¥8,000</td>
<td>¥6,000</td>
<td>¥4,000</td>
<td>¥2,000</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>¥76,182.5 m</td>
<td>¥59,800</td>
<td>¥39,900</td>
<td>¥29,400</td>
<td>¥19,800</td>
</tr>
<tr>
<td>Historical high</td>
<td>¥99,000</td>
<td>¥82,000</td>
<td>¥65,000</td>
<td>¥50,000</td>
<td>¥35,000</td>
</tr>
<tr>
<td>Historical low</td>
<td>¥20,000</td>
<td>¥15,000</td>
<td>¥10,000</td>
<td>¥5,000</td>
<td>¥2,500</td>
</tr>
</tbody>
</table>

Top REIT REVISES ENGLISH WEB SITE
http://www.top-reit.co.jp/english

Note 1: Operating revenue, etc. do not include consumption taxes.
Note 2: Net assets per unit and book values are rounded to the nearest yen.
Note 3: The indices above are calculated using the following formulas. In addition, annualized figures derived from the management period are indicated in brackets.
Note 4: The indices above are calculated using the following formulas. In addition, annualized figures derived from the management period are indicated in brackets.
Note 5: Number of tenants at end of period indicates total number of tenants of each property as of the end of the period. In the case a master lease agreement is concluded, it is counted as 1 tenant. In the case where tenants with multiple units, it is counted as a tenant to the extent that the tenants have multiple units.

ASSET MANAGEMENT OVERVIEW:
FINANCIAL SUMMARY

<table>
<thead>
<tr>
<th>Category</th>
<th>UNIT</th>
<th>10th Fiscal Period</th>
<th>9th Fiscal Period</th>
<th>8th Fiscal Period</th>
<th>7th Fiscal Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Operating results</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating result</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expense</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Asset, etc. (end of period)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>¥172,850</td>
<td>¥172,884</td>
<td>¥186,296</td>
<td>¥186,459</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend per unit</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Earnings distribution per unit)</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Distribution in excess of units)</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Financial indices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratio of ordinary income to total assets</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratio of net income to tenants’ equity</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratio of tenants’ equity to total assets</td>
<td>(Period-on-period variation)</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTV</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental NOI</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Other referential information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of properties at end of period</td>
<td></td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Number of tenants at end of period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total rentable area at period end</td>
<td></td>
<td>283,622.23</td>
<td>283,622.23</td>
<td>291,647.88</td>
<td>291,627.72</td>
</tr>
<tr>
<td>Occupancy at end of period</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization at end of period</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure at end of period</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 6: Occupancy rate and occupied area = Total leased floor area at end of period / Total leased floor area at end of period (before and after occupancy and amortization).

Note 7: Unless otherwise mentioned in the report, figures of yen indicated are rounded off for monetary amounts and rounded for for totals, etc.