

December 14, 2007

**Summary of Earnings Results (*Kessan Tanshin*)
For the Fiscal Period Ended October 31, 2007
(From May 1, 2007, to October 31, 2007)**

Top REIT, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8982.

URL: <http://www.top-reit.co.jp/>

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Scheduled date of submission of Securities Report: January 29, 2008

Scheduled date for commencing dividend payments: January 18, 2008

This summary of earnings results (*kessan tanshin*) has been prepared in accordance with generally accepted accounting principles in Japan and Japanese law. Figures are in millions of yen with fractional amounts omitted except as otherwise noted.

1. Performance for the Third Fiscal Period (From May 1, 2007, to October 31, 2007)

(1) Business Results (in millions of yen with fractional digits omitted, except as otherwise noted)

	Operating Revenue	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Third Fiscal Period	4,715	4.2	2,250	(15.0)	1,848	(20.5)
Second Fiscal Period	4,526	(16.5)	2,647	(18.8)	2,324	(14.9)

	Net Income	Change (%)	Net Income Per Unit (Yen)	Net Income to Net Assets Ratio (%)	Ordinary Income to Total Assets Ratio (%)	Ordinary Income to Operating Revenues Ratio (%)
Third Fiscal Period	1,847	(20.5)	11,921	2.2	1.3	39.2
Second Fiscal Period	2,323	(14.9)	14,992	2.7	1.7	51.4

Note: Net income per unit is rounded to the nearest yen.

(2) Dividend (in millions of yen with fractional digits omitted, except as otherwise noted)

	Dividend per Unit (Yen) (Excluding Dividend in Excess of Earnings)	Total Amount of Dividends	Dividend in Excess of Earnings per Unit (Yen)	Total Amount of Dividends in Excess of Earnings	Dividend Payout Ratio (%)	Dividend to Net Asset Ratio (%)
Third Fiscal Period	11,921	1,847	0	—	100.0	2.2
Second Fiscal Period	14,992	2,323	0	—	100.0	2.7

(3) Financial Position (in millions of yen with fractional digits omitted, except as otherwise noted)

	Total Assets	Net Assets	Net Assets to Total Assets (%)	Net Assets per Unit (Yen)
Third Fiscal Period	145,972	84,019	57.6	542,060
Second Fiscal Period	146,317	84,511	57.8	545,239

Reference: Net Assets
As of October 31, 2007 ¥84,019 Million
As of April 30, 2007 ¥84,511 Million
Note: Net assets per unit are rounded to the nearest yen.

(4) Cash Flows (in millions of yen with fractional digits omitted, except as otherwise noted)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Third Fiscal Period	5,000	(222)	(2,223)	12,989
Second Fiscal Period	2,470	(17,783)	15,670	10,434

2. Forecast of Earnings Results for the Fourth Fiscal Period (From November 1, 2007, to April 30, 2008)

(in millions of yen with fractional digits omitted, except as otherwise noted)

	Operating Revenue	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Net Income	Change (%)	Dividend per Unit (Yen) (Excluding Dividend in Excess of Earnings)	Dividend in Excess of Earnings per Unit (Yen)
Fourth Fiscal Period	4,661	(1.2)	2,211	(1.7)	1,721	(6.9)	1,720	(6.9)	11,100	—

Reference: Estimated net income per unit for the fourth fiscal period: ¥11,100

3. Others

(1) Changes in Accounting Policies

- a. Changes accompanying revisions in accounting standards, etc. No.
- b. Changes aside from a above No.

(2) Number of investment units issued

a. Number of units issued (including treasury units)

As of October 31, 2007 155,000 units
As of April 30, 2007 155,000 units

b. Number of treasury units issued

As of October 31, 2007 0 units
As of April 30, 2007 0 units

Explanation related to the appropriate application of the earnings results forecasts and other items

Certain forward-looking statements contained in this document such as business results forecasts are based on reasonable assumptions judged by and information currently available to Top REIT, and the actual results may differ materially due to various factors. Accordingly, Top REIT does not guarantee any forecasted dividend amount.

The information above is translated from the Japanese "Kessan Tanshin" report, dated December 14, 2007. Consequently, discrepancies may exist, and Top REIT, Inc. makes no assurance or warranty with respect to the completeness or accuracy of this English translation. To guarantee complete and accurate information, please refer to the original report in Japanese.

A. Main Developments at Top REIT (Since IPO)

Top REIT, Inc. (hereinafter “Top REIT”) was established on November 2, 2005, in accordance with the Law Concerning Investment Trusts and Investment Corporations Law (Law No. 198 of 1951, including the amendments to the Law, hereinafter “ITL”). On March 1, 2006, Top REIT (Securities Code: 8982) listed with 145,500 total units outstanding on the REIT Section of the Tokyo Stock Exchange (hereinafter “TSE”). Top REIT issued new units (9,500) by private placement on March 23, 2006. Total number of units outstanding is 155,000 as of October 31, 2007.

Top REIT acquired one retail property, one residential property and one other asset for multiple use in the second fiscal period in addition to the eight properties acquired during first fiscal period after Top REIT listed on the TSE. Top REIT holds eleven properties with a total acquisition price of ¥130,846 million.

Top REIT manages its property assets with a strategic focus on two areas: (1) the “skilled management of a diversified portfolio,” and (2) the “optimal use of our sponsors’ strengths” in order to maximize unitholder value with stable growth in both income and portfolio assets over the medium and long term.

(Note) Unless otherwise stated, fractions less than a unit are omitted as to amounts or rounded as to ratios.

B. Operational Results for the Third Fiscal Period

(a) Acquisitions and Transfers of Assets

Top REIT began the period under review with eleven properties (total acquisition price: ¥130,846 million) under management. Amidst the intensifying competition for the acquisition of properties, Top REIT, through “optimal use of our sponsors’ strengths,” has received information on many properties and deliberated over whether to make acquisitions. Because results of valuations of properties did not match or justify our target yields, this resulted in foregoing the acquisition of new properties.

As a result, the total acquisition price of our assets under management at the end of the third fiscal period was unchanged from the second fiscal period at ¥130,846 million.

(Note 1) Sponsor companies are Top REIT Asset Management shareholders, and the parent organizations that established Top REIT, Inc.

(b) Operation and Management of Portfolio Properties

The basic investment strategy of Top REIT is to increase profits over the medium to long term by maintaining and improving tenant satisfaction (“Tenant First” Policy) and keeping management costs at appropriate levels.

Top REIT strived to maintain trust with its tenants, understand tenant needs using its property management company (hereinafter “PM company”), and maintain high occupancy levels. As a result of an increase in the floor space of existing tenants and the attraction of new tenants, the occupancy rate of our overall portfolio properties reached 99.7%. In addition, based on the yearly management plans of individual properties, Top REIT revised rents to attract new tenants and wholeheartedly implemented measures to improve earnings through rent increases of existing tenants after grasping the discrepancies in these rents from current market levels.

Regarding administration and management of properties, Top REIT follows up these activities with understanding management and administrative conditions as well as the steady implementation of management plans by working together with the PM company. Consequently, Top REIT has reduced the management costs of some of its portfolio properties. Also, based on management plans, Top REIT carried out maintenance and repair works that contributed to the improvement of the competitiveness of properties, and the maintenance and improvement of the property functionality. The company kept costs at appropriate levels for planned maintenance and repair works and reviewed the timing for carrying out these works.

Top REIT received from Ito-Yokado Co., Ltd., the sole tenant of the Ito-Yokado Higashi-Narashino Store (hereinafter “Ito-Yokado”), a notice of early termination of its lease agreement with the intent to take effect the end of February 2008. After negotiations and discussions with Ito-Yokado, Top REIT entered into an agreement with Ito-Yokado as follows:

1. Withdrawal of the early termination notice

Ito-Yokado will withdraw in its entirety its expression of intent dated February 22, 2007, to terminate the lease agreement for its Higashi-Narashino Store, and Top REIT agrees to such withdrawal.

2. Agreement on revision of rent

(1) Rent calculation method will change from the fixed-rate rent to a combination of fixed-rate rent and sales-based rent.

*The sales-based rent is the amount obtained from multiplying the excess over a certain amount of annual sales generated during a fiscal period from March to February of the next year from the lots directly operated by Ito-Yokado to a specific rate. This amount will be the sales-based rent for the following fiscal year. This sales-based rent will not accrue in and before February 2008 but may apply from March 2008.

(2) The amount of fixed rent will be ¥471,449,628 per annum (the newly agreed monthly rent multiplied by 12, not including consumption tax) from August 1, 2007.

(Reference)

The previous amount of fixed rent before this revision was ¥725,307,120 per annum (the former monthly rent multiplied by 12, not including consumption tax).

(3) Terms and conditions of the rent agreement, including the method of calculation of the fixed rent and the sales-based rent, shall not be changed until November 30, 2014, the maturity of the lease agreement.

(4) Top REIT is entitled to request Ito-Yokado to give a reasonable explanation of its business plan for the store. Ito-Yokado shall submit to Top REIT the sales results and visiting customer numbers

(c) Funds procurement

Top REIT procures funds with a financial policy based on stable financial management. During this period, the total amount of ¥20.9 billion in short-term loans procured in the first and second fiscal period with an uncommitted short-term loan facility for the acquisition of the properties was newly refinanced with a long term loan of ¥21 billion. As of the end of this fiscal period, our total outstanding loan amounts are ¥54.4 billion. The loan/total asset ratio is 37.3%, interest bearing interest/total asset ratio is 38.1%, and the long term loan ratio is 100%. Also, part of the above ¥21 billion long-term loan includes a loan of ¥19 billion with a variable interest rate, but is covered by an interest rate swap contract resulting virtually in a loan with a fixed rate. As a result, the fixed rate interest ratio at the end of this fiscal period is 80.9%.

Top REIT has been procuring funds that are neither secured nor guaranteed since it was listed on the stock exchange, and we strive to manage our financing operations to extend maturities and spread out maturity dates.

The credit rating of Top REIT as of the submission date of this report:

Rating agency: Moody's Investors Service Inc.

Issuer rating: A2

Outlook: Stable

(d) Business results and dividend

As a result of business operations mentioned above, the company posted as results this fiscal period operating revenue of ¥4,715 million, operating income of ¥2,250 million, ordinary income of ¥1,848 million, and net income of ¥1,847 million.

As for dividends, Top REIT plans for the amount corresponding to profit dividend to be counted as a tax deductible dividend by applying a “special treatment” of corporate tax (stipulated in Article 67-15 of the Special Taxation Measures Law), and the dividend per unit shall be ¥11,921, distributing the total amount of unappropriated retained earnings for the current period excluding the amounts consisted from the less than one yen per each unit.

C. Forecasts for Fourth Fiscal Period

(a) Operational strategy of existing properties

The basic investment strategy of Top REIT continues to be “Tenant First” = “Maintenance and Improvement of Tenant Satisfaction,” as well as maintain and improve profits in the medium to long term by keeping management costs at appropriate levels. By strongly focusing our attention on maintaining trust with tenants and securing leases for vacant properties, Top REIT will maintain stable occupancy rates over the medium to long term and negotiate to revise rents to appropriate levels based on an understanding of conditions in commercial areas and current market rents.

In addition, by carrying out planned maintenance and repair works whose purpose is to maintain and improve the functionality of our properties as well as increase their competitiveness, we aim to ensure stable profits in the medium to long term.

(b) Operational strategy of new properties

Top REIT is aiming for medium to long term improvements in dividend, through achieving external growth from the acquisition of new properties. Although the current environment is severe for the acquisition of new properties, Top REIT continues to utilize even more the pipeline support contracts with its sponsor companies as well as collect information widely on new properties. Centering on the three areas of office buildings, retail properties and residential properties, Top REIT is pursuing both external growth and quality asset management through investments in highly-profitable properties from among various target investment areas.

Although the policy of Top REIT is restrict investment in a single property to within 20% of the total portfolio value over the medium to long term, as of the end of this fiscal period, the ratio of acquisition value of the NEC head office building to our total acquisition value of our portfolio is 32.1%. We are trying to reduce the concentration of risk in a single, specific property by steadily moving forward with external growth activities hereafter.

(c) Financial strategy

As for funds for the acquisition of new properties, Top REIT will select from among multiple procurement measures, including making use of agile procurement of short term loans based on a basic loan agreement with an uncommitted based short-term facility and taking into consideration financial market trends.

For further acquisition, we continue to secure flexible financing arrangements-continuing to extend maturities and spread out maturity dates in preparation for the risk of rising interest rates and refinancing. We will maintain financial soundness by keeping an appropriate level of leverage.

(d) Forecast of earning results

Fourth fiscal period (From November 1, 2007, to April 30, 2008)

Operating Revenue	¥4,661 million
Ordinary Income	¥1,721 million
Net income	¥1,720 million
Dividend per unit	¥11,100
Dividend in excess of earning per unit	¥0

Fifth fiscal period (From May 1, 2008, to October 31, 2008)

Operating Revenue	¥4,712 million
Ordinary Income	¥1,706 million
Net income	¥1,705 million
Dividend per unit	¥11,000
Dividend in excess of earning per unit	¥0

(Note) Forecasts presented above are based on certain assumptions at this moment. Actual operating revenue, ordinary income, net income, dividend per unit and dividend in excess of earning per unit may differ according to changes of situation. Top REIT does not guarantee any forecasted dividend amount.

D. Financial Statements

(a) Balance Sheet

Accounting Item	Third Fiscal Period (As of October 31, 2007)		Second Fiscal Period (As of October 31, 2007)		Change	
	Value (Thousand yen)	(%)	Value (Thousand yen)	(%)	Value (Thousand yen)	(%)
(Assets)						
I Current Assets						
Cash and deposits	4,745,435		593,848		4,151,587	
Cash and deposits held in trust account	8,243,700		9,840,227		(1,596,527)	
Tenants receivables	32,847		30,741		2,105	
Prepaid expenses	38,304		49,990		(11,686)	
Deferred tax assets	21		21		0	
Corporate tax refund receivable	1,863		572		1,290	
Consumption tax refund receivable	-		2,055,701		(2,055,701)	
Other current assets	415		315		100	
Total Current Assets	13,062,588	9.0	12,571,419	8.6	491,168	3.9
II Fixed Assets						
1. Investment Properties						
Buildings in trust (Including accompanying facilities)	45,681,902		45,634,487			
Accumulated depreciation	2,703,775	42,978,127	1,804,071	43,830,416	(852,289)	
Structures in trust	475,899		475,899			
Accumulated depreciation	56,506	419,393	37,939	437,960	(18,566)	
Machinery and equipment in trust	112,956		112,956			
Accumulated depreciation	13,554	99,401	8,094	104,862	(5,460)	
Tools and furniture in trust	34,279		32,095			
Accumulated depreciation	6,786	27,492	3,252	28,843	(1,350)	
Land in trust		89,174,514		89,174,514	-	
Total Investment Properties		132,698,929	90.9	133,576,596	(877,667)	(0.7)
2. Intangible Assets						
Other intangible assets	340		361		(21)	
Total Intangible Assets	340	0.0	361	0.0	(21)	(5.9)
3. Investment and Other Assets						
Leasehold and security deposits	10,000		10,000		-	
Long-term prepaid expenses	60,099		37,733		22,365	
Deferred tax assets	57,570		46,719		10,851	
Other investments	48,707		34,650		14,057	
Total Investment and Other Assets	176,377	0.1	129,103	0.1	47,274	36.6
Total Fixed Assets	132,875,647	91.0	133,706,061	91.4	(830,413)	(0.6)
III Deferred Assets						
Organization expenses (initial expense)	34,020		39,690		(5,670)	
Total Deferred Assets	34,020	0.0	39,690	0.0	(5,670)	(14.3)
Total Assets	145,972,255	100.0	146,317,170	100.0	(344,914)	(0.2)

Accounting Item	Period	Third Fiscal Period (As of October 31, 2007)		Second Fiscal Period (As of October 31, 2007)		Change	
		Value (Thousand yen)	(%)	Value (Thousand yen)	(%)	Value (Thousand yen)	(%)
(Liabilities)							
I Current Liabilities							
Accounts payable		57,858		95,609		(37,751)	
Short-term debt		-		20,900,000		(20,900,000)	
Other account payable		240,694		283,391		(42,697)	
Expenses payable		143,390		88,997		54,393	
Income taxes payable		55		428		(373)	
Consumption tax payable		171,120		-		171,120	
Rents received in advance		710,169		731,875		(21,706)	
Other current liabilities		2,044		3,408		(1,364)	
Total Current Liabilities		1,325,332	0.9	22,103,712	15.1	(20,778,380)	(94.0)
II Fixed Liabilities							
Long-term debt		54,400,000		33,400,000		21,000,000	
Tenant lease and security deposits in trust		6,065,431		6,160,084		(94,652)	
Derivative debt		162,131		141,375		20,756	
Total Fixed Liabilities		60,627,563	41.5	39,701,459	27.1	20,926,103	52.7
Total Liabilities		61,952,895	42.4	61,805,171	42.2	147,723	0.2
(Net Assets)							
I Unitholders' Equity							
1. Unitholders' equity		82,260,100	56.3	82,260,100	56.2	-	-
2. Reserves							
Retained earnings at period end		1,847,845		2,323,786		(475,940)	
Total reserves		1,847,845	1.3	2,323,786	1.6	(475,940)	(20.5)
Total Unitholders' Equity		84,107,945	57.6	84,583,886	57.8	(475,940)	(0.6)
II Adjustments for valuation, conversion, etc.							
Deferred hedge losses		(88,585)		(71,887)		(16,698)	
Total Adjustments for valuation, conversion, etc.		(88,585)	(0.0)	(71,887)	(0.0)	(16,698)	(23.2)
Total Net Assets		84,019,360	57.6	84,511,998	57.8	(492,638)	(0.6)
Total Liabilities and Net Assets		145,972,255	100.0	146,317,170	100.0	(344,914)	(0.2)

(b) Income Statement

Accounting Item	Period		Third Fiscal Period (From May 1, 2007 to October 31, 2007)		Second Fiscal Period (From November 1, 2006 to April 30, 2007)		Change	
	Value (Thousand yen)		(%)	Value (Thousand yen)		(%)	Value (Thousand yen)	
1. Operating Revenue								
Rental revenue	4,695,566			4,518,913				
Other rental revenue	19,659	4,715,226	100.0	7,280	4,526,193	100.0	189,032	4.2
2. Operating Expenses								
Rental expenses	1,970,563			1,388,639				
Asset management fees	367,691			367,325				
Asset custody fees	6,567			6,273				
Administrative agency fees	55,208			52,758				
Officers remuneration	3,600			3,600				
Audit fee	10,000			9,000				
Other operating expenses	51,381	2,465,012	52.3	51,366	1,878,963	41.5	586,048	31.2
Operating Income		2,250,213	47.7		2,647,230	58.5	(397,016)	(15.0)
3. Non-Operating Income								
Interest received	16,061			7,244				
Other non-operating income	27,182	43,244	0.9	2,818	10,063	0.2	33,180	329.7
4. Non-Operating Expenses								
Interest paid	414,765			307,143				
Amortization of funding costs	5,670			5,670				
Other non-operating expenses	24,164	444,599	9.4	19,675	332,489	7.3	112,109	33.7
Ordinary Income		1,848,858	39.2		2,324,803	51.4	(475,944)	(20.5)
Net income before income taxes		1,848,858	39.2		2,324,803	51.4	(475,944)	(20.5)
Corporate residents and business taxes	1,039			1,031				
Corporate tax adjustment	(0)	1,039	0.0	17	1,048	0.0	(9)	(0.9)
Net Income		1,847,819	39.2		2,323,754	51.3	475,935	(20.5)
Retained Earnings brought forward		26			31		(5)	
Unappropriated Retained Earnings at the End of Period		1,847,845			2,323,786		(475,940)	

(c) Statement of Cash Flows

Item	Third Fiscal Period	Second Fiscal Period
	(From May 1, 2007 to October 31, 2007)	(From November 1, 2006 to April 30, 2007)
	Value (Thousand yen)	Value (Thousand yen)
I Cash Flows from Operating Activities:		
Net income before income taxes	1,848,858	2,324,803
Depreciation	927,266	873,253
Amortization of organization expenses	5,670	5,670
Amortization of trademark	21	21
Interest received and on securities	(16,061)	(7,244)
Interest paid	414,765	307,143
(Increase)/decrease in tenants receivables	(2,105)	(1,359)
(Increase)/decrease in consumption tax refund	2,052,417	(204,960)
(Increase)/decrease in corporate tax refund receivable	(1,290)	-
(Increase)/decrease in other account receivables	-	250
(Increase)/decrease in prepaid expenses	11,686	(23,703)
(Increase)/decrease in other current assets	(415)	-
Increase/ (decrease) in accounts payable	11,260	575
Increase/(decrease) in other accounts payable	(10,787)	(582,418)
Increase/(decrease) in consumption tax payable	171,248	-
Increase/(decrease) in rents received in advance	(21,706)	61,279
(Increase)/decrease in long-term prepaid expenses	(22,365)	3,815
Other, net	(15,107)	(14,206)
Subtotal	5,353,354	2,742,920
Interest received	16,061	7,251
Interest paid	(367,165)	(276,547)
Income taxed paid	(1,413)	(2,812)
Net cash provided by operating activities	5,000,836	2,470,811
II Cash Flows from Investing Activities:		
Purchase of investment properties	(127,364)	(18,168,597)
Proceeds of tenant lease and security deposits in trust	33,712	492,814
Payments of tenant lease and security deposits in trust	(128,365)	(107,396)
Net cash flow used in investing activities	(222,016)	(17,783,179)
III Cash Flows from Financing Activities:		
Proceeds from short-term debt	-	18,400,000
Repayments of short-term debt	(20,900,000)	-
Proceeds from long-term debt	21,000,000	-
Dividend payments	(2,323,760)	(2,729,395)
Net cash provided by financing activities	(2,223,760)	15,670,605
IV Net change in cash and cash equivalents	2,555,060	358,237
V Cash and cash equivalents at beginning of period	10,434,076	10,075,838
VI Cash and cash equivalents at end of period	12,989,136	10,434,076