



**TOP REIT**  
(TSE Code: 8982)

**Top REIT, Inc.**

Presentation on  
Business Results for  
the 14th Fiscal Period

November 1, 2012

—

April 30, 2013

June 13, 2013

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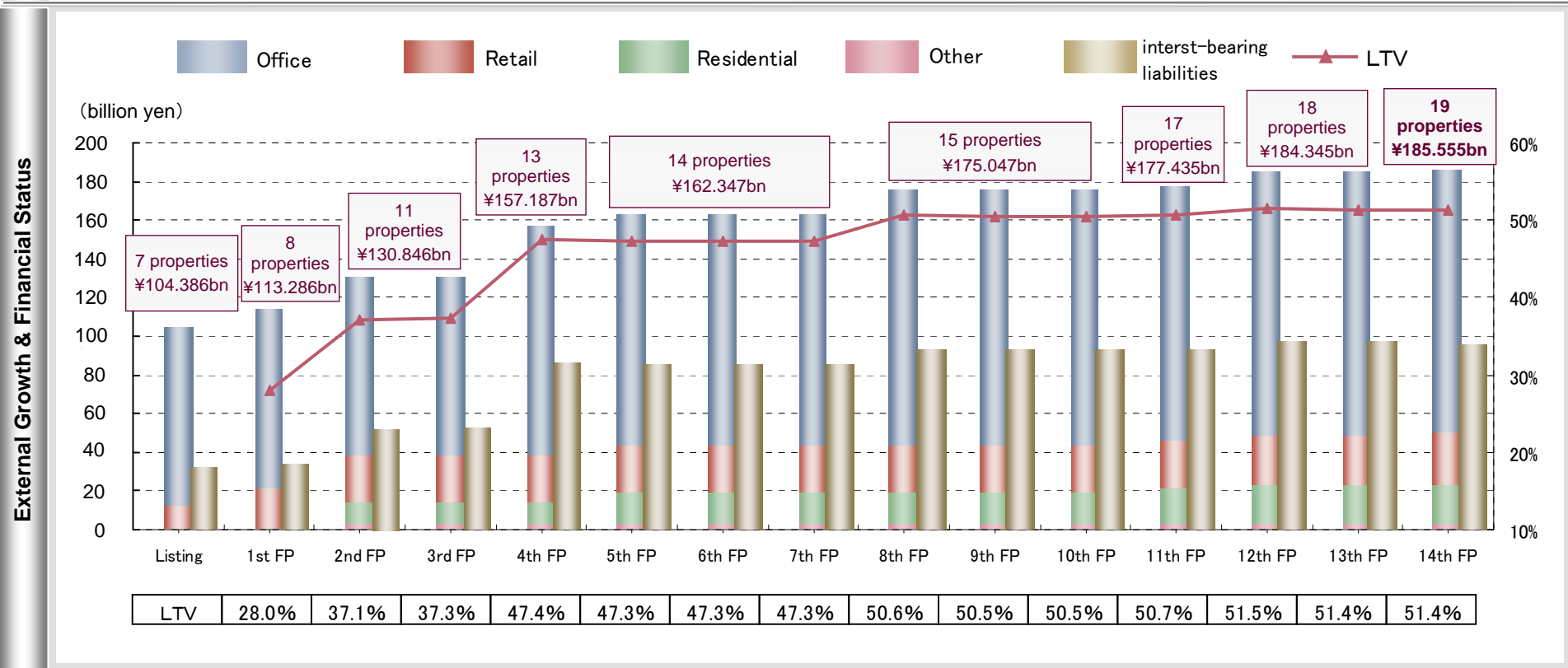
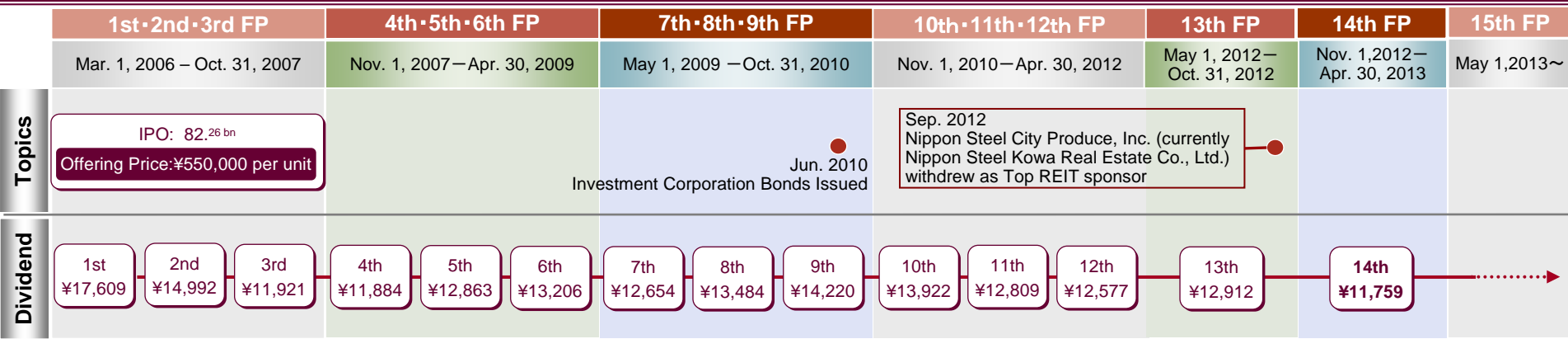
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# TOPICS. Overview since Listing



## **I. Management Results and Overview of Business Results of 14th FP (Ended April 30, 2013)**

## Current Facing Issue \* Excerpt from presentation on business results for the 13th FP

### 《 Issue ① 》 ◆ *Secure foothold for revenues through flawless management of existing properties* ◆

- Aim to minimization of downtime by focusing on leasing up vacancy space in Harumi Island Triton Square Office Tower Y and other vacant space
- Minimize range of decrease in rent revision and prevent tenants from moving out  
by conducting persistent negotiations utilizing tenant relations  
Especially, focus most on large scale rent revision at April, 2013

### 《 Issue ② 》 ◆ *Accumulate greater revenues by acquisition of new properties* ◆

- Utilize sponsors' strengths as well as various information channels –
- Superior office properties with excellent location in Central Tokyo and major cities across the country
- Given that residential property transactions are on a trend of overheating, consider carefully

### 《 Issue ③ 》 ◆ *Stable financial management* ◆

- Well-balanced refinancing while reducing costs –
- Efficient utilization of cash on hand –
- 14th FP:  
 ¥9.8 billion due on Nov. 30, 2012  
 ¥9.3 billion + ¥2.8 billion due on Mar. 27, 2013

## Summary

In 14th FP, Top REIT steadily addressed various issues it raised at the beginning of the period to secure current revenues, while laying the foundation for recovering revenues with the dividend level for 15th FP set as the bottom.

# I - 2. Achievement for Issue ①

## 「Leasing Situation of Harumi Island Triton Square Office Tower Y」

### ◆ Issue ① Achievements of 14th FP ◆

#### 【 Leasing Situation of Harumi Island Triton Square Office Tower Y 】

- **Contracts concluded with 3 tenants for approx. 1,534 tsubos (36.9% of the spaces left for leasing, including expansion of existing 2 tenants' for approx.80 tsubos), raising the property's occupancy rate to 62.5% after move-ins of these tenants**
- For approx. 1,454 tsubos of the contracted spaces, rents will be generated as revenue uniformly due to the appendant penalty clause against cancellation during the contract period
- Accordingly, **revenue is generated even during the rent-free period**

### ◆ Leasing Situation ◆

	Jan. 2013	Feb. 2013	Mar. 2013	Apr. 2013	May. 2013	Jun. 2013	Jul. 2013	Aug. 2013	Sep. 2013
Occupancy rate(%)	100	66.7	49.9	41.8	41.8	62.5	62.5	62.5	68.9
Vacancy space (tsubos)	0	2,340	3,515	4,079	4,079	2,625	2,625	2,625	2,182
Number of total tenants	7	7	6	3	3	4	4	4	5

\*Figurers are actual until the end of May 2013, and are as of June 7, 2013 from the end of June 2013  
 Vacancy space (tsubos) : Rounded down to the nearest decimal

#### 【Future action policy】

- Continuing to approach candidates considering lease for a single floor (approx. 580 tsubos) or more
  - Conduct leasing activities in coordination with the sponsors and property management companies, with a continued recognition that it is a matter of top priority for Top REIT
- **Aim to complete lease up as early as possible**

Floor	Released Area (tsubos)	Lease Termination date	Successor Tenant (Lease Start Date, including planning)
15F	Approx. 580	Feb. 28, 2013	<b>Tenant B (Sep.1, 2013)</b> <b>Approx. 443 tsubos (scheduled)</b>
14F			
13F	Approx. 580	Jan. 31, 2013	<b>Approx.1,454 tsubos</b> <b>Tenant A (Jun.1, 2013)</b>
12F	Approx. 580		<b>Tenant A (Jun.1, 2013)</b>
11F	Approx. 595		<b>Tenant A (Jun.1, 2013)</b>
10F	Approx. 580		
9F	Approx. 590	Feb. 28, 2013	<b>Contracts concluded with 3 tenants for approx. 1,534 tsubos in 14th FP</b>
8F	Approx. 580	Mar.31, 2013	<b>Contract scheduled to be concluded with 1 tenant for approx. 443 tsubos in 15th FP</b>
7F ~ 4F			<b>Approx. 80 tsubos (expansion of existing 2 tenants)</b>
3F	Approx. 80 (64+16)	Feb. 28, 2013 Mar.31, 2013	Japan Trustee Service Bank (Mar.1, 2013) Sumitomo Mitsui Trust General Service(Apr.1, 2013)

• Continuously leasing activities, contract of the [ ] portions is **scheduled to be concluded in 15th FP**

• Included the appendant penalty clause against cancellation during the contract period. Accordingly, **revenue is generated even during the rent-free period.**

Focus on leasing activities led to **contracts concluded** for the [ ] portions **in 14th FP**

**Vacant**

# I - 3. Achievement for Issue ①

## 「Large Scale Rent Revision and Leasing Situation Other Properties」

### ◆ Issue ① Achievements of 14th FP ◆

#### 【 Minimize range of decrease in rent revision】

**Agreed within estimated ranges of rent reduction (7.5% ↓)**

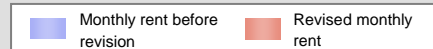
In rent revision with 12 office building tenants (24.2% of portfolio's rent at end of 13th FP)

#### 【 Leasing Situation of Other Properties】

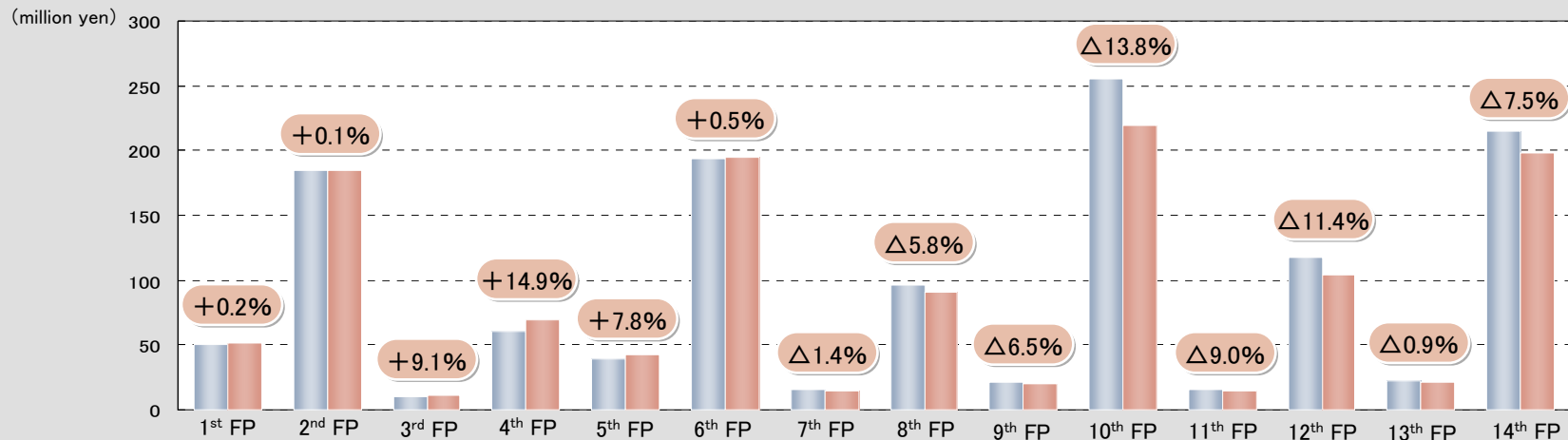
**Concluded lease contract with succeeding tenant** during 14th FP for the vacant space of Faret East Building (approx. 180 tsubos, 10.1% of leasable space) (contract to start in May 2013 (15th FP))

**The property will become fully occupied with the tenant moving in**

### ◆ Results of 14 FP Rent Revision (excluding residential) ◆



Rent revision results =  $\frac{\text{Increase in monthly rent}}{\text{Monthly rent before revision}}$  (%)



**Large scale rent revision (24.2% of total rents in portfolio)**

**Agreed within estimated ranges of rent reduction**

**Office Buildings 12 cases : Unchanged:5 · Decreased:7**

**Total (excluding residential) : 7.5% decrease on average**

# I - 4. Achievement for Issue ② 「Acquisition of New Property」

## ◆ Issue ② Achievements of 14th FP ◆

**【 Utilizing Sponsor Strengths 】**  
**Acquisition by utilizing brokerage networks of Sumitomo Mitsui Trust Bank, Limited.**

### 【 Accumulate greater revenues by acquisition of new properties】

**Acquired MEL Building, an urban retail property** located in Sendai City, for ¥1.21 billion by **utilizing the sponsor strength**

#### ◀ Key Points of the Acquisition ▶

- ① Though small in size, produces **high yield to contribute to dividends**
- ② Located in **central Sendai City that has energy** with reconstruction from the earthquake proceeding in good order
- ③ Located in an area having a concentration of leading-edge fashion brands to enjoy **high potential as a commercial district**
- ④ Has tenants comprising popular sweets and cafe shops, select second-hand clothing shops and casual brand shops, etc., which is **expected to attract many customers**
- ⑤ Although rather old, the building has the level of facilities that should satisfy requirements from tenants as **it underwent seismic retrofitting and full-scale remodeling of facilities**

### MEL Building (Urban Retail Property)



<b>Address</b>	2-7-28 Chuo, Aoba Ward, Sendai City, Miyagi Prefecture
<b>Acquisition Price (Acquisition Date)</b>	¥1,210 million (April 30, 2013)
<b>Area ( Land / Building )</b>	895.66㎡ / 1,756.32㎡ (RC with a flat roof, 3 floors above ground)
<b>Completion</b>	Jan 1980 (extended in July 2005) *May 2005: earthquake-proof reinforcement construction work July 2005: remodeling construction work change of intended purpose of a building (previously meant for office use).
<b>Appraisal Value</b>	¥1,260 million (as of April 1, 2013) Daiwa Real Estate Appraisal Co., Ltd.
<b>NOI yield/ Cap Rate</b>	Assumed NOI yield : 7.6 % (note) / Cap Rate (through Direct Capitalization Method) : 6.2%

(Note) The assumed NOI is the difference between the assumed rental revenue and the assumed rental expenses, which respectively represent the operating revenues and the operating expenses of the property for the initial year, calculated by the DCF method described in the real estate appraisal report prepared upon the acquisition. The assumed NOI yield is obtained by dividing the difference by the acquisition price.

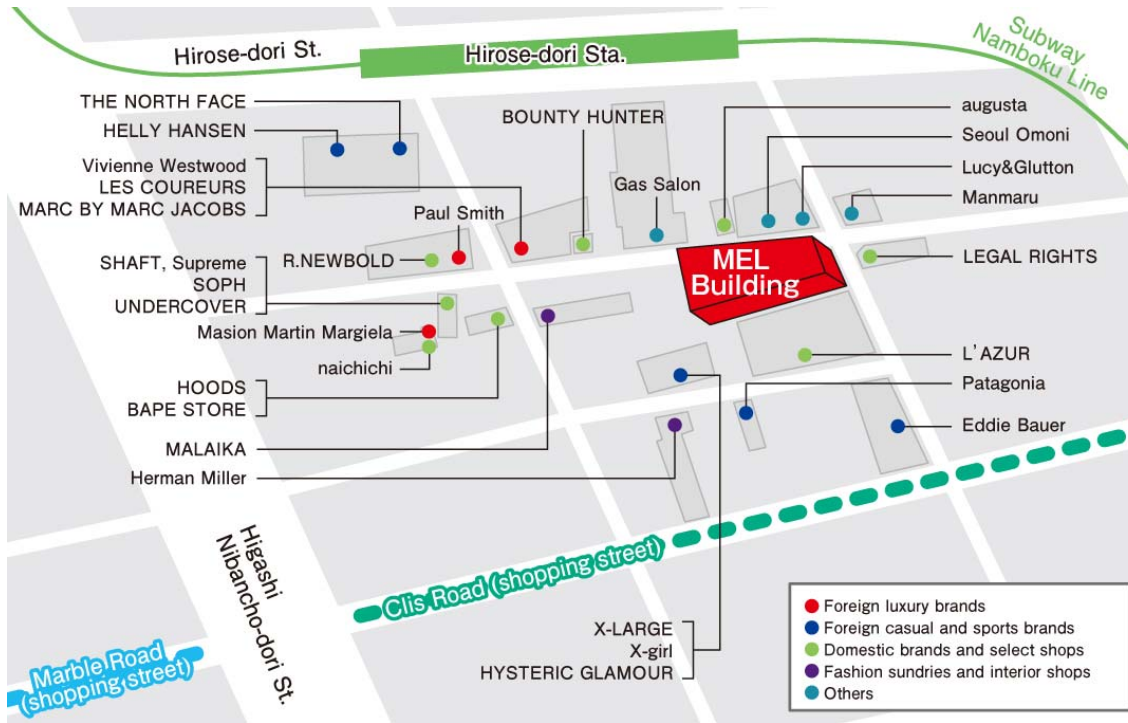


# I - 5. Detail of Property Newly Acquired (MEL Building) in 14th FP

Five out of the 6 existing tenants have been housed since the use was changed to retail facility. With the tenants housed for approximately 8 years, the property is expected to continue stable occupancy. (Full occupancy as of June 1, 2013)



Hair MAKE act Xanadu



A representative property in an area that has a concentration of tenants as seen in Harajuku or Daikanyama in Tokyo, such as street casual fashion and select shops, and foreign high-grade brands as seen in Ginza and Aoyama, etc.

Acquired an urban retail property– the first such property for Top REIT

# I - 6. Achievement for Issue ③ 「Stable Financial Management」

## ◆ Issue ③ Achievements of 14th FP ◆

### 【Stable financial management】

#### ◆ ¥9.8 billion Repayment date in November 2012

- Refinanced ¥9.8 billion (2-year-10-month floating-rate) ⇒ Refinanced ¥7 billion into 2-year-10-month long-term loan payable and ¥2.8 billion into 4-month short-term loan payable (both floating-rate)

#### ◆ ¥12.1 billion Repayment date in March 2013

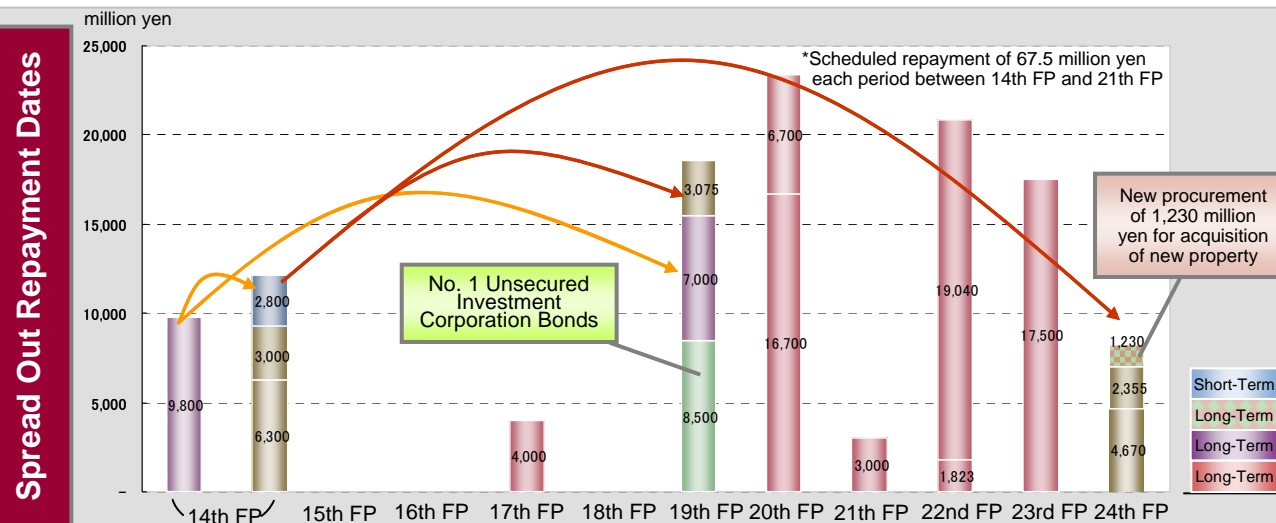
- Repaid ¥2 billion using cash on hand and refinanced ¥10.1 billion (5-year fixed-rate and 4-month floating-rate) ⇒ Refinanced ¥4.67 billion into 5-year long-term loan payable (floating-rate), ¥2.355 billion into 5-year long-term loan payable (fixed-rate) and ¥3.075 billion into 2-year-6-month long-term loan payable (floating-rate)

#### ◆ ¥1.23 billion New borrowing upon new property acquisition (April 2013)

- Borrowed 5-year floating-rate loan payable

【 Total Interest bearing liabilities 】 ¥96,065 million

【 Ratio of loans with fixed rate 】 End of 13th FP: 50.9% → End of 14th FP: 44.1%



Extend Remaining Period

### Remaining Period of Interest-bearing Liabilities

11th FP (as of Oct. 31, 2011)	2 years (avg.)
12th FP (as of Apr. 30, 2012)	2 years & 7 months (avg.)
13th FP (as of Oct. 31, 2012)	3 years (avg.)
<b>14th FP (as of Apr. 30, 2013)</b>	<b>3 years &amp; 3 months (avg.)</b>

# I - 7. Achievements through Steady Attention to Issues

## 《 Achievement 》

**【 Declared Dividend per Unit of ¥11,759 】**  
 Compared to forecast : **Increase in dividend of ¥259**

**Accumulate  
 grater revenues  
 steadily**

### **15th FP dividend forecast revised** in 14th FP

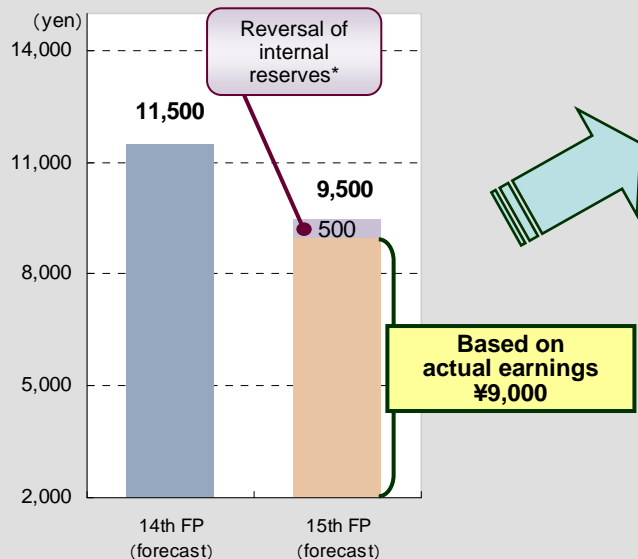
(Forecast dividend per unit before revision) ¥9,500

\* Assumed a reversal of internal reserves totaling ¥78.7 million  
 (¥49.9 million in reserve for reduction entry and ¥28.8 million in accompanying  
 income taxes deferred, equivalent to ¥500 dividend per unit)

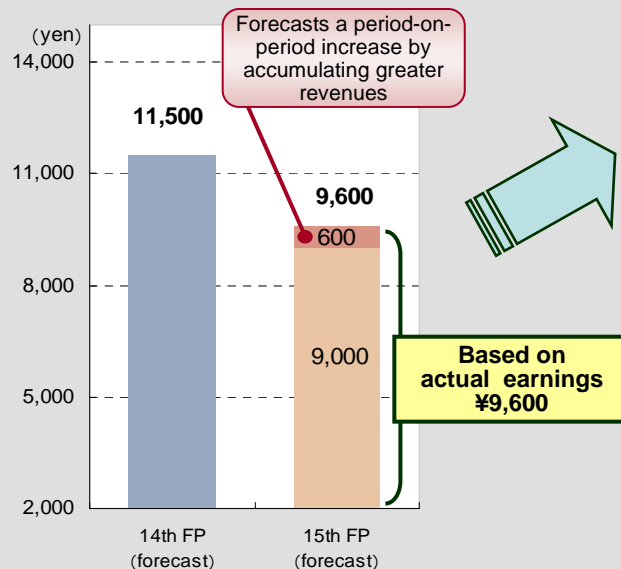
(Forecast dividend per unit after revision) ¥9,600

\* Will suspend the above-mentioned reversal of internal reserves  
 ⇒ **Secure a period-on-period increase of ¥600 in effect**

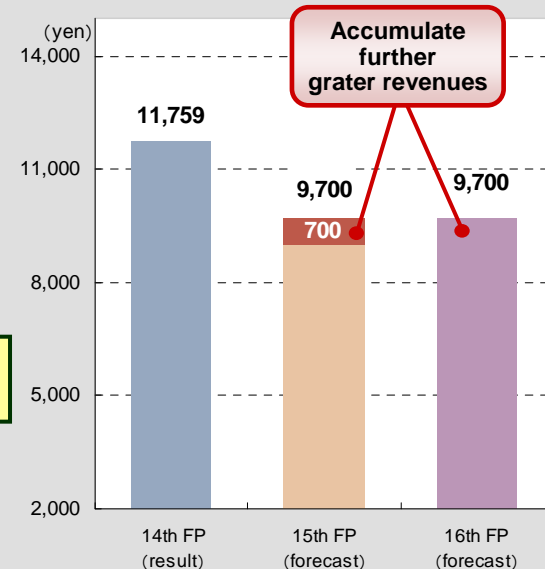
Forecast on business results and dividends for the 14th FP and 15th FP (Announced on Dec. 14, 2012)



Revision of forecast on business results and dividends for the 15th FP (Announced on Apr. 24, 2013)



Earning results for 14th FP and forecast on business result and dividends for the 15th FP and 16th FP (Announced on Jun.13, 2013)



## I - 8. Summary of 14th FP

Items	14th FP Results November 1, 2012 - April 30, 2013	14th FP Forecast (Announced on December 14, 2012)	Net Change (Results vs. Forecast)		13th FP Results May 1, 2012 - October 31, 2012	Net Change (14th FP Results vs. 13th FP Results)	
Period of asset management (days)	181	181	-	-	184	-	-
Operating revenue	¥5,844mn	¥5,828mn	¥16mn	0.3%	¥5,636mn	¥208mn	3.7%
Operating income	¥2,447mn	¥2,407mn	¥39mn	1.7%	¥2,697mn	(¥249mn)	(9.3%)
Ordinary income	¥1,823mn	¥1,783mn	¥40mn	2.2%	¥2,002mn	(¥178mn)	(8.9%)
Net income	¥1,822mn	¥1,782mn	¥40mn	2.2%	¥2,001mn	(¥178mn)	(8.9%)
Number of units issued and outstanding (unit)	155,000	155,000	-	-	155,000	-	-
Dividend per unit (yen)	¥11,759	¥11,500	¥259	2.3%	¥12,912	(¥1,153)	(8.9%)
Number of properties	19	18	1	-	18	1	-
Appraisal value total	¥172,360mn	-	-	-	¥173,800mn	(¥1,440mn)	(0.8%)

### ■ Differences between Forecasts and Actual Results

#### Operating Revenue: +¥16mn

- Minimization of range of decrease in rent at time of rent revision led to increase in rent revenue
- Increase in residential contract renewal rate and occupancy rate (compared to projections) led to increase in rent revenue ...etc.

#### Operating Income: +¥39mn

- Reduced repair expenses
- Increase in residential contract renewal rate led to decrease in expenses for restoring to original condition ...etc.

### ■ Other References

Items	14th FP Results	13th FP Results
Number of tenants	39	42
Total rentable floor space	301,825.87m <sup>2</sup>	300,294.23m <sup>2</sup>
Occupancy rate	94.5%	99.2%
Depreciation and amortization	¥1,121mn	¥1,116mn
Capital expenditures	¥443mn	¥108mn
Term-end unit price	¥522,000	¥371,000
Term-end market capitalization	¥80,910mn	¥57,505mn

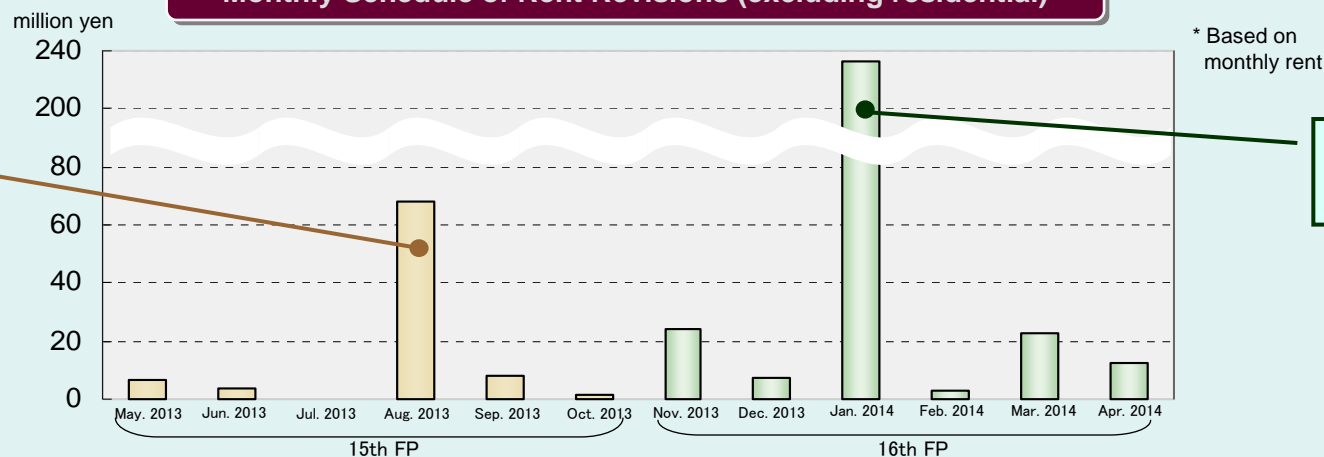
## II. 15th FP and 16th FP Forecasts

## II - 1. Preconditions for 15th FP and 16th FP Forecasts

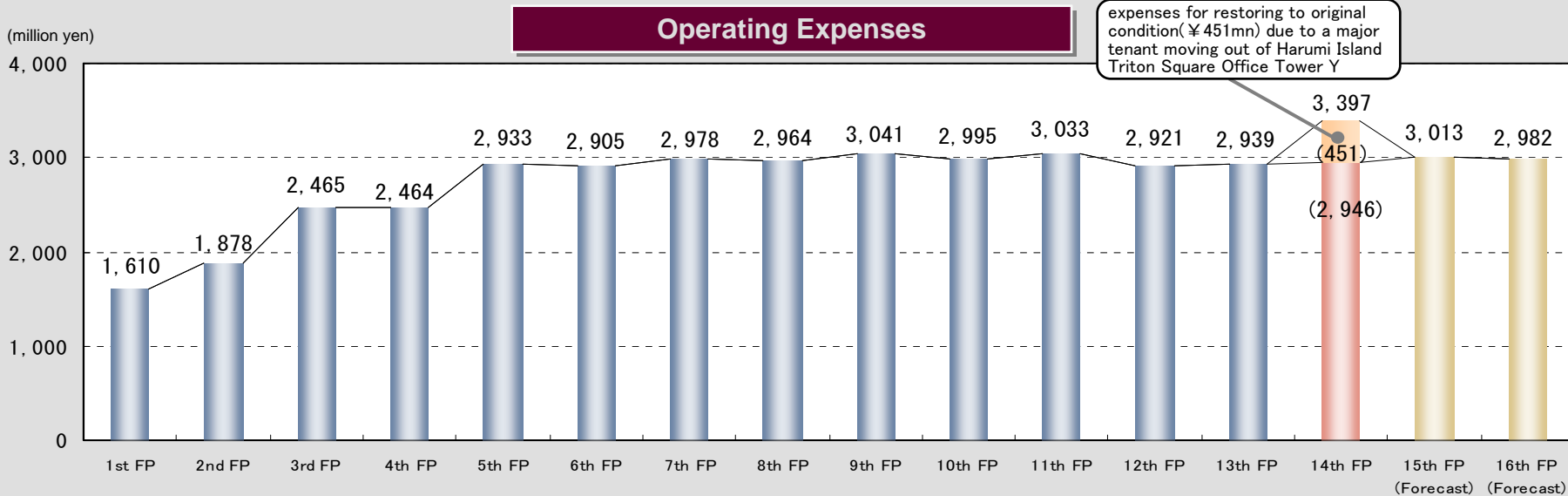
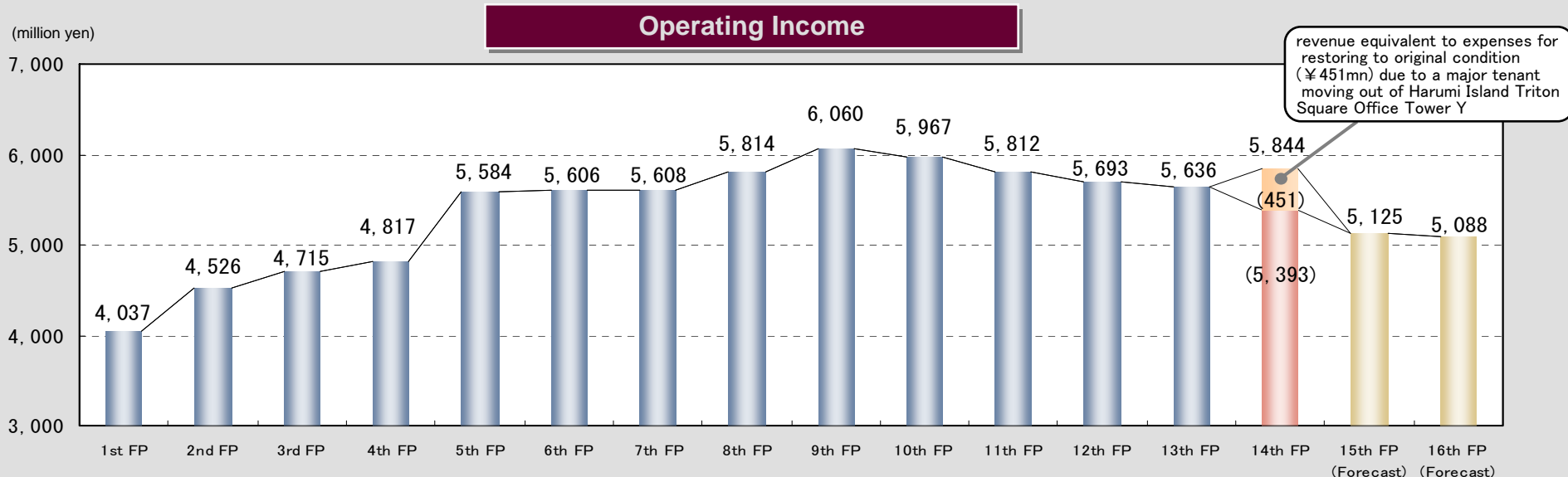
### Preconditions for Forecast of Earnings Results

	15th FP (Ending of October, 2013)						16th FP (Ending of April, 2014)					
<b>Portfolio Assets</b>	Preconditioned on 19 properties held by Top REIT as of June 13, 2013											
<b>Number of Units Issued and Outstanding</b>	155,000 Units											
<b>Interest-Bearing Liabilities</b>	As of end of 15th FP: ¥95,997million (Anticipated repayment of ¥67 million as agreed upon)						As of end of 16th FP: ¥95,930million (Anticipated repayment of ¥67 million as agreed upon)					
<b>Occupancy rate of Harumi Island Triton Square Office Tower Y</b>	May. 2013	Jun. 2013	Jul. 2013	Aug. 2013	Sep. 2013	Oct. 2013	Nov. 2013	Dec. 2013	Jan. 2014	Feb. 2014	Mar. 2014	Apr. 2014
	41.8%	62.5%	62.5%	62.5%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
<b>Rent Revisions</b>	For the 11.1% of total rents (as of the end of 14th FP) scheduled for rent revision, assuming in certain level of fluctuations in rent						For the 38.6% of total rents (as of the end of 14th FP) scheduled for rent revision, assuming in certain level of fluctuations in rent					
<b>Operating Expenses</b>	It is assumed that property tax, etc. will be ¥583 million and depreciation and amortization will be ¥1,115 million						It is assumed that property tax, etc. will be ¥582 million and depreciation and amortization will be ¥1,116 million					
<b>Non-Operating Expenses</b>	¥608million (interest on loans, interest expenses on investment corporation bonds and related expenses: ¥604 million)						¥600million (interest on loans, interest expenses on investment corporation bonds and related expenses: ¥597 million)					
<b>Dividend</b>	It is assumed that there is no reversal of internal reserves (*). (* ) reserve for reduction entry [¥49.9 million] + income taxes deferred [¥28.8 million] =¥78.7 million											

### Monthly Schedule of Rent Revisions (excluding residential)



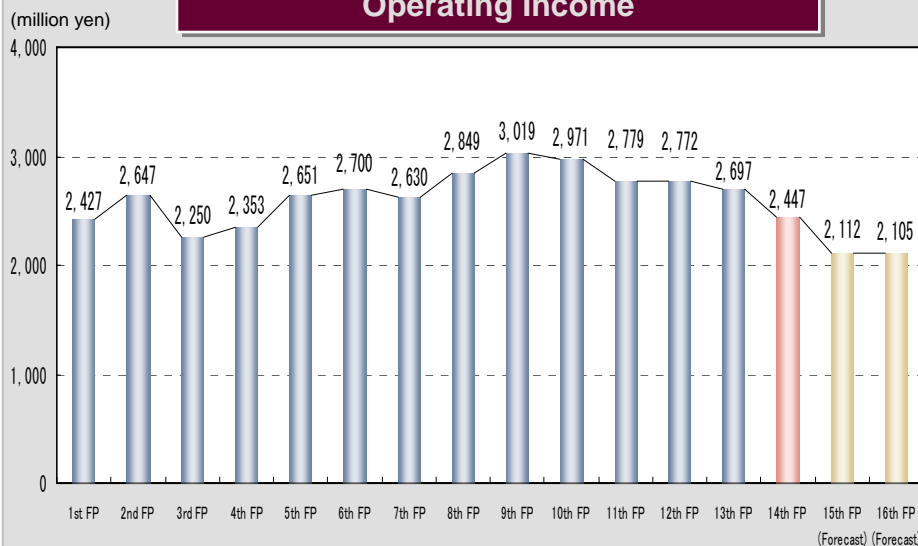
## II - 2. 15th FP and 16th FP Forecasts



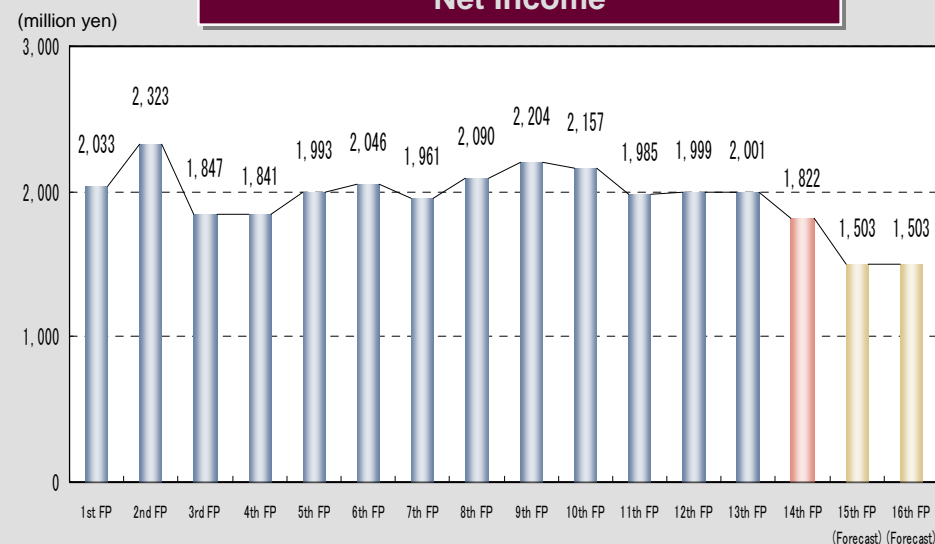
\*The actual number of days in the First Fiscal Period was 245. The above numbers are calculated by the following calculation method: (First Fiscal Period Results / 245 Days) x 365 Days / 2. In addition, the above forecast figures are calculated under certain preconditions as of the date of this material and are subject to change. Moreover, the dividend is not guaranteed.

## II - 2. 15th FP and 16th FP Forecasts

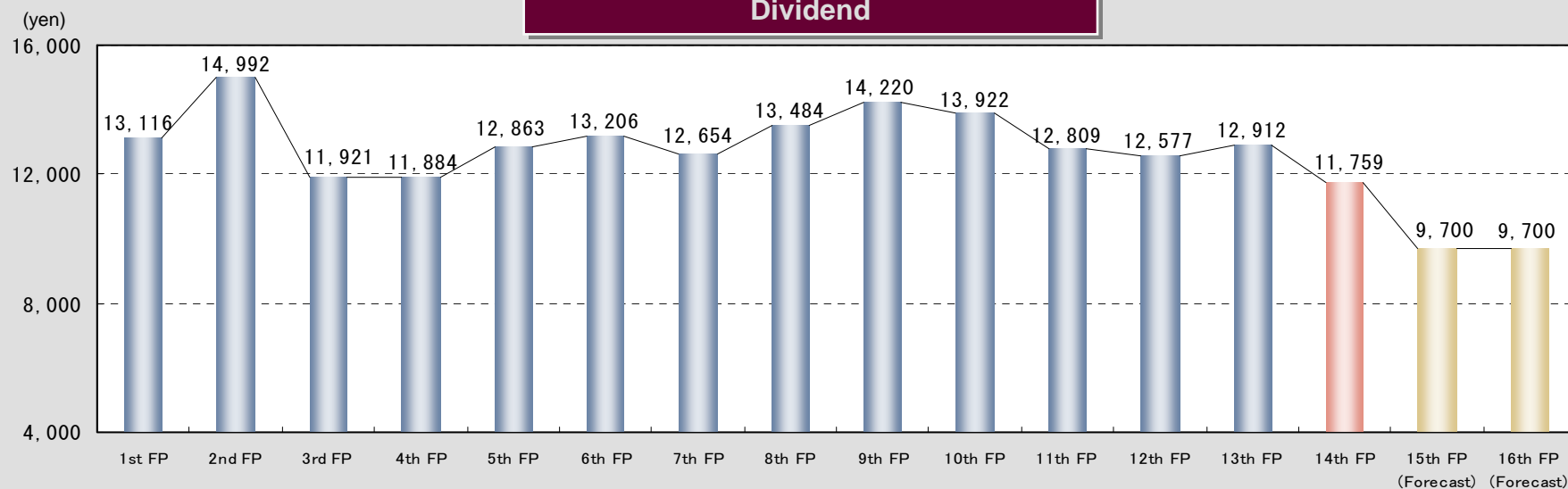
### Operating Income



### Net Income



### Dividend



\*The actual number of days in the First Fiscal Period was 245. The above numbers are calculated by the following calculation method: (First Fiscal Period Results / 245 Days) x 365 Days / 2. In addition, the above forecast figures are calculated under certain preconditions as of the date of this material and are subject to change. Moreover, the dividend is not guaranteed.



## II - 3. Results of Past Periods and Forecasts (Detail)

Item	9th Fiscal Period	10th Fiscal Period	11th Fiscal Period	12th Fiscal Period	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period (Forecast)	16th Fiscal Period (Forecast)
Period of asset management (days)	184	181	184	182	184	181	184	181
Operating revenue	¥6,060mn	¥5,967mn	¥5,812mn	¥5,693mn	¥5,636mn	¥5,844mn	¥5,125mn	¥5,088mn
Operating expenses	¥3,041mn	¥2,995mn	¥3,033mn	¥2,921mn	¥2,939mn	¥3,397mn	¥3,013mn	¥2,982mn
Of which, expenses related to rent business (excluding taxes and dues, and depreciation and amortization)	¥783mn	¥741mn	¥809mn	¥702mn	¥702mn	¥1,162mn	¥775mn	¥753mn
Of which, taxes and dues	¥586mn	¥586mn	¥609mn	¥608mn	¥565mn	¥564mn	¥583mn	¥582mn
Of which, depreciation and amortization	¥1,081mn	¥1,086mn	¥1,060mn	¥1,072mn	¥1,116mn	¥1,121mn	¥1,115mn	¥1,116mn
Operating income	¥3,019mn	¥2,971mn	¥2,779mn	¥2,772mn	¥2,697mn	¥2,447mn	¥2,112mn	¥2,105mn
Ordinary income	¥2,204mn	¥2,194mn	¥1,986mn	¥2,029mn	¥2,002mn	¥1,823mn	¥1,504mn	¥1,504mn
Net income	¥2,204mn	¥2,157mn	¥1,985mn	¥1,999mn	¥2,001mn	¥1,822mn	¥1,503mn	¥1,503mn
Net operating income from property leasing	¥4,691mn	¥4,639mn	¥4,393mn	¥4,126mn	¥4,368mn	¥4,117mn	¥3,766mn	¥3,751mn
FFO	¥3,286mn	¥3,243mn	¥3,046mn	¥2,815mn	¥3,117mn	¥2,944mn	¥2,619mn	¥2,620mn
Number of units issued and outstanding (units)	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Dividend per unit	¥14,220	¥13,922	¥12,809	¥12,577	¥12,912	¥11,759	¥9,700	¥9,700
FFO per unit	¥21,200	¥20,929	¥19,654	¥18,165	¥20,113	¥18,996	¥16,900	¥16,905

Note1: Net operating income from property leasing of 12th Fiscal Period excluded capital gains by disposition of property.

Note2: The forecasts should not be construed as a guarantee of the actual dividends

### III. Footholds for the Next Stage ~ Step to Growth ~

# III - 1. Market Prospects

## Real Estate Leasing Market

### [Present state]

- ◆ Vacancy rate of office buildings in Central Tokyo will improve gradually
- ◆ Some tenants show positive moves, but clients still remain passive generally, seeking spaces for such reasons as cost reductions and relocations for office integration
- ◆ Office rent levels still remain weak, though signs of trend reversal have started to appear somewhat
- ◆ Studio and family residences with high convenience have continued to show steady performance

### [Future prospects]

- ◆ Vacancy rate of office buildings in Central Tokyo will head for modest improvement
- ◆ Office rents are expected to bottom out in accordance with recovery in corporate earnings. However, it is likely to require a substantial amount of time for the market to recover on the whole
- ⇒ **Top REIT's strategy**  
Secure stable revenue through **discerning and appropriately incorporating tenant needs** and **creating a favorable relationship with superior tenants**

## Real Estate Transaction Market

### [Present state]

- ◆ Buyers show strong willingness to buy, but information on high-grade office properties available for sale is limited (repayment of borrowings is primarily being conducted through refinance due to the improved financing environment)
- ◆ While real estate transaction amounts are increasing compared to the previous year, acquisitions of property from sponsors based on IPO of new REITs and PO of existing REITs are the mainstay
- ◆ Market for rental residential property transactions will remain steady, but tend to overheat in Central Tokyo and the Tokyo Metropolitan Area

### [Future prospects]

- ◆ Price of high-grade office properties will be on upward trend, given the office properties available for sale continuing to be scarce and REITs and other buyers maintaining strong willingness to buy
- ◆ Continuously, the market for rental residential property transactions will remain steady, but tend to overheat in Central Tokyo and the Tokyo Metropolitan Area
- ⇒ **Top REIT's strategy**  
Focus on new acquisitions, centering on office buildings in Central Tokyo and major cities, **based on detailed analysis of market environment of each asset classes**

## Financial / Capital Market

### [Present state]

- ◆ Due to Bank of Japan's removal of its restriction on the issue year and maturity of government bonds it purchases, long-term interest rates have shown violent fluctuations but short-term interest rates have remained stable at low levels
- ◆ Fund procurement environment is relatively favorable, with financial institutions maintaining positive lending attitude
- ◆ The J-REIT market has been in good shape, with IPOs and POs conducted actively, thanks to Bank of Japan's monetary easing, increase of the purchase amount and intermittent purchase of J-REIT units, but is entering an adjustment phase

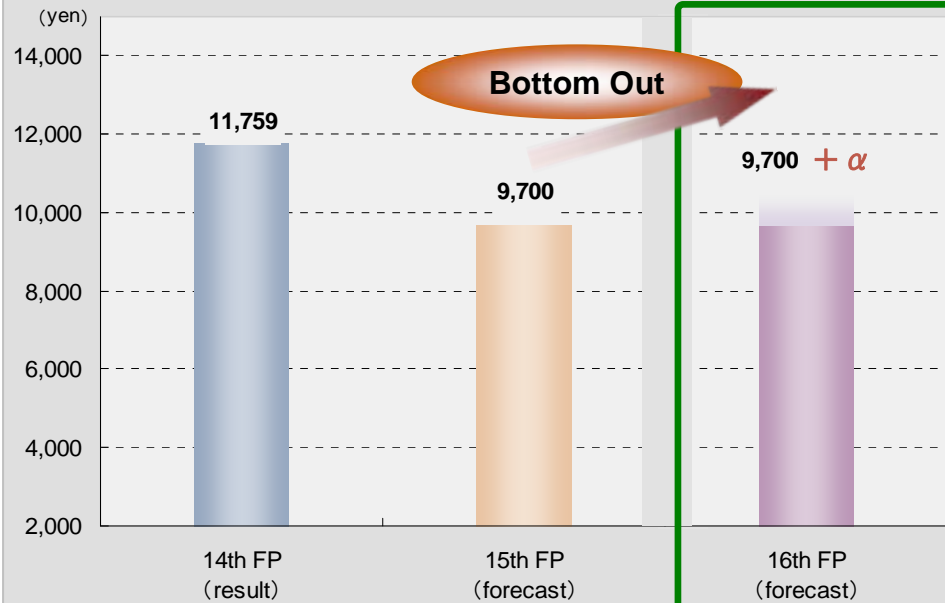
### [Future prospects]

- ◆ Market interest rates will remain at low levels for some time
- ◆ While the economy is anticipated to go upward primarily led by domestic demand, close monitoring of foreign demand trends centering on Europe and China as well as monetary policy trends in the U.S. will be required
- ◆ The J-REIT market will shed the temporary adjustment phase, on the premise of the office leasing market improving, etc.
- ⇒ **Top REIT's strategy**  
Closely monitor the market interest rate trend and, when the interest rate starts to rise, **investigate an increase in the ratio of fixed-rate interest borrowings after considering the future interest rate fluctuation risk**

## III - 2. Step to Growth

Earning results for 14th FP and forecast on business result and dividends for the 15th FP and 16th FP as of announced on 14th FP

Determination to add something extra



For securing something extra...

Current issues facing Top REIT

- ① Invite tenants to vacant spaces of Harumi Island Triton Square Office Tower Y [Internal growth]
- ② Revise rents appropriately, considering in view of real estate leasing market and prevent tenants from moving out [Internal growth]

Step to growth

③ Accumulate greater revenues through new property acquisitions [External growth]

- Position 15th FP and 16th FP as a [step to growth]

- Focus on the following initiatives for [external growth]

Take advantage of various information channels to **investigate acquisitions** of wide-ranging types of assets, including urban retail properties, residential properties and land with leasehold interest, with a particular **emphasis on office buildings in Central Tokyo and other major cities** / Investigate **formation of a bridge fund** in cooperation with sponsors

④ Consider rebuilding sponsor structure that will contribute to Top REIT's growth in collaboration with sponsors

On top of securing current revenues....

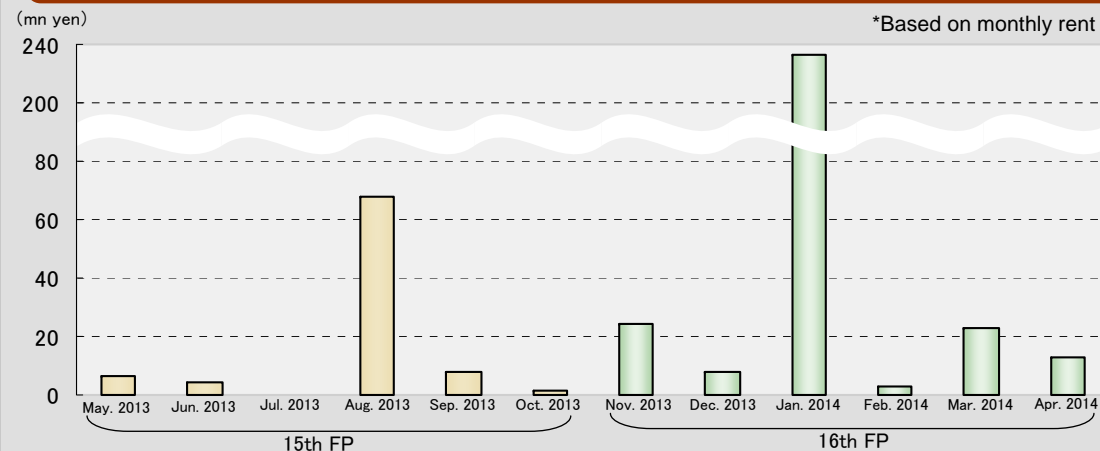
### III - 3. Rent Revisions

## 「Tenants First」 Policy = 「Maintaining and Improving tenants satisfaction」

Maintain and enhance asset value by discerning and appropriately incorporating tenant needs

Secure stable revenue for the long term by creating a favorable relationship with superior tenants

### Monthly Schedule of Rent Revisions (excluding residential)



15 <sup>th</sup> FP	Shiba-Koen Building (parts of tenants)	8 tenants 11.1% of total rents (as of end of 14th FP)
	Shinkawa Chuo Building (parts of tenants)	
	Kanda Park Plaza (parts of tenants)	
	Faret East Building (parts of tenants)	
	Sagamihara Shopping Center (IY)	
	MEL Building	
16 <sup>th</sup> FP	NEC Head Office Building	20 tenants 38.6% of total rents (as of end of 14th FP)
	Akasaka Oji Building (parts of tenants)	
	Shiba-Koen Building (parts of tenants)	
	Shinkawa Chuo Building (parts of tenants)	
	Kanda Park Plaza (parts of tenants)	
	Faret East Building (parts of tenants)	
	Musashirawa Shopping Square	

- **Sagamihara Shopping Center (to be scheduled for contract renewal on 15th FP)**

Revise the next contract term and rent, conduct negotiation in a persistent manner by taking advantage of good tenant relations

- **NEC Head Office Building (to be scheduled for rent revision on 16th FP )**

20 years fixed term leasing agreement that runs until December 2025 has been signed, and **termination is prohibited until December, 2017**. Smoothly conduct rent revision (January, 2014), the first such occasion since acquisition, based on **the lease contract with clauses that are set to reduce the rent fluctuation risk upon rent revision**

→ **Rent will be also fixed until December, 2017.**

### III - 4. Current External Growth Strategy

Major three asset classes		Target	Investment attitude	Investment ratio
Office		<p><b>Construct a portfolio primarily focused on office buildings with excellent locations in Central Tokyo and other major cities</b></p> <ul style="list-style-type: none"> <li>High level of traffic convenience</li> <li>High-quality specifications (*investigate properties for acquisition, even though they are rather old, as long as they have specifications comparable with those of newer buildings, or properties that are well managed and administrated)</li> <li>Located in areas where ample demand is anticipated</li> </ul>	◎	Approx. 75%
Other than office	Residential	<p><b>Carefully investigate acquisitions as transactions tend to get overheated although rents and occupancy rates are expected to remain stable going forward</b></p> <ul style="list-style-type: none"> <li>High level of traffic convenience (proximity to railway stations)</li> <li>Built relatively recently</li> <li>Located in areas where ample demand is anticipated</li> </ul>	△	Approx. 25%
	Retail	<p><b>Narrow down acquisition targets to urban retail properties and food supermarket in the three major metropolitan areas and other major cities</b></p> <ul style="list-style-type: none"> <li>Stability and growth potential of the trade zone itself</li> <li>Located in areas where ample demand is anticipated</li> <li>Specifications with versatility</li> </ul>	○	

Pursue stability and growth potential of portfolio revenues by securing investment opportunities in a flexible manner taking into account the market environment, while placing emphasis on office buildings

*Acquisitions of new property, based on detailed analysis of market environment of each asset classes*

### III - 5. Growth Strategy for the Next Stage

#### Continued Implementation of Growth Strategy for the Next Stage

##### Growth Methods

- ◆ Fully utilize the **Top REIT Edge** 【 Sponsor Strength 】 【 Superior Portfolio 】
- ◆ Implement growth strategy with an extreme focus on the **dividend level**

##### Growth Strategy

- ◆ While securing a foothold for revenues, acquire competitive and highly profitable properties
- ◆ Flexibly select fund procurement means according to the market environment
  - Bank loans: Flexibly utilize strong bank formation
  - 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 (Consider rebuilding sponsor structure that will contribute to Top REIT's growth in collaboration with sponsors )

#### Next Stage

##### Asset Size

**Achieve ¥210.0bn**

(No. of Properties)

20

15

10

¥170bn

¥180bn

¥190bn

¥200bn

¥210bn

(Asset Size)

##### End of 14th FP

Asset size: ¥185.55bn  
No. of properties: 19  
LTV: 51.4%

Acquisitions of additional approx. ¥24.5bn  
Appropriately control LTV

##### Next stage

Asset size: ¥210bn  
No. of properties: around 21 – 25  
LTV: 40 – 50%

Targeting asset size of ¥210bn, reducing NEC Head Office Building's share of the portfolio to 20%

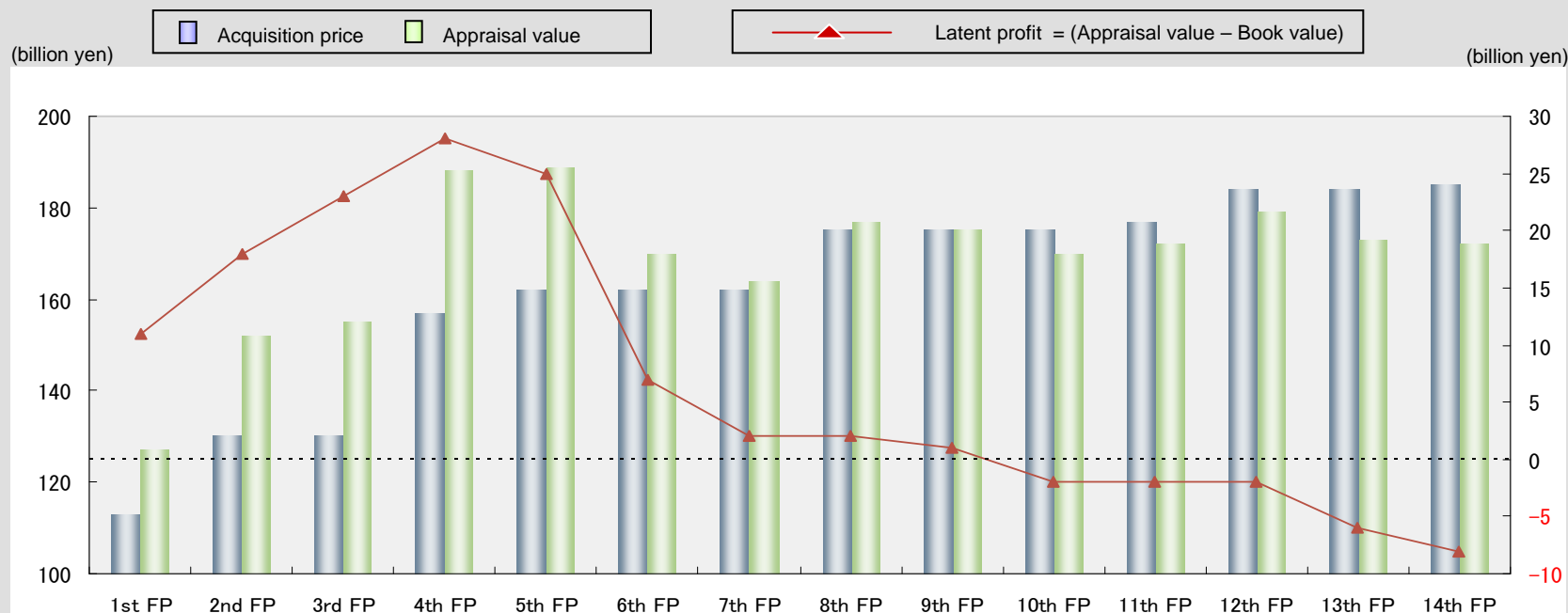
##### Further Leap Forward

## **IV. Management Results at the Fourteenth Fiscal Period**



# IV - 1. History of Asset Growth

## History of Asset Growth



	End of 1st FP Oct. 2006	End of 2nd FP Apr. 2007	End of 3rd FP Oct. 2007	End of 4th FP Apr. 2008	End of 5th FP Oct. 2008	End of 6th FP Apr. 2009	End of 7th FP Oct. 2009	End of 8th FP Apr. 2010	End of 9th FP Oct. 2010	End of 10th FP Apr. 2011	End of 11th FP Oct. 2011	End of 12th FP Apr. 2012	End of 13th FP Oct. 2012	End of 14th FP Apr. 2013
Acquisition price	¥113,286 bn	¥130,846 bn	¥130,846 bn	¥157,187 bn	¥162,347 bn	¥162,347 bn	¥162,347 bn	¥175,047 bn	¥175,047 bn	¥175,047 bn	¥177,435 bn	¥184,345 bn	¥184,345 bn	¥185,555 Bn
Book value	¥116,187 bn	¥133,576 bn	¥132,698 bn	¥159,585 bn	¥163,985 bn	¥163,245 bn	¥162,237 bn	¥174,618 bn	¥173,618 bn	¥172,994 bn	¥174,742 bn	¥181,405 bn	¥180,446 bn	¥181,003 Bn
Appraisal value	¥127,442 bn	¥152,468 bn	¥155,923 bn	¥188,035 bn	¥189,441 bn	¥170,870 bn	¥164,948 bn	¥177,146 bn	¥175,351 bn	¥170,670 bn	¥172,440 bn	¥179,000 bn	¥173,800 bn	¥172,360 Bn
Unrealized profits and losses	¥11,254 bn	¥18,891 bn	¥23,224 bn	¥28,449 bn	¥25,455 bn	¥7,624 bn	¥2,710 bn	¥2,527 bn	¥1,732 bn	(¥2,324 bn)	(¥2,302 bn)	(¥2,405 bn)	(¥6,646 bn)	(¥8,643 bn)

\* Acquisition price and appraisal value details are provided on P25 to P26.

\* Figures less than one million yen have been rounded down for the above-mentioned values. As for latent profits and losses, figures less than one million yen have been rounded down after deducting book value (total) from appraisal value (total).

## IV - 2. Appraisal Value as at End of Period

(million yen)

Asset Class	Area	Property	Acquisition Price	Book Value at End of 14th FP (A)	Appraisal Value at End of 11th FP (Note 1)	Appraisal Value at End of 12th FP	Appraisal Value at End of 13th FP (B)	Appraisal Value at End of 14th FP (C)	Difference Between Appraisal Value and Book Value (C) - (A)	Difference in Appraisal Value from End of 13th FP (C) - (B)
Office	Central Tokyo	NEC Head Office Building	41,950	42,895	47,500	49,450	49,450	49,500	6,604	50
		Harumi Island Triton Square Office Tower Y	33,000	30,540	38,500	36,400	32,100	30,800	259	(1,300)
		Harumi Island Triton Square Office Tower Z	20,000	19,576	14,200	14,300	14,300	12,600	(6,976)	(1,700)
		Kanda Nishiki-cho 3-chome Building	12,700	12,722	14,000	14,100	14,100	14,100	1,377	-
		Akasaka Oji Building	9,660	9,779	9,560	9,080	7,990	8,060	(1,719)	70
		Shiba-Koen Building	5,770	5,857	3,410	3,420	3,420	3,470	(2,387)	50
		Shinkawa Chuo Building	5,610	5,804	-	5,790	5,790	5,780	(24)	(10)
	Kanda Park Plaza	5,156	5,070	4,930	4,930	4,900	4,910	(160)	10	
	Tokyo Metropolitan Area	Faret East Building	2,091	1,647	2,390	2,390	2,390	2,410	762	20
		<b>Subtotal (9 properties)</b>	<b>135,937</b>	<b>133,895</b>	<b>134,490</b>	<b>139,860</b>	<b>134,440</b>	<b>131,630</b>	<b>(2,265)</b>	<b>(2,810)</b>
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	12,000	11,306	10,300	10,400	10,400	10,500	(806)	100
		Ito-Yokado Higashi-Narashino Store	8,900	7,866	5,560	5,620	5,610	5,620	(2,246)	10
		Musashiurawa Shopping Center	4,335	3,902	3,810	3,860	3,860	3,880	(22)	20
	Other Major Cities	MEL Building	1,210	1,234	-	-	-	1,260	25	-
		<b>Subtotal (4 properties)</b>	<b>26,445</b>	<b>24,309</b>	<b>19,670</b>	<b>19,880</b>	<b>19,870</b>	<b>21,260</b>	<b>(3,049)</b>	<b>130</b>
Residential	Central Tokyo	Top Residence Nihonbashi Kayabacho	2,400	2,431	-	2,550	2,580	2,580	148	-
	Tokyo Metropolitan Area	Fukasawa House Towers H&I	10,635	10,177	6,960	6,950	7,060	7,030	(3,147)	(30)
		Ecology Toyosu Procentury	5,160	4,984	4,780	4,880	4,970	4,980	(4)	10
		Impress Musashi-Koganei	1,223	1,272	1,270	1,280	1,270	1,260	(12)	(10)
		Top Residence Yoga	1,165	1,220	1,170	1,150	1,160	1,170	(50)	10
		<b>Subtotal (5 properties)</b>	<b>20,583</b>	<b>20,086</b>	<b>14,180</b>	<b>16,810</b>	<b>17,040</b>	<b>17,020</b>	<b>(3,066)</b>	<b>(20)</b>
Other	Central Tokyo	OAK PLAZA	2,590	2,712	2,670	2,450	2,450	2,450	(262)	-
		<b>Subtotal (1 property)</b>	<b>2,590</b>	<b>2,712</b>	<b>2,670</b>	<b>2,450</b>	<b>2,450</b>	<b>2,450</b>	<b>(262)</b>	<b>-</b>
<b>Total (19 properties)</b>			<b>185,555</b>	<b>181,003</b>	<b>171,010</b>	<b>179,000</b>	<b>173,800</b>	<b>172,360</b>	<b>(8,643)</b>	<b>(2,700) (Note2)</b>

(Note 1) In the described above table, the respective appraisal value of 11th FP excluded the Nittetsu Honmachi Building disposed on November 25, 2011.

(Note 2) Difference in appraisal value from end of 13th FP excluded MEL Building acquired in 14th FP

## IV - 3. Appraisal Cap Rate

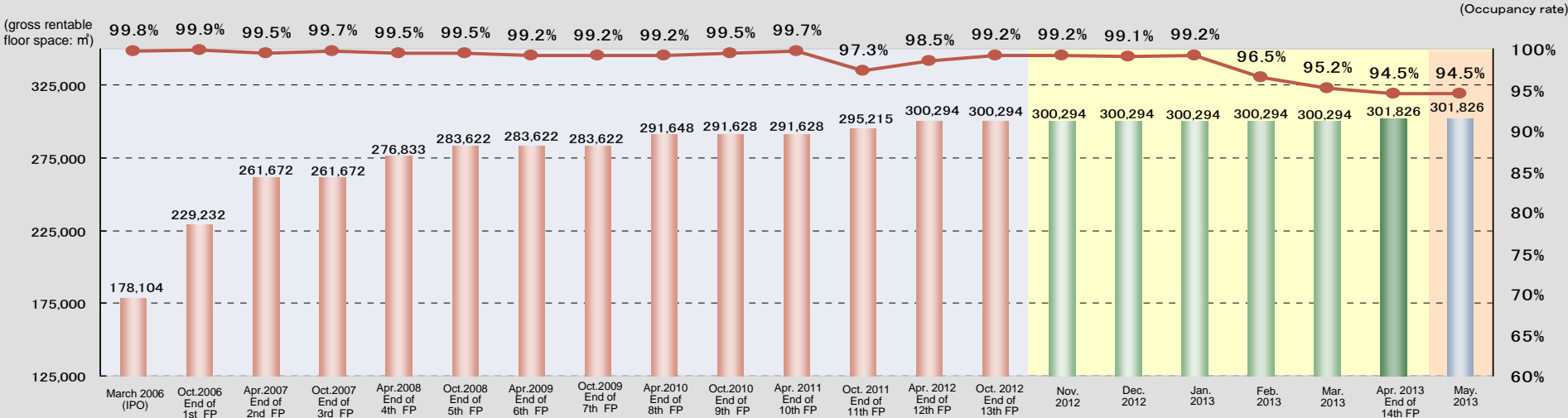
Property name	10th Fiscal Period			11th Fiscal Period			12th Fiscal Period			13th Fiscal Period			14th Fiscal Period		
	Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method	
		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate
NEC Head Office Building	4.3%	3.8% (Next 2 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 2 years) 4.3% (afterward)	4.6%	4.2%	3.7% (Next 1 years) 3.9% (2 - 5 years) 4.2% (afterward)	4.5%	4.2%	3.7% (Next 1 years) 3.9% (2 - 5 years) 4.2% (afterward)	4.5%	4.2%	3.7% (Next 1 years) 3.9% (2 - 5 years) 4.2% (afterward)	4.5%
Harumi Island Triton Square Office Tower Y	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.8%	4.3%	4.8%	4.8%	4.3%	4.8%
Harumi Island Triton Square Office Tower Z	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.8%	4.3%	4.8%
Kanda Nishiki-cho 3-chome Building	4.9%	4.6%	5.1%	4.9%	4.6%	5.1%	4.9%	4.6%	5.1%	4.9%	4.6%	5.1%	4.9%	4.6%	5.1%
Akasaka Oji Building	4.5%	4.5%	4.8%	4.5%	4.5%	4.8%	4.5%	4.4%	4.7%	4.5%	4.4%	4.7%	4.4%	4.3%	4.6%
Shiba-Koen Building	4.9%	4.7%	5.0%	4.9%	4.7%	5.0%	4.8%	4.6%	5.0%	4.8%	4.6%	5.0%	4.9%	4.6%	5.0%
Shinkawa Chuo Building	-	-	-	-	-	-	4.9%	4.7%	5.1%	4.9%	4.7%	5.1%	4.9%	4.7%	5.1%
Kanda Park Plaza	5.3%	4.8%	5.6%	5.2%	4.7%	5.5%	5.2%	4.7%	5.5%	5.2%	4.7%	5.5%	5.2%	4.7%	5.5%
Faret East Building	5.8%	5.5%	6.0%	5.7%	5.4%	5.9%	5.7%	5.4%	5.9%	5.7%	5.4%	5.9%	5.7%	5.4%	5.9%
Sagamihara Shopping Center	6.0%	5.8%	6.1%	6.0%	5.8%	6.1%	5.9%	5.7%	6.1%	5.9%	5.7%	6.1%	5.9%	5.7%	6.1%
Ito-Yokado Higashi-Narashino Store	6.3%	6.1%	6.6%	6.3%	6.1%	6.6%	6.3%	6.1%	6.6%	6.3%	6.1%	6.6%	6.3%	6.1%	6.6%
Musashiurawa Shopping Square	5.8%	5.5%	6.1%	5.8%	5.5%	6.1%	5.7%	5.4%	6.0%	5.7%	5.4%	6.0%	5.7%	5.4%	6.0%
MEL Building	-	-	-	-	-	-	-	-	-	-	-	-	6.2%	6.2%	6.6%
Top Residence Nihonbashi Kayabacho	-	-	-	-	-	-	5.1%	4.9%	5.3%	5.0%	4.8%	5.2%	5.0%	4.8%	5.2%
Fukasawa House Towers H&I	5.1%	4.8%	5.3%	5.0%	4.7%	5.2%	5.0%	4.7%	5.2%	4.9%	4.6%	5.1%	4.9%	4.6%	5.1%
Ecology Toyosu Procentury	5.4%	5.2%	5.6%	5.2%	5.0%	5.4%	5.2%	5.0%	5.4%	5.1%	4.9%	5.3%	5.1%	4.9%	5.3%
Impress Musashi-Koganei	-	-	-	5.5%	5.3%	5.7%	5.5%	5.3%	5.7%	5.5%	5.3%	5.7%	5.5%	5.3%	5.7%
Top Residence Yoga	-	-	-	5.0%	4.8%	5.2%	5.0%	4.8%	5.2%	5.0%	4.8%	5.2%	5.0%	4.8%	5.2%
OAK PLAZA	5.2%	5.0%	5.5%	5.2%	5.0%	5.5%	5.1%	4.9%	5.4%	5.1%	4.9%	5.4%	5.1%	4.9%	5.4%

Appraisers	Properties
Tanizawa Sogo Appraisal Co., Ltd.	NEC Head Office Building, Akasaka Oji Building
Japan Real Estate institute	Harumi Island Triton Square Office Towers Y & Z, Kanda Nishiki-cho 3-chome Building, Kanda Park Plaza, Faret East Building, Ito-Yokado Higashi-Narashino Store, Top Residence Nihonbashi Kayabacho, Fukasawa House Towers H&I, Ecology Toyosu Procentury, Impress Musashi-Koganei, Top Residence Yoga ,OAK PLAZA
DAIWA REAL ESTATE APPRAISAL Corporation	Shiba-Koen Building, Shinkawa chuo Building, Sagamihara Shopping Center, Musashiurawa Shopping Square, MEL Building

# IV - 4. History of Occupancy Rate

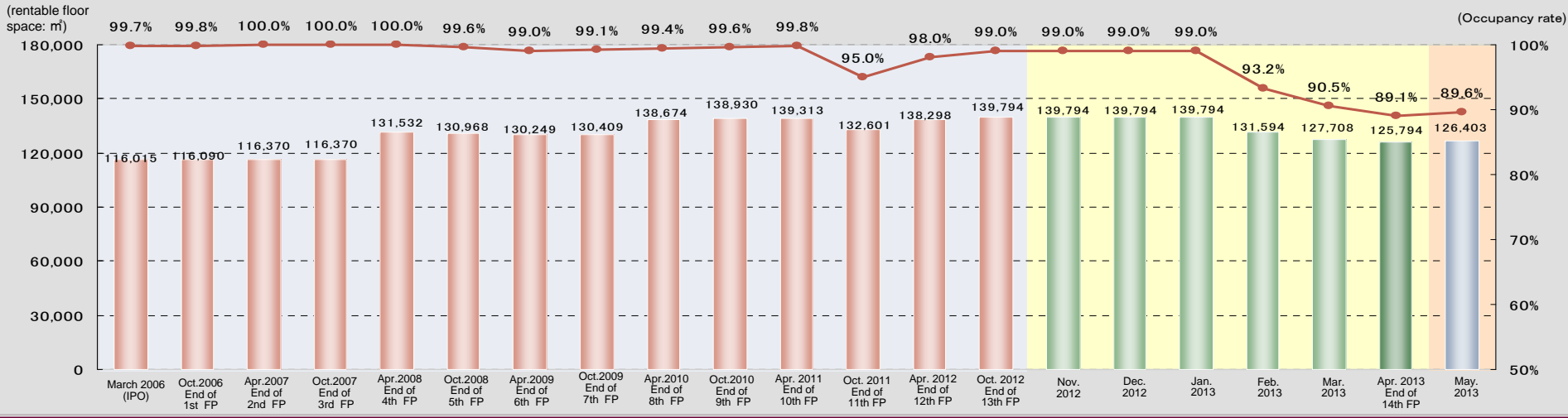
### Occupancy Rate (Portfolio)

Gross rentable floor space (red bar) Occupancy rate (red line)



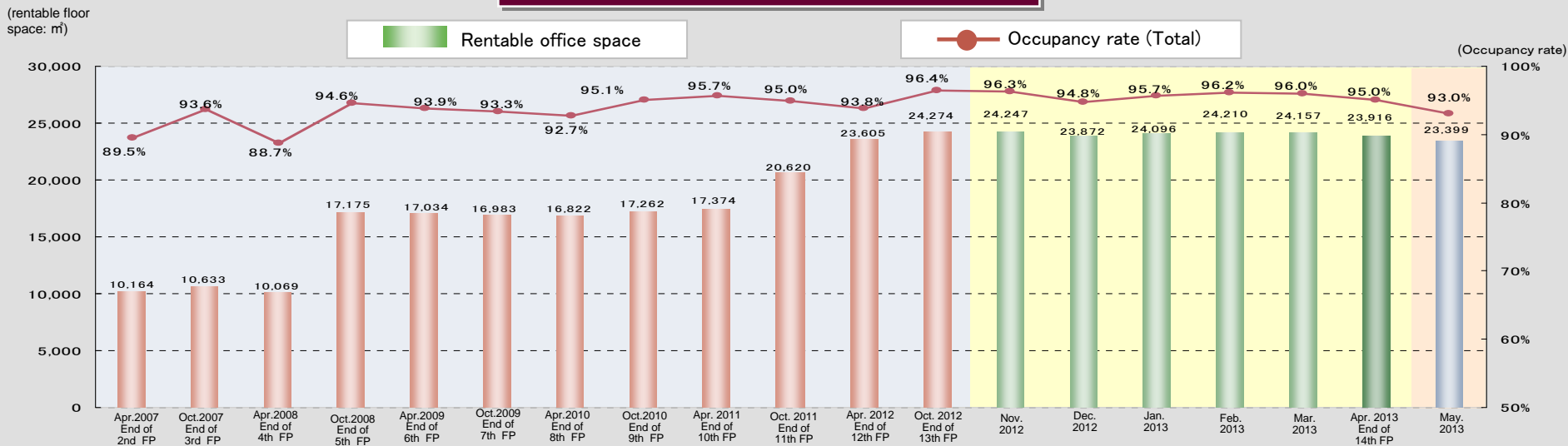
### Occupancy Rate (Office)

Rentable office space (red bar) Occupancy rate (red line)

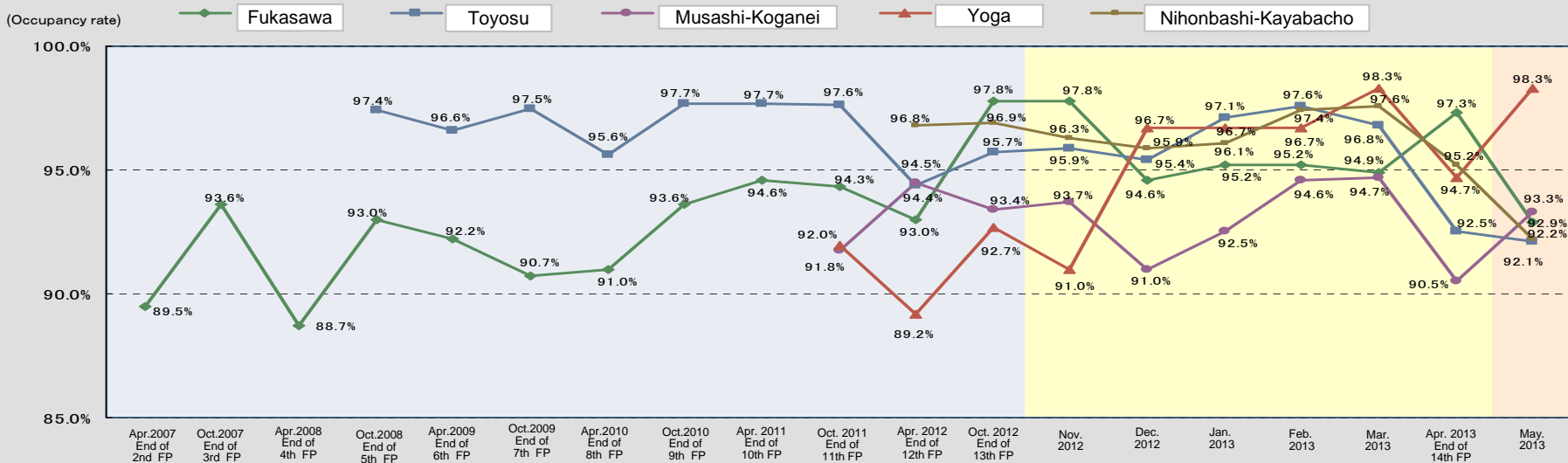


# IV - 4. History of Occupancy Rate

## Occupancy Rate (Total of Residence)



## Occupancy Rate (Each of Residence)



# IV - 5. Stable Financial Management

## Financial Policies (Stable Financial Management)

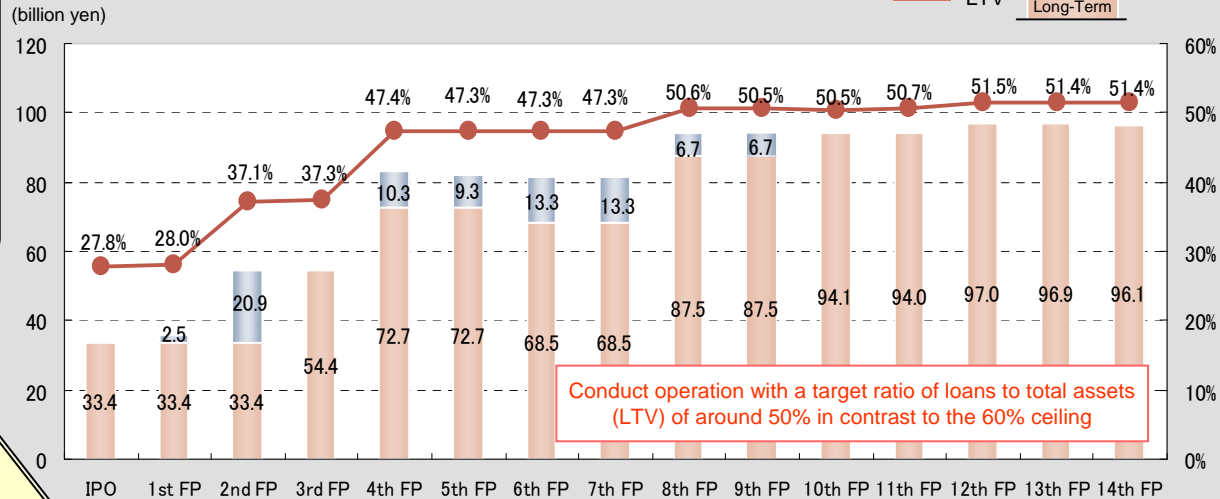
### Manage Risk of Fluctuating Interest Rates

Enjoy the merit of the short-term interest rate in the market staying at a low level, against the backdrop of decreased revenues due to move-outs of large tenants. However, closely monitor the market interest rate trend and, when the interest rate starts to rise, work to increase the ratio of fixed-rate interest borrowings after considering the interest rate fluctuation risk in the future.

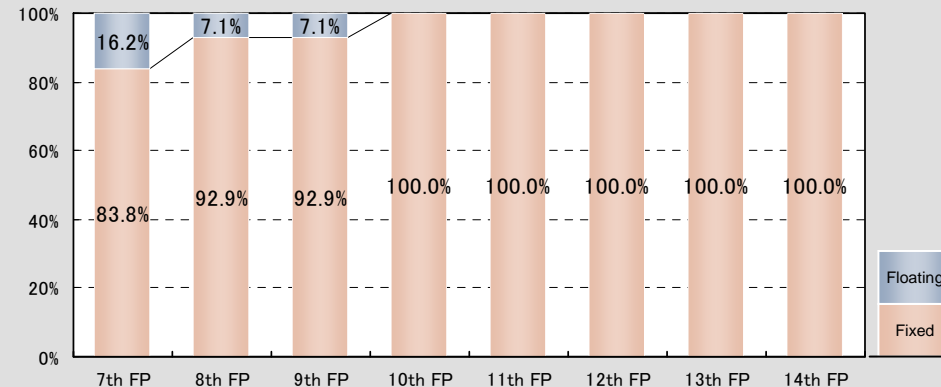
### Manage Risk of Fluctuating Interest Rates

### Ratio of Loans with Fixed Interest Rates

### Changes in Fund Procurement Status (Debt)



### Ratio of Long-Term Loans



•Regarding all graphs on this page, figures for the end of the 9th FP and after include ¥8.5 bn of investment corporation bonds.

# IV - 6 . Issuer Rating and Loans at End of 14th FP

## Issuer Rating

Baa1 (Negative)	Assigned by Moody's Japan K.K
A+ (Stable)	Assigned by Rating and Investment Information, Inc. (R&I)

Category	Lender	Loan Balance	Interest Rate (end of Apr. 2013)	Loan Execution Date	Repayment Date	Remaining Period	Note
Current Portion of Long-Term Loans	Development Bank of Japan, Inc	¥135mn	2.42% (fixed)	January 13, 2010	November 30, 2016	Scheduled repayment	Unsecured and without guarantee
		¥135mn					
	<b>Subtotal</b>	¥135mn	2.42%			5 months (avg)	
Long-Term Loans	Sumitomo Mitsui Trust Bank, Limited.	¥2,000mn	2.27% (fixed)	June 29, 2007	June 30, 2014	1 years & 2 months	Unsecured and without guarantee
	Development Bank of Japan, Inc	¥1,000mn	2.40% (fixed)				
	Dai-ichi Life Insurance Company Ltd.	¥1,000mn	2.40% (fixed)				
		¥4,000mn					
	Sumitomo Mitsui Trust Bank, Limited. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Resona Bank, Limited	¥7,000mn	0.63% (floating)	November 30, 2012	September 30, 2015	2 years & 5 months	Unsecured and without guarantee
		¥7,000mn					
	Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥3,075mn	0.63% (floating)	March 27, 2013	September 30, 2015	2 years & 5 months	Unsecured and without guarantee
		¥3,075mn					
	Sumitomo Mitsui Trust Bank, Limited. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥16,700mn	1.39% (fixed)	March 3, 2011	February 29, 2016	2 years & 10 months	Unsecured and without guarantee
		¥16,700mn					
	Sumitomo Mitsui Trust Bank, Limited. The Bank of Fukuoka, Ltd. The Hiroshima Bank, Ltd. The Yamaguchi Bank, Ltd.	¥6,700mn	0.77% (floating)	March 31, 2011	February 29, 2016	2 years & 10 months	Unsecured and without guarantee
		¥6,700mn					
Sumitomo Mitsui Trust Bank, Limited. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥3,000mn	0.63% (floating)	March 30, 2012	October 31, 2016	3 years & 6 months	Unsecured and without guarantee	
	¥3,000mn						

Category	Lender	Loan Balance	Interest Rate (end of Apr. 2013)	Loan Execution Date	Repayment Date	Remaining Period	Note
Long-Term Loans	Development Bank of Japan, Inc.	¥2,160mn	2.42% (fixed)	January 13, 2010	November 30, 2016	3 years & 4 months	Unsecured and without guarantee
		¥2,160mn					
	Sumitomo Mitsui Trust Bank, Limited. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥19,040mn	0.53% (floating)	November 30, 2011	November 30, 2016	3 years & 7 months	Unsecured and without guarantee
		¥19,040mn					
	Sumitomo Mitsui Trust Bank, Limited. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥9,000mn	0.63% (floating)	June 29, 2012	June 30, 2017	4 years & 2 months	Unsecured and without guarantee
		¥8,500mn	0.79% (fixed)				
		¥17,500mn					
	Sumitomo Mitsui Trust Bank, Limited. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥4,670mn	0.75% (floating)	March 27, 2013	March 27, 2018	4 years & 11 months	Unsecured and without guarantee
	Development Bank of Japan, Inc	¥2,355mn	1.08% (fixed)				
		¥7,025mn					
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited	¥1,230mn	0.75% (floating)	April 30, 2013	April 30, 2018	5 years	Unsecured and without guarantee
		¥1,230mn					
<b>Subtotal</b>	¥87,430mn	0.92% (avg)				3 years & 4 months (avg)	
<b>Total Loans</b>	¥87,565mn	0.93% (avg)				3 years & 4 months (avg)	
<b>No 1 Unsecured Investment Corporation Bonds</b>		¥8,500mn	1.00% (fixed)	June 4, 2010	June 4, 2015	2 years & 1 month	Unsecured and without guarantee
<b>Total Interest bearing liabilities</b>		¥96,065mn	0.93% (avg)			3 years & 3 months (avg)	

Note : Interest rates are rounded to the second decimal place, and the remaining periods are rounded to a whole number. The averages for interest rates and remaining periods are weighted averages based on the balance at the end of fiscal period.

## V. Detail of 14th FP Results (Ended April 30, 2013)



# V - 1. Statements of Income (Summary) / Statements of Cash Distributions

## ■ Statements of Income

Account	13th FP May 1, 2012 – October 31, 2012 (184 days)	14th FP November 1, 2012 – April 30, 2013 (181 days)
	Amount	Amount
<b>I. Operating revenue and expenses</b>		
1. Operating revenue	¥5,636mn	¥5,844mn
2. Operating expenses	¥2,939mn	¥3,397mn
Expenses related to rent business	¥2,384mn	¥2,848mn
Asset management fees	¥430mn	¥416mn
Other	¥124mn	¥131mn
<b>Operating income</b>	<b>¥2,697mn</b>	<b>¥2,447mn</b>
<b>II. Non-operating income and expenses</b>		
1. Non-operating income	¥3mn	¥3mn
Interest income	¥1mn	¥1mn
Other	¥1mn	¥2mn
2. Non-operating expenses	¥697mn	¥627mn
Interest expenses	¥503mn	¥438mn
Interest expenses on investment corporation bonds	¥42mn	¥42mn
Other	¥151mn	¥147mn
<b>Ordinary income</b>	<b>¥2,002mn</b>	<b>¥1,823mn</b>
<b>Extraordinary loss</b>	<b>-</b>	<b>-</b>
Income before income taxes	¥2,002mn	¥1,823mn
Income taxes-current	¥0mn	¥0mn
Income taxes-deferred	(¥0mn)	¥0mn
<b>Net income</b>	<b>¥2,001mn</b>	<b>¥1,822mn</b>
<b>Unappropriated retained earnings</b>	<b>¥2,001mn</b>	<b>¥1,822mn</b>

## ■ Statements of Cash Distributions

Account	13th FP May 1, 2012 – October 31, 2012 (184 days)	14th FP November 1, 2012 – April 30, 2013 (181 days)
	Amount	Amount
Unappropriated retained earnings	¥2,001mn	¥1,822mn
Total dividend amount	¥2,001mn	¥1,822mn
<Dividend per unit>	<¥12,912>	<¥11,759>
Voluntary retained earnings	-	-
Retained earnings carried forward	¥0mn	¥0mn

### 【Expenses related to rent business】

- Depreciation and amortization: ¥ 1,121mn
- Property management expenses: ¥ 400mn
- Utilities expenses: ¥ 207mn  
and others

## V - 2. Balance Sheets (Summary)

Account	13th FP (as of October 31, 2012)	14th FP (as of April 30, 2013)
	Amount	Amount
<b>Assets</b>		
<b>I. Total current assets</b>	¥7,144mn	¥5,047mn
Cash and deposits	¥2,306mn	¥520mn
Cash and deposits in trust	¥4,538mn	¥4,180mn
Other	¥299mn	¥346mn
<b>II. Total noncurrent assets</b>	¥181,266mn	¥181,932mn
<b>1. Total property, plant and equipment</b>	¥180,444mn	¥181,002mn
Buildings, etc.	¥982mn	¥969mn
Land	¥4,888mn	¥4,888mn
Buildings, etc. in trust	¥49,878mn	¥49,457mn
Land in trust	¥124,695mn	¥125,686mn
<b>2. Total intangible assets</b>	¥1mn	¥1mn
Intangible assets	¥1mn	¥1mn
<b>3. Total investment and other assets</b>	¥820mn	¥928mn
Lease and guarantee deposits	¥10mn	¥10mn
Long-term prepaid expenses	¥613mn	¥706mn
Other	¥197mn	¥211mn
<b>III. Total deferred assets</b>	¥29mn	¥23mn
Investment corporation bond issuance costs	¥29mn	¥23mn
<b>Total assets</b>	<b>¥188,440mn</b>	<b>¥187,003mn</b>

Account	13th FP (as of October 31, 2012)	14th FP (as of April 30, 2013)
	Amount	Amount
<b>Liabilities</b>		
<b>I. Total current liabilities</b>	¥20,794mn	¥1,524mn
Operating accounts payable	¥80mn	¥259mn
Short-term loans payable	–	–
Current portion of long-term loans payable	¥19,235mn	¥135mn
Accounts payable — other	¥252mn	¥247mn
Accrued expenses	¥174mn	¥130mn
Accrued consumption taxes	¥102mn	¥20mn
Advances received	¥945mn	¥726mn
Derivative liabilities	–	–
Other	¥3mn	¥5mn
<b>II. Total noncurrent liabilities</b>	¥83,341mn	¥101,351mn
Investment Corporation Bond	¥8,500mn	¥8,500mn
Long-term loans payable	¥69,167mn	¥87,430mn
Tenant leasehold and security deposits	¥125mn	¥101mn
Tenant leasehold and security deposits in trust	¥5,512mn	¥5,286mn
Deferred tax liabilities	¥25mn	¥26mn
Derivative liabilities	¥10mn	¥7mn
Other noncurrent liabilities	–	¥0mn
<b>Total liabilities</b>	<b>¥104,136mn</b>	<b>¥102,876mn</b>
<b>Net assets</b>		
<b>I. Total unitholders' equity</b>	¥84,311mn	¥84,132mn
1. Unitholders' capital	¥82,260mn	¥82,260mn
2. Surplus	¥2,051mn	¥1,872mn
Reserve for reduction entry	¥49mn	¥49mn
Unappropriated retained earnings	¥2,001mn	¥1,822mn
<b>II. Total valuation and translation adjustments</b>	(¥6mn)	(¥5mn)
Deferred gains or losses on hedge	(¥6mn)	(¥5mn)
<b>Total net assets</b>	<b>¥84,304mn</b>	<b>¥84,127mn</b>
<b>Total liabilities and net assets</b>	<b>¥188,440mn</b>	<b>¥187,003mn</b>

## V - 3. Major Financial Indicators

Item	12th Fiscal Period November 1, 2011 – April 30, 2012	13th Fiscal Period May 1, 2012 – October 31, 2012	14th Fiscal Period November 1, 2012 – April 30, 2013	Remark
Period of asset management	182days	184days	181days	
Ratio of interest-bearing liabilities to total assets at end of period (LTV)	51.5%	51.4%	51.4%	Interest-bearing liabilities at end of period / Total assets at end of period
Rental NOI (Net operating income)	¥4,126mn	¥4,368mn	¥4,117mn	Rent revenue – Expenses related to rent business + Depreciation and amortization
included capital gains	[¥4,382mn]	–	–	
Rental NOI yield	4.5%	4.7%	4.4%	Rental NOI x 2 / Sum total of the acquisition price of all properties in the portfolio at end of period
included capital gains	[4.8%]	–	–	
Funds from Operation (FFO)	¥2,815mn	¥3,117mn	¥2,944mn	Net income + Depreciation and amortization
FFO per unit	¥18,165	¥20,113	¥18,996	FFO / Number of units issued and outstanding at end of period
Ratio of ordinary income to total assets (return on assets (ROA))	1.1%	1.1%	1.0%	Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2) (Note) The figure of 12th FP was included capital gains disposed on November 25, 2011
Annualized	[2.2%]	[2.1%]	[2.0%]	
Ratio of net income to unitholders' equity (return on equity (ROE))	2.4%	2.4%	2.2%	Net income / ((Net assets at beginning of period + Net assets at end of period) / 2) (Note) The figure of 12th FP was included capital gains disposed on November 25, 2011
Annualized	[4.8%]	[4.7%]	[4.4%]	
Implied Cap Rate	5.1%	5.6%	4.7%	NOI / ( Market capitalization at end of period + Net Debt at end of period (Total liabilities at end of period – Total current assets at end of period)) (Note) The figure of 12th FP was excluded capital gains disposed on November 25, 2011
NAV multiple	0.85	0.74	1.07	Market capitalization at end of period / (Net assets at end of period + (Appraisal value at end of period – Book value at end of period))
Ratio of unitholders' equity to total assets at the end of period	44.7%	44.7%	45.0%	Net assets at end of period / Total assets at end of period

# V - 4 . Unitholders

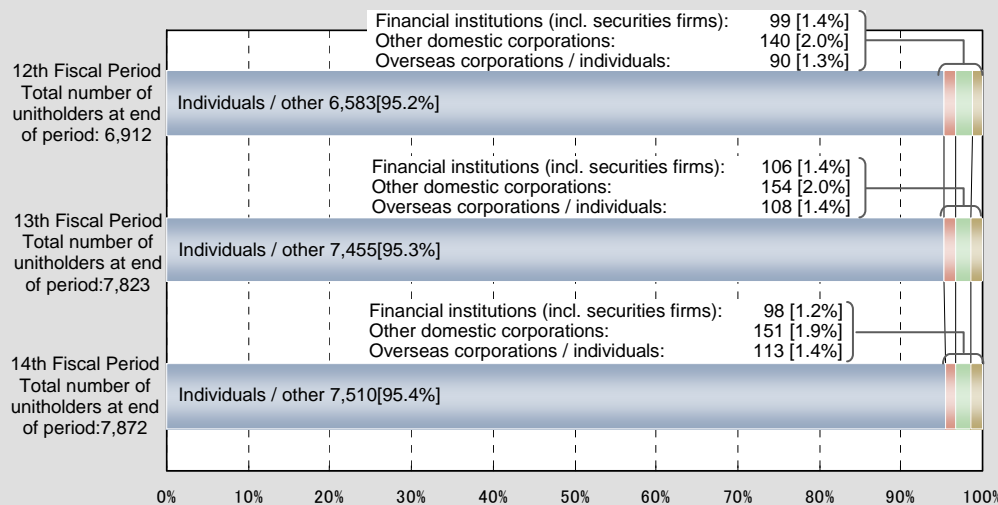
## Unitholdings (as at end of 14th FP)

Category	Number of Units Held		Number of Unitholders	
Individuals / other	24,296	15.7%	7,510	95.4%
Financial institutions (incl. securities firms)	101,431	65.4%	98	1.2%
Other domestic corporations	12,250	7.9%	151	1.9%
Overseas corporations / individuals	17,023	11.0%	113	1.4%
<b>Total</b>	<b>155,000</b>	<b>100.0%</b>	<b>7,872</b>	<b>100.0%</b>

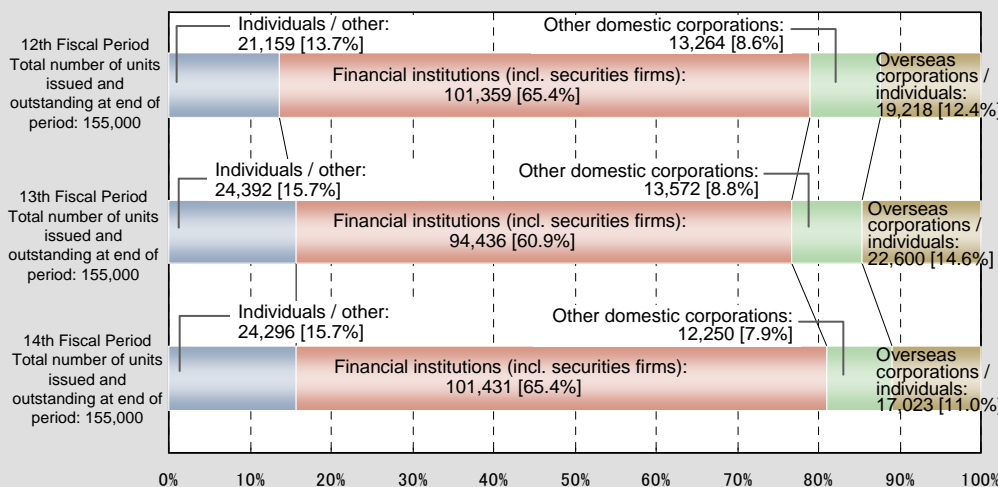
## Top 15 Unitholders (as at end of 14th FP)

Rank	Name	Number of Units Held	Share of Total
1	Japan Trustee Service Bank (trust account)	38,988	25.2
2	Trust and Custody Services Bank (securities investment trust account)	8,798	5.7
3	The Master Trust Bank of Japan (trust account)	6,782	4.4
4	North Pacific Bank, LTD.	6,139	4.0
5	Nomura Trust and Banking (investment trust account)	4,689	3.0
6	Sumitomo Mitsui Trust Bank, Limited	3,176	2.0
7	Oji Real Estate Co., Ltd.	3,162	2.0
7	NIPPON STEEL KOWA REAL ESTATE CO.,LTD.	3,162	2.0
9	MetLife Alico Life Insurance K.K GA Company JPY	3,066	2.0
10	The Senshu Ikeda Bank, Ltd	3,040	2.0
11	The Asahi Fire & Marine Insurance Co., Ltd.	2,927	1.9
12	NOMURA BANK (LUXEMBOURG) S.A.	2,691	1.7
13	The Minami Nippon Bank, Ltd.	1,550	1.0
14	The Iyo Bank, Ltd.	1,500	1.0
15	The Gibraltar Life insurance Co., Ltd (general accounts J-REIT account)	1,465	0.9
	<b>Total</b>	<b>91,135</b>	<b>58.8</b>

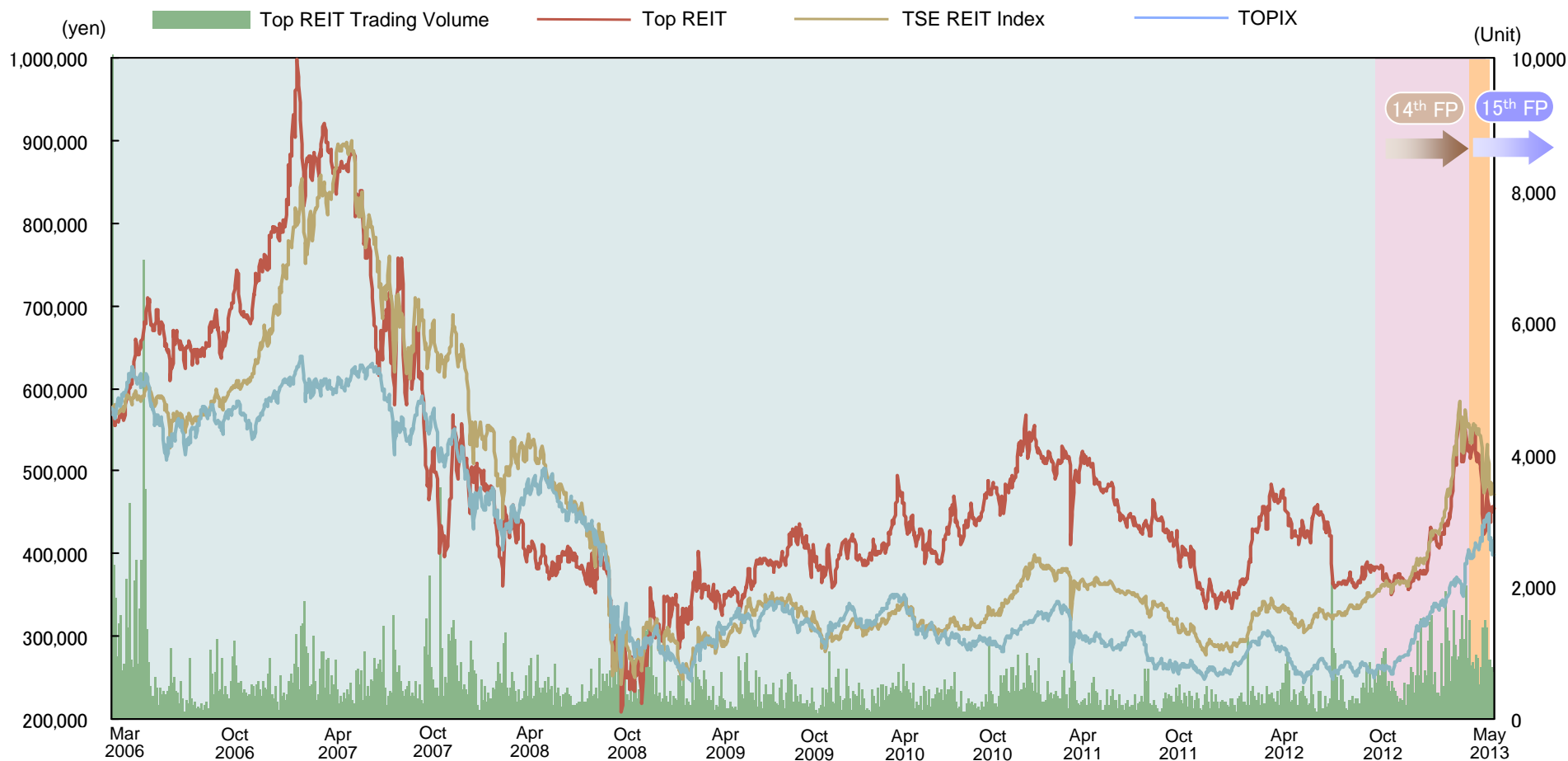
## Number of Unitholders



## Number of Units Held



# V - 5. Unit Price Performance and Volume (Mar 1, 2006 – May 31, 2013)



14th Fiscal Period End Unit Price (based on closing price)	¥522,000 (April 30, 2013)	IPO Price	¥550,000	Mar. 1, 2006
		Historical High since IPO (based on closing price)	¥998,000	Feb. 16, 2007
		Historical Low since IPO (based on closing price)	¥208,000	Oct. 28, 2008

## **VI. Appendix : Portfolio Overview**

# VI - 1. Portfolio Map (as at end of 14th FP)



NEC Head Office Building



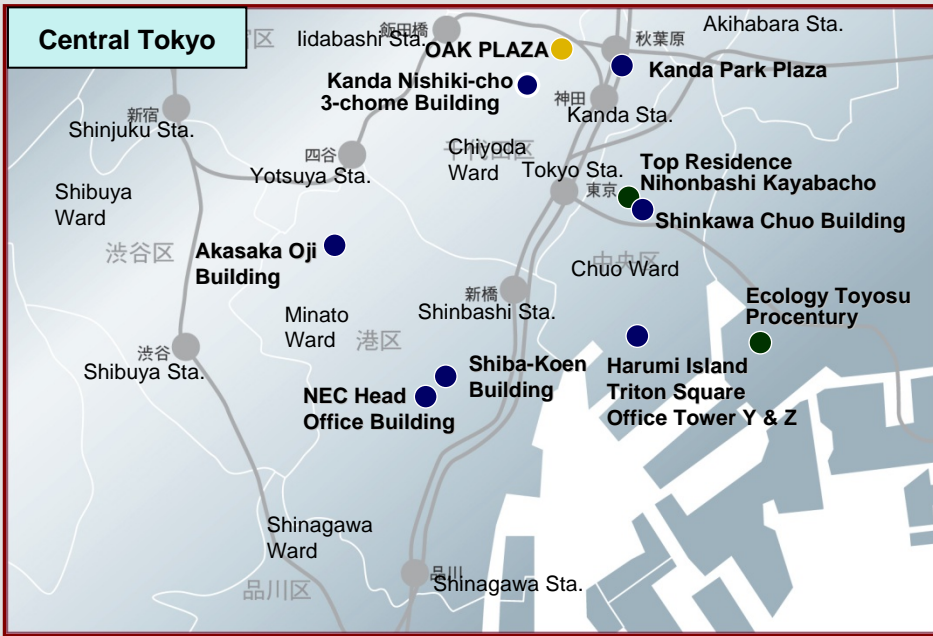
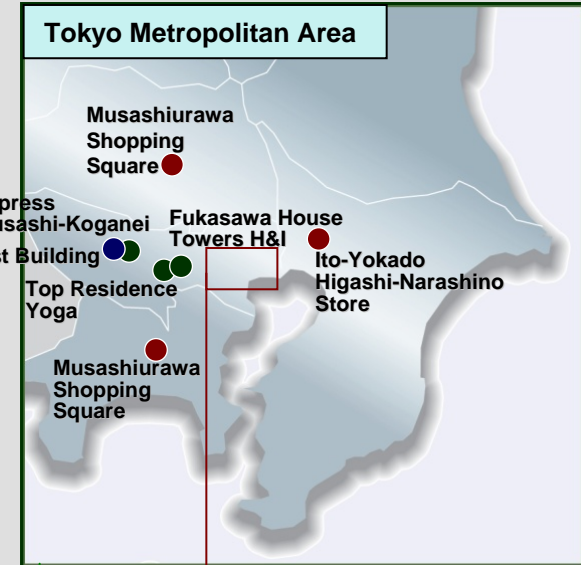
Fukasawa House Towers H&I



Harumi Island Triton Square Office Tower Y&Z



Sagamihara Shopping Center



MEL Building (Sendai City, Miyagi Pref.)



# VI - 2. Portfolio Summary (as at end of 14th FP)

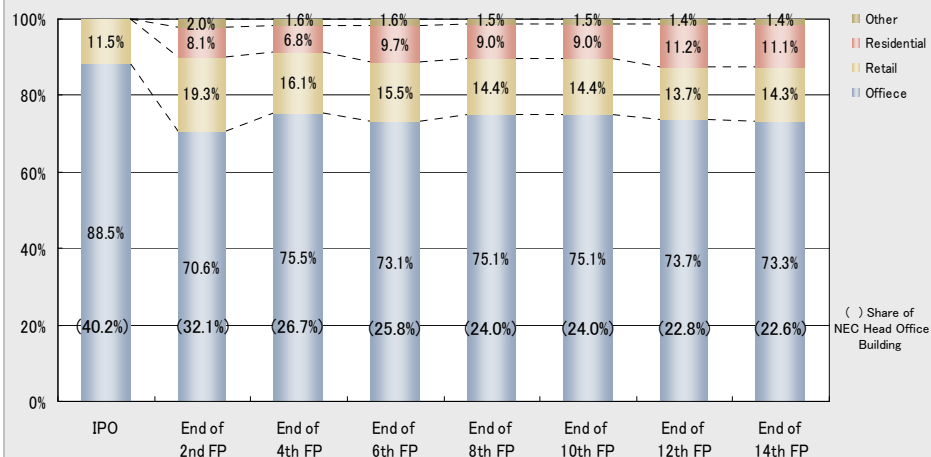
Total Acquisition Price : ¥185.<sup>555</sup>bn.

Number of Properties : 19

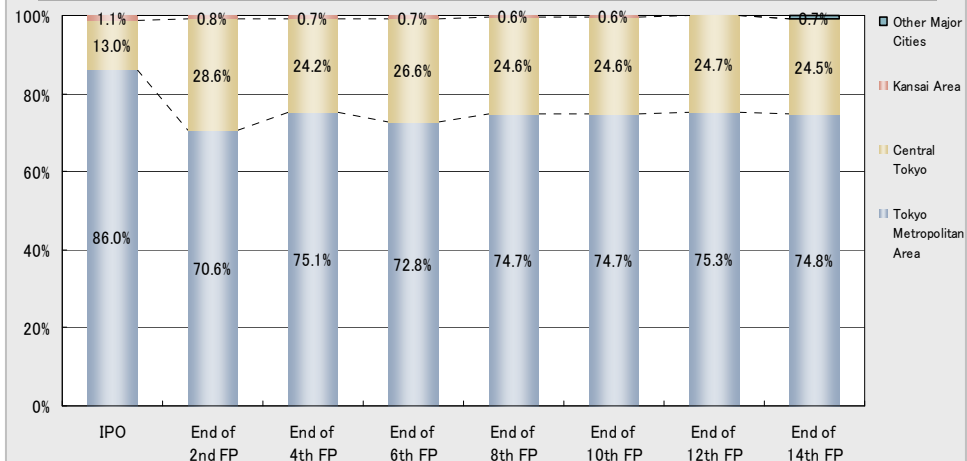
Gross Rentable Floor Area : 301,825.<sup>87</sup>m<sup>2</sup>

PML : 2.6%

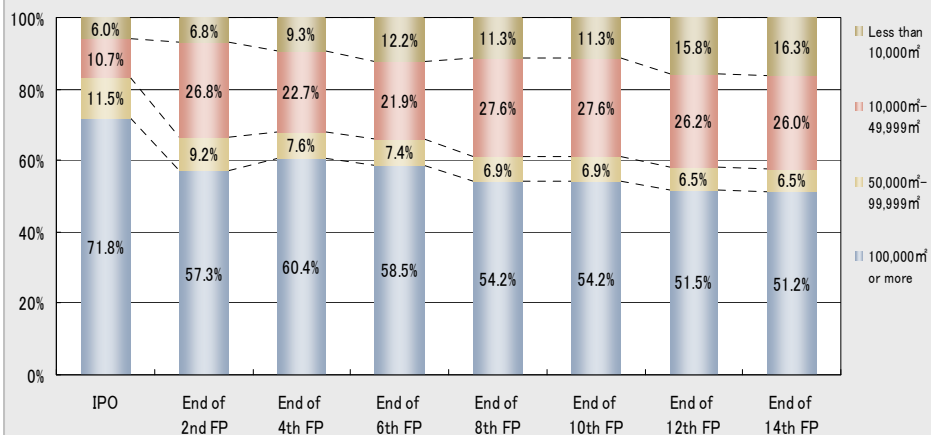
### Asset Class (property type)



### Area

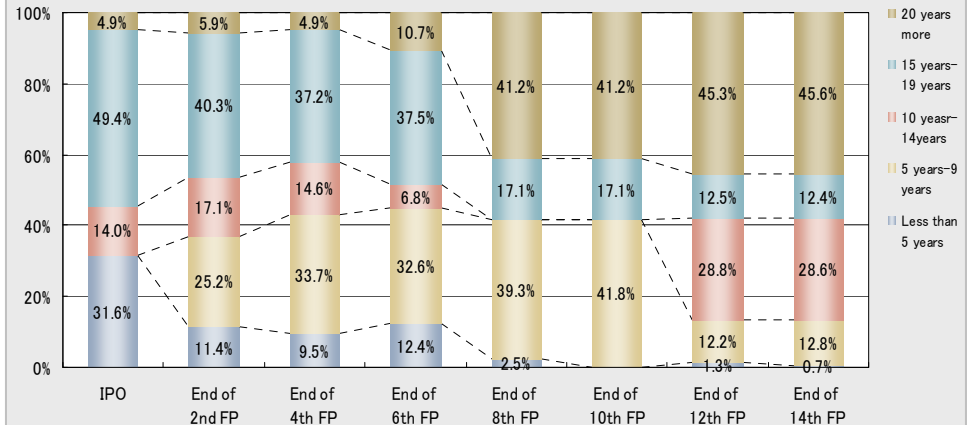


### Scale (based on total floor space)



### Age of Buildings

End of 14<sup>th</sup> FP Average: 19.1 years



※In the above graphs, percentage figures are calculated based on acquisition price and the average is a weighted average based on acquisition price.



## VI - 3. Portfolio Overview (as at end of 14th FP)

Asset Class	Area	Property	Address	Acquisition Date	Total Floor Space (m <sup>2</sup> )	Rentable Floor Space (m <sup>2</sup> )	Completion Date	Acquisition Price (mm yen)	Portfolio Share (%)	Occupancy Rate (%)	Number of Tenants	PML (%)
Office	Central Tokyo	NEC Head Office Building	Minato Ward, Tokyo	Mar 3, 2006	144,476. <sup>05</sup>	72,238. <sup>03</sup>	Jan. 1990	41,950	22. <sup>6</sup>	100. <sup>0</sup>	1	1. <sup>4</sup>
		Harumi Island Triton Square Office Tower Y	Chuo Ward, Tokyo	Mar 1, 2006	267,132. <sup>67</sup>	23,170. <sup>40</sup>	Oct. 2001	33,000	17. <sup>8</sup>	41. <sup>8</sup>	3	1. <sup>2</sup>
		Harumi Island Triton Square Office Tower Z	Chuo Ward, Tokyo	Mar 27, 2008	267,132. <sup>67</sup>	10,914. <sup>20</sup>	Oct. 2001	20,000	10. <sup>8</sup>	100. <sup>0</sup>	1	1. <sup>5</sup>
		Kanda Nishiki-cho 3-chome Building	Chiyoda Ward, Tokyo	Jan 13, 2010	12,169. <sup>78</sup>	8,025. <sup>65</sup>	Mar. 1973	12,700	6. <sup>8</sup>	100. <sup>0</sup>	1	7. <sup>0</sup>
		Akasaka Oji Building	Minato Ward, Tokyo	Mar 1, 2006	10,063. <sup>05</sup>	7,301. <sup>15</sup>	Apr. 1989	9,660	5. <sup>2</sup>	98. <sup>8</sup>	6	6. <sup>4</sup>
		Shiba-Koen Building	Minato Ward, Tokyo	Mar 19, 2008	4,958. <sup>29</sup>	3,060. <sup>43</sup>	May 1991	5,770	3. <sup>1</sup>	62. <sup>4</sup>	2	9. <sup>7</sup>
		Shinkawa Chuo Building	Chuo Ward, Tokyo	Mar 30, 2012	7,981. <sup>27</sup>	6,032. <sup>24</sup>	July 1987	5,610	3. <sup>0</sup>	100. <sup>0</sup>	1	7. <sup>0</sup>
		Kanda Park Plaza	Chiyoda Ward, Tokyo	Mar 1, 2006	5,511. <sup>83</sup>	4,537. <sup>66</sup>	Nov. 1959	5,156	2. <sup>8</sup>	100. <sup>0</sup>	10	14. <sup>1</sup>
	Tokyo Metropolitan Area	Faret East Building	Tachikawa City, Tokyo	Mar 1, 2006	16,206. <sup>34</sup>	5,850. <sup>23</sup>	Dec. 1994	2,091	1. <sup>1</sup>	89. <sup>6</sup>	1	2. <sup>8</sup>
Subtotal (9 Properties)					—	141,129. <sup>99</sup>	—	135,937	73. <sup>3</sup>	89. <sup>1</sup>	26	—
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	Mar 1, 2006	56,351. <sup>42</sup>	61,763. <sup>28</sup>	Aug. 1993 etc.	12,000	6. <sup>5</sup>	100. <sup>0</sup>	2	3. <sup>6</sup>
		Ito-Yokado Higashi-Narashino Store	Narashino City, Chiba Pref.	Jun 30, 2006	45,338. <sup>37</sup>	51,098. <sup>42</sup>	Oct. 1994	8,900	4. <sup>8</sup>	100. <sup>0</sup>	1	7. <sup>7</sup>
		Musashiurawa Shopping Square	Saitama City, Saitama Pref.	Mar 19, 2007	28,930. <sup>36</sup>	14,960. <sup>69</sup>	Oct. 2005	4,335	2. <sup>3</sup>	100. <sup>0</sup>	3	8. <sup>5</sup>
	Other Major Cities	MEL Building	Sendai City, Miyagi Pref.	Apr 30, 2013	1,756. <sup>32</sup>	1,580. <sup>70</sup>	Jan. 1980	1,210	0. <sup>7</sup>	100. <sup>0</sup>	1	3. <sup>8</sup>
Subtotal (4 Properties)					—	129,403. <sup>09</sup>	—	26,445	14. <sup>3</sup>	100. <sup>0</sup>	7	—
Residential	Central Tokyo	Top Residence Nihonbashi Kayabacho	Chuo Ward, Tokyo	Feb 1, 2012	4,540. <sup>70</sup>	3,455. <sup>68</sup>	Feb. 2004	2,400	1. <sup>3</sup>	95. <sup>2</sup>	1	6. <sup>6</sup>
	Tokyo Metropolitan Area	Fukasawa House Towers H&I	Setagaya Ward, Tokyo	Dec 8, 2006	12,135. <sup>36</sup>	11,357. <sup>44</sup>	Jun. 2004	10,635	5. <sup>7</sup>	97. <sup>3</sup>	1	1. <sup>6</sup>
		Ecology Toyosu Procentury	Koto Ward, Tokyo	May 30, 2008	9,630. <sup>96</sup>	6,789. <sup>03</sup>	Jan. 2005	5,160	2. <sup>8</sup>	92. <sup>5</sup>	1	10. <sup>6</sup>
		Impress Musashi-Koganei	Koganei City, Tokyo	Aug 12, 2011	2,471. <sup>30</sup>	2,056. <sup>41</sup>	Jun. 2008	1,223	0. <sup>7</sup>	90. <sup>5</sup>	1	6. <sup>4</sup>
		Top Residence Yoga	Setagaya Ward, Tokyo	Oct 14, 2011	1,894. <sup>35</sup>	1,512. <sup>38</sup>	Feb. 2008	1,165	0. <sup>6</sup>	94. <sup>7</sup>	1	8. <sup>6</sup>
Subtotal (5 Properties)					—	25,170. <sup>94</sup>	—	20,583	11. <sup>1</sup>	95. <sup>0</sup>	5	—
Other	Central Tokyo	OAK PLAZA	Chiyoda Ward, Tokyo	Mar 20, 2007	6,121. <sup>85</sup>	6,121. <sup>85</sup>	Apr. 1985	2,590	1. <sup>4</sup>	100. <sup>0</sup>	1	7. <sup>7</sup>
Subtotal (1 Property)					—	6,121. <sup>85</sup>	—	2,590	1. <sup>4</sup>	100. <sup>0</sup>	1	—
Total (19 Properties)					—	301,825. <sup>87</sup>	—	185,555	100. <sup>0</sup>	94. <sup>5</sup>	39	2. <sup>6</sup>

## VI - 4. Operating Income by Property (14th FP)

(million yen)

	NEC Head Office Building	Harumi Island Triton Square Office Tower Y	Harumi Island Triton Square Office Tower Z (Note)	Kanda Nishiki-cho 3-chome Building (Note)	Akasaka Oji Building	Shiba-Koen Building	Shinkawa Chuo Building	Kanda Park Plaza	Faret East Building	Sagamihara Shopping Center	Ito-Yokado Higashi-Narashino Store	Musashinurawa Shopping Square	MEL Building	Top Residence Nihonbashi Kayabacho	Fukasawa House Towers H&I	Ecology Toyosu Procentury	Impress Musashi-Koganei	Top Residence Yoga	OAK PLAZA
Operating period (days)	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	1days	181days	181days	181days	181days	181days	181days
Total revenue from property leasing	1,370	1,372			239	87	199	173	139	407	236	129	0	88	238	167	44	37	94
Rent revenue — real estate	1,370	921			239	87	199	173	139	407	236	129	0	85	233	155	41	36	94
Total expenses from property leasing	213	799			82	27	30	42	67	59	34	22	0	14	58	42	11	7	18
Property management expenses	1	168			21	7	13	8	32	2	1	1	0	9	33	22	6	4	0
Taxes and dues	205	89			39	8	0	13	11	52	27	14	—	—	15	8	2	1	13
Utilities expenses	—	77			15	8	13	13	21	—	—	—	—	1	0	1	0	0	—
Repair expenses	3	459			3	3	3	6	0	3	3	4	—	3	6	9	2	0	3
Non-life insurance expenses	1	2			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	1	2			2	—	0	0	1	1	0	1	0	0	2	0	0	0	1
NOI (NOI yield)	1,157 [5.5%]	573 [3.5%]	271 [2.7%]	355 [5.6%]	156 [3.2%]	59 [2.0%]	168 [6.0%]	130 [5.1%]	71 [6.9%]	347 [5.8%]	201 [4.5%]	106 [4.9%]	0 [9.0%]	73 [6.2%]	180 [3.4%]	125 [4.9%]	32 [5.3%]	29 [5.1%]	76 [5.9%]
Depreciation and amortization	228	246	120	34	32	17	34	13	31	55	72	49	1	27	65	45	17	13	12
Operating income	928	326	150	320	123	41	134	116	40	292	128	57	(0)	46	114	80	14	16	63
Capital expenditures	330	17	7	1	5	4	21	0	—	0	13	0	—	—	0	0	—	—	40

Renewal of refrigerator, Renewal of central monitor system, Renewal of air condition facility ...etc

(Note) Some figures for Harumi Island Triton Square Office Tower Z and Kanda Nishiki-cho 3-chome Building are not disclosed due to request by the tenants.

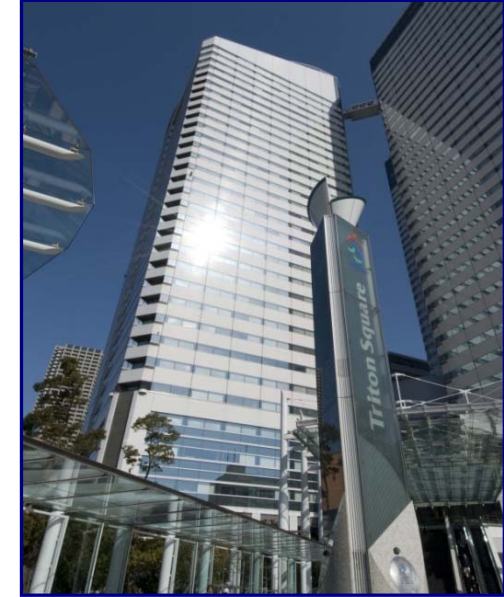
# VI – 5. Property Details: Office Buildings



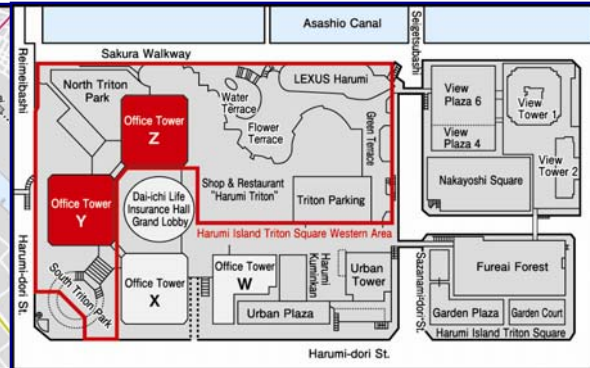
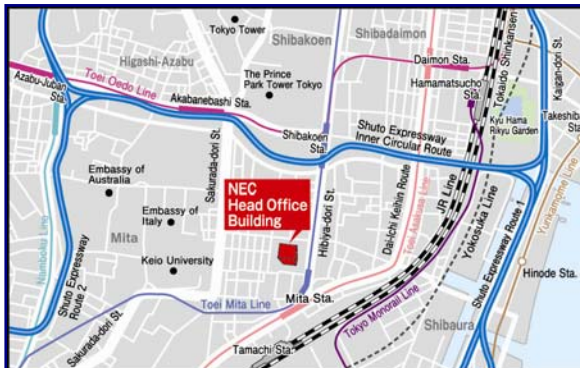
Property	NEC Head Office Building
Address	Shiba, Minato Ward, Tokyo
Floor Area	144,476. <sup>05</sup> m <sup>2</sup>
Completion	January 1990
Title	Co-ownership (50%)
Acquisition Price	41. <sup>95</sup> billion yen



Property	Harumi Island Triton Square Office Tower Y
Address	Harumi, Chuo Ward, Tokyo
Floor Area	267,132. <sup>67</sup> m <sup>2</sup>
Completion	October 2001
Title	Co-ownership (3 <sup>rd</sup> – 15 <sup>th</sup> floors)
Acquisition Price	33 billion yen



Property	Harumi Island Triton Square Office Tower Z
Address	Harumi, Chuo Ward, Tokyo
Floor Area	267,132. <sup>67</sup> m <sup>2</sup>
Completion	October 2001
Title	Co-ownership (a part of the 17 <sup>th</sup> floor and 18 <sup>th</sup> – 22 <sup>nd</sup> floors)
Acquisition Price	20 billion yen



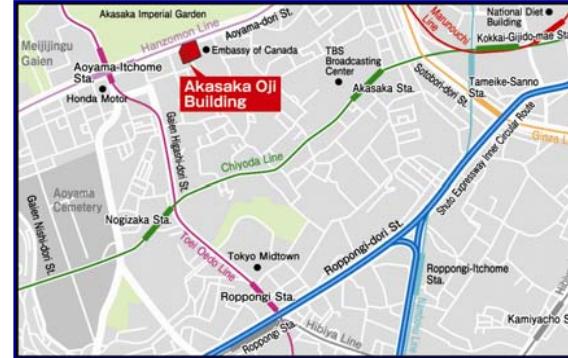
# VI - 5. Property Details: Office Buildings



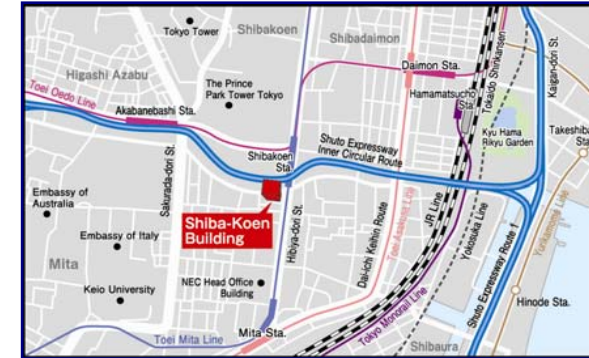
Property	Kanda Nishiki-cho 3-chome Building (formerly called "Sumitomo Corporation Nishiki-cho Building")
Address	Kanda Nishiki-cho, Chiyoda Ward, Tokyo
Floor Area	12,169.78m <sup>2</sup>
Completion	March 1973 (large-scale renovation undertaken in November 2001 and earthquake-resistant reinforcement construction implemented in October 2009)
Title	Ownership
Acquisition Price	12.7 billion yen



Property	Akasaka Oji Building
Address	Akasaka, Minato Ward, Tokyo
Floor Area	10,063.05m <sup>2</sup>
Completion	April 1989
Title	Ownership
Acquisition Price	9.66 billion yen



Property	Shiba-Koen Building
Address	Shiba, Minato Ward, Tokyo
Floor Area	4,958.29m <sup>2</sup>
Completion	May 1991
Title	Co-ownership (1 <sup>st</sup> – 7 <sup>th</sup> floors)
Acquisition Price	5.77 billion yen



# VI - 5. Property Details: Office Buildings



Property	Shinkawa Chuo Building
Address	Sinkawa, Chuo Ward, Tokyo
Floor Area	7,981.27m <sup>2</sup>
Completion	July 1987
Title	Ownership
Acquisition Price	5.6 <sup>1</sup> billion yen



Property	Kanda Park Plaza
Address	Kajicho, Chiyoda Ward, Tokyo
Floor Area	5,511.83m <sup>2</sup>
Completion	November 1959 (Repair work to enhance earthquake resistance in 2003)
Title	Ownership
Acquisition Price	5.15 <sup>6</sup> billion yen



Property	Faret East Building
Address	Akebonocho, Tachikawa City, Tokyo
Floor Area	16,206.34m <sup>2</sup>
Completion	December 1994
Title	Co-ownership (2 <sup>nd</sup> – 5 <sup>th</sup> and a part of the 6 <sup>th</sup> and 8 <sup>th</sup> floors)
Acquisition Price	2.0 <sup>91</sup> billion yen



# VI - 6. Property Details: Retail Properties

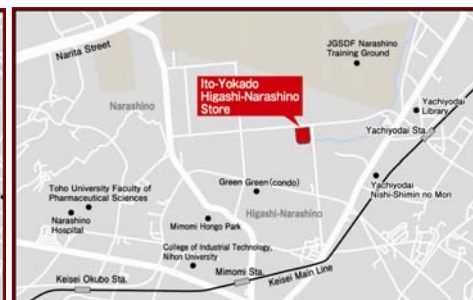


Property	Sagamihara Shopping Center
Address	Kobuchi, Sagamihara City, Kanagawa Pref.
Floor Area	56,351.42m <sup>2</sup>
Completion	August 1993
Title	Ownership
Acquisition Price	12 billion yen

Property	Ito-Yokado Higashi-Narashino Store
Address	Higashinarashino, Narashino City, Chiba Pref.
Floor Area	45,338.37m <sup>2</sup>
Completion	October 1994
Title	Ownership
Acquisition Price	8.9 billion yen

Property	Musashiuwawa Shopping Square
Address	Bessho, Minami Ward, Saitama City, Saitama Pref.
Floor Area	28,930.36m <sup>2</sup>
Completion	October 2005
Title	Co-ownership (50%)
Acquisition Price	4.335 billion yen

Property	MEL Building
Address	Chuo, Aoba Ward, Sendai City, Miyagi Pref.
Floor Area	1,756.32m <sup>2</sup>
Completion	January 1980 (extended in July, 2005)
Title	Ownership
Acquisition Price	1.21 billion yen



# VI - 7. Property Details: Residential



Property	Fukasawa Towers H&I
Address	Fukasawa, Setagaya Ward, Tokyo
Floor Area	12,135.36m <sup>2</sup>
Completion	June 2004
Title	Co-ownership (H&I)
Acquisition Price	10.635 billion yen



Property	Ecology Toyosu Procentury
Address	Toyosu, Koto Ward, Tokyo
Floor Area	9,630.96m <sup>2</sup>
Completion	January 2005
Title	Ownership
Acquisition Price	5.16 billion yen



Property	Top Residence Nihonbashi Kayabacho
Address	Nihonbashi Kayabacho, Chuo Ward, Tokyo
Floor Area	4,540.70m <sup>2</sup>
Completion	February, 2004
Title	Ownership
Acquisition Price	2.40 billion yen



# VI - 8. Property Details: Residential and Other Properties



Property	Impress Musashi-koganei
Address	Nakamachi, Koganei-shi, Tokyo
Floor Area	2,471.30 m <sup>2</sup>
Completion	June.2008
Title	Ownership
Acquisition Price	1.2234 billion yen



Property	Top Residence Yoga
Address	Tamagawadai, Setagaya Ward, Tokyo
Floor Area	1,894.35 m <sup>2</sup>
Completion	February. 2008
Title	Ownership
Acquisition Price	1.165 billion yen



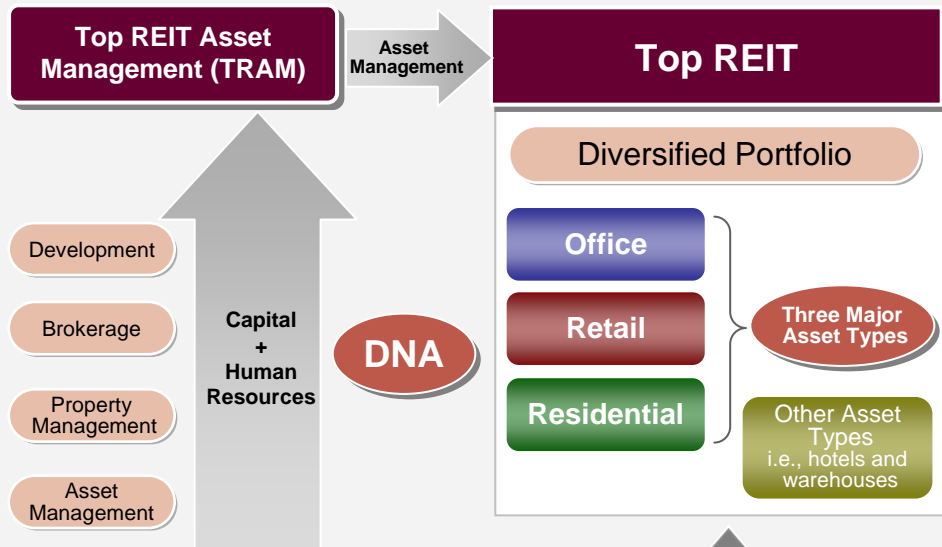
Property	OAK PLAZA
Address	Kanda Awajicho, Chiyoda Ward, Tokyo
Floor Area	6,121.85 m <sup>2</sup>
Completion	April 1985 (Completion of the conversion in 2007)
Title	Ownership
Acquisition Price	2.59 billion yen





## VII. Appendix : Structure of Related Parties

# VII - 1. Characteristics of Top REIT and Operational Strategies



**DNA**

Sponsors	
Sumitomo Mitsui Trust Bank, Limited.	69%
Oji Real Estate A wholly-owned subsidiary of Oji Management Office Inc.	31%

## Inheriting Sponsors' DNA

- Excellent personnel have been dispatched to TRAM from the sponsors to ensure real estate investment expertise as well as inheritance of their corporate groups' assets, that is, a long-term strategic view and diversified know-how acquired through each of the sponsor's businesses.

- 1. Skilled Management of a Diversified Portfolio**
  - (1) Pursuit of both external growth and quality of assets managed
  - (2) Pursuit of stability and growth potential of profitability through unique asset class
  - (3) Strategic application of commissioned reports from a think tank
- 2. Optimal Application of Sponsor Strengths**
  - (1) Steady external growth through pipeline function
  - (2) Agile acquisition of properties through warehousing function
  - (3) Achieving internal growth through "management-added benefits"

Ensuring Steady Revenue

Steady Growth of Portfolio

## Maximizing Unitholders' Value

### Utilizing Sponsor Strengths

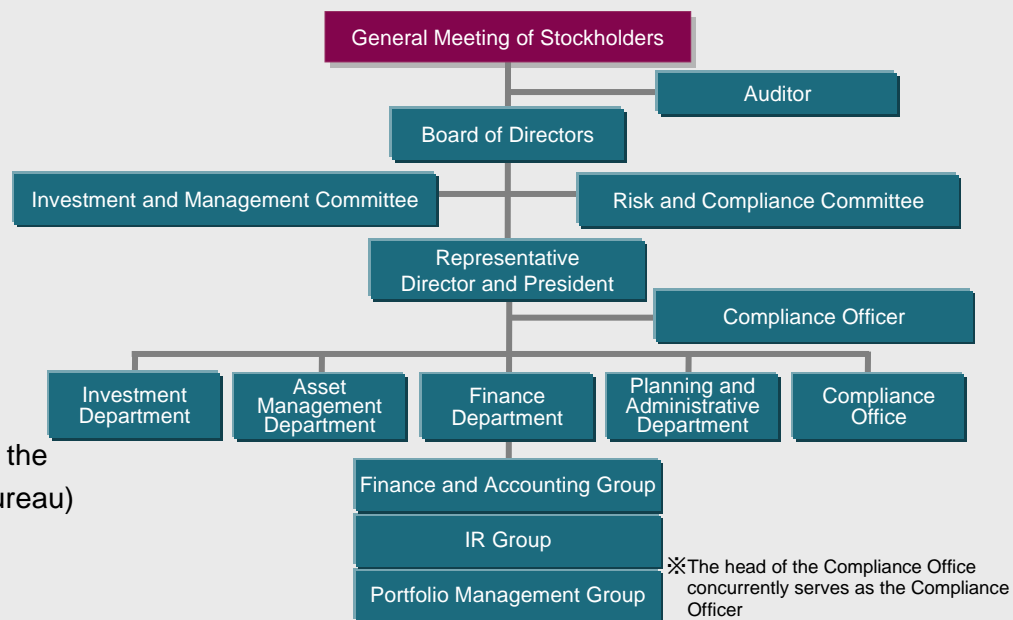
- Sponsor skills shall be utilized to achieve steady growth by applying their real estate development abilities, brokerage networks and management skills, including leasing activities that utilize the leasing demand from sponsors' groups/clients.

Number of group companies (as of March 31, 2013)

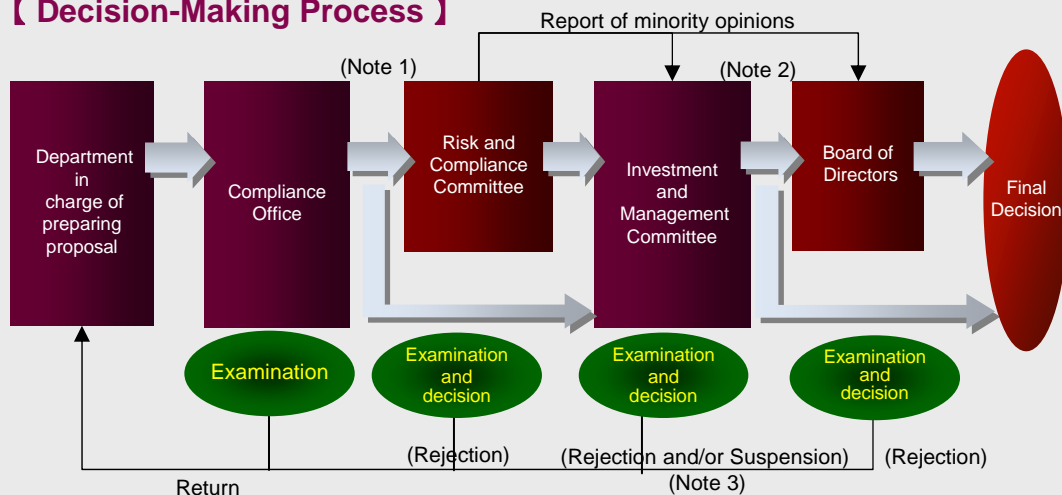
Sumitomo Mitsui Trust Holdings Group	103
Oji Holdings Corporation Group	356

## VII - 2. Overview of Asset Manager

<b>Name</b>	Top REIT Asset Management Co., Ltd.
<b>Address</b>	1-3-7 Yaesu, Chuo Ward, Tokyo
<b>Established</b>	Oct. 22, 2004
<b>Paid-in Capital</b>	¥300mn
<b>Shareholders</b>	Sumitomo Mitsui Trust Bank, Limited. 69% Oji Real Estate Co., Ltd. 31%
<b>Business Description</b>	Investment management business (Registered Financial Instruments Business Operator No. 365 (Kinsho), issued by the Director-General of the Kanto Local Finance Bureau)
<b>Directors</b>	President and Representative Director: Nobuhito Endo



### 【 Decision-Making Process 】



(Note 1) Proposals will be passed to the Risk and Compliance Committee if they fall under either of the following:

- **Material transactions with interested parties** defined in the rules on transactions with interested parties (a **unanimous vote** is required in this case.)
- The head of the Compliance Office **recognizes** the discussion of the issues in the Risk and Compliance Committee to be necessary.

(Note 2) Proposals will be passed to the Board of Directors if they fall under any of the following:

- The price of the proposed acquisition or sale is **over 10 billion yen and over 10%** of Top REIT's total assets.
- **Material transactions with interested parties** defined in the rules on transactions with interested parties
- **Forward commitment transactions**
- **Capital raising plans (final decisions on raising capital shall be made by the Board of Directors of Top REIT.)**

(Note 3) **The head of the Compliance Office can suspend discussions and decisions** and return the item to the Department in charge of the proposal if he or she judges that the item has legal problems in the process of discussions or decision making at the Investment and Management Committee.

IR Contact  
Shusaku Ohashi,  
Nobuyuki Hirano,  
Junko Yoshii  
Investor Relations  
Top REIT Asset Management Co., Ltd. (Asset Manager)  
Phone: +81-3-3243-2181  
Fax: +81-3-3243-2182  
E-mail: [info-top@top-reit-am.co.jp](mailto:info-top@top-reit-am.co.jp)  
HP: <http://www.top-reit.co.jp/english/>

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