



TOP REIT
(TSE Code: 8982)

Top REIT, Inc.

Presentation on
Business Results for
the 11th Fiscal Period

May 1, 2011 –
October 31, 2011

December 15, 2011

Topics:

- Overview since Listing

I. Performance of the Eleventh Fiscal Period

(Ended October 31, 2011)

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- I-2. Leasing Situation of Akasaka Oji Building
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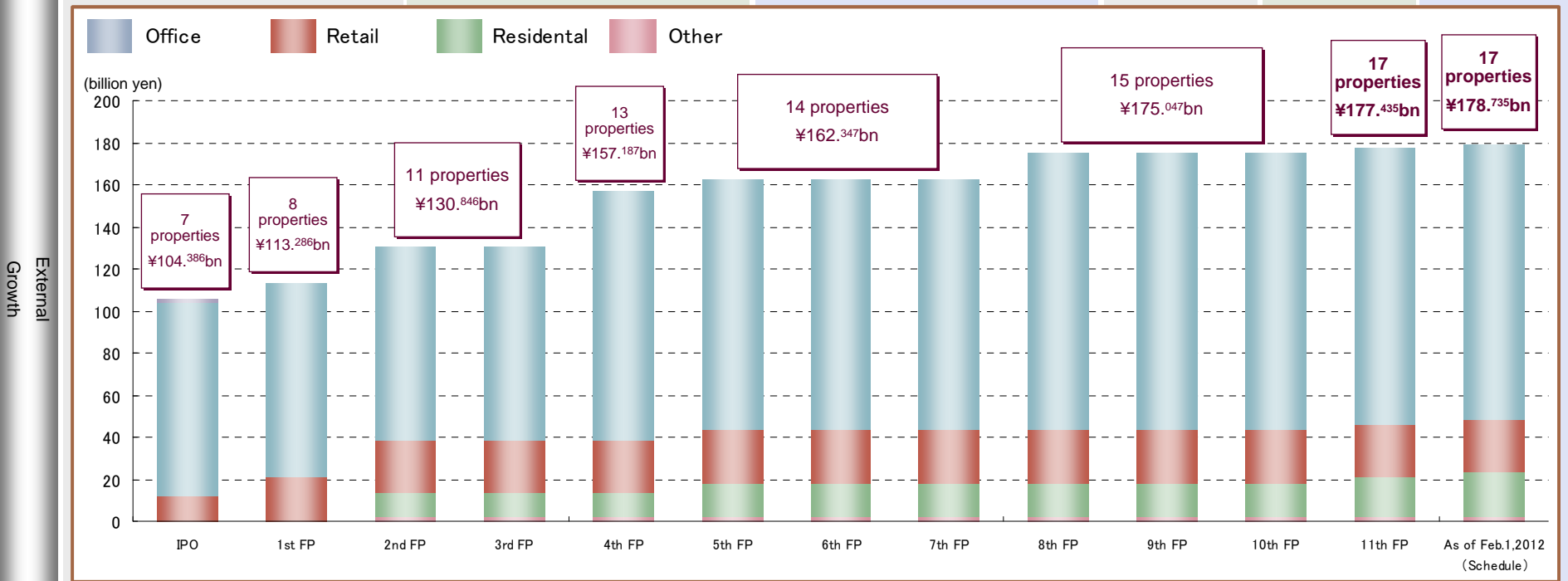
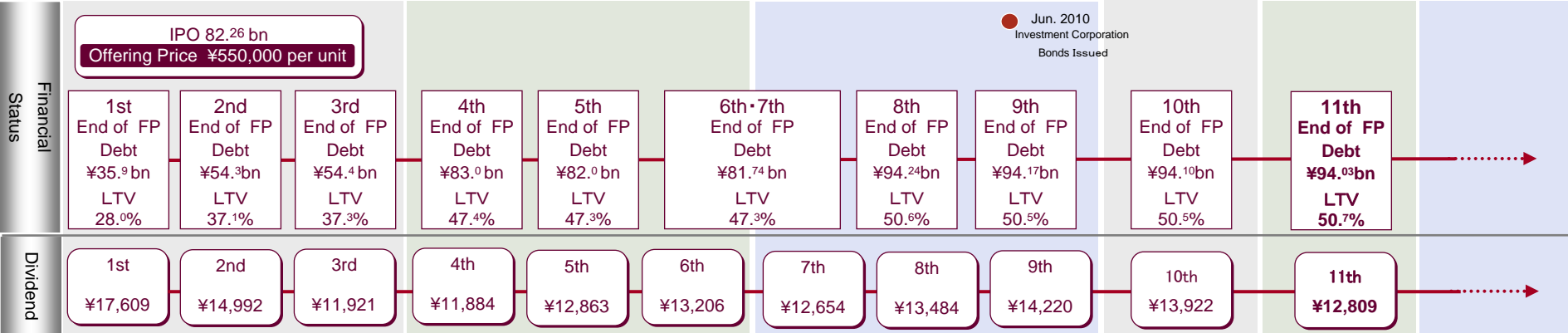
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TOPICS . Overview since Listing

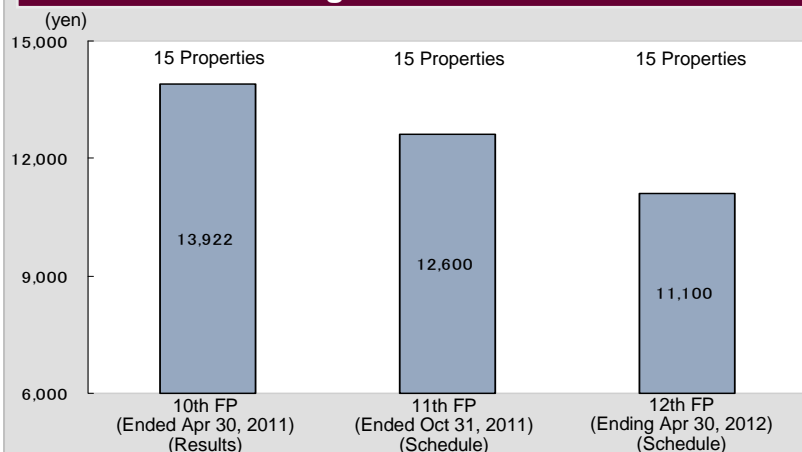
1st · 2nd · 3rd FP	4th · 5th · 6th FP	7th · 8th · 9th FP	10th FP	11th FP	12th FP
Mar 1, 2006 – Oct 31, 2008	Nov 1, 2007 ~ Apr 30, 2009	May 1, 2009 ~ Oct 31, 2010	Nov 1, 2010 ~ Apr 30, 2011	May 1, 2011 ~ Oct 31, 2011	Nov 1, 2011 ~ Apr 30, 2012



I. Performance of the Eleventh Fiscal Period (Ended October 31, 2011)

I - 1. Progress of Strategy for Recovery of Dividend Level

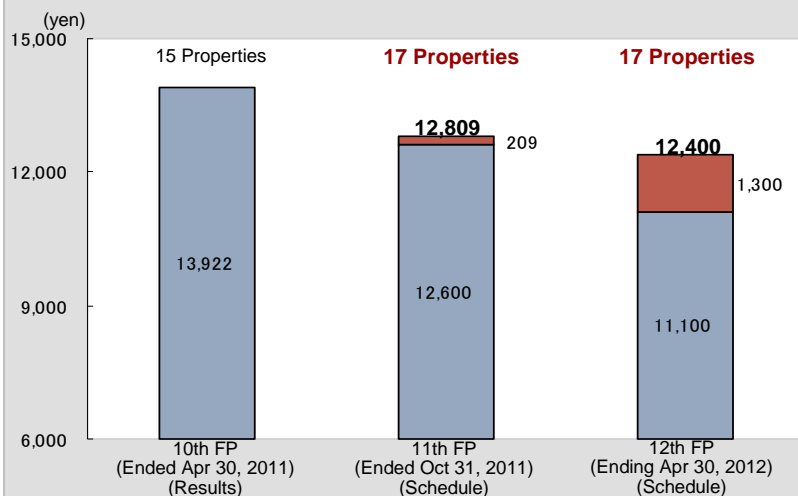
Forecast of Dividend per Unit at announcement of earnings results for 10th FP



● Strategy for Recovery of the Dividend Level - Measures in 11th FP -

- ◆ Secure foothold for revenues through flawless management of existing properties
 - Completion of early leasing of Akasaka Oji Building
 - Minimize range of decrease in rent revision
- ◆ Accumulate greater revenues with acquisition of new properties
 - Utilize the sponsor's strengths as well as various information channels
 - Target office buildings in central Tokyo and residential properties in the central Tokyo or Tokyo Metropolitan Area

Actual and Forecast of Dividend per unit at announcement of earnings results for 11th FP



● Performance of Recovery Strategy - Actual Measures in 11th FP -

- ◆ Secure foothold for revenues through flawless management of existing properties
 - Status of contracted lease agreement on Akasaka Oji Building
Approx, 1,600m² (2.5 floors)/Approx, 6,500m² (8.5 floors)
 - Minimize range of decrease in rent revision
Decrease averaged 1.7%
(Large improvement due to agreement unchanged in rent revision of Sagami-hara Shopping Center)
- ◆ Accumulate greater revenues with acquisition of new properties
 - Acquisition of new properties and replacement of properties
11th FP Acquisition of two residential properties
12th FP Disposition of one office building
Acquisition of one residential property (anticipated)

I - 2. Leasing Situation of Akasaka Oji Building

Current Leasing Condition

Occupancy Rate (End of Nov, 2011)	11.9%	
	May 2011~ November 2011	TOTAL
Agreement conclusion (including reservation agreement) (※)	Approx.1,300m ² /Approx.6,500m ² (2.0F floors / 8.5 floors)	Approx. 1,600m ² /Approx.6,500m ² (2.5 floors / 8.5 floors)
Number of inquiries	47	80
Number of previews	27	36
Number of considerations	5 (floor space: Approx. 800m ² ~Approx. 2,300m ²)	

(※) Indicated lease agreements concluded before December 14, 2011

Aim to contribute to increasing profit in 14th fiscal period taking into consideration Free Rent (not receiving rents for a certain term)

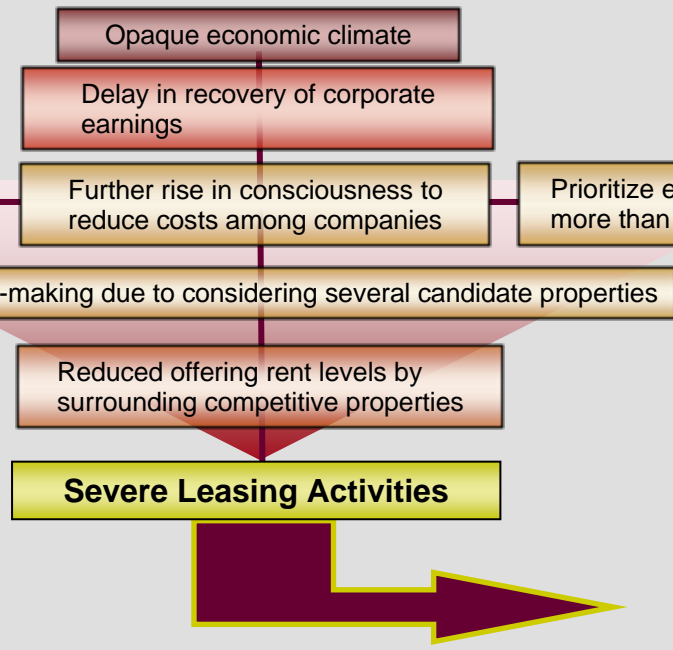
Leasing Policy

- Promote the superiority of Akasaka Oji Building and approach IT companies, apparel companies and others regardless of their business
 - While maintaining the level of rents, aim for a minimization of downtime
- ⇒ Leasing activity which brings together the collective strengths of TOP REIT**



Future Strategy

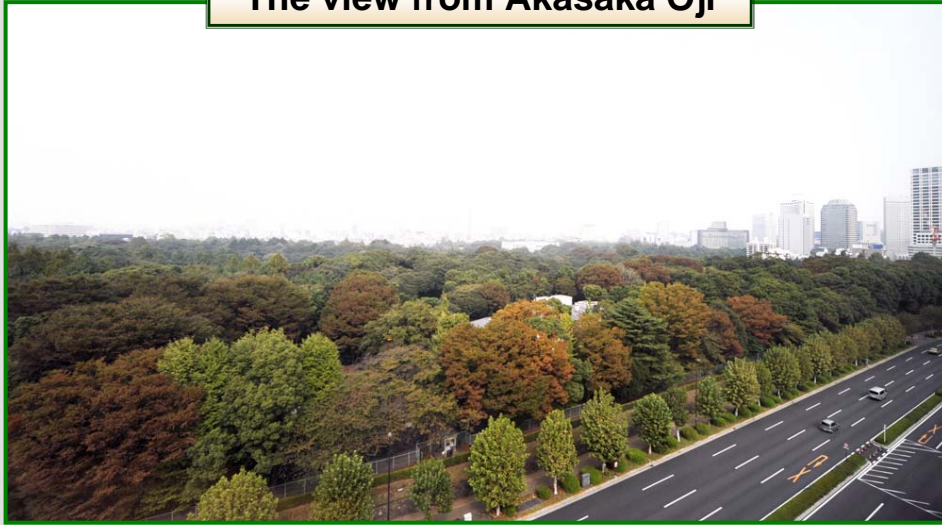
- ◆ **Conduct activities more broadly with comprehensive criterion based on existing leasing policy** ◆
- Proactively demonstrate relocation advantages to would-be tenants through persistent door-to-door campaigns
- Conduct activities that allow possibility of leasing floors by section
- Flexibly respond to economic conditions by closely monitoring the lease status of surrounding competing properties



I - 2. Leasing Situation of Akasaka Oji Building

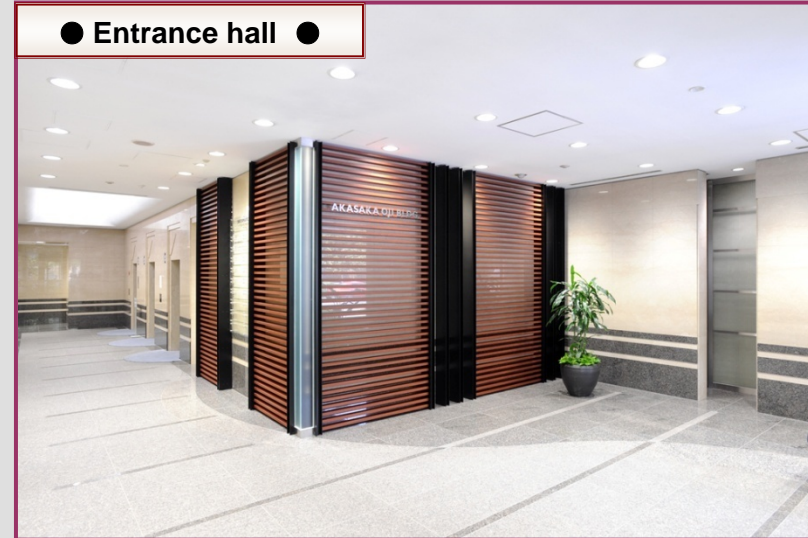
Improvement in Competitive Power & Asset Value

The view from Akasaka Oji



~ Implementation of Renewal Construction

● Entrance hall ●



● Elevator hall ●



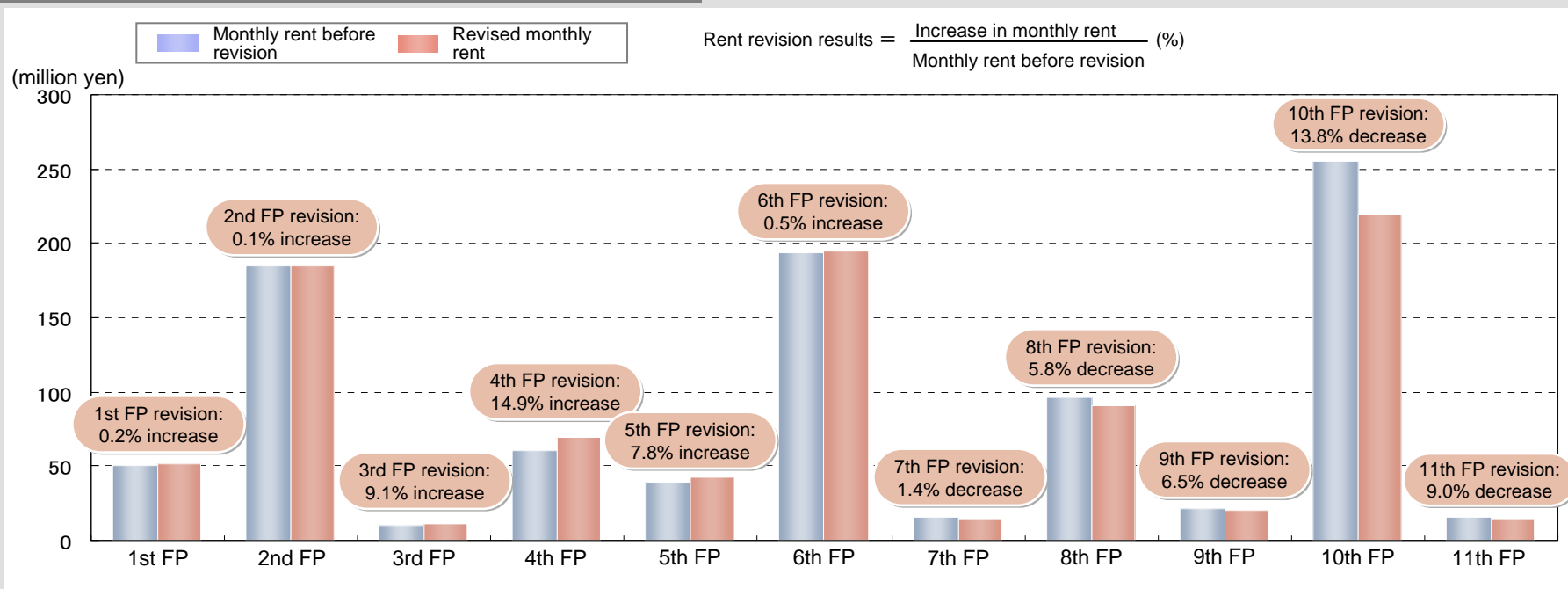
● The rest room for women ●



● The rest room for men ●

I - 3. Results from Rent Revisions (excluding residential)

Office: Rent Revision Results (As at end of 11th FP)



◆ Results of 11th FP Rent Revision ◆

In spite of estimated deduction within certain level with regard to the rent revision of Sagami-hara Shopping Center, earnings improved largely due to concluding unchanged rent agreement

- Office Buildings 5 cases: Unchanged 1 • Decreased 4
9.0% decrease on average
- Retail Properties 1 case: Unchanged
(Sagami-hara Shopping Center)

■ Total (excluding residential): 1.7% decrease on average

I – 4. Property Newly Acquired in 11th Fiscal Period

Impress Musashi-Koganei

[Reason for Acquisition]

- ① High transport convenience: About a 2 minute walk from Yoga Station on the Tokyu Den-en-toshi Line, having transportation to Shibuya Station and Otemachi Station without transfer
- ② High convenience for daily life with concentrated retail facilities in surrounding area
- ③ Boasts a good living environment due to the easy access to Kinuta Park from Yoga Station through a promenade which has fountains and avenues

Address	1-14-12 Tamagawadai, Setagaya Ward, Tokyo
Acquisition Price	1,165 million yen (Acquired on October.14, 2011)
Area of Land/ Total Floor Space	777.85m ² /1,894.35m ² (RC structure with a flat roof; 1 basement floor, 5 floors above ground)
Completion	February 2008
Appraisal Value	1.17 billion yen (dated September 1, 2011) Japan Real Estate Institute
Cap Rate	Assumed NOI yield 5.5% (*) Cap rate 5.0% (Direct Capitalization Method)

Address	4-14-18, Nakamachi, Koganei-shi, Tokyo
Acquisition Price	1,223.4 million yen (Acquired on August.12, 2011)
Area of Land/ Total Floor Space	760.85m ² /2,471.30m ² (RC structure with a flat roof; 10 floors above ground)
Completion	June 2008
Appraisal Value	1.27 billion yen (dated July 1, 2011) Japan Real Estate Institute
Cap Rate	Assumed NOI yield 5.9% (※) Cap Rate 5.5% (Direct Capitalization Method)

[Reason for Acquisition]

- ① Transport convenience: it is about a 4 minute walk from Musashi-Koganei Station on the JR Chuo Line, from which it takes only approximately 20 minutes to Shinjuku Station
- ② Plenitude of convenience facilities for daily life due to concentrated retail facilities and established public facilities around the area
- ③ Fairly young, high quality and equipped facilities as independent washstands, toilets and bathroom dryers for all units



TOP Residence Yoga

(*) The indicated yield is calculated by dividing assumed NOI, the difference between 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 acquisition, by the acquisition price.

I – 5. Property Replacement

Nittetsu Honmachi Building (Disposition)

Disposition Date: November 25, 2011
 Disposition Price: 1.3 billion yen
 Investment Breakdown: 0.6% (as of end of October 2011)
 <Recovered to 100% occupancy in 10th FP; high NOI yield >

- Futures risk**
- Concern of worsening supply-demand balance due to large supply of offices in line with redevelopment of areas around Osaka Station
 - Tenants' moving out risk is expanding; vacancy rate is increasing in Honmachi area as well
 - Concentration of rent revisions from 13th FP to 15th FP, increasing risks of rent reduction

Replacement

Premier Stage Nihonbashi Kayabacho (Acquisition)

[Expected to secure steady profit due to being highly competitive]

- **High transport convenience:** About a 3 minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line and about a 4 minute walk from the same station on Tozai Line, further it has good access to Nihonbashi Station that is within walking distance
- Expected **steady demand** from business persons due to proximity to the central business districts of Otemachi and marunouchi Areas
- **Steady rent level**
- **Construction plans with increased scarcity value** due to construction of studio apartments (less than 40m²) limited due to being district planning area of Chuo Ward

《Utilize Sponsors' Strengths》

Realized effective disposition **gaining best opportunity** by brokerage of Sumitomo Trust and Banking

● Effect of Disposition

- **Capital gains** from disposition (approximately 250million yen)
- Plans to **internally reserve** (approximately 80 million yen) by utilizing the exceptional taxation to reinforce financial standing
- Accumulate the cash dividend for 12th FP (accumulate approx,1,100 yen)

Pursuit to further stability of portfolio

● Effect of Replacement (Acquisition of property above)

- **Secure profit** due to acquiring residential property in excellent location with expected steady occupancy
- **High liquidity** in terms of area, scale and scarcity
- **Expected profit increase** due to improving occupancy

(occupancy rate : 92.7% as of September 30, 2011)

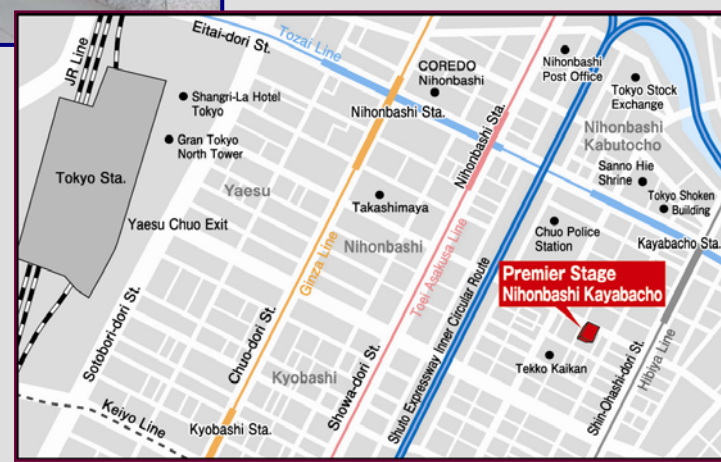
Plan to internally reserve portions of capital gains from disposition of land by utilizing "Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010"

I - 6. Anticipated Newly Acquisition Property

Premier Stage Nihonbashi Kayabacho

Address	3-4-1 Nihonbashi Kayabacho, Chuo Ward, Tokyo
Acquisition Price (Scheduled)	2,400 million yen (February.1,2012)
Book Value	2,550 million yen (As of October.1,2011)
Completion	February,2004
Area of Land/ Floor Space	479.93m ² /4,540.70m ² (SRC structure with a flat roof 14 floors above ground)
Cap Rate	Estimated NOI yield: 5.7% (*) / Cap rate: 5.1% (Capitalization Method)

(*) The indicated yield is calculated by dividing assumed NOI, the difference between 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 acquisition, by the acquisition price.



II. Results of Past Periods and Forecasts

II - 1. Summary of the Eleventh Fiscal Period

Items	11th FP Results May 1, 2011 - October 31, 2011	11th FP Forecast (Announced on June 14, 2011)	Net Change (Results vs. Forecast)		10th FP Results November 1, 2010 - April 30, 2011	Net Change (11th FP Results vs. 10th FP Results)	
Period of asset management (days)	184	184	-	-	181	-	-
Operating revenue	¥5,812mn	¥5,806mn	¥6mn	0.1%	¥5,967mn	(¥154mn)	(2.6%)
Operating income	¥2,779mn	¥2,752mn	¥27mn	1.0%	¥2,971mn	(¥192mn)	(6.5%)
Ordinary income	¥1,986mn	¥1,954mn	¥32mn	1.7%	¥2,194mn	(¥208mn)	(9.5%)
Extraordinary loss	-	-	-	-	¥37mn	(¥37mn)	(100.0%)
Net income	¥1,985mn	¥1,953mn	¥32mn	1.7%	¥2,157mn	(¥172mn)	(8.0%)
Number of units issued and outstanding (unit)	155,000	155,000	-	-	155,000	-	-
Dividend per unit (yen)	¥12,809	¥12,600	¥209	1.7%	¥13,922	(¥1,113)	(8.0%)
Number of properties	17	15	2	-	15	2	-
Appraisal value total	¥172,440mn	-	-	-	¥170,670mn	¥1,770mn	1.0%

■ Differences between Forecasts and Actual Results

Operating Revenue: +¥6mn

- Increase in revenue due to acquisition of new properties (2 residential properties)
- Increase in revenue due to agreed unchanged rents for rent revisions at Sagamihara Shopping Center
- Decrease in revenue from utilities expenses borne by tenants due to saved electrical power by tenants
- Decrease in revenue equivalent to expenses for restoring to original condition by reducing costs of Akasaka Oji Building

Operating Income: +¥27mn

- Decrease in utilities expenses due to saved electric power by tenants
- Decrease in expenses equivalent for restoring to original condition of Akasaka Oji Building

Ordinary Income: +¥32mn

- Increase in revenue by reversing the provision for loss on disasters and receipt of insurance

■ Other References

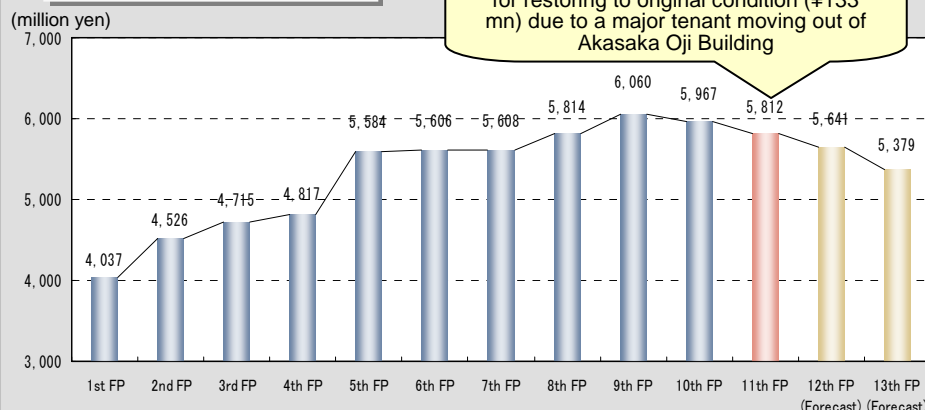
Items	11th FP Results	10th FP Results
Number of tenants	48	46
Total rentable floor space	295,215.03m ²	291,627.72m ²
Occupancy rate	97.3%	99.7%
Depreciation and amortization	¥1,060mn	¥1,086mn
Capital expenditures	¥234mn	¥464mn
Term-end unit price (yen)	¥403,000	¥491,500
Term-end market capitalization	¥62,465mn	¥76,182.5mn

II - 2. Results of Past Periods and Forecasts

Preconditions for Forecast of Earnings Results	12 th FP (End of April, 2012)	13 th FP (End of October, 2012)
Portfolio Assets	It is assumed that Premier Stage Nihonbashi Kayabacho will be acquired as of February 1, 2012 in addition to 16 properties owned as of December 14, 2011	
Number of Units Issued and Outstanding	155,000 Units	
Interest-Bearing Liabilities	As of end of FP: ¥93,970 million (Anticipated repayment of ¥67 million as agreed upon)	As of end of FP: ¥93,902 million (Anticipated repayment of ¥67 million as agreed upon)
Operating Revenue	Assumed capital gain (approx. ¥250 million) due to disposition Nittesu Honmachi Building	—
Tenants for Akasaka Oji Building	It is assumed that revenues come only from lease agreements that have been concluded (including reserved agreements) as of December 14, 2011, covering approximately 2,100 m ² (3 floors) and approximately 7,300 m ² (9 floors and underground repository).	
Rent Revisions	14% of total rents (as of the end of 11th FP) are planned for rent revision Almost agreed on revisions with some tenants in Harumi Toriton Y	2.1% of total rents (as of the end of 11th FP) are planned for rent revision Assumed a few decreases, but minimal impact
Operating Expenses	It is assumed that property tax, etc. will be ¥609 million and depreciation and amortization will be ¥1,061 million	It is assumed that property tax, etc. will be ¥598 million and depreciation and amortization will be ¥1,087 million
Non-Operating Expenses	¥741 million (interest on loans, interest expenses on investment corporation bonds and related expenses: ¥737 million)	¥694 million (interest on loans, interest expenses on investment corporation bonds and related expenses: ¥689 million)
Dividend	It is assumed to distribute almost total amounts by deducting the internal reserve (approx. ¥80 million) as reduction entry of part of the capital gains due to disposing Nittetsu Honmachi Building	It is assumed that there is no reversal of internal reserves (approximately ¥80 million).

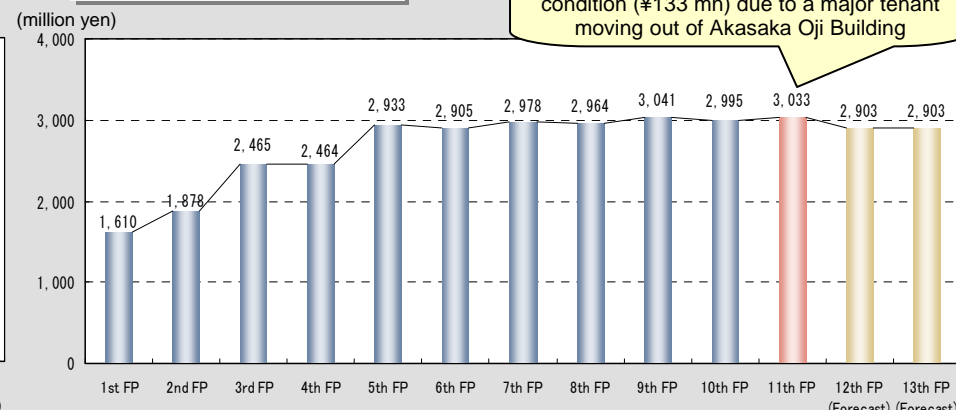
Operating Revenue

Posted revenue equivalent to expenses for restoring to original condition (¥133 mn) due to a major tenant moving out of Akasaka Oji Building



Operating Expenses

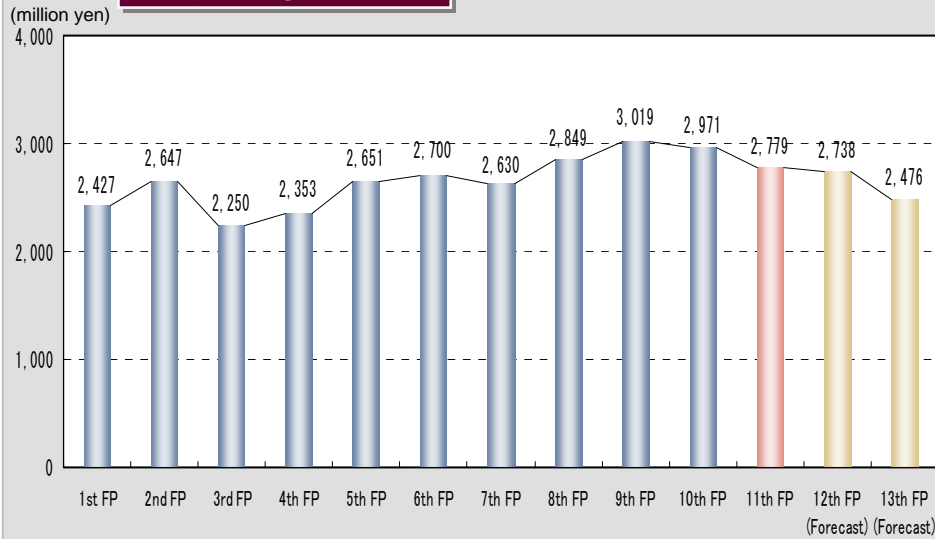
Posted expenses for restoring to original condition (¥133 mn) due to a major tenant moving out of Akasaka Oji Building



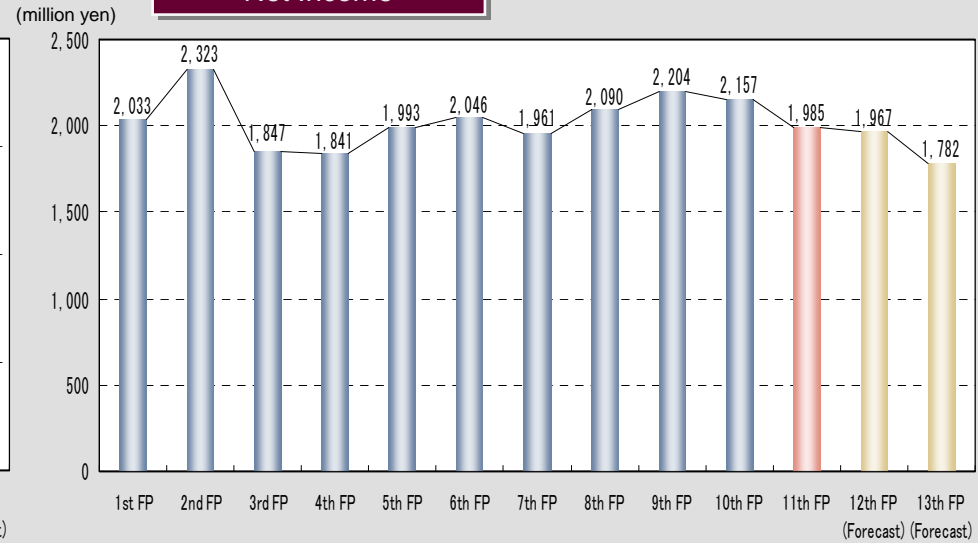
*The actual number of days in the First Fiscal Period was 245. The above numbers are calculated by the following calculation method: (First Fiscal Period Results / 245 Days) x 365 Days / 2. In addition, the above forecast figures are calculated under certain preconditions as of the date of this material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

II – 2. Results of Past Periods and Forecasts

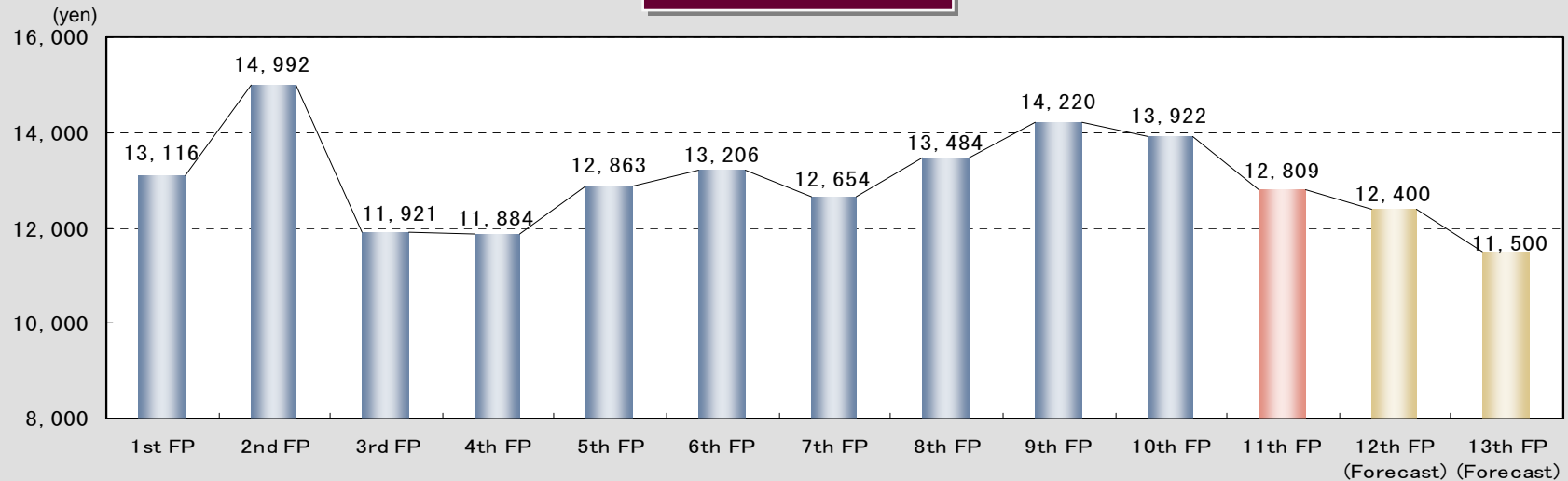
Operating Income



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	6th Fiscal Period	7th Fiscal Period	8th Fiscal Period	9th Fiscal Period	10th Fiscal Period	11th Fiscal Period	12th Fiscal Period (Forecast)	13th Fiscal Period (Forecast)
Period of asset management (days)	181	184	181	184	181	184	182	184
Operating revenue	¥5,606mn	¥5,608mn	¥5,814mn	¥6,060mn	¥5,967mn	¥5,812mn	¥5,641mn	¥5,379mn
Operating expenses	¥2,905mn	¥2,978mn	¥2,964mn	¥3,041mn	¥2,995mn	¥3,033mn	¥2,903mn	¥2,903mn
Of which, expenses related to rent business (excluding taxes and dues, and depreciation and amortization)	¥718mn	¥762mn	¥711mn	¥783mn	¥741mn	¥809mn	¥701mn	¥678mn
Of which, taxes and dues	¥476mn	¥561mn	¥567mn	¥586mn	¥586mn	¥609mn	¥609mn	¥598mn
Of which, depreciation and amortization	¥1,151mn	¥1,105mn	¥1,127mn	¥1,081mn	¥1,086mn	¥1,060mn	¥1,061mn	¥1,087mn
Operating income	¥2,700mn	¥2,630mn	¥2,849mn	¥3,019mn	¥2,971mn	¥2,779mn	¥2,738mn	¥2,476mn
Ordinary income	¥2,047mn	¥1,960mn	¥2,091mn	¥2,204mn	¥2,194mn	¥1,986mn	¥1,998mn	¥1,783mn
Net income	¥2,046mn	¥1,961mn	¥2,090mn	¥2,204mn	¥2,157mn	¥1,985mn	¥1,967mn	¥1,782mn
Net operating income from property leasing	¥4,412mn	¥4,284mn	¥4,535mn	¥4,691mn	¥4,639mn	¥4,393mn	¥4,329mn	¥4,103mn
FFO	¥3,198mn	¥3,066mn	¥3,217mn	¥3,286mn	¥3,243mn	¥3,046mn	¥3,028mn	¥2,869mn
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	¥13,206	¥12,654	¥13,484	¥14,220	¥13,922	¥12,809	¥12,400	¥11,500
FFO per unit	¥20,635	¥19,785	¥20,755	¥21,200	¥20,929	¥19,654	¥19,537	¥18,513

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

III. Growth Strategy: Leaping for the Next Stage

III - 1. Market Prospects

Real Estate Leasing Market

[Present state]

- ◆ Signs of recovery in vacancy rates appearing for large-scale office buildings built recently in 3 central wards of Tokyo
- ◆ Polarization expanding between large-scale office buildings newly built and other buildings even in central Tokyo
- ◆ Office rent levels remain generally weak
- ◆ Studio and family residences with high convenience continue to show steady performance

[Future prospects]

- ◆ Concerns for worsening vacancy rate due to large supply of office buildings in 2012 and after
 - ◆ Concerns that recovery of corporate performance will be prolonged due to anxiety over global economic turmoil and prolonged trend of yen's appreciation may further postpone recovery in rent
- ⇒ TOP REIT's strategy
Continue efforts to **strengthen leasing activities** and prevent tenant's moving out

Real Estate Transaction Market

[Present state]

- ◆ Number of high-grade office properties available for sale or actually sold remains small due to continued gap in price perspectives of seller and buyer
- ◆ Buyers compete over office buildings in central Tokyo as properties available for sale are scarce (Buyers are primarily REITs and private placement funds,)
- ◆ The market for rental residential property transactions remains steady

[Future prospects]

- ◆ The price perspective gap between seller and buyer will remain for high-grade office properties
 - ◆ Number of office buildings available for sale expected to increase as end of fiscal year nears
 - ◆ Price level of high-grade office buildings will be in the bottom range.
 - ◆ Market for rental residential property transactions will remain steady but tend to overheat
- ⇒ TOP REIT's strategy
Focus acquisitions by gathering information on **high-grade office buildings in central Tokyo** available for sale

Financial / Capital Market

[Present state]

- ◆ De facto zero interest rate monetary policy maintained and continued by the Bank of Japan
- ◆ No particular change in the attitude of banks (lenders) since the earthquake
- ◆ The J-REIT market remains weak despite doubling in purchasing amount of J-REIT units and intermittent implementation of the purchase by the Bank of Japan

[Future prospects]

- ◆ Market interest rates will remain stable at low levels for some time
 - ◆ The J-REIT market and the attitude of banks will remain uncertain due to the impact of financial turmoil in Europe and other factors
- ⇒ TOP REIT's strategy
While closely monitoring the market environment, select fund procurement means from among bank loans, investment corporation bonds, public offerings, etc.

III - 2. Strategy for Recovery of the Dividend Level

Current Management Policy

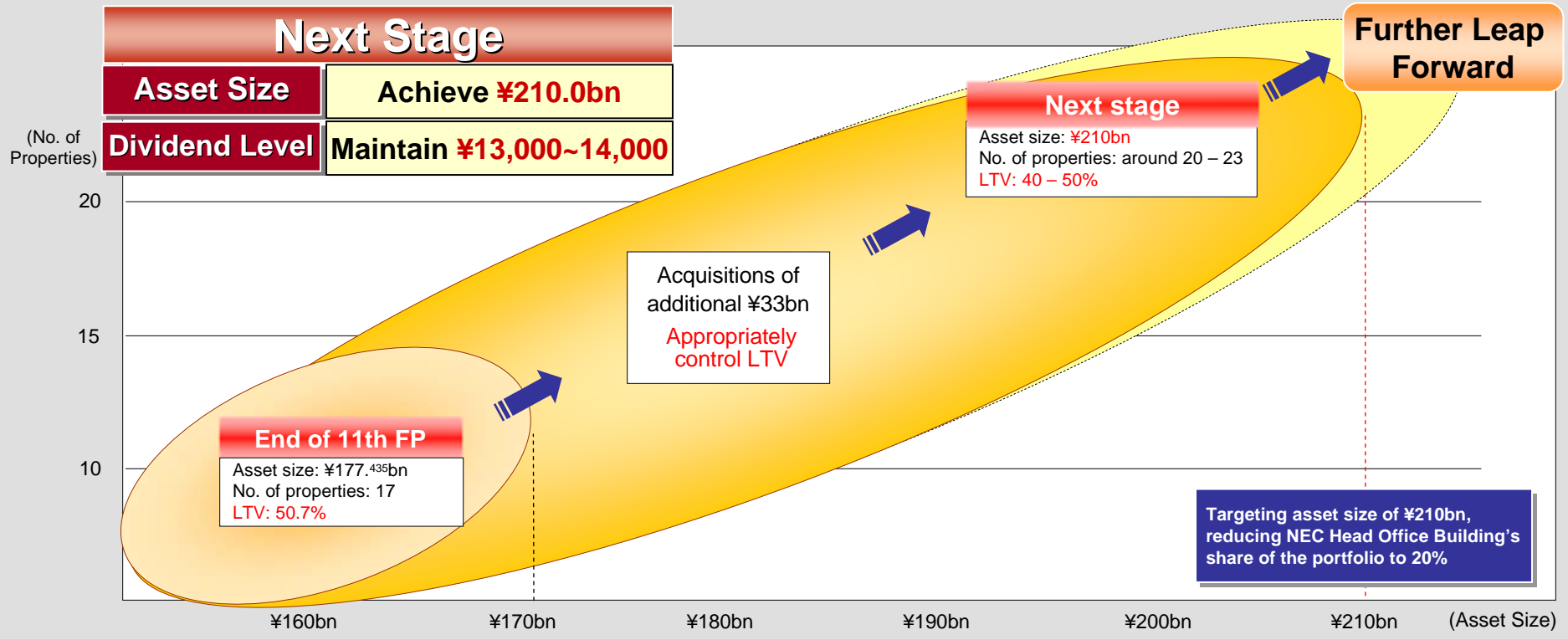
- ◆ **Secure foothold for revenues through flawless management of existing properties**
 - **Recognizing the top priority issues to solicit for tenants of Akasaka Oji Building, intend to lease up immediately**
 - Maintain and improve occupancy rate by leasing vacant spaces along with implementing measures to prevent tenants from moving out in addition to continuing to strengthen tenant relations
 - Minimize range of decrease in rent revision (as for rent revision negotiations with some tenants in Harumi Island Triton Square Office Tower Y, which rents are to be revised during the 12th FP, agreements are almost achieved)
- ◆ **Accumulate greater revenues with acquisition of new properties**
 - **Acquire high-grade office properties located in central Tokyo**
(acquisition of high-grade properties by utilizing cash on hand and procuring funds from lenders)
 - Utilize the sponsor's strengths (properties owned or brokered by sponsors) as well as various information channels

『 Early recovery of the dividend level ¥13,000 ~ ¥14,000 』

Asset Class	Property acquisition target	Portfolio share	Stance
Offices	<ul style="list-style-type: none"> ◆ Excellent location in Central Tokyo ◆ High-quality specifications ◆ Properties with strong competitiveness (ability to attract tenants, stable operations over long term) 	Approx. 75%	◎
Other than offices	<ul style="list-style-type: none"> ◆ Focus on residential properties ▪ Located in Central Tokyo and surrounding areas, close to railway stations and with excellent transit access ▪ Stable occupancy rates and rent levels 	Approx. 25%	△

Continued Implementation of Growth Strategy for the Next Stage

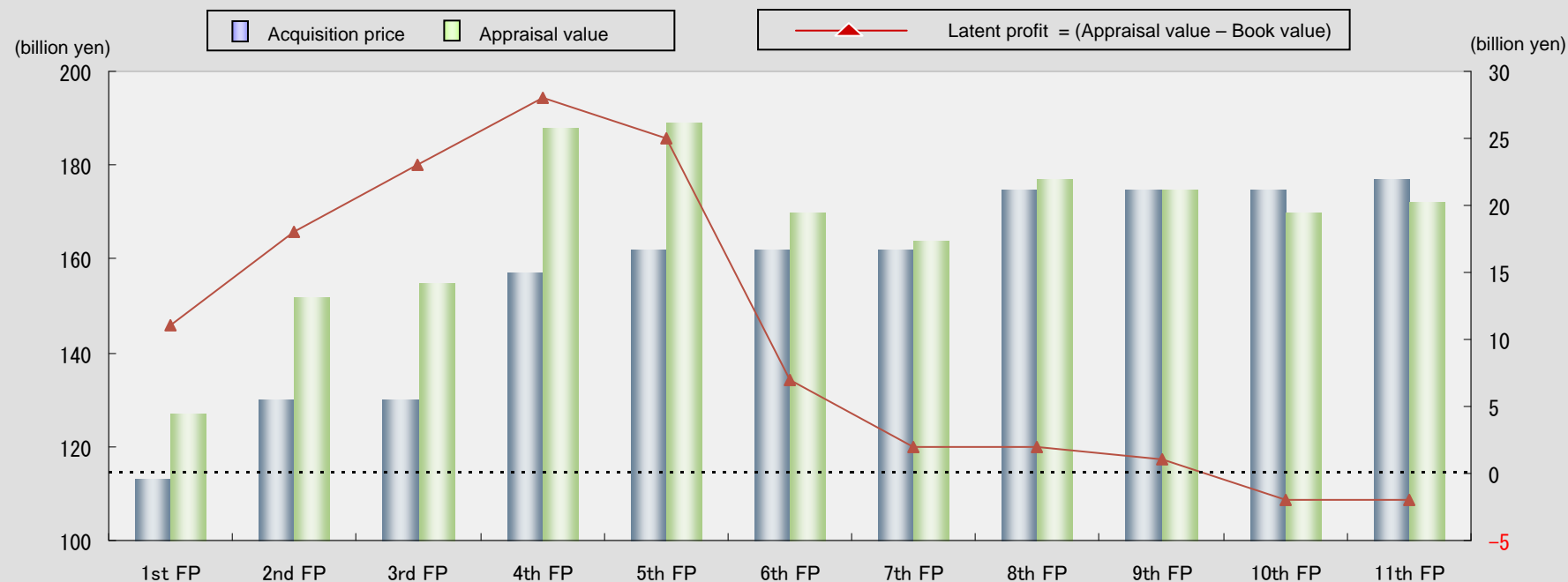
Growth Methods	<ul style="list-style-type: none"> ◆ Fully utilize the Top REIT Edge Sponsor Strength Superior Portfolio ◆ Implement growth strategy with an extreme focus on the dividend level (¥13,000~14,000) 	Growth Strategy	<ul style="list-style-type: none"> ◆ While securing a foothold for revenues, acquire competitive and highly profitable properties ◆ Flexibly select fund procurement means according to the market environment <ul style="list-style-type: none"> • 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
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IV. Eleventh Fiscal Period Operating Results and Future Initiatives

IV - 1. Operating Results: History of Asset Growth

History of Asset Growth



	End of 1st FP Oct. 2006	End of 2nd FP April. 2007	End of 3rd FP Oct. 2007	End of 4th FP April. 2008	End of 5th FP Oct. 2008	End of 6th FP April. 2009	End of 7th FP Oct. 2009	End of 8th FP April. 2010	End of 9th FP Oct. 2010	End of 10th FP April. 2011	End of 11th FP Oct. 2011
Acquisition price	¥113.286bn	¥130.846bn	¥130.846bn	¥157.187bn	¥162.347bn	¥162.347bn	¥162.347bn	¥175.047bn	¥175.047bn	¥175.047bn	¥177.435bn
Book value	¥116.187bn	¥133.576bn	¥132.698bn	¥159.585bn	¥163.985bn	¥163.245bn	¥162.237bn	¥174.618bn	¥173.618bn	¥172.994bn	¥174.742bn
Appraisal value	¥127.442bn	¥152.468bn	¥155.923bn	¥188.035bn	¥189.441bn	¥170.870bn	¥164.948bn	¥177.146bn	¥175.351bn	¥170.670bn	¥172.440bn
Unrealized profits and losses	¥11.254bn	¥18.891bn	¥23.224bn	¥28.449bn	¥25.455bn	¥7.624bn	¥2.710bn	¥2.527bn	¥1.732bn	(¥2.324bn)	(¥2.302bn)

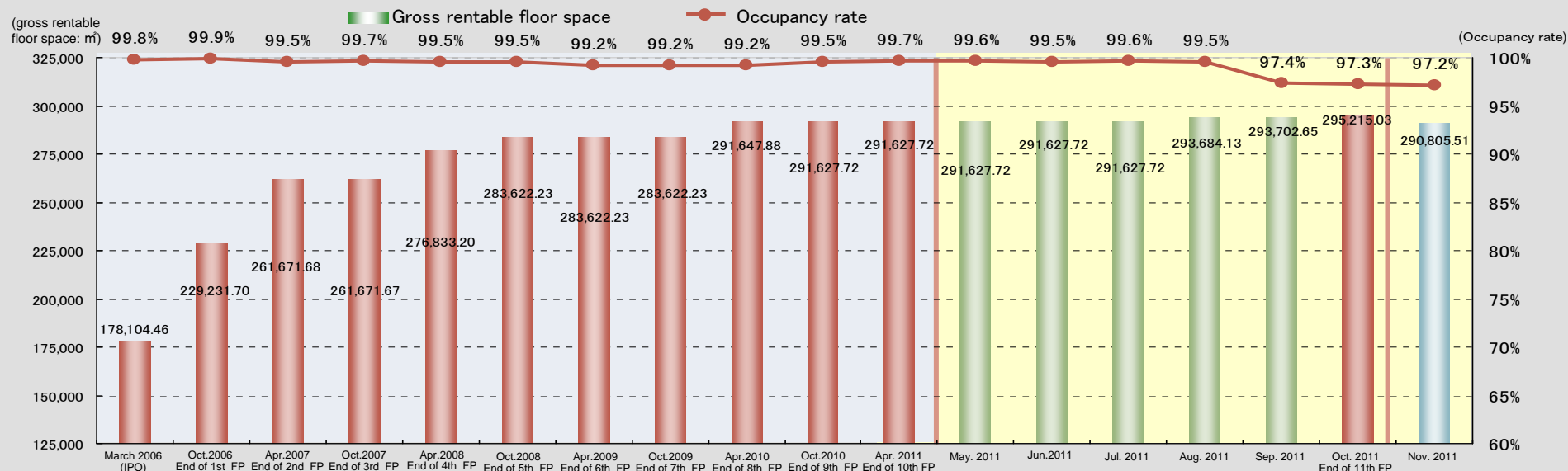
*Acquisition price and appraisal value details are provided on P39 to P41.

*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. Operating Results: History of Occupancy Rate

Occupancy Rate (Portfolio)

The occupancy rate at the end of the fiscal period fell below 99% for the first time since listing, focus efforts on leasing activities to recover occupancy rate.



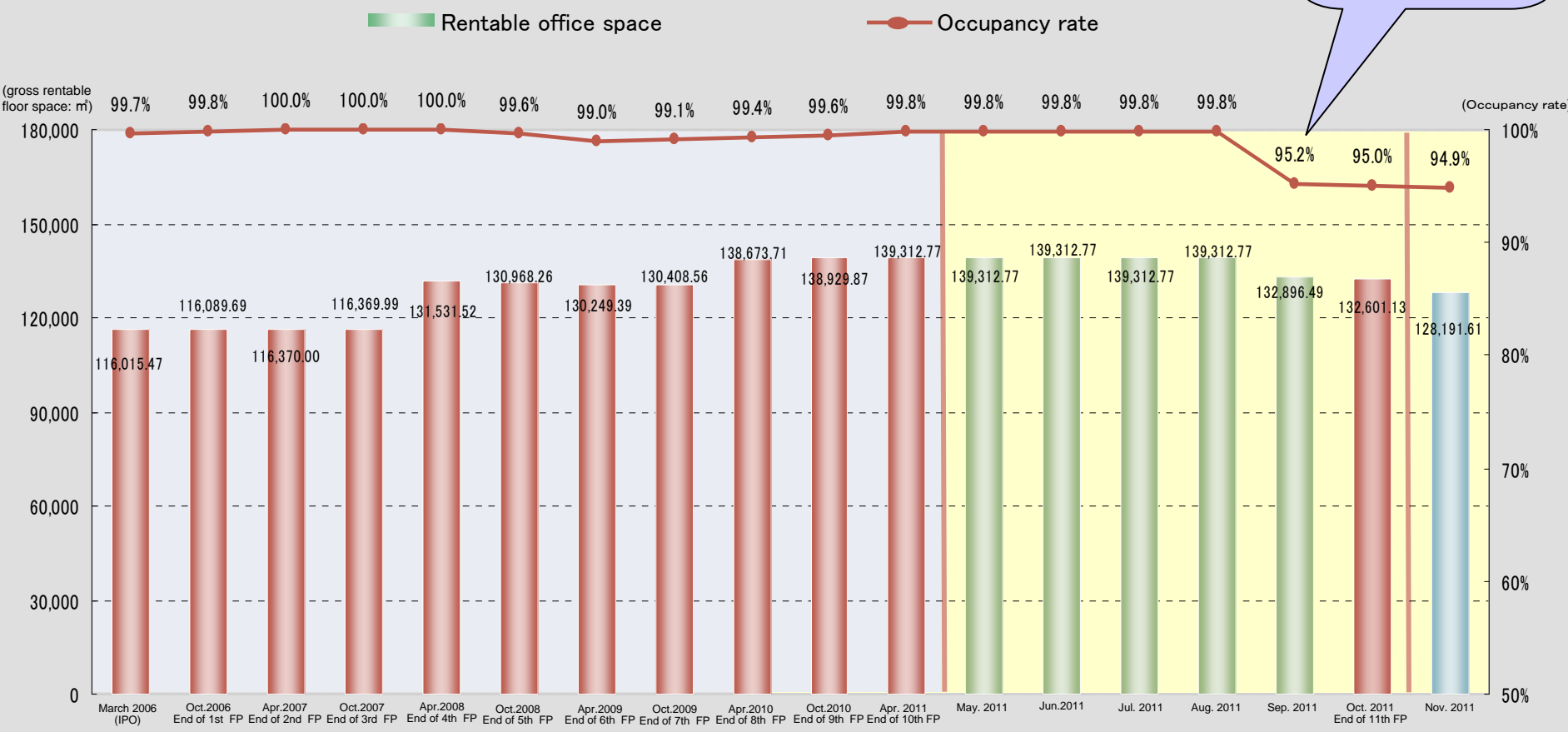
《 Major Long-Term Rent Agreement (3 years or more) 》

Property	Main tenant	Based on rent per Share of portfolio	Based on rented floor space per share of portfolio	Remaining period of contract (years)	Tenancy period (years)	Expiration date	Notes
NEC Head Office Building	NEC Corporation	27.2%	24.5%	14.2	Previous owner	Dec. 28, 2025	Fixed-rate rent by Dec. 2013 (16 th FP) Cancellation banned until Dec. 2013 (16 th FP)
Ito-Yokado Higashinarashino Store	Ito-Yokado Co., Ltd.	4.7%	17.3%	3.1	16.8	Nov. 30, 2014	Expiration date of rent agreement :18 th FP (some rent is to be calculated on sales of store)
Musashiurawa Shopping Square	Olympic Corporation Nitori Co., Ltd. etc	2.6%	5.1%	14.0	5.9	Oct. 31,2025	Cancellation banned until Oct. 2015(19 th FP)
OAK PLAZA	Nippon Steel City Produce, Ltd.	1.9%	2.1%	15.4	Previous owner	Mar. 31,2027	Fixed-rate rent until Mar. 2017(22 nd FP) Cancellation banned until Mar. 2017(22 nd FP)
Total		36.3%	48.9%				

IV - 2. Operating Results: History of Occupancy Rate

Occupancy Rate (Office)

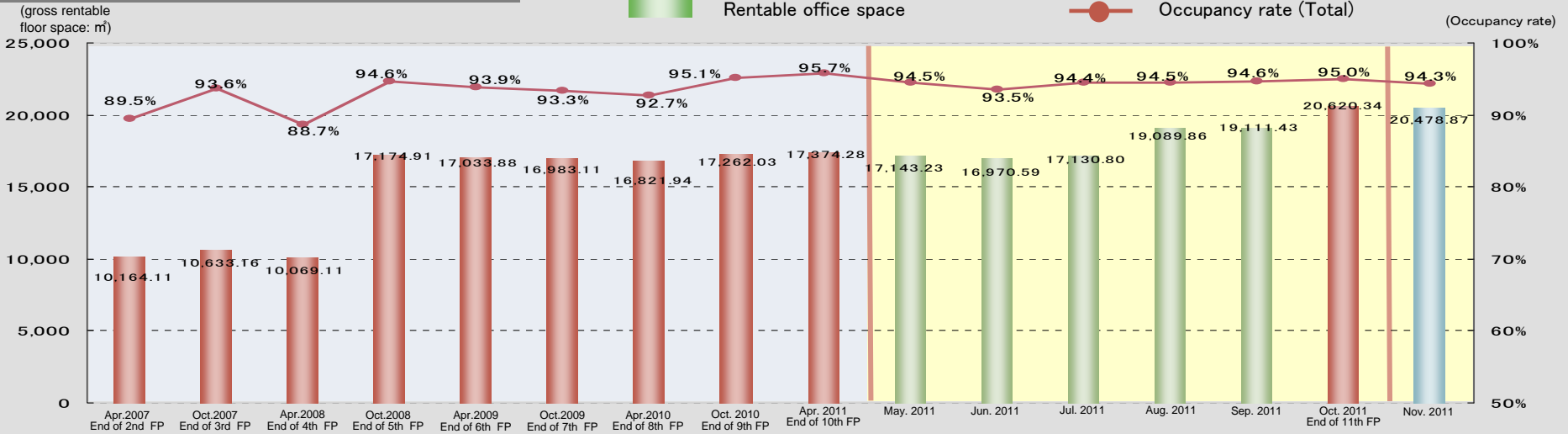
The occupancy rate fell due to the major tenant moving out of Akasaka Oji Building



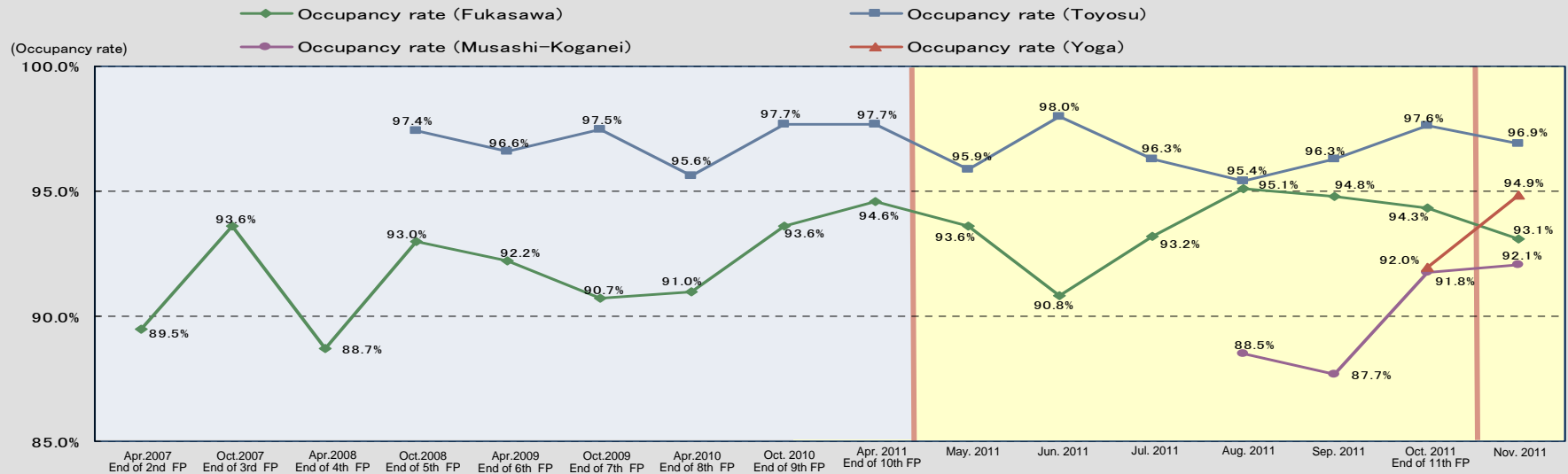
※ vacant floors : Akasaka Oji Building (approx.6,430m²) • Faret East Building (approx.290m²) • Shiba-Koen building (approx.220m²)

IV - 2. Operating Results: History of Occupancy Rate

Occupancy Rate (Total of Residence)



Occupancy Rate (Each of Residence)



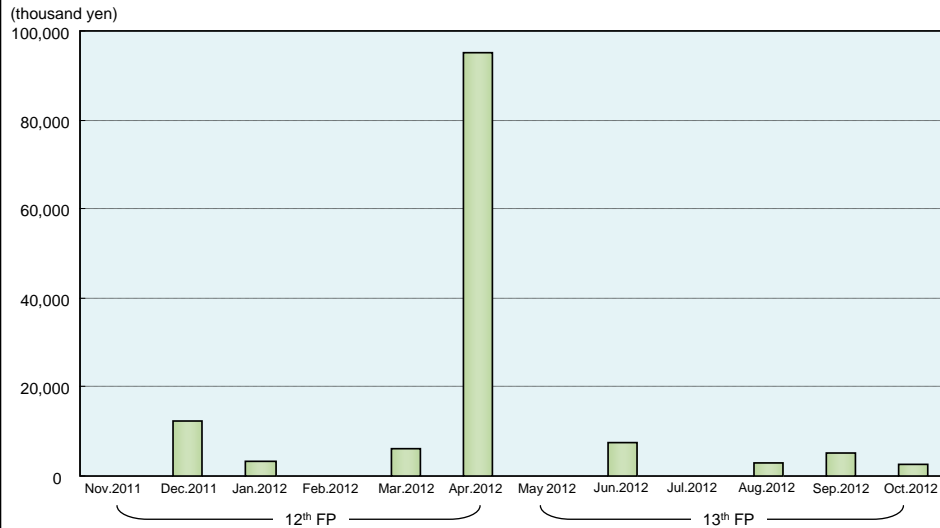
IV - 3. Operating Strategies: Management Policy and Schedule of Future Rent Revisions

「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

Schedule of Rent Revisions in the 12th FP & 13th FP (excluding residential)



*Based on monthly rent

12 th FP	Harumi Island Triton Y (parts of tenants)	10 tenants
	Akasaka Oji Building (parts of tenants)	
	Shiba-Koen Building (parts of tenants)	
	Kanda Park Plaza (parts of tenants)	
	Faret East Building (parts of tenants)	
13 th FP	Kanda Park Plaza (parts of tenants)	5 tenants
	Faret East Building (parts of tenants)	

Rent Revision Policy

Conduct persistent negotiations and preventive measures of tenant's moving out using the good relations with tenants.

V. Financial Strategies

V - 1. Financial Strategies: Stable Financial Management

Financial Policies (Stable Financial Management)

Maintain stable bank formation and secure financial flexibility

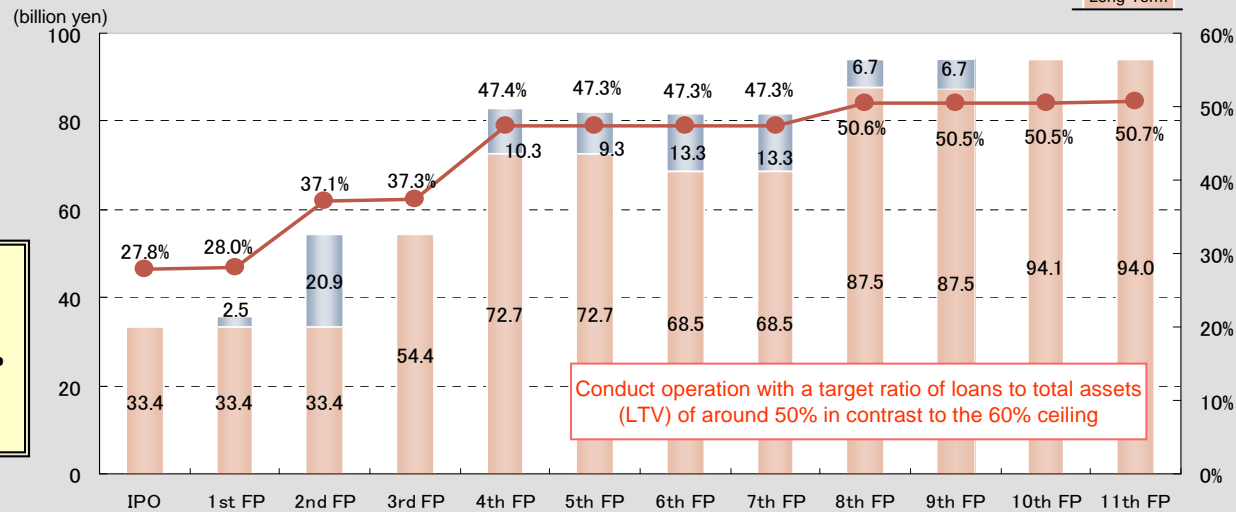
Extend Borrowing Periods and Spread Out Repayment Dates

Manage Risk of Fluctuating Interest Rates

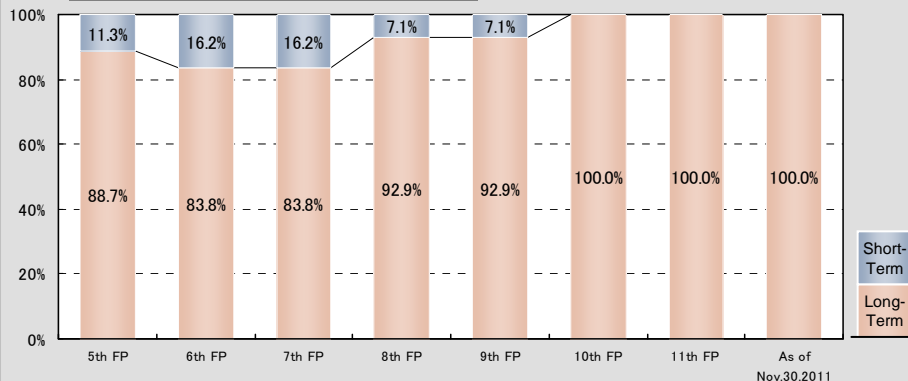
The market interest rate is currently low and stable. In view of the risk of future interest rate fluctuations, TOP REIT will in the meantime operate with a ratio of fixed-rate interest borrowings of 50% while enjoying the present benefits. TOP REIT will watch for interest rate trends and deliberate on raising the ratio of fixed-rate interest borrowings.

Manage Risk of Fluctuating Interest Rates

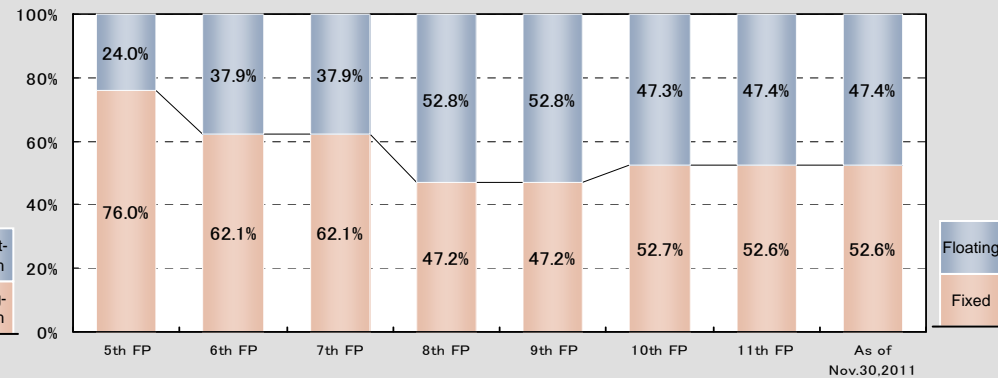
Changes in Fund Procurement Status (Debt)



Ratio of Long-Term Loans



Ratio of Loans with Fixed Interest Rates



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

V - 2. Financial Strategies: Financial Status / Extend Borrowing Periods

Refinancing and Extend Borrowing Periods

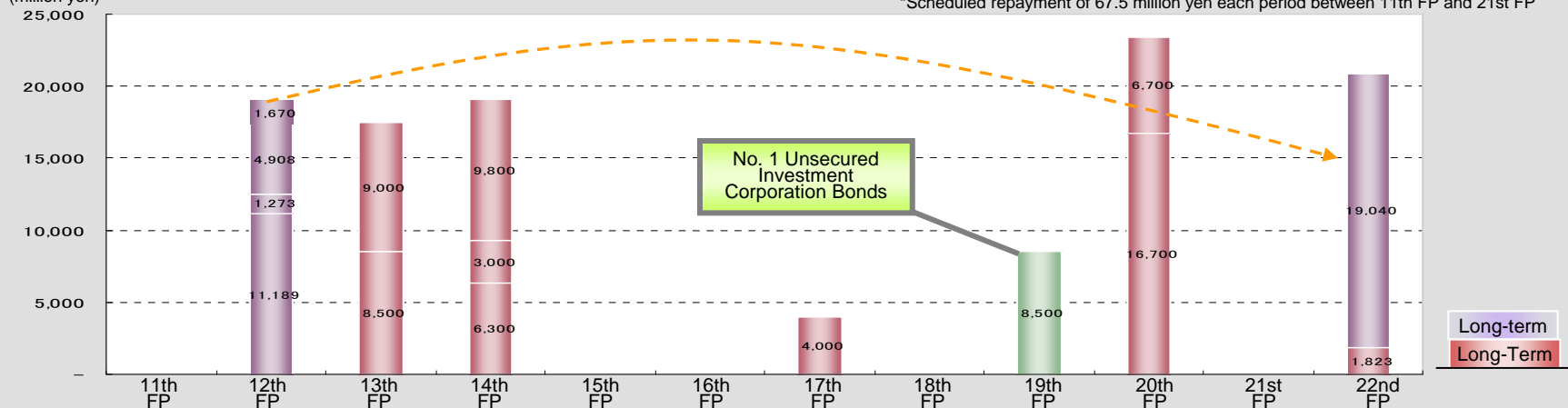
Refinance for 12th Fiscal Period has been completed.

- Nov. 2011 Total ¥19.04bn in long-term loans ⇒ Refinanced with long-term loans (floating rate)
- Rolled over into a five-year syndicated loan by 6 major banks with which Top REIT has conducted business since listing
- Will continue to **maintain stable bank formation** and work to **extend remaining periods** of loans

Remaining Period of Interest-bearing Liabilities

10 th FP (as of Apr. 30, 2011)	2 year & 6 months (avg.)
11 th FP (as of Oct. 31, 2011)	2 years (avg.)
12 th FP after refinancing (as of Nov. 30, 2011)	2 years & 11 months (avg.)

(million yen)



Outstanding Balance of Loans by Lender	The Sumitomo Trust and Banking Co., Ltd.		Development Bank of Japan, Inc.	
	¥22,689mn	26.5%	¥6,497mn	7.6%
	Mizuho Corporate Bank, Ltd.		Dai-ichi Life Insurance Company Ltd.	
	¥15,946mn	18.6%	¥1,000mn	1.2%
	Sumitomo Mitsui Banking Corporation		Resona Bank, Limited	
	¥12,570mn	14.7%	¥1,000mn	1.2%
	The Bank of Tokyo Mitsubishi UFJ, Ltd.		The Bank of Fukuoka, Ltd.	
¥12,570mn	14.7%	¥3,000mn	3.5%	
The Chuo Mitsui Trust and Banking, Co., Ltd		The Hiroshima Bank, Ltd.		
¥4,190mn	4.9%	¥1,000mn	1.2%	
Mitsubishi UFJ Trust and Banking Corporation		The Yamaguchi Bank, Ltd.		
¥4,075mn	4.8%	¥1,000mn	1.2%	
SUB TOTAL		¥85,537mn	100.0%	
No. 1 Unsecured Investment Corporation Bonds		¥8,500mn	-	
TOTAL		¥94,037mn	-	

(as of Nov.30, 2011)

V - 3. Financial Strategies: Issuer Rating and Loans at End of Eleventh Fiscal Period

Issuer Rating

A3 (Negative) Assigned by Moody's Japan K.K.

AA- (Stable) Assigned by Rating and Investment Information, Inc. (R&I)

Category	Lender	Loan Balance	Interest Rate (end of Oct. 2011)	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					
	The Sumitomo Trust and Banking, Co., Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥11,189mn	1.24% (floating)	March 3, 2009	November 30, 2011	1 months	Unsecured and without guarantee
		¥11,189mn					
	The Sumitomo Trust and Banking, Co., Ltd. Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation	¥1,273mn	1.24% (floating)	March 27, 2009	November 30, 2011	1 months	Unsecured and without guarantee
		¥1,273mn					
	Mizuho Corporate Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥4,908mn	1.24% (floating)	November 30, 2009	November 30, 2011	1 months	Unsecured and without guarantee
		¥4,908mn					
	The Chuo Mitsui Trust and Banking, Co., Ltd.	¥1,670mn	1.24% (floating)	February 26, 2010	November 30, 2011	1 months	Unsecured and without guarantee
		¥1,670mn					
	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. The Chuo Mitsui Trust and Banking, Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥8,500mn	1.95% (fixed)	June 29, 2007	June 29, 2012	8 months	Unsecured and without guarantee
		¥8,500mn					
The Sumitomo Trust and Banking, Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥9,000mn	1.24% (floating)	March 26, 2010	June 29, 2012	8 months	Unsecured and without guarantee	
	¥9,000mn						
Subtotal		¥36,675mn	1.41% (avg.)			4 months (avg.)	
Long-Term Loans	The Sumitomo Trust and Banking, Co., Ltd.	¥2,000mn	2.27% (fixed)				
	Development Bank of Japan, Inc.	¥1,000mn	2.40% (fixed)	June 29, 2007	June 30, 2014	2 years & 8 months	Unsecured and without guarantee
	Dai-ichi Life Insurance Company Ltd.	¥1,000mn	2.40% (fixed)				
		¥4,000mn					

Category	Lender	Loan Balance	Interest Rate (end of Oct. 2011)	Loan Execution Date	Repayment Date	Remaining Period	Note	
Long-Term Loans	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥6,300mn	1.48% (fixed)	March 27, 2008	March 27, 2013	1 year & 5 months	Unsecured and without guarantee	
	Development Bank of Japan, Inc.	¥3,000mn	1.53% (fixed)					
		¥9,300mn						
	The Sumitomo Trust and Banking, Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Resona Bank, Limited	¥9,800mn	1.24% (floating)	January 13, 2010	November 30, 2012	1 year & 1 months	Unsecured and without guarantee	
	Development Bank of Japan, Inc.	¥2,362mn	2.42% (fixed)	January 13, 2010	November 30, 2016	4 years & 7 months		
		¥12,162mn						
	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. The Chuo Mitsui Trust and Banking, Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥16,700mn	1.39% (fixed)	March 3, 2011	February 29, 2016	4 years & 4 months	Unsecured and without guarantee	
		¥16,700mn						
	The Sumitomo Trust and Banking Co., Ltd. The Bank of Fukuoka, Ltd. The Hiroshima Bank, Ltd. The Yamaguchi Bank, Ltd.	¥6,700mn	0.84% (floating)	March 31, 2011	February 29, 2016	4 years & 4 months	Unsecured and without guarantee	
		¥6,700mn						
	Subtotal		¥48,862mn	1.43% (avg.)			3 years (avg.)	
	No. 1 Unsecured Investment Corporation Bonds		¥8,500mn	1.00% (fixed)	June 4, 2010	June 4, 2015	3 years & 7 month	Unsecured and without guarantee
Total		¥94,037mn	1.38% (avg.)			2 years (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.

VI. Eleventh Fiscal Period Results (Ended October 31, 2011)

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

■ Statements of Income

Account	10th FP November 1, 2010 – April 30, 2011 (181 days)	11th FP May 1, 2011 – October 31, 2011 (184 days)
	Amount	Amount
I. Operating revenue and expenses		
1. Operating revenue	¥5,967mn	¥5,812mn
2. Operating expenses	¥2,995mn	¥3,033mn
Expenses related to rent business	¥2,414mn	¥2,479mn
Asset management fees	¥450mn	¥424mn
Other01	¥131mn	¥129mn
Operating income	¥2,971mn	¥2,779mn
II. Non-operating income and expenses		
1. Non-operating income	¥6mn	¥8mn
Interest income	¥3mn	¥3mn
Other02	¥3mn	¥4mn
2. Non-operating expenses	¥783mn	¥801mn
Interest expenses	¥615mn	¥613mn
Interest expenses on investment corporation bonds	¥42mn	¥42mn
Amortization of deferred organization expenses	–	–
Other03	¥125mn	¥145mn
Ordinary income	¥2,194mn	¥1,986mn
Extraordinary loss	¥37mn	–
Income before income taxes	¥2,158mn	¥1,986mn
Income taxes-current	¥0mn	¥1mn
Income taxes-deferred	(¥0mn)	(¥0mn)
Net income	¥2,157mn	¥1,985mn
Unappropriated retained earnings	¥2,157mn	¥1,985mn

■ Statements of Cash Distributions

Account	10th FP November 1, 2010 – April 30, 2011 (181 days)	11th FP May 1, 2011 – October 31, 2011 (184 days)
	Amount	Amount
Unappropriated retained earnings	¥2,157mn	¥1,985mn
Total dividend amount	¥2,157mn	¥1,985mn
<Dividend per unit>	<¥13,922>	<¥12,809>
Retained earnings carried forward	0	0

【Expenses related to rent business】

- Depreciation and amortization: ¥ 1,060mn
- Property management expenses: ¥ 389mn
- Utilities expenses: ¥ 208mn and others

VI - 2. Balance Sheets (Summary)

Account	10th FP (as of April 30, 2011)	11th FP (as of October 31, 2011)
	Amount	Amount
Assets		
I. Total current assets	¥12,738mn	¥10,183mn
Cash and deposits	¥8,244mn	¥5,405mn
Cash and deposits in trust	¥4,204mn	¥4,512mn
Other	¥289mn	¥265mn
II. Total noncurrent assets	¥173,551mn	¥175,235mn
1. Total property, plant and equipment	¥172,994mn	¥174,742mn
Buildings, etc.	¥992mn	¥1,002mn
Land	¥4,888mn	¥4,888mn
Buildings, etc. in trust	¥48,879mn	¥49,410mn
Land in trust	¥118,234mn	¥119,440mn
2. Total intangible assets	¥0mn	¥2mn
Intangible assets	¥0mn	¥2mn
3. Total investment and other assets	¥557mn	¥490mn
Lease and guarantee deposits	¥10mn	¥10mn
Long-term prepaid expenses	¥389mn	¥304mn
Other	¥157mn	¥176mn
III. Total deferred assets	¥45mn	¥40mn
Investment corporation bond issuance costs	¥45mn	¥40mn
Total assets	¥186,336mn	¥185,459mn

Account	10th FP (as of April 30, 2011)	11th FP (as of October 31, 2011)
	Amount	Amount
Liabilities		
I. Total current liabilities	¥20,850mn	¥38,364mn
Operating accounts payable	¥210mn	¥163mn
Short-term loans payable	-	-
Current portion of long-term loans payable	¥19,175mn	¥36,675mn
Accounts payable — other	¥262mn	¥254mn
Accrued expenses	¥254mn	¥261mn
Accrued consumption taxes	¥49mn	¥63mn
Advances received	¥868mn	¥941mn
Derivative liabilities	-	-
Other	¥29mn	¥4mn
II. Total noncurrent liabilities	¥81,068mn	¥62,849mn
Investment Corporation Bond	¥8,500mn	¥8,500mn
Long-term loans payable	¥66,430mn	¥48,862mn
Tenant leasehold and security deposits	¥144mn	¥144mn
Tenant leasehold and security deposits in trust	¥5,993mn	¥5,342mn
Total liabilities	¥101,918mn	¥101,214mn
Net assets		
I. Total unitholders' equity	¥84,418mn	¥84,245mn
1.Unitholders' capital	¥82,260mn	¥82,260mn
2.Surplus		
Unappropriated retained earnings	¥2,157mn	¥1,985mn
Total surplus	¥2,157mn	¥1,985mn
II. Total valuation and translation adjustments	-	-
Deferred gains or losses on hedge	-	-
Total net assets	¥84,418mn	¥84,245mn
Total liabilities and net assets	¥186,336mn	¥185,459mn

VI - 3. Major Financial Indicators

Item	9th Fiscal Period May 1, 2010 – October 31, 2010	10th Fiscal Period November 1, 2010 – April 30, 2011	11th Fiscal Period May 1, 2011 – October 31, 2011	Remark
Period of asset management	184days	181days	184days	
Ratio of interest-bearing liabilities to total assets at end of period(LTV)	50.5%	50.5%	50.7%	Interest-bearing liabilities at end of period / Total assets at end of period
Rental NOI (Net operating income)	¥4,691mn	¥4,639mn	¥4,393mn	Rent revenue – Expenses related to rent business + Depreciation and amortization
Rental NOI yield	5.4%	5.3%	5.0%	Rental NOI x 2 / Sum total of the acquisition price of all properties in the portfolio at end of period
Funds from Operation (FFO)	¥3,286mn	¥3,243mn	¥3,046mn	Net income + Depreciation and amortization
FFO per unit	¥21,200	¥20,929	¥19,654	FFO / Number of units issued and outstanding at end of period
Ratio of ordinary income to total assets (return on assets (ROA))	1.2%	1.2%	1.1%	Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2)
[Annualized]	[2.4%]	[2.4%]	[2.1%]	
Ratio of net income to unitholders' equity (return on equity (ROE))	2.6%	2.6%	2.4%	Net income / ((Net assets at beginning of period + Net assets at end of period) / 2)
[Annualized]	[5.2%]	[5.1%]	[4.7%]	
Implied Cap Rate	5.8%	5.6%	5.7%	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))
NAV multiple	0.82	0.93	0.76	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	45.3%	45.3%	45.4%	Net assets at end of period / Total assets at end of period

VI - 4 . Unitholders

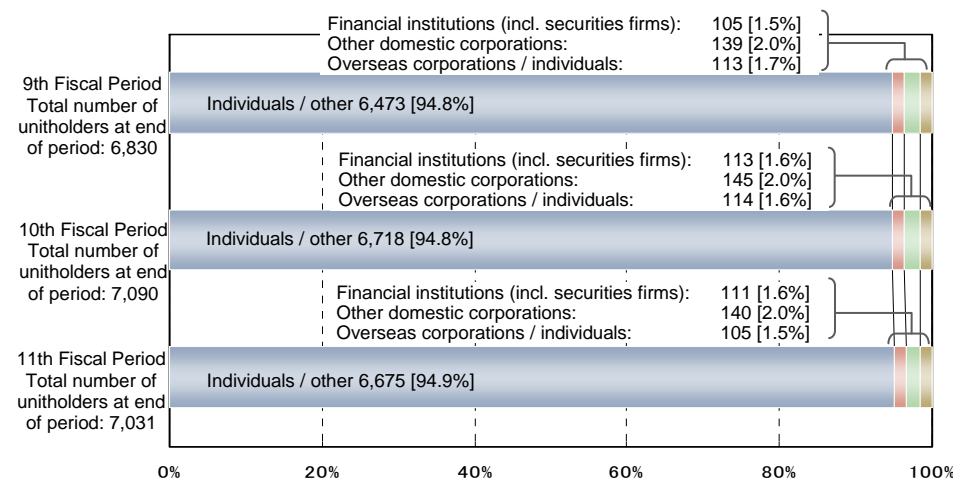
Unitholdings (as at end of 11th FP)

Category	Number of Units Held		Number of Unitholders	
Individuals / other	20,516	13.2%	6,675	94.9%
Financial institutions (incl. securities firms)	100,937	65.1%	111	1.6%
Other domestic corporations	13,120	8.5%	140	2.0%
Overseas corporations / individuals	20,427	13.2%	105	1.5%
Total	155,000	100.0%	7,031	100.0%

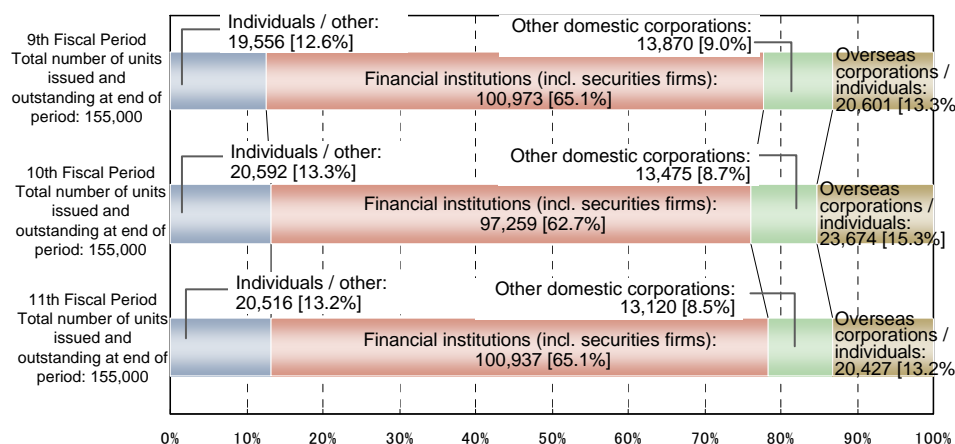
Top 15 Unitholders (as at end of 11th FP)

Rank	Name	Number of Units Held	Share of Total
1	Japan Trustee Service Bank (trust account)	27,536	17.77
2	Nomura Trust and Banking (investment trust account)	11,907	7.68
3	Trust and Custody Services Bank (securities investment trust account)	7,038	4.54
4	North Pacific Bank, LTD.	6,139	3.96
5	The Master Trust Bank of Japan (trust account)	5,916	3.82
6	The Senshu Ikeda Bank, Ltd	4,540	2.93
7	American Life Insurance Company GA Company JPY	4,000	2.58
8	The Fuji Fire and Marine Insurance Company, Limited	3,465	2.24
9	The Sumitomo Trust and Banking Co., Ltd.	3,176	2.05
10	Nippon Steel City Produce, Inc	3,162	2.04
10	Oji Real Estate Co., Ltd.	3,162	2.04
12	Trust and Custody Services Bank (money trust tax account)	2,850	1.84
13	NOMURA BANK (LUXEMBOURG) S.A.	2,701	1.74
14	Mizuho Trust & Banking co, Ltd	2,062	1.33
15	The Minami Nippon Bank, Ltd.	1,550	1.00
	Total	89,204	57.55

Number of Unitholders



Number of Units Held



VI - 5. Unit Price Performance and Volume (Mar 1, 2006 – Nov 30, 2011)



11th Fiscal Period End Unit Price (based on closing price)	¥403,000 (Oct. 31, 2011)	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

VII. Appendix: Portfolio Overview

VII - 1. Portfolio Map (as at end of 11th FP)



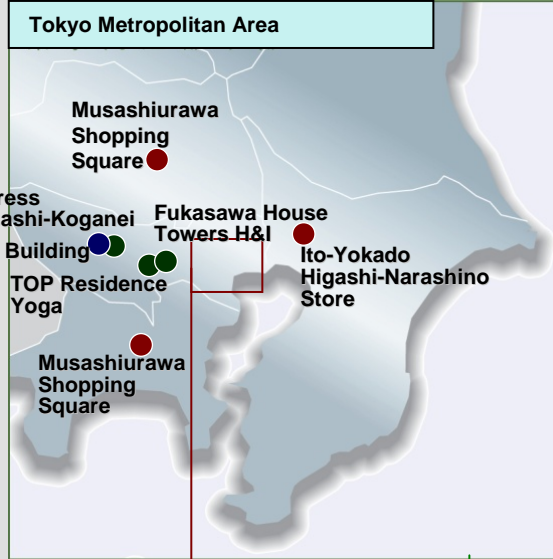
Harumi Island Triton Square Office Tower Y&Z



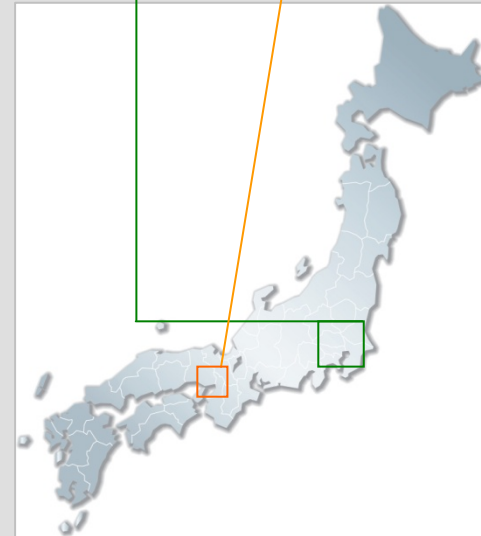
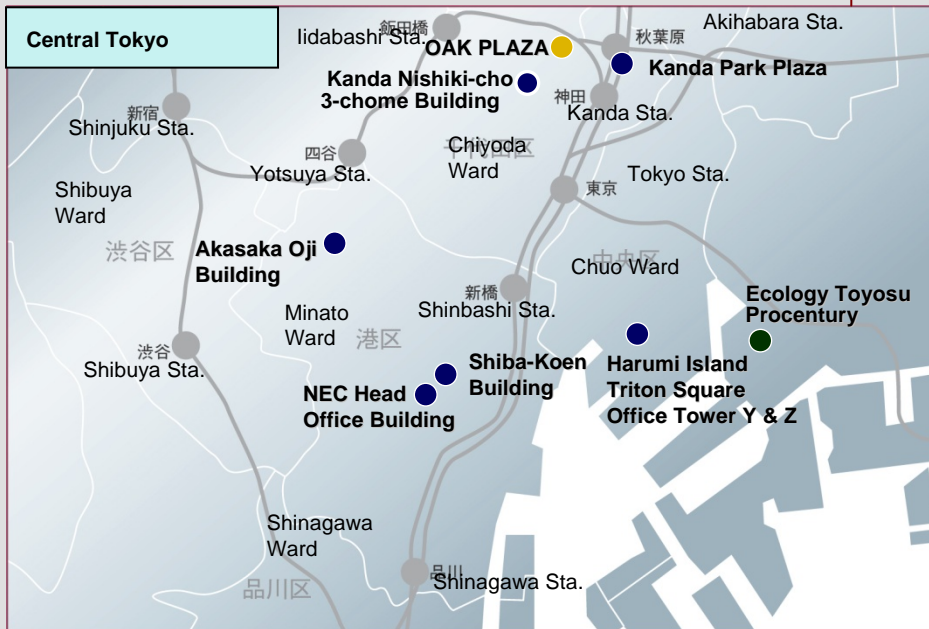
Fukasawa House Towers H&I



NEC Head Office Building



(※) Disposition of Nittetsu Honmachi Building has been completed on November 25, 2011



Sagamihara Shopping Center



Kanda Nishiki-cho 3-chome Building

VII - 2. Portfolio Summary (as at end of 11th FP)

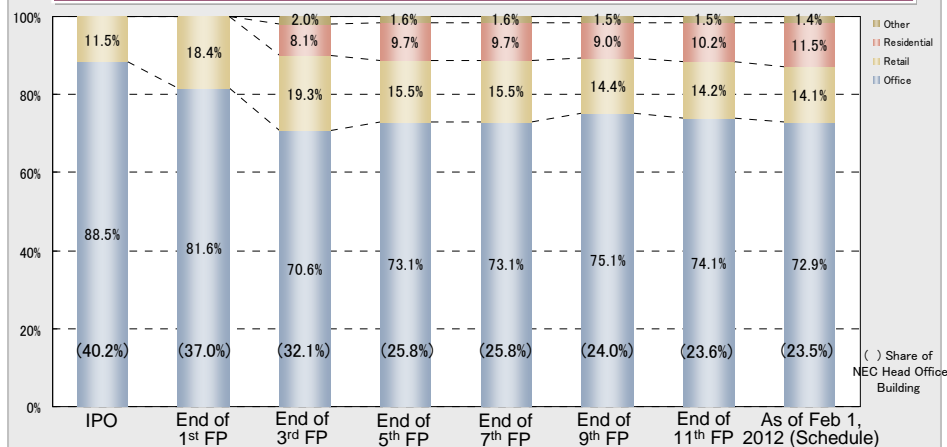
Total Acquisition Price : ¥177.435bn.

Gross Rentable Floor Area : 295,215.03m²

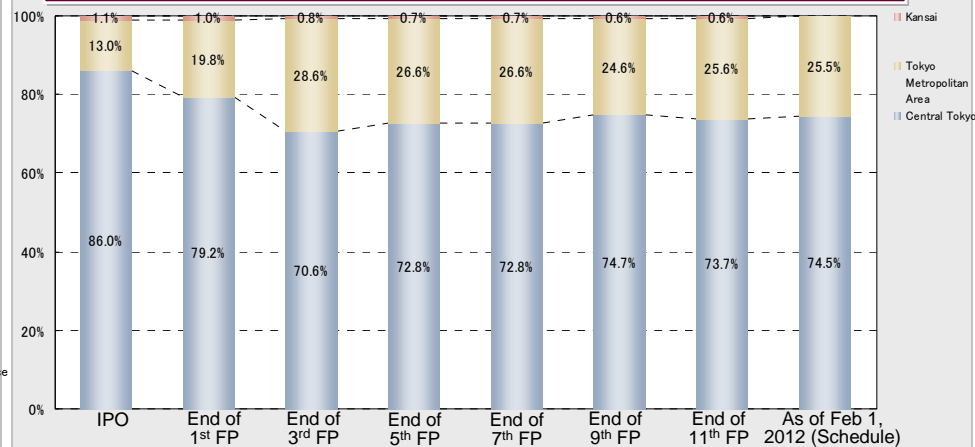
Number of Properties : 17

PML : 2.4%

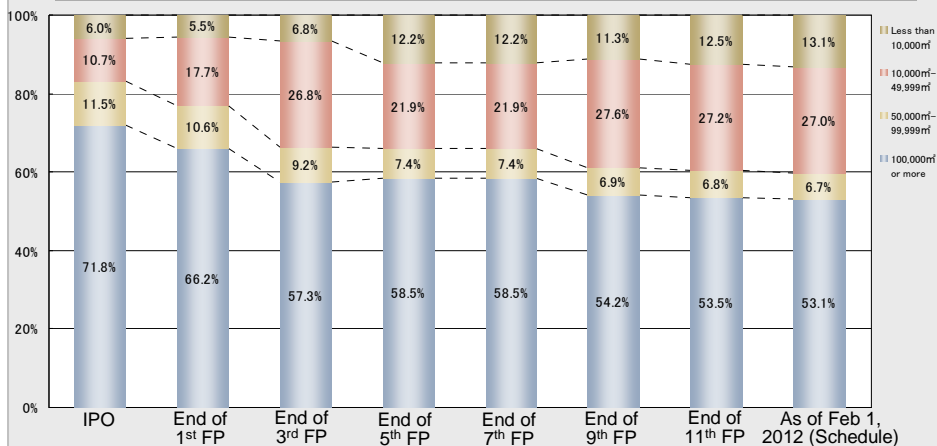
Asset Class (property type)



Area

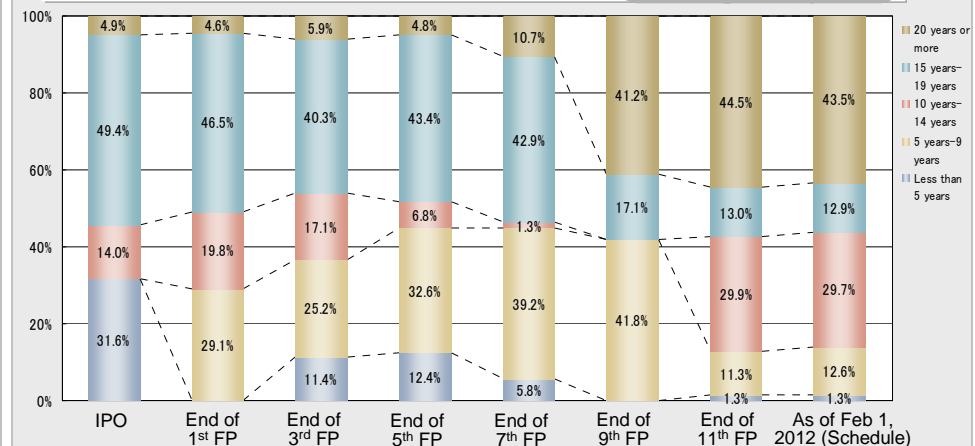


Scale (based on total floor space)



Age of Buildings

End of 11th FP Average: 17.7 years



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

VII - 3. Portfolio Overview (as at end of 11th FP)

Asset Class	Area	Property	Address	Acquisition Date	Total Floor Space (m ²)	Rentable Floor Space (m ²)	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. ⁰⁵	72,238. ⁰³	Jan. 1990	41,950	23. ⁶	100. ⁰	1	1.4
		Harumi Island Triton Square Office Tower Y	Chuo Ward, Tokyo	Mar 1, 2006	267,132. ⁶⁷	23,219. ⁴⁶	Oct. 2001	33,000	18. ⁶	100. ⁰	7	1.2
		Harumi Island Triton Square Office Tower Z	Chuo Ward, Tokyo	Mar 27, 2008	267,132. ⁶⁷	10,914. ²⁰	Oct. 2001	20,000	11. ³	100. ⁰	1	1.5
		Kanda Nishiki-cho 3-chome Building	Chiyoda Ward, Tokyo	Jan 13, 2010	12,169. ⁷⁸	8,025. ⁶⁵	Mar. 1973	12,700	7. ²	100. ⁰	1	7.0
		Akasaka Oji Building	Minato Ward, Tokyo	Mar 1, 2006	10,063. ⁰⁵	7,300. ³⁵	Apr. 1989	9,660	5. ⁴	11. ⁹	2	6.4
		Shiba-Koen Building	Minato Ward, Tokyo	Mar 19, 2008	4,958. ²⁹	3,060. ⁴³	May 1991	5,770	3. ³	92. ⁷	2	9.6
		Kanda Park Plaza	Chiyoda Ward, Tokyo	Mar 1, 2006	5,511. ⁸³	4,537. ⁶⁶	Nov. 1959	5,156	2. ⁹	100. ⁰	10	14.1
	Tokyo Metropolitan Area	Faret East Building	Tachikawa City, Tokyo	Mar 1, 2006	16,206. ³⁴	5,850. ²³	Dec. 1994	2,091	1. ²	95. ⁰	1	2.8
Kansai	Nittetsu Honmachi Building (*)	Osaka City, Osaka	Mar 1, 2006	6,714. ⁰⁹	4,409. ⁵²	June 1991	1,100	0. ⁶	100. ⁰	12	8.5	
Subtotal					—	139,555. ⁵³	—	131,427	74. ¹	95. ⁰	37	—
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	Mar 1, 2006	56,351. ⁴²	61,763. ²⁸	Aug. 1993 etc.	12,000	6. ⁸	100. ⁰	2	3.6
		Ito-Yokado Higashi-Narashino Store	Narashino City, Chiba Pref.	Jun 30, 2006	45,338. ³⁷	51,098. ⁴²	Oct. 1994	8,900	5. ⁰	100. ⁰	1	7.7
		Musashiurawa Shopping Square	Saitama City, Saitama Pref.	Mar 19, 2007	28,930. ³⁶	14,960. ⁶⁹	Oct. 2005	4,335	2. ⁴	100. ⁰	3	8.5
Subtotal					—	127,822. ³⁹	—	25,235	14. ²	100. ⁰	6	—
Residential	Tokyo Metropolitan Area	Fukasawa House Towers H&I	Setagaya Ward, Tokyo	Dec 8, 2006	12,135. ³⁶	11,357. ⁴⁴	Jun. 2004	10,635	6. ⁰	94. ³	1	1.6
		Ecology Toyosu Procentury	Koto Ward, Tokyo	May 30, 2008	9,630. ⁹⁶	6,789. ⁰³	Jan. 2005	5,160	2. ⁹	97. ⁶	1	10.6
		Impress Musashi-Koganei	Koganei City, Tokyo	Aug 12, 2011	2,471. ³⁰	2,056. ⁴¹	Jun. 2008	1,223	0. ⁷	91. ⁸	1	6.4
		TOP Residence Yoga	Setagaya Ward, Tokyo	Oct 14, 2011	1,894. ³⁵	1,512. ³⁸	Feb. 2008	1,165	0. ⁷	92. ⁰	1	8.6
Subtotal					—	21,715. ²⁶	—	18,183	10. ²	95. ⁰	4	—
Other	Central Tokyo	OAK PLAZA	Chiyoda Ward, Tokyo	Mar 20, 2007	6,121. ⁸⁵	6,121. ⁸⁵	Apr. 1985	2,590	1. ⁵	100. ⁰	1	7.7
		Subtotal					—	6,121. ⁸⁵	—	2,590	1. ⁵	100. ⁰
Total					—	295,215. ⁰³	—	177,435	100. ⁰	97. ³	48	2.4

(※) Disposition of Nittetsu Honmachi Building has been completed on November 25, 2011

VII - 4. Appraisal Value as at End of Period

(million yen)

Asset Class	Area	Property	Acquisition Price	Book Value at End of 11th FP (A)	Appraisal Value at End of 8th FP	Appraisal Value at End of 9th FP	Appraisal Value at End of 10th FP (B)	Appraisal Value at End of 11th FP (C)	Difference Between Appraisal Value and Book Value (C)−(A)	Difference in Appraisal Value from End of 10th FP (C) − (B)
Office	Central Tokyo	NEC Head Office Building	41,950	42,857	47,750	47,750	47,950	47,500	4,642	(450)
		Harumi Island Triton Square Office Tower Y	33,000	31,233	39,300	39,000	38,700	38,500	7,266	(200)
		Harumi Island Triton Square Office Tower Z	20,000	19,920	15,500	15,100	14,300	14,200	(5,720)	(100)
		Sumitomo Corporation Nishiki-cho Building	12,700	12,820	14,100	14,100	14,000	14,000	1,179	–
		Akasaka Oji Building	9,660	9,867	13,300	13,300	9,570	9,560	(307)	(10)
		Shiba-Koen Building	5,770	5,890	3,710	3,410	3,410	3,410	(2,480)	–
	Kanda Park Plaza	5,156	5,105	5,047	4,959	4,970	4,930	(175)	(40)	
	Tokyo Metropolitan Area	Faret East Building	2,091	1,746	2,500	2,500	2,430	2,390	643	(40)
Kansai	Nittetsu Honmachi Building (*)	1,100	1,003	1,390	1,380	1,430	1,430	426	–	
		Subtotal	131,427	130,445	142,597	141,499	136,760	135,920	5,474	(840)
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	12,000	11,435	10,700	10,300	10,300	10,300	(1,135)	–
		Ito-Yokado Higashi-Narashino Store	8,900	8,055	5,613	5,568	5,560	5,560	(2,495)	–
		Musashiurawa Shopping Center	4,335	4,047	3,800	3,810	3,810	3,810	(237)	–
		Subtotal	25,235	23,538	20,113	19,678	19,670	19,670	(3,868)	–
Residential	Tokyo Metropolitan Area	Fukasawa House Towers H&I	10,635	10,372	7,180	6,980	6,990	6,960	(3,412)	(30)
		Ecology Toyosu Procentury	5,160	5,120	4,560	4,520	4,590	4,780	(340)	190
		Impress Musashi-Koganei	1,223	1,315	–	–	–	1,270	(45)	–
		TOP Residence Yoga	1,165	1,249	–	–	–	1,170	(79)	–
		Subtotal	18,183	18,057	11,740	11,500	11,580	14,180	(3,877)	160
Other	Central Tokyo	OAK PLAZA	2,590	2,701	2,696	2,674	2,660	2,670	(31)	10
		Subtotal	2,590	2,701	2,696	2,674	2,660	2,670	(31)	10
		Total	177,435	174,742	177,146	175,351	170,670	172,440	(2,302)	(670)

(※) Disposition of Nittetsu Honmachi Building has been completed on November 25, 2011

VII - 5. Appraisal Cap Rate

Property	7th Fiscal Period			8th Fiscal Period			9th Fiscal Period			10th Fiscal Period			11th 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 4 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 3 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 3 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 2 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 2 years) 4.3% (afterward)	4.6%
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%	4.6%	4.3%	4.8%	4.6%	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%	4.6%	4.3%	4.8%
Kanda Nishiki-cho 3-chome Building	-	-	-	5.2%	4.9%	5.4%	5.2%	4.9%	5.4%	4.9%	4.6%	5.1%	4.9%	4.6%	5.1%
Akasaka Oji Building	4.5%	4.4%	4.8%	4.5%	4.4%	4.8%	4.5%	4.5%	4.8%	4.5%	4.5%	4.8%	4.5%	4.5%	4.8%
Shiba-Koen Building	4.8%	4.6%	4.9%	4.8%	4.6%	4.9%	5.0%	4.8%	5.1%	4.9%	4.7%	5.0%	4.9%	4.7%	5.0%
Kanda Park Plaza	5.3%	4.8%	5.9%	5.3%	4.8%	5.9%	5.3%	4.8%	5.9%	5.3%	4.8%	5.6%	5.2%	4.7%	5.5%
Faret East Building	5.8%	5.5%	6.0%	5.8%	5.5%	6.0%	5.8%	5.5%	6.0%	5.8%	5.5%	6.0%	5.7%	5.4%	5.9%
Nittetsu Honmachi Building (*)	6.2%	6.4%	6.5%	6.2%	6.4%	6.5%	6.2%	6.3%	6.5%	6.2%	6.3%	6.5%	6.2%	6.3%	6.5%
Sagamihara Shopping Center	6.0%	5.8%	6.2%	6.0%	5.8%	6.2%	6.0%	5.8%	6.1%	6.0%	5.8%	6.1%	6.0%	5.8%	6.1%
Ito-Yokado Higashi-Narashino Store	6.4%	5.5%	6.9%	6.4%	5.5%	6.9%	6.4%	5.5%	6.9%	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%	5.8%	5.5%	6.1%	5.8%	5.5%	6.1%	5.8%	5.5%	6.1%
Fukasawa House Towers H&I	5.2%	4.9%	5.4%	5.2%	4.9%	5.4%	5.2%	4.9%	5.4%	5.1%	4.8%	5.3%	5.0%	4.7%	5.2%
Ecology Toyosu Procentury	5.4%	5.2%	5.6%	5.5%	5.3%	5.7%	5.5%	5.3%	5.7%	5.4%	5.2%	5.6%	5.2%	5.0%	5.4%
Impress Musashi-Koganei	-	-	-	-	-	-	-	-	-	-	-	-	5.5%	5.3%	5.7%
TOP Residence Yoga	-	-	-	-	-	-	-	-	-	-	-	-	5.0%	4.8%	5.2%
OAK PLAZA	4.8%	4.3%	5.4%	4.8%	4.3%	5.4%	4.8%	4.3%	5.4%	5.2%	5.0%	5.5%	5.2%	5.0%	5.5%

(※) Disposition of Nittetsu Honmachi Building has been completed on November 25, 2011

Appraisers	Properties
Tanizawa Sogo Appraisal Co., Ltd.	NEC Head Office Building, Akasaka Oji Building, Nittetsu Honmachi 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, Fukasawa House Towers H&I, Ecology Toyosu Procentury, Impress Musashi-Koganei, TOP Residence Yoga ,OAK PLAZA
DAIWA REAL ESTATE APPRAISAL Corporation	Shiba-Koen Building, Sagamihara Shopping Center, Musashiurawa Shopping Square

* The appraisals were conducted by the above real estate appraisers based on the asset assessment methods and standards specified in TOP REIT's articles of incorporation as well as the regulations set forth by The Investment Trust Association, Japan.

VII - 6. Operating Income by Property (Eleventh Fiscal Period)

(million yen)

	NEC Head Office Building	Harumi Island Triton Square Office Tower Y	Harumi Island Triton Square Office Tower Z (Note1)	Kanda Nishiki-cho 3-chome Building (Note1)	Akasaka Oji Building	Shiba-Koen Building	Kanda Park Plaza	Faret East Building	Nittetsu Honmachi Building (Note2)	Sagamihara Shopping Center	Ito-Yokado Higashi-Narashino Store	Musashiurawa Shopping Square	Fukasawa House Towers H&I	Ecology Toyosu Procentury	Impress Musashi-Koganei	TOP Residence Yoga	OAK PLAZA
Operating period (days)	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	81days	18days	184days
Total revenue from property leasing	1,370	1,296			460	108	179	159	98	407	236	129	236	161	17	3	94
Rent revenue — real estate	1,370	1,296			326	108	179	159	98	407	236	129	225	155	17	3	94
Total expenses from property leasing	229	351			221	26	40	68	33	61	46	18	69	41	3	0	17
Property management expenses	1	165			25	8	8	31	10	2	1	1	40	24	1	0	0
Taxes and dues	224	95			40	9	13	12	9	55	29	15	16	8	0	—	14
Utilities expenses	—	84			14	7	12	23	10	—	—	—	0	1	0	—	—
Repair expenses	—	1			136	0	2	0	0	1	13	0	9	5	0	—	1
Non-life insurance expenses	1	2			0	0	0	0	0	0	0	0	0	0	0	0	0
Other	2	2			2	—	2	1	2	1	0	1	2	1	0	—	1
NOI (NOI yield)	1,141 [5.4%]	944 [5.7%]	283 [2.8%]	380 [6.0%]	239 [5.0%]	82 [2.9%]	139 [5.4%]	90 [8.6%]	65 [11.8%]	346 [5.8%]	189 [4.3%]	110 [5.1%]	166 [3.1%]	119 [4.6%]	14 [5.4%]	2 [5.2%]	77 [5.9%]
Depreciation and amortization	213	244	120	34	30	16	13	37	15	53	96	49	65	45	8	2	11
Operating income	927	699	163	345	208	65	125	53	49	292	92	61	101	74	5	0	65
Capital expenditures	4	5	0	0	135	26	0	36	4	8	1	—	1	1	—	0	6

- Renewal of the rental spaces
- Renewal of the common areas

- Renewal of central monitor board

(Note1) 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 tenant.

(Note2) Disposition of Nittetsu Honmachi Building has been completed on November 25, 2011

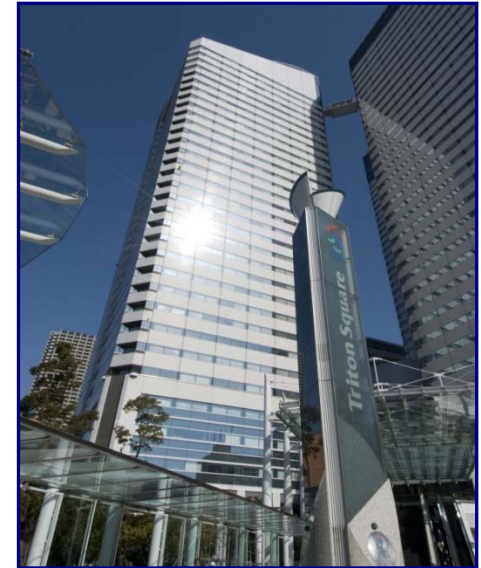
VII - 7. Property Details: Office Buildings



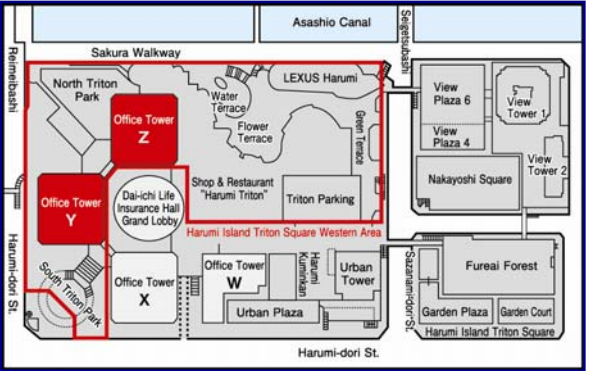
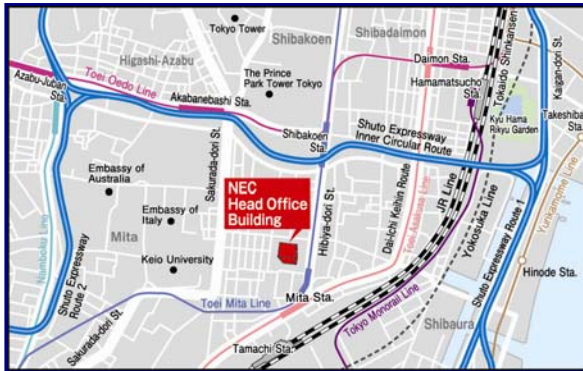
Property	NEC Head Office Building
Address	Shiba, Minato Ward, Tokyo
Floor Area	144,476. ⁰⁵ m ²
Completion	January 1990
Title	Co-ownership (50%)
Acquisition Price	41. ⁹⁵ billion yen



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



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



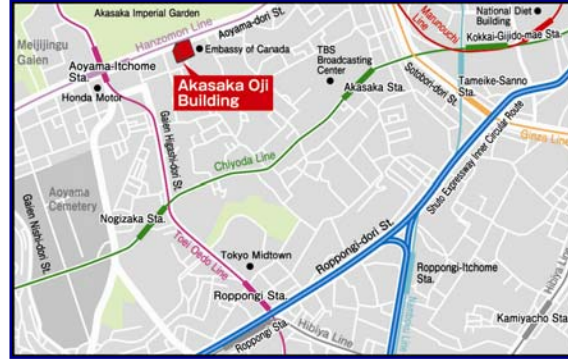
VII - 7. Property Details: Office Buildings



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 ²
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 ²
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 ²
Completion	May 1991
Title	Co-ownership (1 st – 7 th floors)
Acquisition Price	5. ⁷⁷ billion yen



VII - 7. Property Details: Office Buildings



Property	Kanda Park Plaza
Address	Kajicho, Chiyoda Ward, Tokyo
Floor Area	5,511.83m ²
Completion	November 1959 Repair work to enhance earthquake resistance in 2003
Title	Ownership
Acquisition Price	5.156 billion yen



Property	Faret East Building
Address	Akebonocho, Tachikawa City, Tokyo
Floor Area	16,206.34m ²
Completion	December 1994
Title	Co-ownership (2 nd – 5 th and a part of the 6 th and 8 th floors)
Acquisition Price	2.091 billion yen



Property	Nittetsu Honmachi Building
Address	Utsubohonmachi, Nishi Ward, Osaka
Floor Area	6,714.09m ²
Completion	June 1991
Title	Ownership
Acquisition Price	1.1 billion yen



(※) Disposition of Nittetsu Honmachi Building has been completed on November 25, 2011

VII - 8. Property Details: Residential



Property	Fukasawa Towers H&I
Address	Fukasawa, Setagaya Ward, Tokyo
Floor Area	12,135.36m ²
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 ²
Completion	January 2005
Title	Ownership
Acquisition Price	5.16 billion yen

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

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



VII - 9. Property Details: Retail Properties and Other Properties

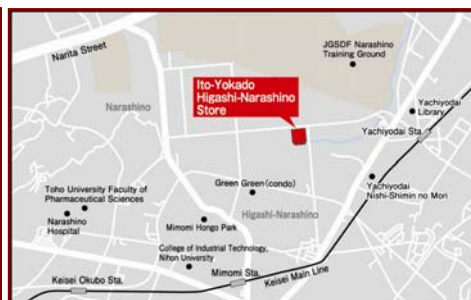


Property	Sagamihara Shopping Center
Address	Kobuchi, Sagamihara City, Kanagawa Pref.
Floor Area	56,351.42m ²
Completion	August 1993
Title	Ownership
Acquisition Price	12 billion yen

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

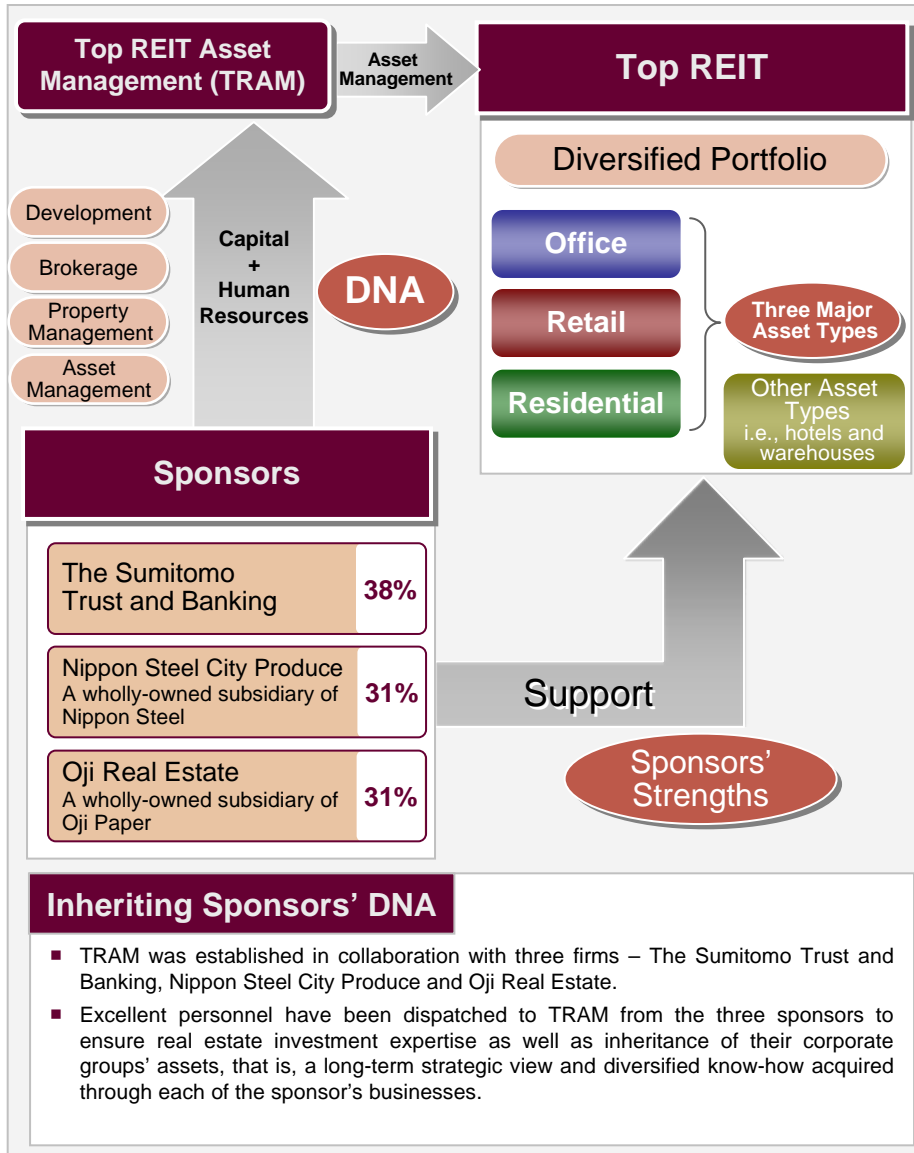
Property	Musashiuwawa Shopping Square
Address	Bessho, Minami Ward, Saitama City, Saitama Pref.
Floor Area	28,930.36m ²
Completion	October 2005
Title	Co-ownership (50%)
Acquisition Price	4.335 billion yen

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



VIII. Appendix: Structure of Related Parties

VIII - 1. Characteristics of Top REIT and Operational Strategies



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, 2011)

Sumitomo Trust Group	62
Nippon Steel Group	344
Oji Paper Group	333

VIII - 2. Overview of Asset Manager

Name Top REIT Asset Management Co., Ltd.

Address Nittetsu Nihonbashi Building
1-13-1 Nihonbashi, Chuo Ward, Tokyo

Established Oct. 22, 2004

Paid-in Capital ¥300mn

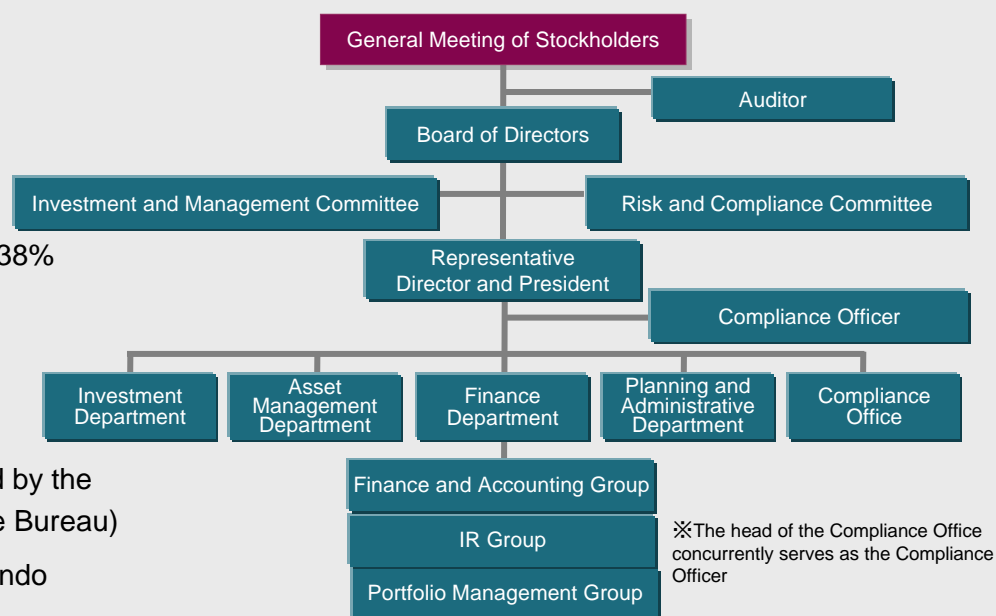
Shareholders The Sumitomo Trust and Banking Co., Ltd. 38%
Nippon Steel City Produce, Inc. 31%
Oji Real Estate Co., Ltd. 31%

Business Description Investment management business
(Registered Financial Instruments
Business Operator No. 365 (Kinsho), issued by the
Director-General of the Kanto Local Finance Bureau)

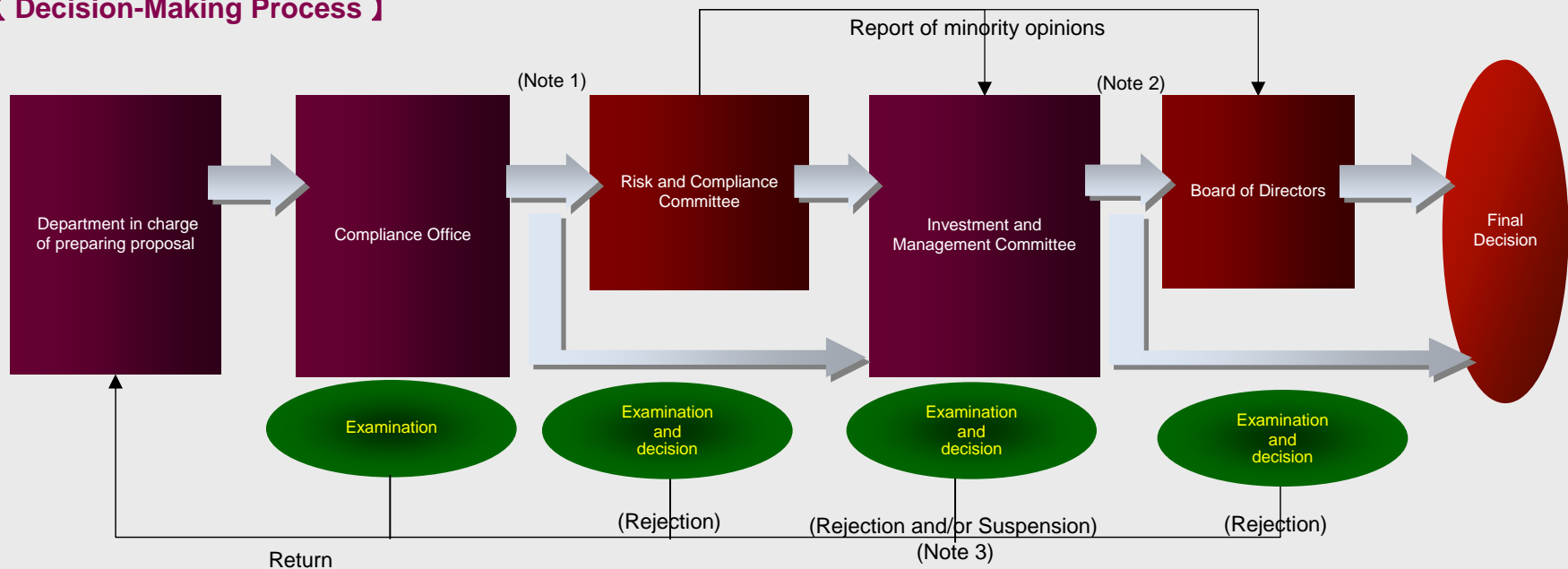
Directors President and Representative Director: Nobuhito Endo

Milestones

Dec. 10, 2004:	Top REIT Asset Management (TRAM) obtained a license as a real estate agent (The Governor of Tokyo No. (1) 83904)
May 10, 2005:	TRAM obtained approval for a discretionary agent license for real estate transactions (The Minister of Land, Infrastructure and Transport No. 35)
June 28, 2005:	TRAM obtained approval as an asset manager for an investment corporation (The Prime Minister No. 47)
Nov. 2, 2005:	TRAM entered into an Asset Management Agreement with Top REIT, Inc.
Sept. 30, 2007:	TRAM was deemed a Registered Financial Instruments Business Operator (Investment Management Business), No. 365 (Kinsho), issued by the Director-General of the Kanto Local Finance Bureau
Nov. 27, 2007:	TRAM formally submitted applications to register as Financial Instruments Business Operator (Investment Management Business)
Dec. 10, 2009:	TRAM renewed a license as a real estate agent (The Governor of Tokyo No. (2) 83904)



【 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.

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