



TOP REIT

(TSE Code: 8982)

Top REIT, Inc.

Presentation on
Business Results for
The Fourth fiscal Period

November 1, 2007 –
April 30, 2008

June 17, 2008

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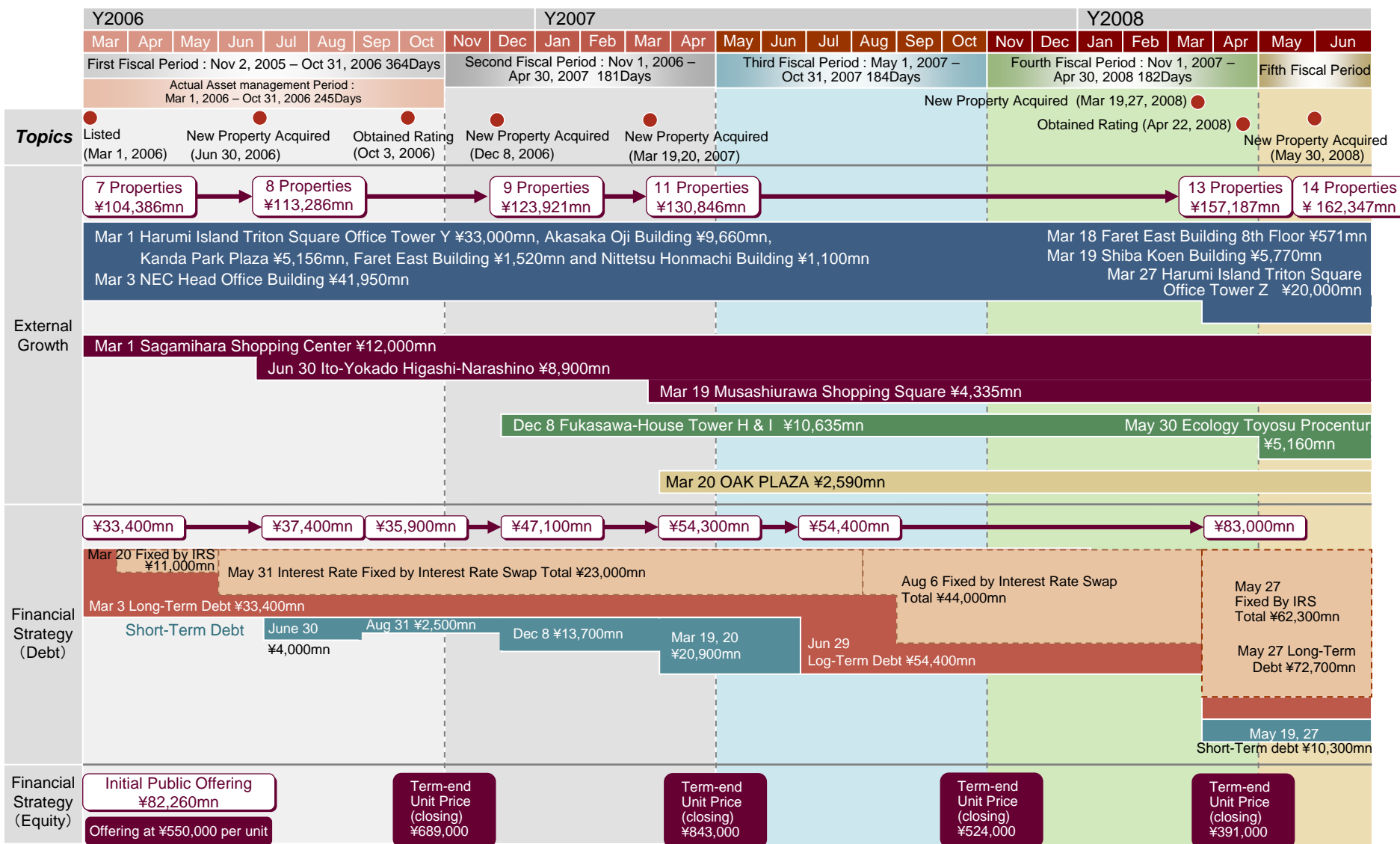
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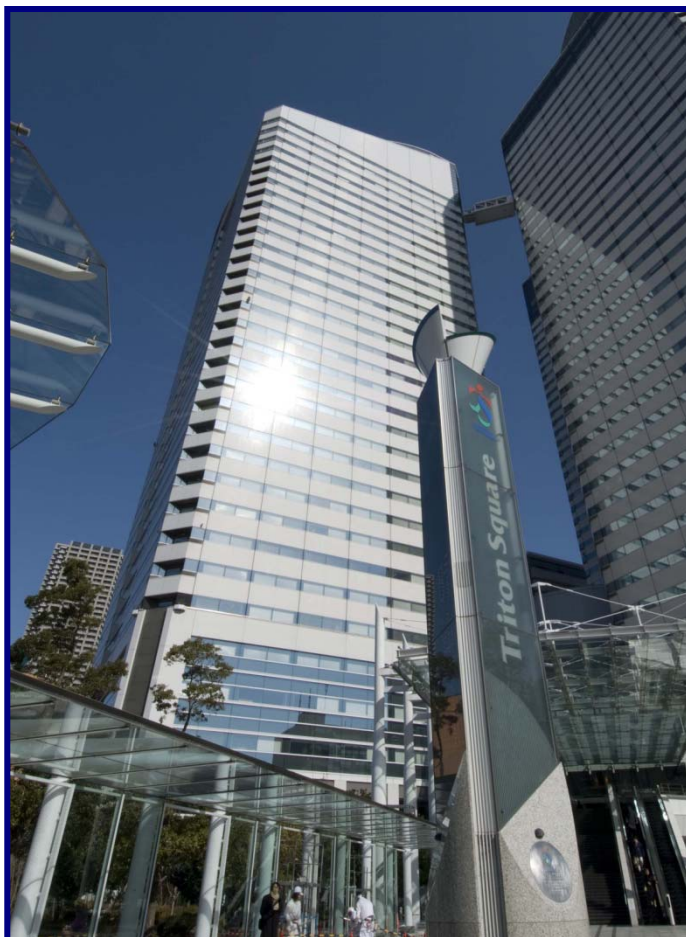
Contact

Overview since IPO



I. Topics

I-1. Fourth Fiscal Period Acquisition: Harumi Island Triton Square Office Tower Z

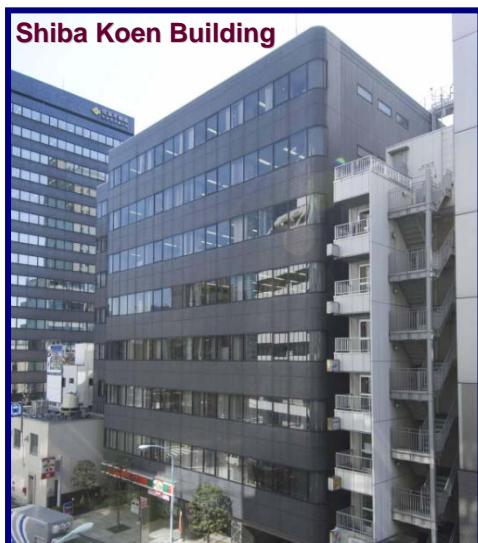


Address	1-8-12 Harumi, Chuo Ward, Tokyo
Acquisition Price	20 billion yen
Site Area	39,569.53m ²
Floor Space	267,132.67m ²
Floors	4 Basement Floors , 40 Floors Above Ground
Completion	October 2001
Title	Land: Co-ownership (7,601,679/100,000,000) Building: Compartmentalized ownership (a part of 17 th Floor and 18 th – 22 th Floor)

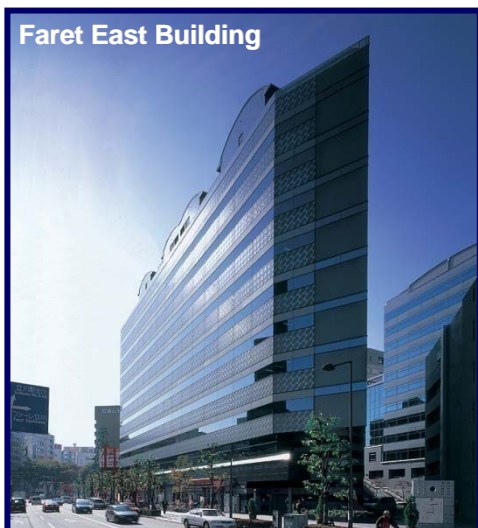
- Harumi Island Triton Square, one of the largest redevelopment projects completed first in the 21st century in Japan, has a total development area of approximately 100,000 m² and is composed of office buildings, retail facilities and a high-rise condominium.
- Office Tower Z is one of the superhigh-rise office towers that are the landmark of Harumi Island Triton Square.
- Obayashi Corporation subleases to end tenants as the master lessee.

I-2. Fourth Fiscal Period Acquisitions:

Shiba Koen Building / Faret East Building 8F (Additional Acquisition)



Address	3-5-5 Shiba, Minato Ward, Tokyo
Acquisition Price	5.77 billion yen
Site Area and Floor Space	940. ⁹² m ² /4,958. ²⁹ m ²
Floors	1 Basement floor, 8 Floors Above Ground
Completion	May 1991
Title	Land: Ownership and Co-ownership partly Building: Compartmentalized Ownership (1 st - 7 th Floor)



Address	2-34-7 Akebonocho, Tachikawa City, Tokyo
Acquisition Price	2.091 billion yen (8 th Floor: 0.571 billion yen)
Site Area and Floor Space	2,350. ⁸⁴ m ² /16,206. ³⁴ m ²
Floors	1 Basement Floor, 12 Floors Above Ground
Completion	December 1994
Title	Land: Co-ownership (54,799,700/100,000,000) Building: Compartmentalized Ownership (2 nd - 5 th and a part of 6 th and 8 th Floor)



I-3. Fifth Fiscal Period Acquisition: Ecology Toyosu Procentury



Address	8-8-4, Toyosu, Koto Ward, Tokyo
Acquisition Price	5.16 billion yen
Site Area and Floor Space	2,499.10m ² /9,630.96m ²
Floors	1 Basement Floor, 9 Floors Above Ground
Completion	January 2005
Title	Ownership

- The property is located in a highly convenient area approximately four minutes' walk from the Toyosu Station of the Tokyo Metro Yurakucho subway line, and a ten minutes' commute to central Tokyo. Toyosu area is considered attractive for rental properties due to its convenient location and favorable environment.
- The building, completed in January 2005, is a rental condominium with a total of 224 rental units (1 retail unit and 223 residential units) ranging in types from 1R to 2LDK. The size of the units ranges from approximately 24m² to 53m². The building is equipped with energy-saving exterior thermal insulation.

Rated anew by Rating and Investment Information, Inc. (R&I)

Acquired:	April 22, 2008
Rating:	AA – (Stable)

Extract from a Press Release of Rating And Investment Information, Inc. As of April 22, 2008

【Reasons for Rating】

Portfolio is comprised of quality assets. These include major landmark buildings of the district such as NEC Head Office Building, Harumi Island Triton Square, suburban-type shopping centers with robust commercial area near Tokyo Metropolitan Area and high grade large residential properties. These properties are very competitive in general.

On an acquisition price basis, 60% of its properties under management comprise NEC Head Office Building and Harumi Island Triton Square (Office Tower Y and Z). Concentration risk is alleviated with their strong competitiveness. Concentration to some tenants is noted but such concentration risk is kept low based on their high creditworthiness and stable lease contracts in place. Moreover, TOP is expected to diversify its portfolio and tenants through future external growth.

Its sponsors have participated in some way in sourcing all the properties held by TOP, such as mediation by Sumitomo Trust and contribution by Nippon Steel City Produce and Oji Real Estate Group. TOP intends to make selective investments among tremendous opportunities it obtains through optimal use of sponsors' broad network. Therefore, steady growth amid the current harsh investment environment can be expected.

TOP's sponsors are composed of major real estate firms and a financial institution. Therefore, TOP can not only diversify its asset acquisition route but can also tap into their expertise in investment, operational management and finance. Such composition has also worked to promote compliance through checks and balances among the sponsors.

The borrowings are on an uncollateralized and unsecured basis since TOP became listed. 88% of its current borrowings are long-term term loans with a period of 3-7 years. 75% of them are on fixed interest rate and maturity dates are relatively diversified. TOP trades with 8 major domestic banks and trust banks centering on Sumitomo Trust, its sponsor. Its close relationship with Sumitomo Trust, especially, is considered to support its stable funding, and R&I takes account of such implication to TOP's rating.

II. Fourth Fiscal Period Results (Ended April 2008)

II-1. Results of the Fourth Fiscal Period (Summary)

(in millions yen, except as otherwise noted)

Items	Fourth Fiscal Period Results November 1, 2007 – April 30, 2008	Fourth Fiscal Period Forecast (Announced on December 14, 2007)	Net Change (Results vs. Forecast)		Third Fiscal Period Results May 1, 2007 – October 31, 2007	Net Change (Fourth Fiscal Period Results vs. Third Fiscal Period Results)	
			Yen	%		Yen	%
Period of Asset Management (Days)	182	182	–	–	184	–	–
Operating Revenue	4,817	4,661	156	+3.3%	4,715	102	+2.2%
Ordinary Income	1,842	1,721	121	+7.0%	1,848	-6	-0.3%
Net Income	1,841	1,720	121	+7.0%	1,847	-6	-0.3%
Number of Units Issued (Unit)	155,000	155,000	0	–	155,000	0	–
Dividend per Unit (Yen)	¥11,884	¥11,100	¥784	+7.1%	¥11,921	-¥37	-0.3%
Number of Properties Assumed	13	11	2	–	11	2	–
Appraisal Value Total	188,035	–	–	–	155,923	32,112	+20.6%

■ Difference Between Forecast and Actual Results

Operating Revenue: ¥156mn

- Increase in rental revenue due to acquisition of three office buildings
- Favorable rent revenue in terms of Akasaka Oji Bldg. and other properties

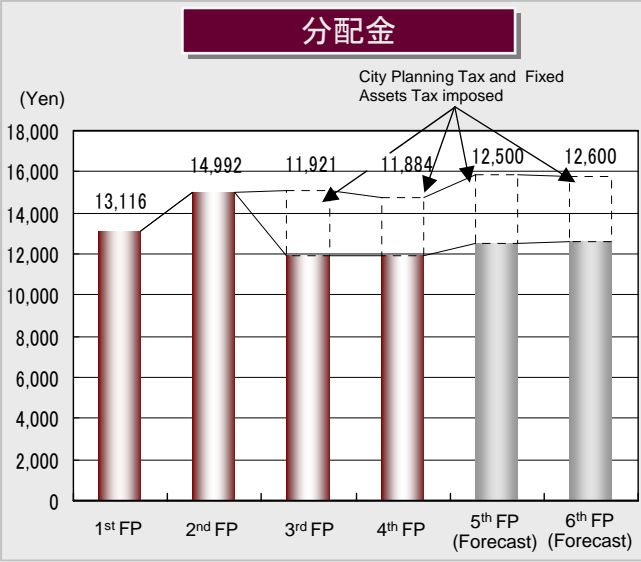
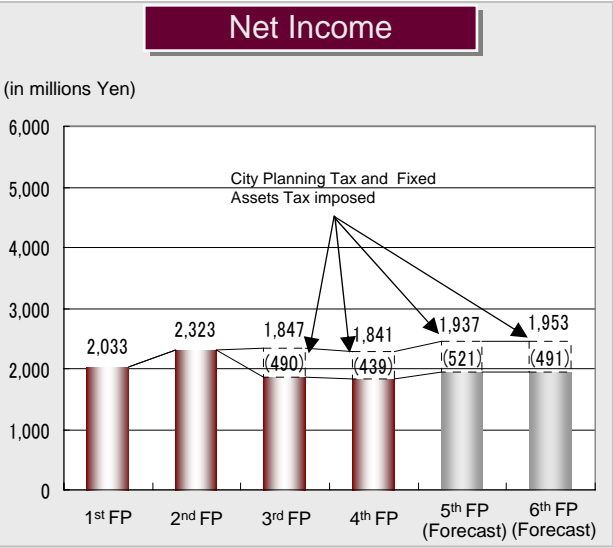
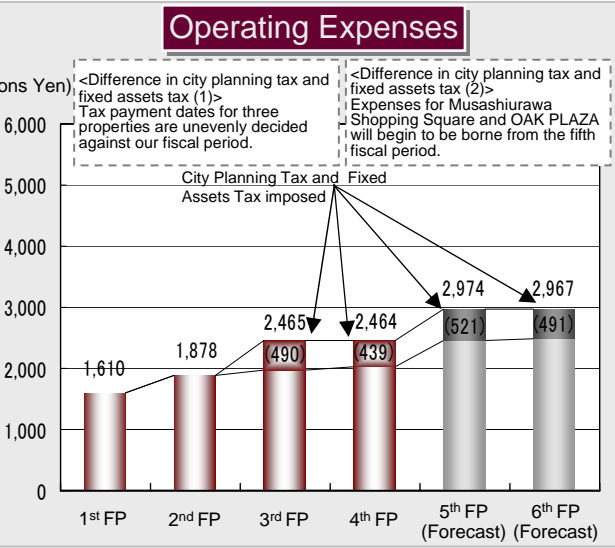
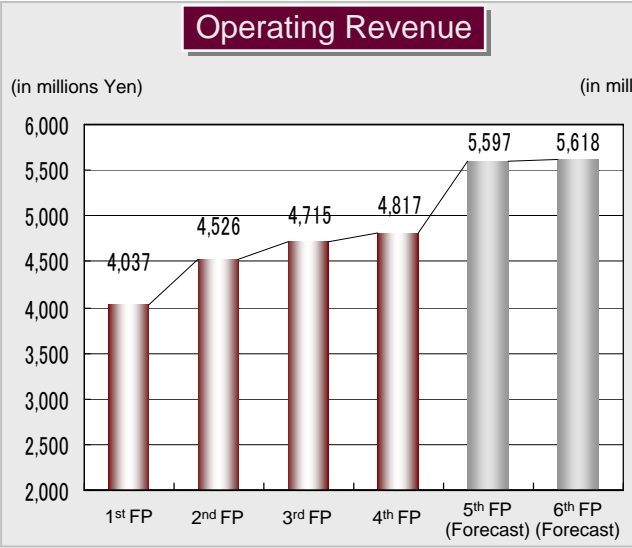
Ordinary Income: ¥121mn

- Actual maintenance costs were less than the previous forecast due to reviewing efficiency of maintenance work and achieving maintenance cost reductions through diligent negotiations.
- Non-operating income (interest received) was more than the previous forecast <NCD, etc.>.
- Increase in depreciation and interest payment due to increase of borrowing for acquisition of new properties

■ Other References

Items	Fourth Fiscal Period Results	Third Fiscal Period Results
Number of Tenants	43	40
Total Rentable Area	276,833.20m ²	261,671.67m ²
Occupancy Rate	99.5%	99.7%
Current Depreciation	¥987mn	¥927mn
Current Capital Expenditures	¥463mn	¥49mn
Term-End Unit Price	¥391,000	¥524,000
Term-End Market Capitalization	¥60,605mn	¥81,220mn

II-2. Results of the Past Periods and Forecasts



Items	1st Fiscal Period*1 (Reference only)	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period	5th Fiscal Period (Forecasts)	6th Fiscal Period (Forecasts)
Days of Fiscal Period	182.5	181	184	182	184	181
Operating Revenue	¥4,037mn	¥4,526mn	¥4,715mn	¥4,817mn	¥5,597mn	¥5,618mn
Operating Expenses	¥1,610mn	¥1,878mn	¥2,465mn	¥2,464mn	¥2,974mn	¥2,967mn
Tax & Public Due	¥0mn	¥0mn	¥490mn	¥439mn	¥521mn	¥491mn
Depreciation	¥730mn	¥873mn	¥927mn	¥987mn	¥1,149mn	¥1,156mn
Net Income	¥2,033mn	¥2,323mn	¥1,847mn	¥1,841mn	¥1,937mn	¥1,953mn
Dividend per Unit	¥13,116	¥14,992	¥11,921	¥11,884	¥12,500	¥12,600
FFO per Unit	¥17,827	¥20,625	¥17,903	¥18,255	¥19,900	¥20,050

*1. Actual days of the 1st fiscal period was 245 Days. The above numbers are calculated by a following calculation method ((First Fiscal Period Results) / 245 Days x 365 Days / 2)

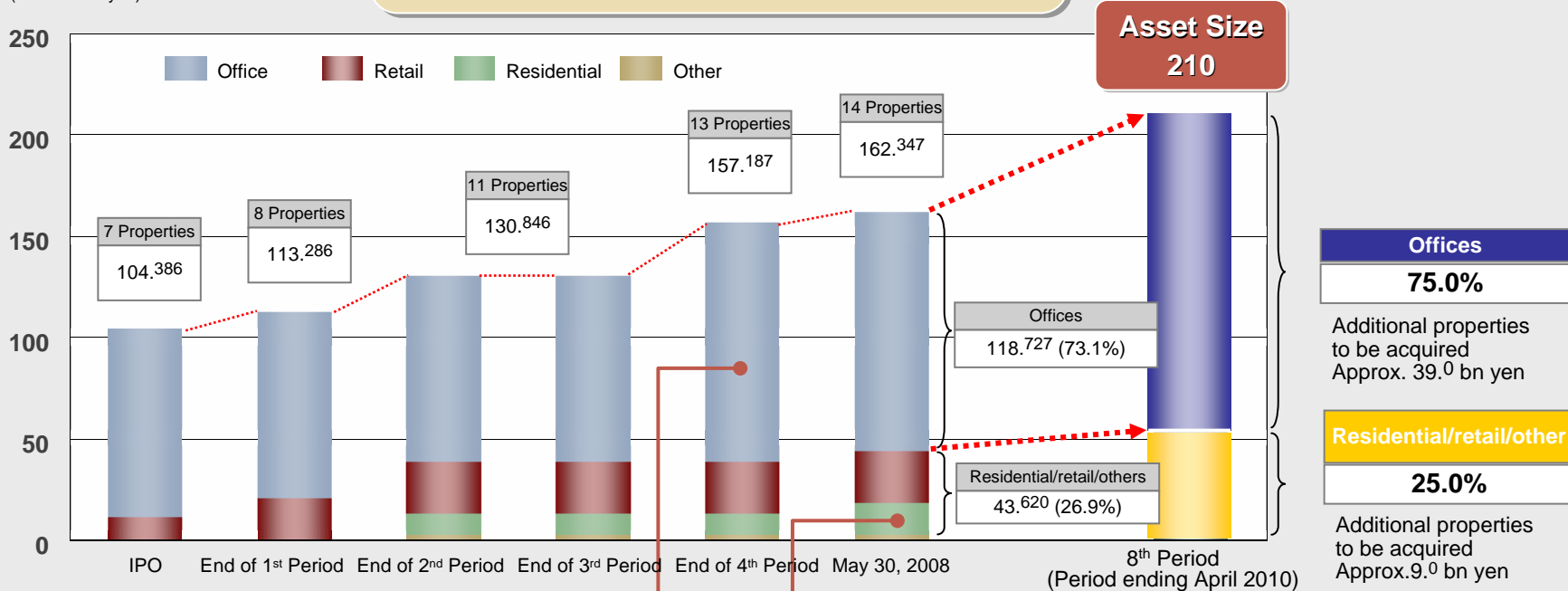
III. External Growth Strategies

III-1. External Growth Achievements: History of Asset Growth

History of Asset Growth (on an acquisition price basis)

(in billions of yen)

Increase in asset size centering on offices since IPO



Properties acquired in 4th period: 3 office buildings

Faret East Building 8F (additional acquisition)	¥0.571bn (Acquired on: March 18, 2008)
Shiba Koen Building	¥5.77bn (Acquired on: March 19, 2008)
Harumi Island Triton Square Office Tower Z	¥20.00bn (Acquired on: March 27, 2008)

Properties acquired in 5th period: 1 residential

Ecology Toyosu Procentury	¥5.16bn (Acquired on: May 30, 2008)
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LTV Scope for operations: 40~50%

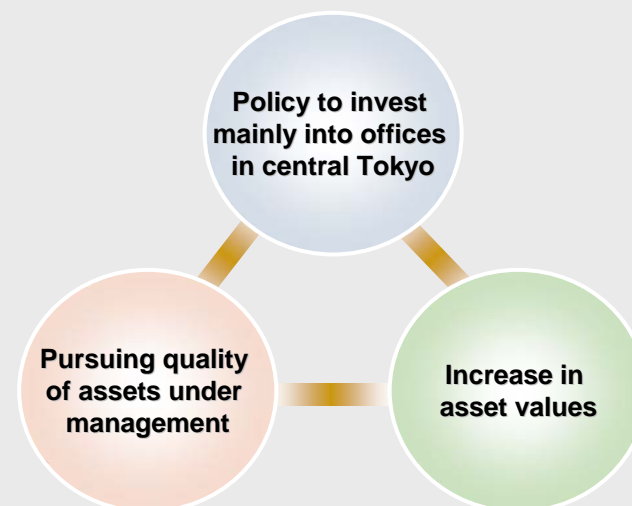
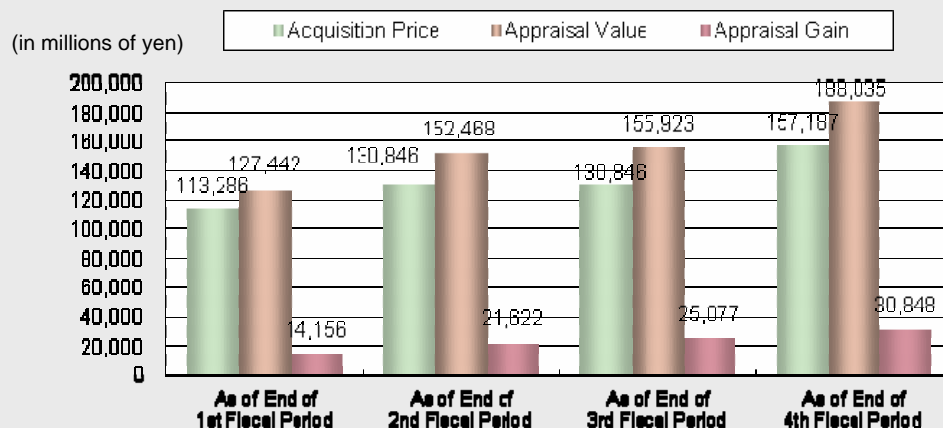
Dividend level: ¥12,000~13,000/unit/period is to be pursued

Dividend for 4th FP	Forecast dividend for 5th FP	Forecast dividend for 6th period
¥11,884	¥12,500	¥12,600

III-2. External Growth Achievements: Appreciation of Asset Values

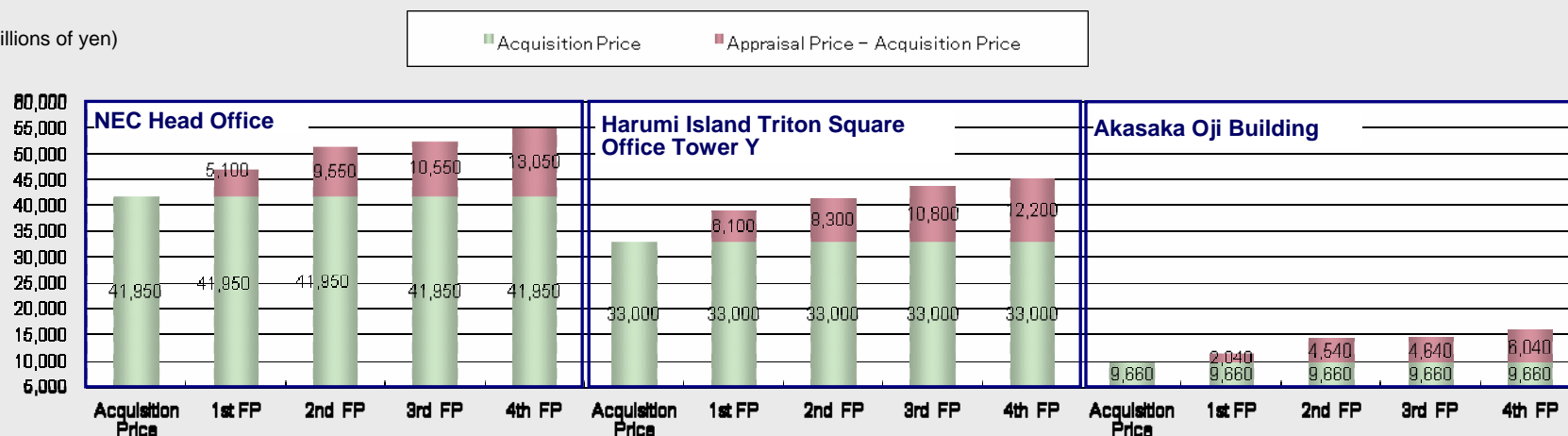
Appreciation of Asset Values

Portfolio overall



Appraisal Gain of Three Major Properties in Central Tokyo

(in millions of yen)



III-3. External Growth Strategies

Comprehensive REIT Focusing on Offices in Central Tokyo

	Characteristic Purpose	Future Investment Policy/Stance	Target		
Office	Growing assets	<p>Proactive investment</p> <p>《Full use of growth potential/profitability》</p> <p>Proactively reviewing properties mainly located in central Tokyo</p>	<p>location: Central Tokyo (Mainly 6 wards)</p> <p>Specifications: 100 tsubo/floor or larger High-quality specifications (facilities/specifications, etc.)</p>	Investment rate 75%	Investment target ¥157.5bn level
Retail	<p>Growing assets</p> <p>Stable assets</p>	<p>Carefully-selected properties reviewed</p> <p>Centering on multi-use commercial properties</p>	<p>Flexibility in replacement of tenants: Multi-tenant type/close to terminal station/center of commerce/stable trade area</p>		Investment rate 25%
Residential	Stable assets	<p>《Pursuing stability》</p> <p>Properties reviewed with importance placed on location, mainly in central Tokyo</p>	<p>Convenience: Accessibility to the nearest station and city center Convenience of life (retail facilities, etc.)</p>		

IV. Internal Growth Strategies

IV-1. Internal Growth: Maintaining High Occupancy Rate

“Tenants First” = Maintaining and Improving Tenant Satisfaction

- Reflecting demand from tenants in facility management plan, thus improving assets quality and value
- Building up good relationship with major tenants will support long-term stable cash flows

Five Major Tenants

As of April 30, 2008 (4th Fiscal Period End)

Name of Tenants	Type of Industry	Name of Properties	Rented Area (㎡)	Share (%)
Ito-Yokado Co., Ltd.	Wholesale/ Retail	Sagamihara Shopping Center/ Ito-Yokado Higashi-Narashino	112,089.54	40.5
NEC	Manufacturing	NEC Head Office Building	72,238.03	26.1
Nippon Steel City Produce	Real Estate	Faret East /OAK PLAZA/ Shiba Koen Building	15,032.51	5.4
Sumitomo Metal Industries	Manufacturing	Harumi Island Triton Square Office Tower Y	11,905.47	4.3
Obayashi Corporation	Construction	Harumi Island Triton Square Office Tower Z	10,914.20	3.9

Leasing Agreement with Major 2 Tenants

Leasing agreement with Ito-Yokado

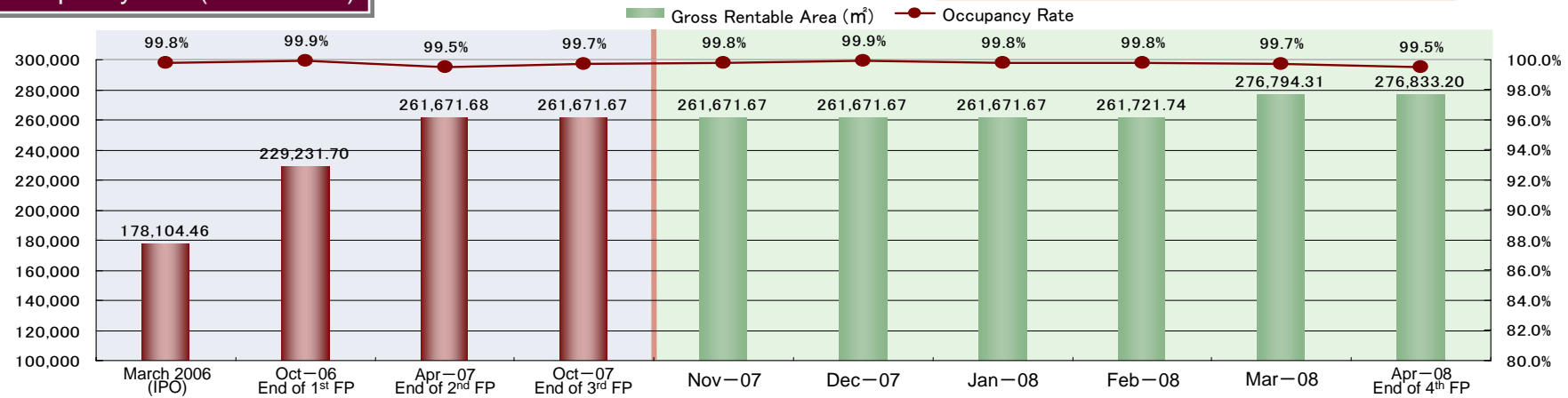
- Long-term leasing agreement for Sagamihara is valid until Aug 10, 2013 and rent is revised every three years.
- That for Higashi-Narashino is valid until November 30, 2014.

Leasing agreement with NEC

- 20-years fixed term leasing agreement that runs until Dec 2025 has been signed. A rent will be revised in Dec 2013, Dec 2017 and Dec 2021. (Cancellation option by NEC thereafter under certain conditions)

Occupancy rate (Transitions)

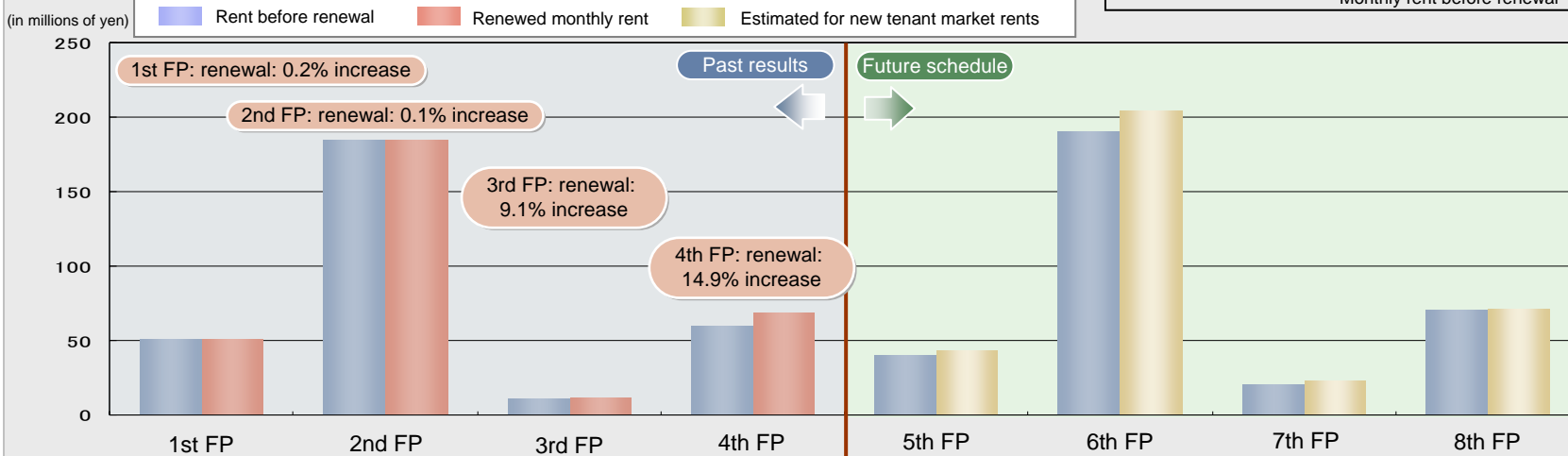
Maintaining Stable and High Occupancy



IV-2. Internal Growth: Results from Office Rent Renewal / Room for Internal Growth by Renewing Rents Upward

Office: Rent Renewal Results (End of 4th FP)/Schedule of Future Rent Renewal

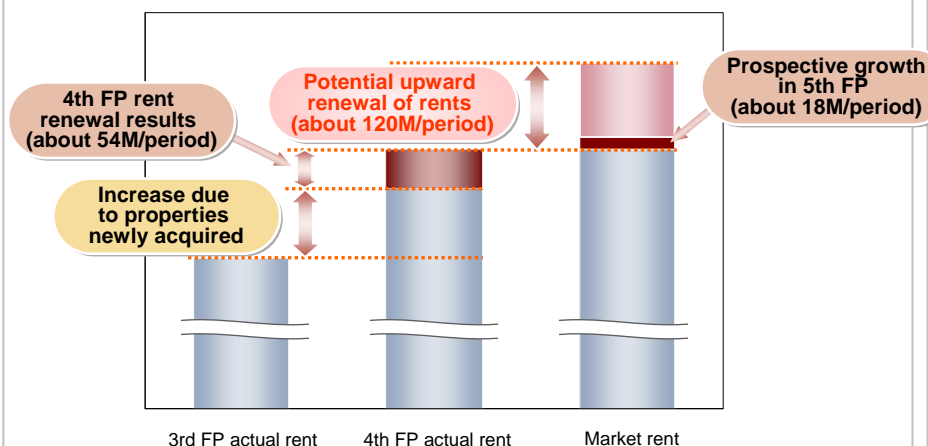
$$\text{Rent renewal results} = \frac{\text{Increase in monthly rent (FP end)}}{\text{Monthly rent before renewal}} (\%)$$



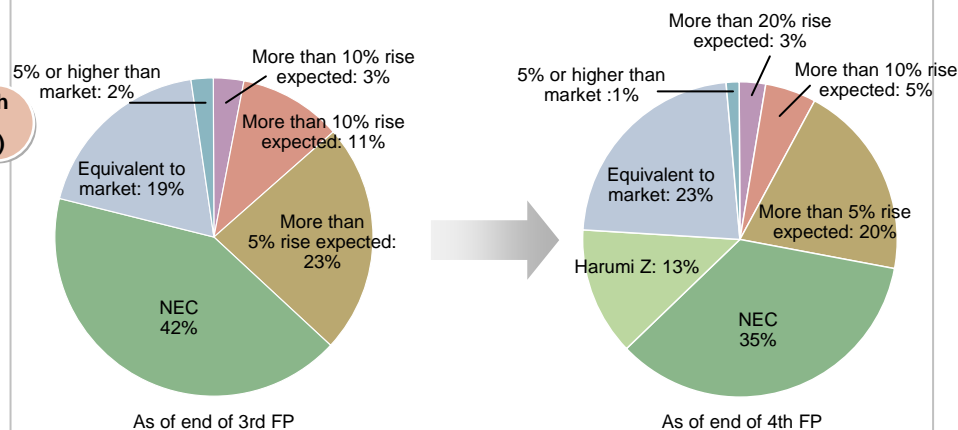
Office: Room for Upward Renewal of Rents (by area)

(Excluding renewal of rents for NEC and Harumi Z)

Potential upwards renewal of rents from the 5th FP to the 8th FP



Ratio of Potential Upward Renewal of Rents (by rent amount)



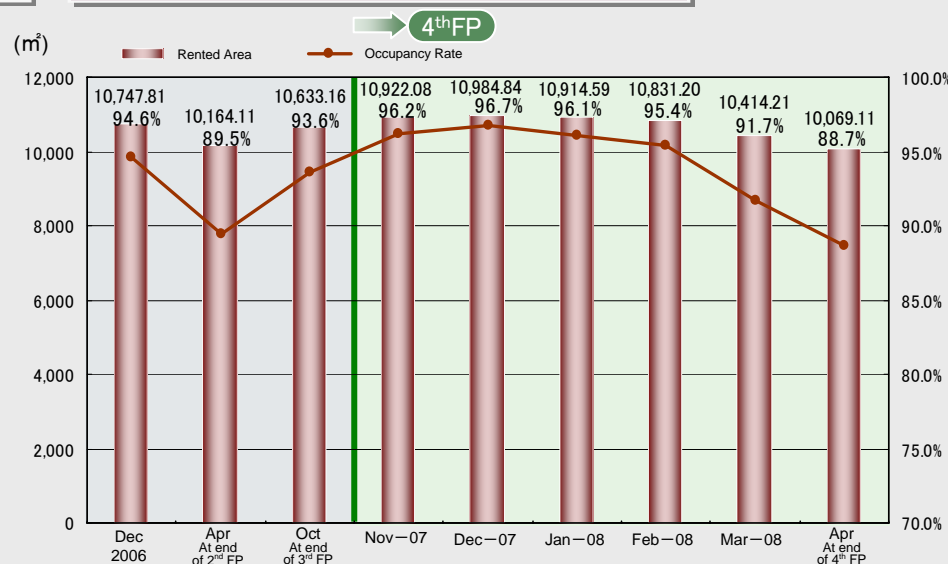
Rent of about 28% of total office floor area may be renewed upward (excluding NEC and Harumi Z)

IV-3. Internal Growth: Results from Residential Rents Renewal / Room for Internal Growth by Renewing Retail Rents Upward

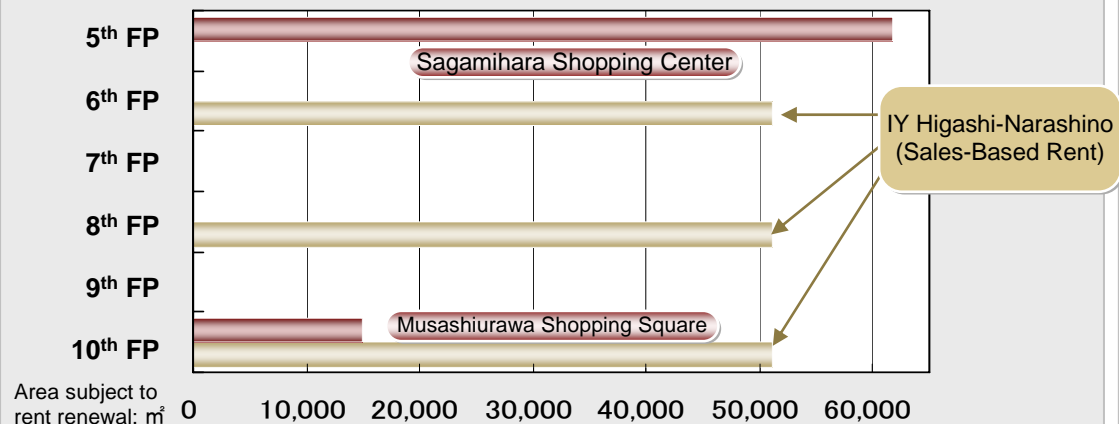
Residential: Renewal Rents (End of 4th FP) and Newly Contracted Rents



Residential: Maintaining High Occupancy



Retail : Schedule of Future Rent Renewal



Residential

Newly Contracted Rents:
Continuing to achieve increased rents mainly from new tenants

Retail

Sagamihara Shopping Center:
Commencing negotiation to pursue higher rent based on rising local land value

V. Financial Strategies

V-1.Credit Rating and Debt Composition as of April 30, 2008

Issuer Rating

A2 (Stable)

Assigned by Moody's Investors Services

(Obtained on October 3, 2006)

AA- (Stable)

Assigned by Rating and Investment Information , Inc. (R&I) (Obtained on April 22, 2008)

	Lender	Term-end Balance (in million Yen)	Interest Rate	Date of Borrowings	Date of Maturity	Remaining Period (Duration)	Repayment Method	Note	
Long Term Debt	Term Loan 1 Sumitomo Trust Mizuho CB SMBC Bank of Tokyo Mitsubishi UFJ Chuo Mitsui Trust Mitsubishi UFJ Trust	5,200	1.20%(Floater)	March 3, 2006	March 3, 2009	10 Months	Bullet	Unsecured	
		5,500	1.39%(Fixed)						
		6,000							
		Sub Total	16,700						
	Term Loan 2	Same as Term Loan 1	5,200	1.30%(Floater)	March 3, 2006	March 3, 2011	2 Years & 10 Months	Bullet	Unsecured
			5,500	1.92%(Fixed)					
			6,000						
	Sub Total	16,700							
	Term Loan 3	Same as Term Loan 1	8,500	1.60%(Fixed)	June 29, 2007	June 30, 2010	2 Years & 2 Months	Bullet	Unsecured
	Sub Total	8,500							
	Term Loan 4	Same as Term Loan 1	8,500	1.95%(Fixed)	June 29, 2007	June 29, 2012	4 Years & 2 Months	Bullet	Unsecured
	Sub Total	8,500							
	Term Loan 5	Sumitomo Trust	2,000	2.27%(Fixed)	June 29, 2007	June 30, 2014	6 Years & 2 Months	Bullet	Unsecured
		Development Bank of Japan	1,000	2.40%(Fixed)					
		Dai-ichi Life	1,000	2.40%(Fixed)					
Sub Total		4,000							
Term Loan 6	Sumitomo Trust Mizuho CB SMBC Bank of Tokyo Mitsubishi UFJ Mitsubishi UFJ Trust	9,000	1.21%(Fixed)	March 27, 2008	March 26, 2010	1 Year & 11 Months	Bullet	Unsecured	
	Sub Total	9,000							
	Term Loan 7	Same as Term Loan 6	6,300	1.48%(Fixed)	March 27, 2008	March 27, 2013	4 Years & 11 Months	Bullet	Unsecured
Development Bank of Japan		3,000	1.53%(Fixed)						
Sub Total	9,300								
Long Term Debt Total		72,700	1.59%(Avg.)			2 Years & 9 Months (Avg)			
Short Term Debt	Sumitomo Trust	6,700	1.14%(Floater)	March 19, 2008	March 18, 2009	11 Months	Bullet	Unsecured	
	Same as Term Loan 6	3,600	1.13%(Floater)	March 27, 2008	March 27, 2009	11 Months	Bullet	Unsecured	
Short Term Debt Total		10,300	1.14%(Avg.)			11 Months (Avg)			
Total		83,000	1.53%(Avg.)			2 Years & 7 Months (Avg.)			

Note: Interest rates are rounded to the second decimal point, and the remaining periods are rounded to a whole number. The averages for interest rates and remaining periods are weighted average figures using month-end balance.

V-2. Financial Strategies: Preparation for Risk of Fluctuating Interest Rates and Spreading Out Maturity Dates

Total borrowings: 83 billion yen

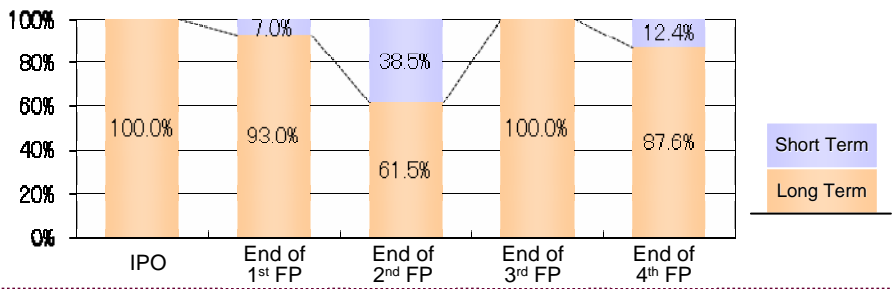
Loan to value (LTV): 47.4%

Ratio of long-term borrowings: 87.6%

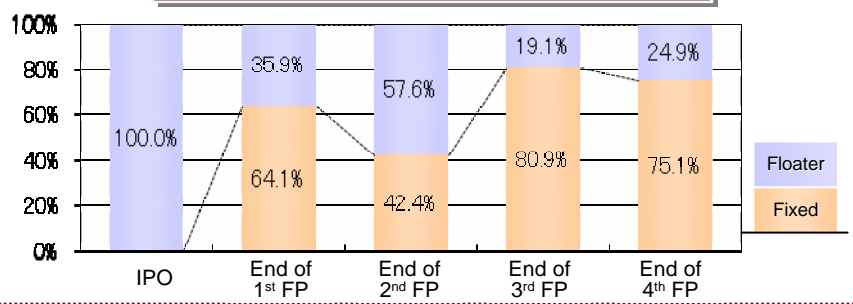
Ratio of fixed rate interest borrowings: 75.1%

*Including current portion of long-term borrowings

Ratio of Long-Term Debt

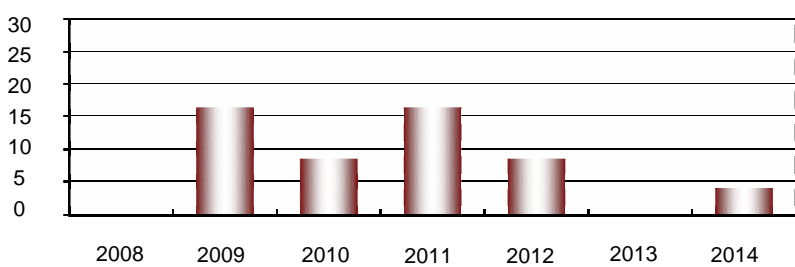


Ratio of Fixed Rate Interest Debt



Actions to Spread Out Debt Maturity Schedule

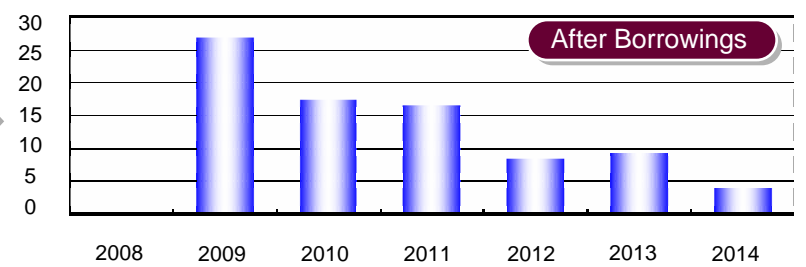
(in billion yen)



Nov. 1, 2007 – Oct. 31, 2008	Nov. 1, 2008 – Oct. 31, 2009	Nov. 1, 2009 – Oct. 31, 2010	Nov. 1, 2010 – Oct. 31, 2011	Nov. 1, 2011 – Oct. 31, 2012	Nov. 1, 2012 – Oct. 31, 2013	Nov. 1, 2013 – Oct. 31, 2014	
	Ma 3, 2009	Jun 30, 2010	Mar 3, 2011	Jun 29, 2012		Jun 30, 2014	
0	16.7	8.5	16.7	8.5	0	4.0	54.4

March 19 and 27, 2008: Borrowings for acquisition of new properties

(in billion yen)



Nov. 1, 2007 – Oct. 31, 2008	Nov. 1, 2008 – Oct. 31, 2009	Nov. 1, 2009 – Oct. 31, 2010	Nov. 1, 2010 – Oct. 31, 2011	Nov. 1, 2011 – Oct. 31, 2012	Nov. 1, 2012 – Oct. 31, 2013	Nov. 1, 2013 – Oct. 31, 2014	
	Mar 3, 2009 Mar 18, 2009 Mar 27, 2009	Mar 27, 2010 Jun 30, 2010	Mar 3, 2011	Jun 29, 2012	Mar 27, 2013	Jun 30, 2014	
0	27.0	17.5	16.7	8.5	9.3	4.0	83.0

Sound Financial Policy

- Conservative Financial Operation
- Spreading Out Debt Maturities
- Preparing for Future Interest Rate Fluctuation

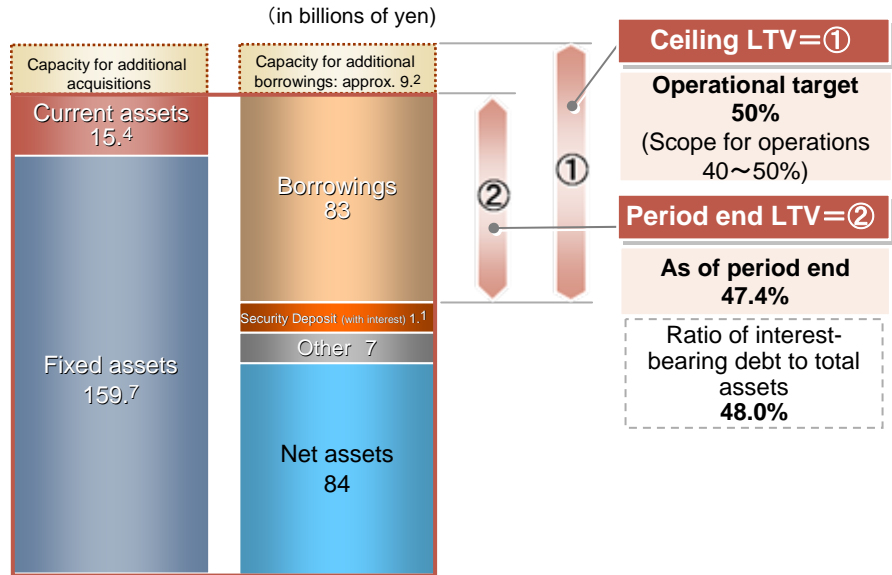
- Maintaining Multiple Financing Channels
- Maintaining Good Relationships with Prominent Lenders to Secure Stable Debt and Additional Borrowing Capability

Maintaining a Conservative Leverage Ratio

- Consistently maintain LTV at a conservative 40-50% to ensure financing capabilities for forthcoming acquisitions.

Capacity of Additional Borrowings and Acquisitions

Capacity for additional borrowings: Approx. 10bn yen (Borrowings + money on hand)



Diversification of borrowing period and repayment dates

- The refinancing was executed on June 29, 2007 extending the borrowing periods and spreading out repayment dates. This policy will continue to be followed as a means to improve the stability of financial operations.

Hedging against the risk of rising interest rates

- The current ratio of fixed rate interest borrowings is 75.1%.
- Top REIT will closely monitor conditions of short-term and long-term interest rate market and take appropriate action if necessary.

Building of a stable bank formation

Maintaining financial flexibility & capability

- All borrowings have been obtained unsecured and an issuer rating has been obtained.
- Top REIT continues to maintain stable transactions with banks that have financing since IPO.
- When acquiring a new property in March 2008, a total of ¥28.6bn was raised through long and short-term borrowings.

VI. Fourth Fiscal Period Results (Ended April 30, 2008)

VI-1. Income Statement (Summary) / Dividend Statement

Income Statement

Accounting Item	4 th FP November 1, 2007 – April 30, 2008 (182 days)		3 rd FP May 1, 2007 – October 31, 2007 (184days)	
	Value (in millions yen)	(%)	Value (in millions yen)	(%)
I. Operating Revenue and Expenses				
1. Operating Revenue	4,817	100.0	4,715	100.0
2. Operating Expenses	2,464	51.2	2,465	52.3
Rental expenses	1,974		1,970	
Asset management fees	367		367	
Other operating expenses	122		126	
Operating Income	2,353	48.8	2,250	47.7
II Non-Operating Income and Expenses				
1. Non-Operating Income	24	0.5	43	0.9
Interest received	23		16	
Other non-operating income	1		27	
2. Non-Operating Expenses	534	11.1	444	9.4
Interest paid	499		414	
Amortization of funding costs	5		5	
New investment unit issue costs	—		—	
Other non-operating expenses	29		24	
Ordinary Income	1,842	38.3	1,848	39.2
Net income before income taxes	1,842		1,848	
Corporate residents and business taxes	1		1	
Corporate tax adjustment	0		-0	
Net Income	1,841	38.2	1,847	39.2
Retained Earnings at the End of Period	1,842		1,847	

Dividend Statement

Accounting Item	4 th FP November 1, 2007 – April 30, 2008 (182days)	3 rd FP May 1, 2007 – October 31, 2007 (184days)
	Value (in millions yen)	Value (in millions yen)
Retained earnings at end of period	1,842	1,847
Total Dividend Amount	1,842	1,847
(Dividend per Unit) (yen)	11,884	11,921
Retained earnings carried forward	0	0

➤ Increase in rental revenue through acquisition of Harumi Island Triton Square Office Tower Z, Shiba Koen Building and Faret East Building 8th (portion acquired newly)

【Rental expenses】
 Depreciation: ¥987mn
 Management expenses: ¥307mn
 Utility Cost: ¥154mn and others

VI-2. Balance Sheets (Summary)

Accounting Item	4th FP Ended April 30, 2008		3rd FP Ended October 31, 2007	
	Value (in millions yen)	(%)	Value (in millions yen)	(%)
Assets				
I Total Current Assets	15,415	8.8	13,062	9.0
Cash and deposits	6,054		4,745	
Cash and deposits held in trust account	8,850		8,243	
Tenants receivables	41		32	
Consumption tax refund receivable	398		-	
Other current assets	70		40	
II Total Fixed Assets	159,783	91.2	132,875	91.0
1. Total Investment Properties, net	159,585	91.1	132,698	90.9
Buildings	1,112		-	
Land	4,885		-	
Buildings, etc. in trust	50,015		43,524	
Land in trust	103,572		89,174	
2. Total Intangible Assets	0	0.0	0	0.0
Other intangible assets	0		0	
3. Total Investment and Other Assets	196	0.1	176	0.1
Leasehold and security deposits	10		10	
Long-term prepaid expenses	79		60	
Deferred tax assets	39		57	
Other investments	67		48	
III Total Deferred Assets	28	0.0	34	0.0
Organization expenses (initial expense)	28		34	
Total Assets	175,226	100.0	145,972	100.0

Accounting Item	4th FP Ended April 30, 2008		3rd FP Ended October 31, 2007	
	Value (in millions yen)	(%)	Value (in millions yen)	(%)
Liabilities				
I Total Current Liabilities	28,381	16.2	1,325	0.9
Accounts payable	158		57	
Short-term debt	10,300		-	
Current portion of long-term loans payable	16,700		-	
Other account payable	308		240	
Expenses payable	181		143	
Consumption tax payable	-		171	
Rents received in advance	718		710	
Other current liabilities	14		2	
II Total Fixed Liabilities	62,807	35.8	60,627	41.5
Long-term debt	56,000		54,400	
Tenant lease and security deposits	169		-	
Tenant Lease and security deposits in trust	6,526		6,065	
Derivative debt	111		162	
Total Liabilities	91,189	52.0	61,952	42.4
Net Assets				
I Total Unitholders' Equity	84,102	48.0	84,107	57.6
1. Unitholders' equity	82,260	46.9	82,260	56.3
2. Reserves				
Retained earnings at period end	1,842		1,847	
Total reserves	1,842	1.1	1,847	1.3
II Adjustments for valuation, conversion, etc.	-65	-0.0	-88	-0.0
Deferred hedge losses	-65		-88	
Total Net Assets	84,037	48.0	84,019	57.6
Total Liabilities and Net Assets	175,226	100.0	145,972	100.0

Tenant leasehold and security deposits, etc

Total debts: : ¥83,000mn (1)

Of which, interest-bearing debt: ¥1,185mn (2)

(1) + (2) Total interest-bearing debt: ¥84,185mn

VI-3. Major Financial Indicators

Items	4th FP Nov 1, 2007 – April 30, 2008	3 rd FP May 1, 2007 – October 31, 2007	2 nd FP Nov 1, 2006 – April 30, 2007	Remarks
Days of Fiscal Period	182 days	184 days	181 days	
Ratio of interest-bearing debt to total assets at period end	48.0%	38.1%	38.0%	Interest-bearing debt at period end / total assets at period end
Ratio of debt to total assets at period end (“LTV”)	47.4%	37.3%	37.1%	Total debt at period end / total assets at period end
Rental NOI (Net Operating Income)	¥3,830mn	¥3,671mn	¥4,010mn	Rental revenue – rental expenses + depreciation for the period
Rental NOI yield	4.8%	5.6%	6.1%	Rental NOI (semi-annualized) x 2 / total acquisition price of portfolio at period end
Funds from Operation (FFO)	¥2,829mn	¥2,775mn	¥3,197mn	Net income + depreciation for the period
FFO per unit	¥18,255	¥17,903	¥20,625	FFO/number of outstanding units issued at period end
Return on Assets (ROA)	1.1%	1.3%	1.7%	Ordinary income / (total assets at beginning period (for first fiscal period, total assets as of March 1, 2006) + average total assets at period end) / 2
Annualized	2.3%	2.5%	3.4%	
Return on Equity (ROE)	2.2%	2.2%	2.7%	Net income/(net assets at beginning period (for first fiscal period, net assets as of March 1, 2006) + average net assets at period end) / 2
Annualized	4.4%	4.3%	5.5%	
NAV Ratio	0.53	0.74	1.23	Term-end market capitalization/(unitholders' equity at period end) + (period end appraisal price – acquisition price))
Unitholders' Equity to Total Asset Ratio at period end	48.0%	57.6%	57.8%	Unitholders' equity at period end/total assets at period end

VI-4. Fifth and Sixth Fiscal Period Earnings Forecast

Items	5 th FP Forecast May 1, 2008 – October 31, 2008	6 th FP Forecast November 1, 2008 – April 30, 2009	4 th FP Results November 1, 2007 – April 30, 2008
Period of Asset Management (Days)	184	181	182
Operating Revenue	¥5,597mn	¥5,618mn	¥4,817mn
Operating Expenses	¥2,974mn	¥2,967mn	¥2,464mn
Of which, Rental Expenses (excluding depreciation cost)	¥1,237mn <Tax and public dues ¥:521mn>	¥1,220mn <Tax and public dues ¥:491mn>	¥986mn <Tax and public dues ¥:439mn>
Of which, Depreciation Cost	¥1,149mn	¥1,156mn	¥987mn
Operating Income	¥2,622mn	¥2,650mn	¥2,353mn
Ordinary Income	¥1,938mn	¥1,954mn	¥1,842mn
Net Income	¥1,937mn	¥1,953mn	¥1,841mn
Number of Units Issued (units)	155,000	155,000	155,000
Dividend per Unit (yen)	¥12,500	¥12,600	¥11,884
NOI (Rental)	¥4,360mn	¥4,398mn	¥3,830mn
FFO	¥3,087mn	¥3,109mn	¥2,829mn
Assumptions	Number of properties: 14 properties Number of investment units issued: 155,000 Total debt: ¥83bn Non-operating expenses: 5 th Fiscal Period ending October 2008: ¥679mn (of which, interest to be paid: ¥660mn) 6 th Fiscal Period ending April 2009: ¥708mn (of which, interest to be paid: ¥673mn)		Number of properties: 13

VI-5. Unitholders

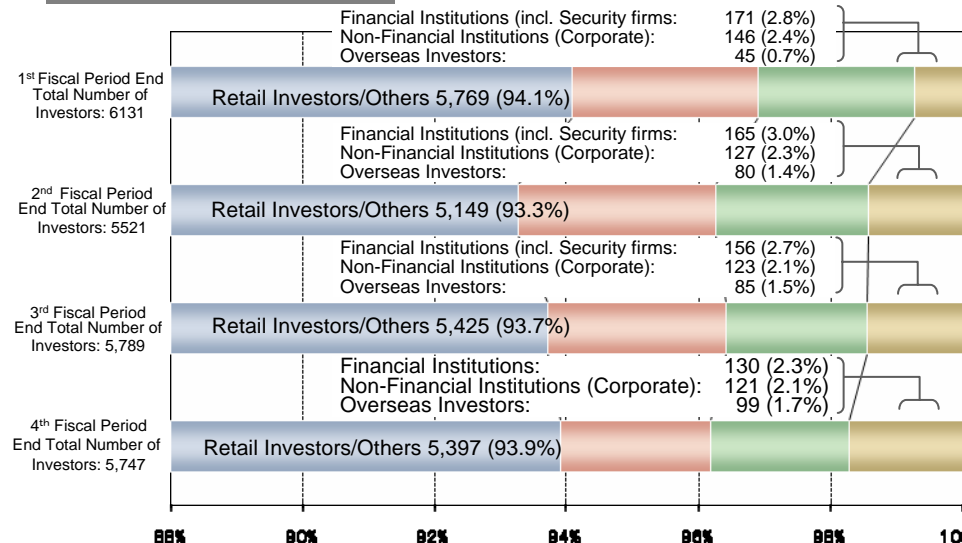
Ownership Share by Investor Criteria as of April 30, 2008

Investor Criteria	Number of Units Held		Number of Unitholders	
Retail Investors/Others	15,472	10.0%	5,397	93.9%
Financial Institutions (Incl. Security Firms)	100,110	64.6%	130	2.3%
Non-Financial Institutions (Corporate)	11,721	7.6%	121	2.1%
Overseas Investors	27,697	17.9%	99	1.7%
Total	155,000	100.0%	5,747	100.0%

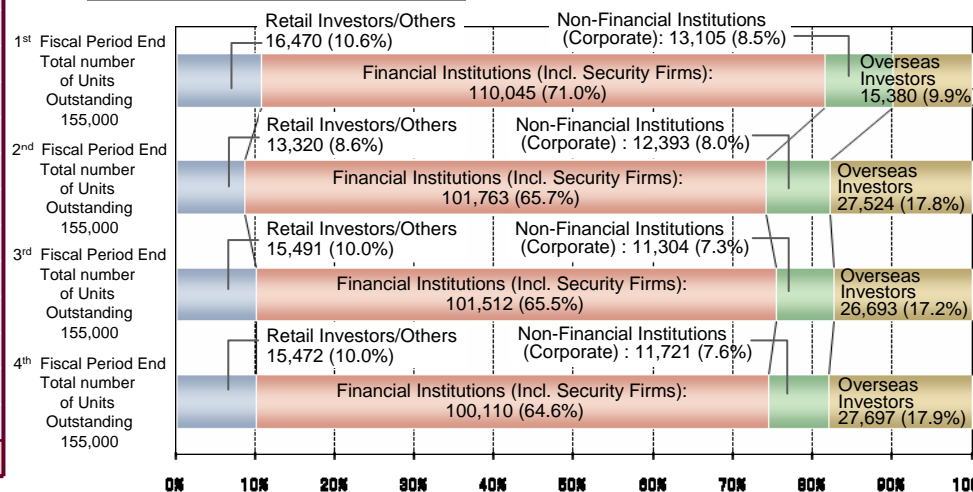
Top 15 Unitholders as of October 31, 2007

Rank	Name	Number of Units held	Share (%)
1	Japan Trustee Service Bank, trust account	11,662	7.52
2	NikkoCiti Trust and Banking Corporation, trust account	11,545	7.45
3	The Master Trust Bank of Japan, trust account	8,575	5.53
4	Trust and Custody Services Bank, trust account	6,628	4.28
5	North Pacific Bank	6,139	3.96
6	The Bank of Ikeda	6,008	3.88
7	American Life Insurance Company GAL	3,847	2.48
8	Goldman Sachs International	3,825	2.47
9	Nomura Trust and Banking, trust account	3,812	2.46
10	Bank of New York GCM Client Accounts EISG	3,699	2.39
11	The Sumitomo Trust & Banking	3,176	2.05
12	Nippon Steel City Produce	3,162	2.04
12	Oji Real Estate	3,162	2.04
14	Trust & Custody Services Bank, money trust account	3,069	1.98
15	The Fuji Fire and Marine Insurance	3,049	1.97
	Total	81,358	52.49

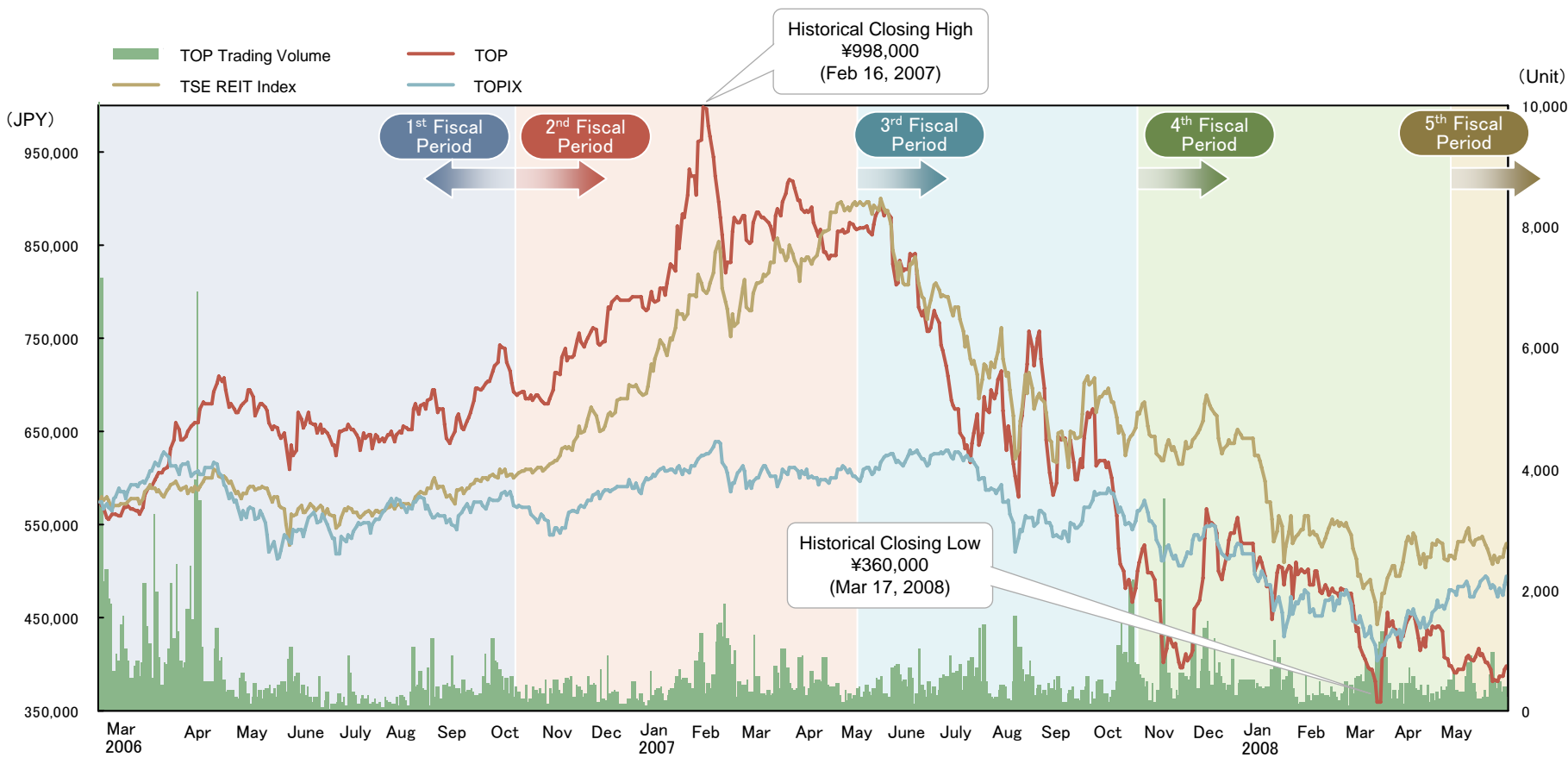
Number of Unitholders



Number of Units Held



VI-6. Unit Price Performance & Volume (March 1, 2006 - May 31, 2008)



4 th Fiscal Period End Unit Price (Closing)	JPY 391,000 (April 30, 2008)	IPO Price	JPY 550,000	Mar 1, 2006
		Historical High since IPO (Closing Price)	JPY 998,000	Feb 16, 2007
		Historical low since IPO (Closing Price)	JPY 360,000	Mar 17, 2008

VII. Appendix: Portfolio Overview

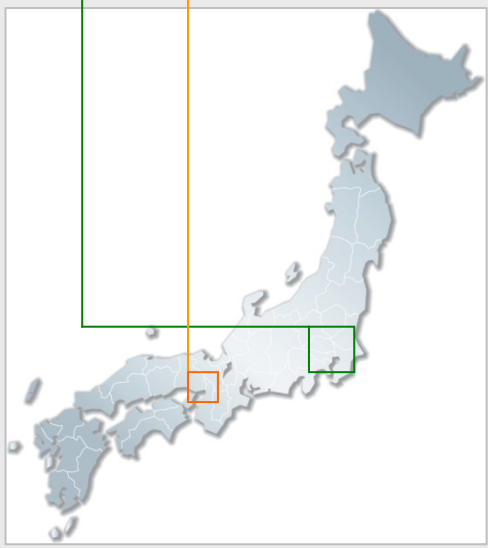
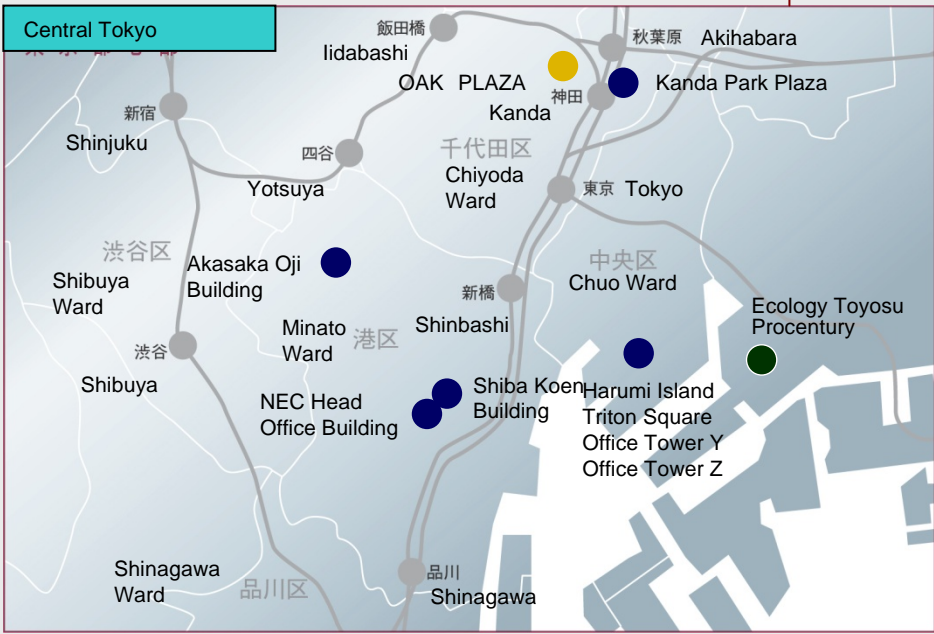
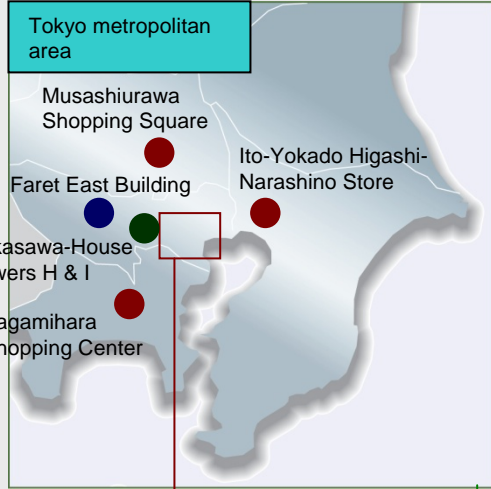
VII-1. Portfolio Map



Harumi Island Triton Square
Office Tower Y / Office Tower Z



Fukasawa-House
Towers H & I



Sagamihara
Shopping Center



NEC Head Office
Building

VII-2. Portfolio Overview – Portfolio Summary as of April 30, 2008

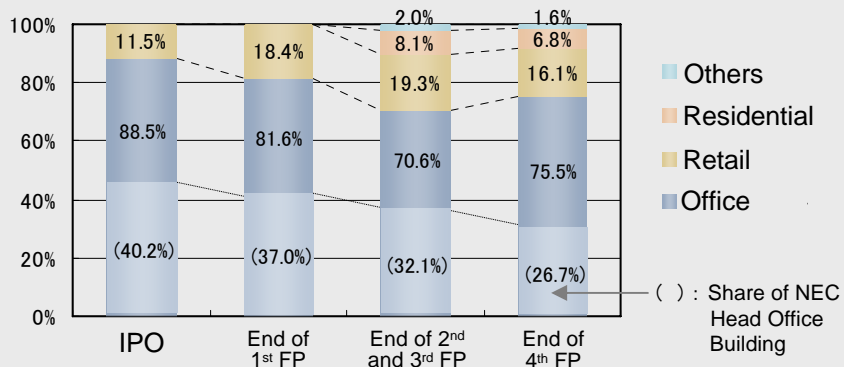
Total Acquisition Price: ¥157.187 billion

Number of Properties: 13

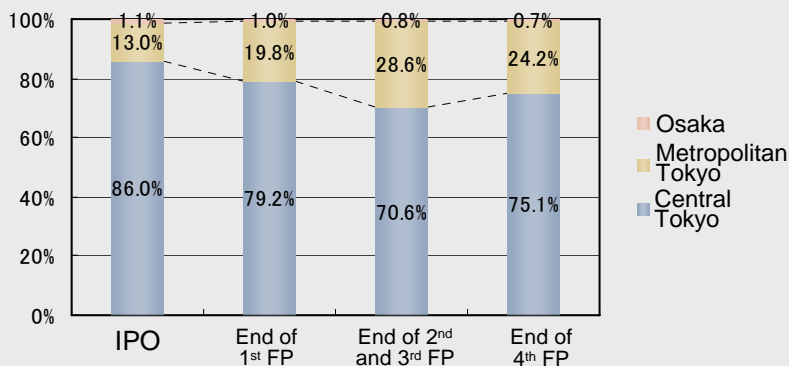
Rentable Area: 276,833.20m²

PML: 2.2%

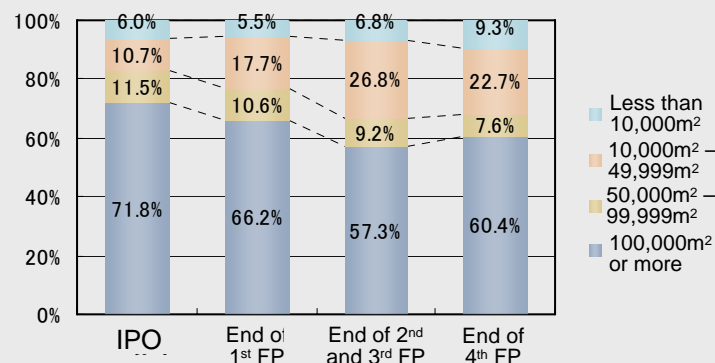
Asset Class (property type)



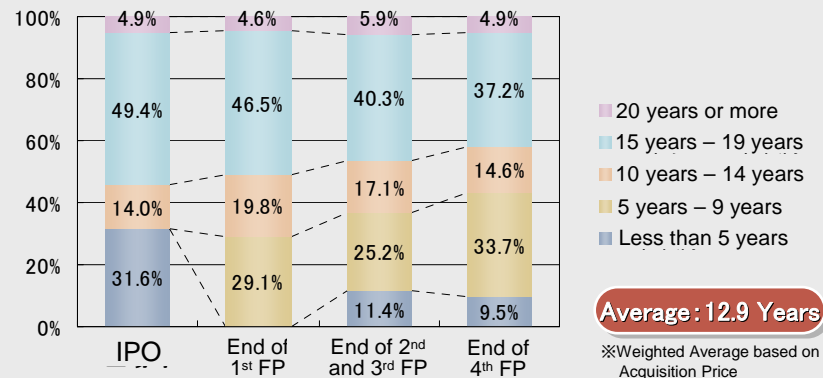
Area



Scale (on a total floor area basis)



Age of Buildings



※Numbers on above graphs are calculated based on Acquisition Price

VII-3. Portfolio Overview as of May 30, 2008

Asset Class	Area	Property	Address	Acquisition Date	Floor Area (m ²)	Rentable Area (m ²)	Completion Date	Acquisition Price	Share (%)	Occupancy (%) (Note)	No. of Tenants	PML (%)
Office	Central Tokyo	NEC Head Office Building	Minato Ward, Tokyo	March 3, 2006	144,476.05	72,238.03	Jan 1990	¥41,950mn	25.8	100.0	1	1.6
		Harumi Island Triton Square Office Tower Y	Chuo Ward, Tokyo	March 1, 2006	267,132.67	23,239.62	Oct 2001	¥33,000mn	20.3	100.0	7	1.4
		Harumi Island Triton Square Office Tower Z	Chuo Ward, Tokyo	March 27, 2008	267,132.67	10,914.20	Oct 2001	¥20,000mn	12.3	100.0	1	1.5
		Akasaka Oji Building	Minato Ward, Tokyo	March 1, 2006	10,063.05	7,281.83	Apr 1989	¥9,660mn	6.0	100.0	3	6.3
		Shiba Koen Building	Minato Ward, Tokyo	March 19, 2008	4,958.29	3,060.43	May 1991	¥5,770mn	3.6	100.0	1	9.6
		Kanda Park Plaza	Chiyoda Ward, Tokyo	March 1, 2006	5,511.83	4,537.66	Nov 1959	¥5,156mn	3.2	100.0	10	14.1
	Tokyo Metropolitan	Faret East Building	Tachikawa City, Tokyo	March 1, 2006	16,206.34	5,850.23	Dec 1994	¥2,091mn	1.3	100.0	1	2.8
	Osaka	Nittetsu Honmachi Building	Osaka City, Osaka	March 1, 2006	6,714.09	4,409.52	Jun 1991	¥1,100mn	0.7	100.0	11	8.0
Sub-Total (8 Properties)					—	131,531.52	—	¥118,727mn	73.1	100.0	35	—
Retail	Tokyo Metropolitan	Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	March 1, 2006	56,351.42	61,763.28	Aug 1993	¥12,000mn	7.4	100.0	2	3.8
		Ito-Yokado Higashi-Narashino Store	Narashino City, Chiba Pref.	June 30, 2006	45,338.37	51,098.42	Oct 1994	¥8,900mn	5.5	100.0	1	7.7
		Musashiurawa Shopping Square	Saitama City, Saitama Pref.	March 19, 2007	28,930.36	14,960.69	Oct 2005	¥4,335mn	2.7	100.0	3	8.5
Sub-Total (3 Properties)					—	127,822.39	—	¥25,235mn	15.5	100.0	6	—
Residential	Tokyo Metropolitan	Fukasawa-House Towers H & I	Setagaya Ward, Tokyo	December 8, 2006	12,135.36	11,357.44	Jun 2004	¥10,635mn	6.6	88.7	1	1.6
		Ecology Toyosu Procentury	Koto Ward, Tokyo	May 30, 2008	9,630.96	6,789.03	January 2007	¥5,160mn	3.2	98.7	1	10.6
Sub-Total (2 Properties)					—	18,146.47	—	¥15,795mn	9.7	92.4	2	—
Others	Central Tokyo	OAK PLAZA	Chiyoda Ward, Tokyo	March 20, 2007	6,121.85	6,121.85	Apr 1985	¥2,590mn	1.6	100.0	1	7.7
		Sub-Total (1 Property)					—	6,121.85	—	¥2,590mn	1.6	100.0
Total (14 Properties)					—	283,622.23	—	¥162,347mn	100.0	—	44	—

(Note) Occupation rate is as of April 30, 2008

VII-4. Appraisal Values as of April 30, 2008

(In millions yen)

Asset Class	Area	Property	Book Value	Acquisition Price (A)	Appraisal Price as of Oct 31, 2006		Appraisal Price as of Apr 30, 2007		Appraisal Price as of October 31, 2007		Appraisal Price as of Apr 30, 2008	
					Appraisal Price (B)	(B)-(A)	Appraisal Price (C)	(C)-(A)	Appraisal Price (D)	(D)-(A)	Appraisal Price (E)	(E)-(A)
Office	Central Tokyo	NEC Head Office Building	43,205	41,950	47,050	5,100	51,500	9,550	52,500	10,550	55,000	13,050
		Harumi Island Triton Square Office Tower Y	32,874	33,000	39,100	6,100	41,300	8,300	43,800	10,800	45,200	12,200
		Harumi Island Triton Square Office Tower Z	20,775	20,000	—	—	—	—	—	—	20,000	0
		Akasaka Oji Building	9,899	9,660	11,700	2,040	14,200	4,540	14,300	4,640	15,700	6,040
		Shiba Koen Building	5,997	5,770	—	—	—	—	—	—	5,680	-90
		Kanda Park Plaza	5,165	5,156	5,202	46	5,260	104	5,513	357	5,681	525
	Tokyo Metropolitan	Faret East Building	2,024	2,091	2,140	620	2,450	930	2,550	1,030	3,470	1,379
	Osaka	Nittetsu Honmachi Building	1,101	1,100	1,140	40	1,330	230	1,670	570	1,790	690
Sub-Total (8 Properties)			121,043	118,727	106,332	13,946	116,040	23,654	120,333	27,947	152,521	33,794
Retail	Tokyo Metropolitan	Sagamihara Shopping Center	11,871	12,000	12,100	100	12,100	100	12,100	100	12,100	100
		Ito-Yokado Higashi-Narashino Store	8,818	8,900	9,010	110	6,888	-2,012	5,873	-3,027	5,845	-3,055
		Musashiurawa Shopping Square	4,398	4,335	—	—	4,350	15	4,350	15	4,300	-35
	Sub-Total (3 Properties)			25,088	25,235	21,110	210	23,338	-1,897	22,323	-2,912	22,245
Residential	Tokyo Metropolitan	Fukasawa-House Towers H&I	10,835	10,635	—	—	10,500	-135	10,500	-135	10,500	-135
	Sub-Total (1 Property)			10,835	10,635	—	—	10,500	-135	10,500	-135	10,500
Others	Central Tokyo	OAK PLAZA	2,617	2,590	—	—	2,590	0	2,767	177	2,769	179
		Sub-Total (1 Property)			2,617	2,590	—	—	2,590	0	2,767	177
Total(13 Properties)			159,585	157,187	127,442	14,156	152,468	21,632	155,923	25,077	188,035	30,848

VII-5. Appraisal Cap Rate

物件名	First Fiscal Period			Second Fiscal Period			Third Fiscal Period			Fourth 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	
		Discount Rate	Terminal Capitalization Rate		Discount Rate	Terminal Capitalization Rate		Discount Rate	Terminal Capitalization Rate		Discount Rate	Terminal Capitalization Rate
NEC Head Office Building	4.1%	3.8% (Next 7yrs) 4.3% (afterwards)	4.4%	4.1%	3.7% (Next 6yrs) 4.2% (afterwards)	4.2%	4.0%	3.5% (next 6yrs) 4.0% (afterwards)	4.2%	4.0%	3.5% next 5yrs) 4.0% (afterwards)	4.2%
Harumi Island Triton Square Office Tower Y	4.6%	4.3%	4.8%	4.4%	4.1%	4.6%	4.3%	4.0%	4.5%	4.2%	3.9%	4.4%
Harumi Island Triton Square Office Tower Z	—	—	—	—	—	—	—	—	—	4.2%	3.9%	4.4%
Akasaka Oji Building	4.4%	4.6%	4.7%	4.2%	4.4%	4.5%	4.2%	4.3%	4.5%	4.2%	4.3%	4.5%
Shiba Koen Building	—	—	—	—	—	—	—	—	—	4.4%	4.2%	4.5%
Kanda Park Plaza	5.2%	4.8%	5.8%	5.2%	4.8%	5.8%	5.1%	4.7%	5.7%	5.1%	4.7%	5.7%
Faret East Building	5.9%	6.0%	6.2%	5.7%	5.8%	6.0%	5.5%	5.6%	5.8%	5.2%	4.9%	5.4%
Nittetsu Honmachi Building	6.3%	6.3%	6.6%	6.2%	6.2%	6.5%	6.0%	6.2%	6.3%	5.8%	6.0%	6.1%
Sagamihara Shopping Center	5.3%	5.2%	5.5%	5.3%	5.2%	5.5%	5.3%	5.1%	5.5%	5.3%	5.1%	5.5%
Ito-Yokado Higashi-Narashino Store	6.3%	5.4%	6.8%	6.1%	5.8%	6.6%	6.1%	5.2%	6.6%	6.1%	5.2%	6.6%
Musashiurawa Shopping Square	—	—	—	5.1%	5.0%	5.3%	5.1%	4.8%	5.3%	5.1%	4.8%	5.3%
Fukasawa-House Towers H&I	—	—	—	4.3%	4.0%	4.5%	4.3%	4.0%	4.5%	4.3%	4.0%	4.5%
OAK PLAZA	—	—	—	4.8%	4.3%	5.4%	4.7%	4.2%	5.3%	4.7%	4.2%	5.3%

Appraisers in Charge	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, Faret East Building, Fukasawa-House Towers H&I
Chuo Real Estate Appraisal Co., Ltd	Kanda Park Plaza, Ito-Yokado Higashi-Narashino Store, OAK PLAZA
DAIWA REAL ESTATE APPRAISAL Corporation.	Sagamihara Shopping Center, Musashiurawa Shopping Square
Nippon Tochi-Tatemono Co., Ltd.	Shiba Koen Building

VIII. Appendix: Property Details

VIII-1. Operating Income by Property Basis (Fourth Fiscal Period)

(in millions yen)

	NEC Head Office Building	Harumi Island Triton Square Office Tower Y	Harumi Island Triton Square Office Tower Z	Akasaka Oji Building	Shiba Koen Building	Kanda Park Plaza	Faret East Building	Nittetsu Honmachi Building	Sagamihara Shopping Center	Ito-Yokado Higashi-Narashino Store	Musashiurawa Shopping Square	Fukasawa-House Towers H&I	OAK PLAZA
Days of Fiscal Period	182 Days	182 Days	35 Days	182 Days	43 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days
Total Revenue	1,370	1,320	97	423	32	189	132	106	408	236	129	276	94
Rental Revenue	1,370	1,320	97	423	32	189	129	106	408	236	129	265	94
Property Related Expenses Total	226	354	6	100	3	41	59	44	34	64	3	45	2
Property Management Fee	1	175	0	37	2	10	24	16	2	1	1	34	0
Taxes and Public Charges	212	91	0	35	0	13	9	13	28	31	-	3	-
Utility Costs	-	82	5	22	0	12	21	9	-	-	-	0	-
Insurance Fees	1	2	0	0	0	0	0	0	1	1	0	0	0
Repair Expenses	8	0	-	2	-	2	1	2	1	27	0	5	0
Others	1	2	0	2	-	2	1	2	1	2	1	2	1
NOI	1,144	966	90	322	28	148	72	61	373	171	125	231	91
Depreciation & Amortization	236	265	43	31	7	12	35	25	78	124	50	66	9
Operating Income	907	701	47	291	21	136	36	36	295	47	74	164	82
Capital Expenditures	401	0	-	13	-	-	20	1	11	15	-	-	-

Fixed asset tax/city planning tax
 •Musashiurawa Shopping Square/OAK PLAZA: Expenses caused in and after 5th FP
 •Harumi Triton Square Office Tower Z/Shiba Koen Building: Expenses caused in and after 7th FP

Replacing air-conditioning equipments and others

Construction of elevator at mechanical parking tower, etc.

Construction to expand OA floors, etc.

Construction to expand partitions, etc.

Construction to renew exterior paving, etc.

Construction to renew rooftop refrigeration unit, etc.

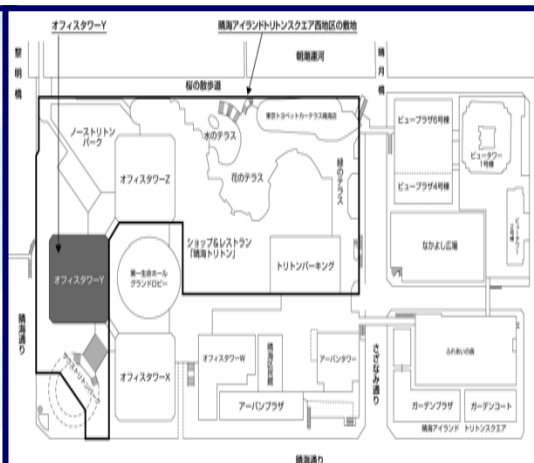
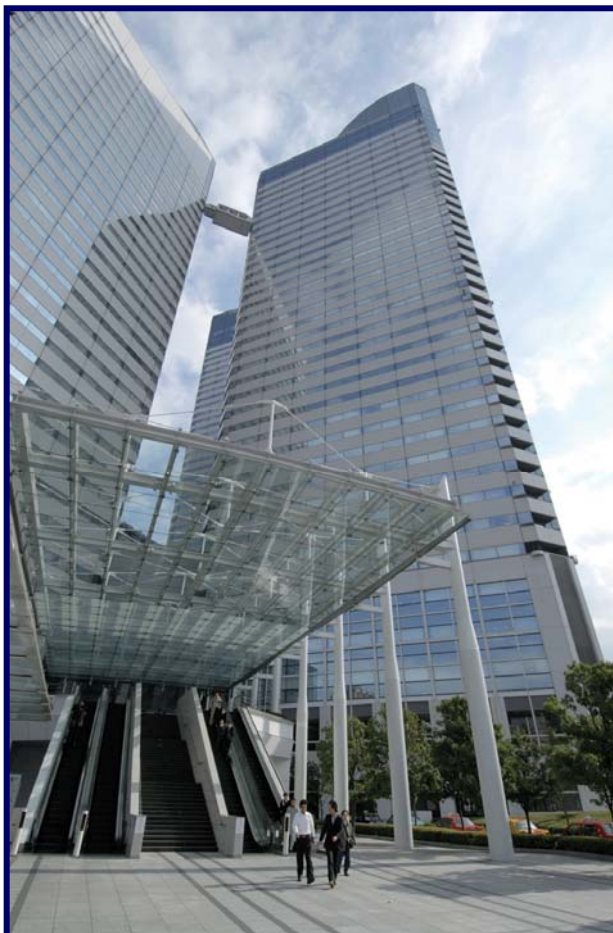
VIII-2. NEC Head Office Building



Address	5-7-1 Shiba, Minato Ward, Tokyo
Acquisition Price	41.95 billion yen
Site Area	21,190.14m ²
Floor Space	144,476.05m ²
Floors	3 Basement Floors 39 Floors Above Ground
Completion	January 1990
Title	Land, Building: Co-Ownership (50%)

- The building enjoys great transportation convenience with four railway lines usable (JR Yamanote Line, Keihin-Tohoku Line, Toei Subway Mita Line and Toei Asakusa Line) providing good access to Haneda Airport and various places in central Tokyo.
- This property is widely referred to as the NEC Super Tower and is a landmark in Tokyo.
- NEC Corporation has its head office in this building. The area forms a conglomeration of the NEC group affiliates.

VIII-3. Harumi Island Triton Square Office Tower Y



Address	1-8-11 Harumi, Chuo Ward, Tokyo
Acquisition Price	33 billion yen
Site Area	39,569.53m ²
Floor Space	267,132.67m ²
Floors	4 Basement Floors , 40 Floors Above Ground
Completion	October 2001
Title	Land: Co-ownership (16,884,921/100,000,000) Building: Compartmentalized ownership (3 rd – 15 th Floor)

- Harumi Island Triton Square is a large multi-use complex completed in 2001 through coordinated redevelopment of the Harumi district of Tokyo, a bayside area. The Square has three skyscraper office buildings as its landmark, retail facilities and a high-rise condominium.
- The property is a 40-story skyscraper that is an intelligent office building built in 2001 and equipped with state-of-the-art specifications/facilities.
- The Tokyo head office of Sumitomo Metal Industries, Ltd. and the head office of Japan Trustee Services Bank, Ltd. are the main tenants.

VIII-4. Akasaka Oji Building



Address	8-1-22 Akasaka, Minato Ward, Tokyo
Acquisition Price	9.66 billion yen
Site Area and Floor Space	2,023.72m ² / 10,063.05m ²
Floors	1 Basement floor, 9 Floors Above Ground
Completion	April 1989
Title	Ownership



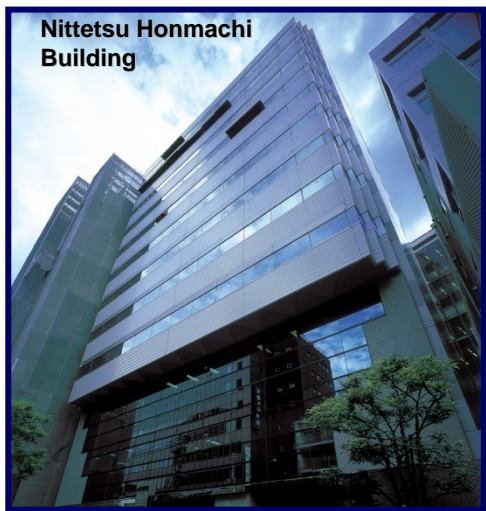
- This building is in an area extending from the Akasaka district of Tokyo, an area home to many hotels and embassies that is also popular among foreign firms, to the Aoyama district, home to fashion, culture and music with many luxury brand shops.
- The building faces Aoyama Dori (avenue) and enjoys great transit convenience as the closest station (Aoyama-itcho Station) has tracks for the Tokyo Metro Subway Ginza and Hanzomon Lines, and for the Toei Subway Oedo Line. Although located in the center of Tokyo, the area is rich in greenery with the Akasaka Imperial Grounds extending along the opposing side of Aoyama Dori.
- The anchor tenant is Sony Computer Entertainment Inc.

VIII-5. Office Properties



Kanda Park Plaza

Address	2-2-2 Kajicho, Chiyoda Ward, Tokyo
Acquisition Price	5,156 billion yen
Site Area and Floor Space	632.98m ² / 5,511.83m ²
Floors	1 Basement floor, 9 Floors Above Ground
Completion	November 1959 Repair works to enhance earthquake resistance in 2003
Title	Ownership



Nittetsu Honmachi Building

Address	1-10-24 Utsubohonmachi, Nishi Ward, Osaka
Acquisition Price	1.1 billion yen
Site Area and Floor Space	852.55m ² / 6,714.09m ²
Floors	2 Basement Floor, 12 Floors Above Ground
Completion	June 1991
Title	Ownership



VIII-6. Sagamihara Shopping Center



Address	3-13-33 Kobuchi, Sagamihara City , Kanagawa Pref.
Acquisition Price	12 billion yen
Site Area and Floor Space	30,949.80m ² / 56,351.42m ²
Floors	1 Basement Floor, 4 Floors Above Ground
Completion	August 1993
Title	Ownership

- Located along national highway 16, a lengthy central thoroughfare in the Tokyo metropolitan area, the large shopping center is also near Kobuchi Station on the JR Yokohama Line, enjoying excellent access by road or rail. This commercial area has a population of some 620,000 within a 5km radius and about 1.86 million within a 10km radius. Many shopping centers, home centers and specialty stores are found along national highway 16, including the neighboring Jusco Sagamihara Shopping Center.
- This property has approximately 19,000m² in sales space comprised of the directly operated Ito-Yokado and specialty shops, and provides parking for over 1,300 vehicles. The site also features a family restaurant and gardening specialty store.

VIII-7. Retail Properties

Musashiurawa Shopping Square



Address	7-3-1, Bessho, Minami Ward, Saitama City, Saitama Pref.
Acquisition Price	4.3 billion yen
Area of Land/Floor Space	8,317.99.m ² / 28,930.36m ²
Structure/Floors	Steel structure with flat roof / 1 basement floor, 4 floors above ground
Completion	October 2005
Type of Title	Co-ownership ("kyoyu") of trust beneficiary interests in real estate (Ratio of ownership is 50%)



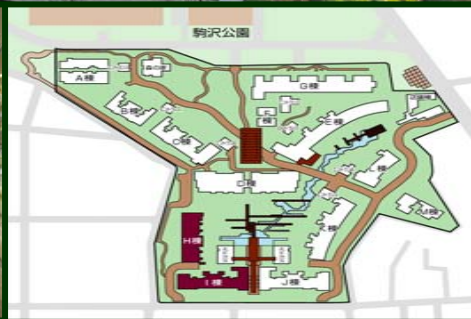
Ito-Yokado Higashi-Narashino Store



Address	7-3-1 Higashinarashino, Narashino City, Chiba Pref.
Acquisition Price	8.9 billion yen
Site Area and Floor Space	29,854.57m ² / 45,338.37m ²
Floors	1 Basement Floor, 4 Floors Above Ground
Completion	October 1994
Title	Ownership



VIII-8. Fukasawa-House Towers H & I



Address	2-1-2 Fukasawa, Setagaya Ward, Tokyo
Acquisition Price	10.6 billion yen
Site Area and Floor Space	39,840.90m ² / 12,135.36m ²
Floors	14 Floors Above Ground
Completion	June 2004
Title	Land: Co-ownership (1,584,269/10,000,000) Building: Compartmentalized ownership

- The surrounding area has a luxurious and spacious streetscape and is one of the most prestigious housing areas in Tokyo. The property is adjacent to Komazawa Park and the site itself has rich greenery providing an excellent residential environment.
- Fukasawa-House is a large housing project that consists of 13 residential towers with 772 units and a retail building within an expansive site. All residences have underground parking. The subject property is the rental housing buildings in the project and has 124 units ranging in size from 2-4 bedroom units with areas of some 75m² to 120m². It comes with excellent anti-disaster facilities including an anti-earthquake structure and potable water generation system for emergencies.

VIII-9. OAK PLAZA

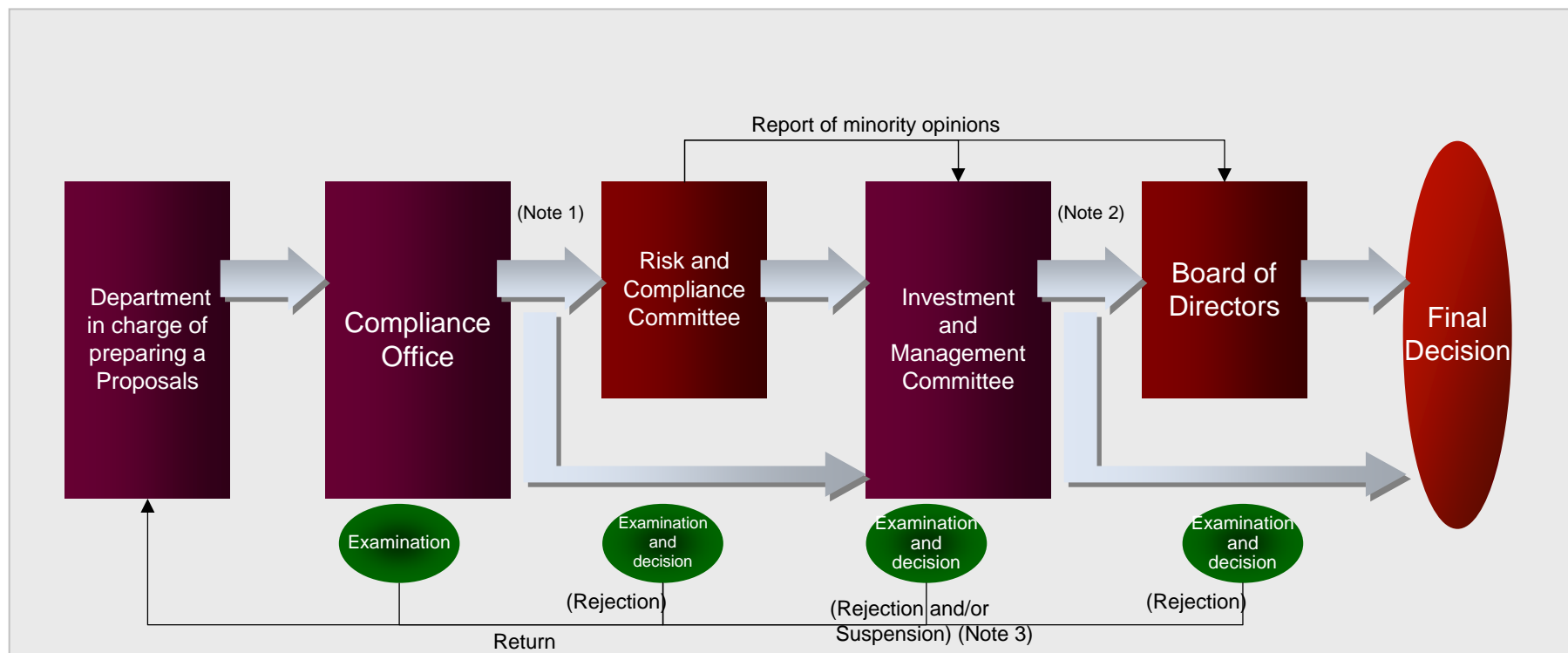


Address	2-10-6 Kanda Awajicho, Chiyoda Ward, Tokyo
Acquisition Price	2.5 ⁹ billion yen
Area of Land/Floor Space	1,013.4 ⁹ m ² / 6,121.8 ⁵ m ²
Structure/Floors	SRC structure with a flat roof Floors / 1 basement floor, 10 floors above ground
Completion	Completion April 1985 (Completion Date of the conversion March 2007)
Type of Title	Ownership

- This property is highly accessible as it is only a 3 to 6 minute walk from six stations including the JR Ochanomizu Station, JR Akihabara Station, Tokyo Metro Marunouchi Line Awajicho Station. It boasts a sound location near the prime office areas of Marunouchi and Otemachi around Tokyo Station and the Akihabara area and its IT base. etc.
- Since its completion in 1985, this property was used as a hotel named as Hotel New Kanda and now has been converted to a multi-use building that has, in addition to hotels, offices (service offices and meeting rooms for rent), restaurant and retail shop.

IX. Appendix: Structure of Asset Manager

IX-1. Decision Making Process for Acquisition and Disposition of Properties



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

- **Material transactions with interested parties** defined in the rules on transactions with interested parties (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 followings:

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

(Note 3) **The head of the Compliance Office** can **suspend discussions and decisions** and return the item to the Department in charge of 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.

IX-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

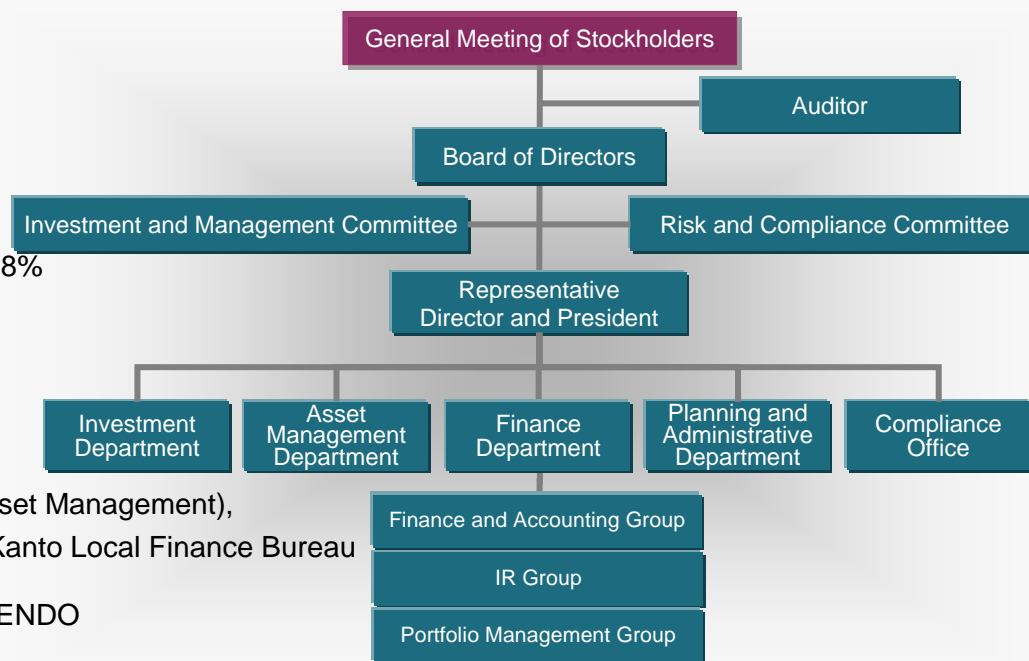
Shareholders The Sumitomo Trust & Banking Co., Ltd. 38%
Nippon Steel City Produce, Inc. 31%
Oji Real Estate Co., Ltd. 31%

Business Description Investment trust manager and asset manager of J-REIT
Registered Financial Instruments Firm (Asset Management), No. 365 (Kinsho), issued by the Director, Kanto Local Finance Bureau

Directors President and Representative Director : Nobuhito ENDO

Milestone

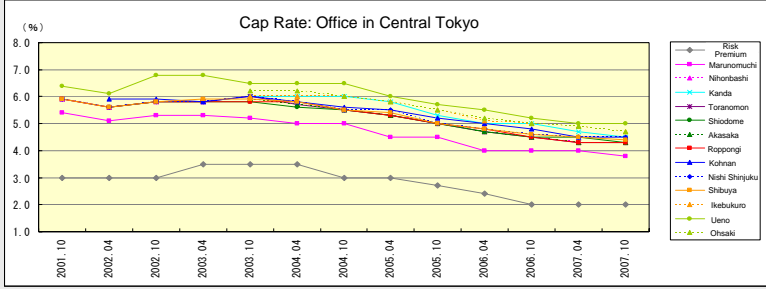
- Oct 22, 2004 : Top REIT Asset Management (“TRAM”) established
- Dec 10, 2004 : TRAM obtained a license for real estate agent (The Governor’s of Tokyo No. (1) 83904)
- May 10, 2005 : TRAM obtained an approval for discretionary agent license for real estate transaction (The Minister of Land, Infrastructure and Transport No. 35)
- Jun 28, 2005 : TRAM obtained an approval for asset manager for investment corporation (The Prime Minister No. 47)
- Nov 2, 2005 : TRAM entered into the Asset Management Agreement with Top REIT, Inc.
- Sep 30, 2007 : Due to the enforcement of the Financial Instruments and Exchange Act , TRAM deemed Registered Financial Instruments Business Operator (Investment Management), No. 365 , issued by the Director, Kanto Local Finance Bureau.
- Nov 27, 2007 : Formally submitted applications to register as Financial Instruments Business Operator (Investment Management)



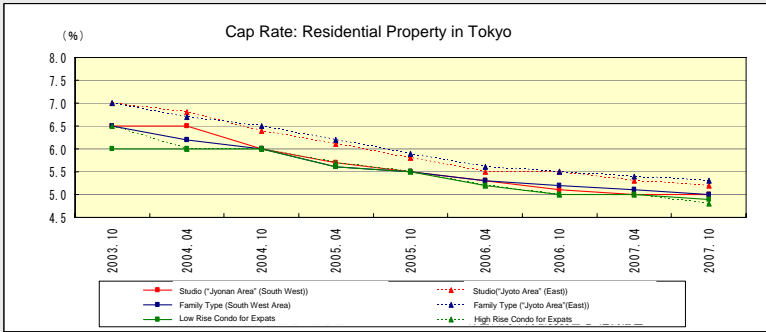
X. Appendix: Other Reference

X-1. Summary of Real Estate Market Indicators

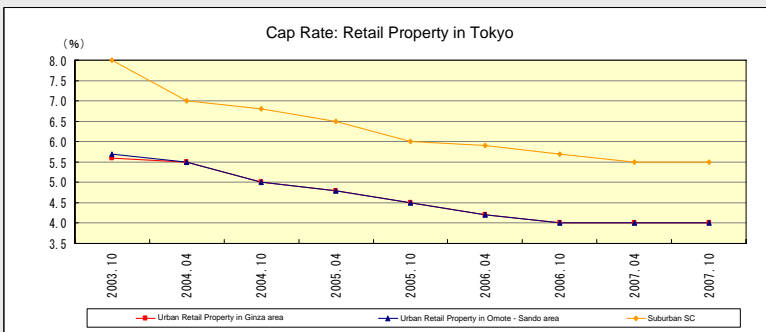
Real Estate Sales Market



Source: "The Japanese Real Estate Investor Survey" by Japan Real Estate Institute
Risk Premium: Cap Rate (Marunouchi)-10 Year JGB

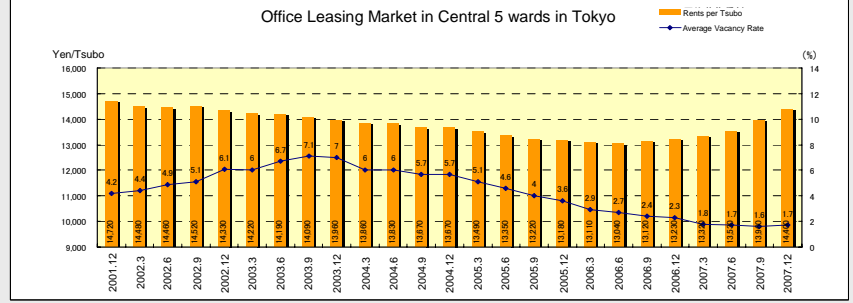


Source: "The Japanese Real Estate Investor Survey" by Japan Real Estate Institute

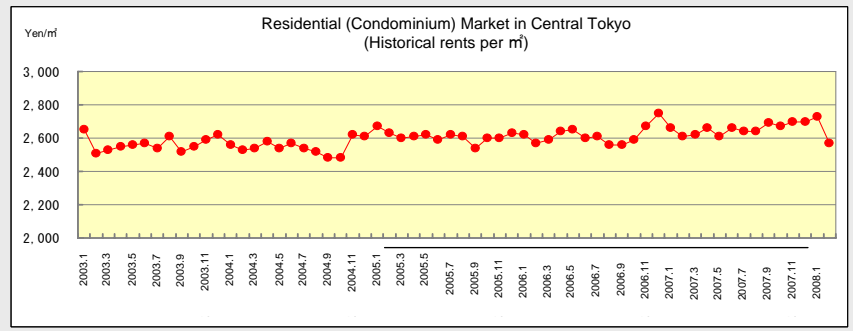


Source: "The Japanese Real Estate Investor Survey" by Japan Real Estate Institute

Real Estate Leasing Market

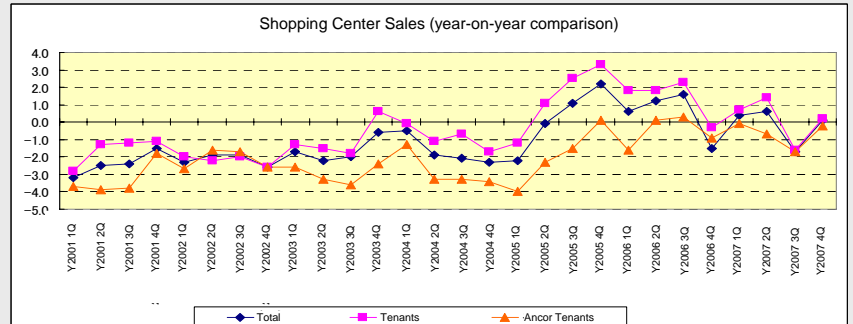


Source: CBRE "Office Market Report"



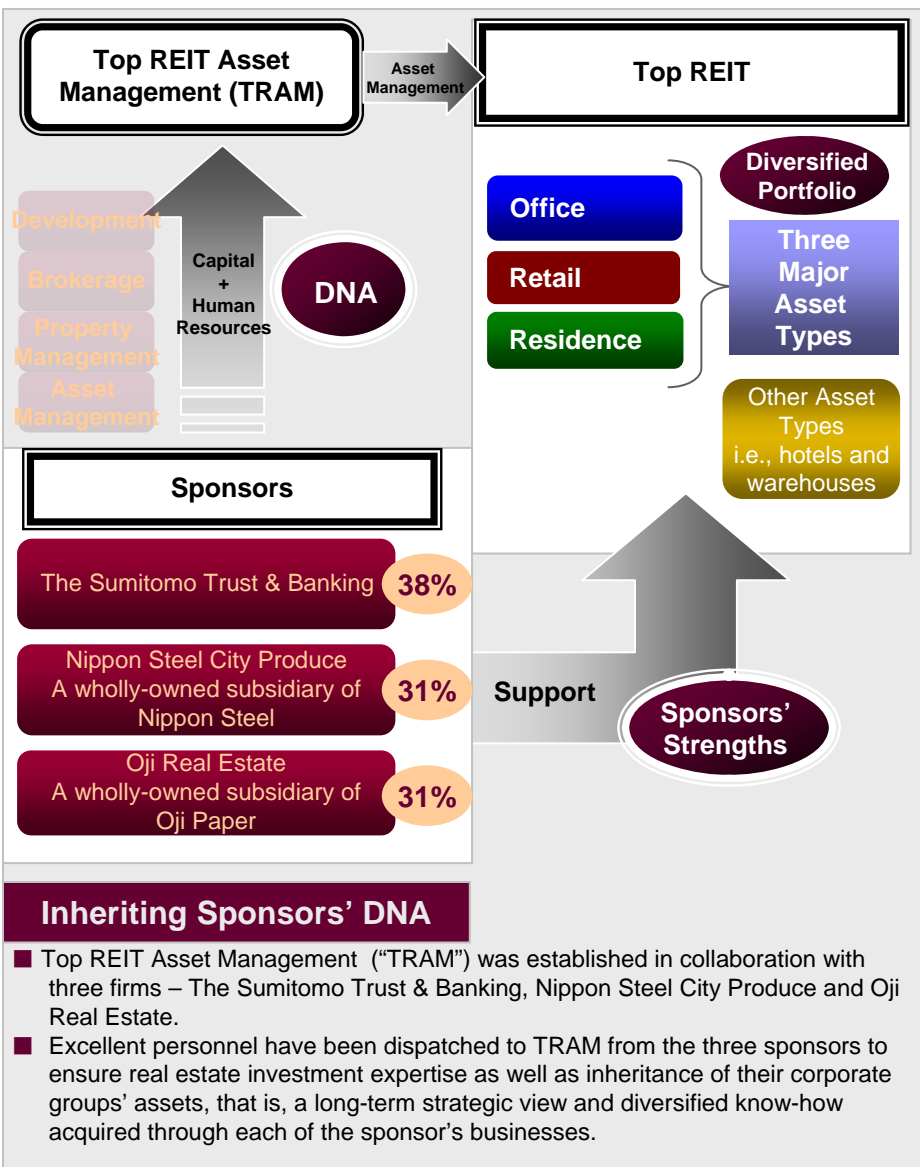
Source: At Home Co., Ltd. "at home Data Report"

Retail Property Market



Source: "Annual Sales Statistics of Shopping Centers" by the Japan Council of Shopping Centers

X-2. 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 something extra"

Ensuring Steady Income

↓

Steady Growth of Portfolio

Maximizing Investor 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, 2008)

Sumitomo Trust Group	44
Nippon Steel Group	323
Oji Paper Group	304

X- 3. Investment Policy

Diversified Portfolio

Asset Class	Investment Focus	Allocation
Office	<u>Mainly in Central Tokyo</u> Three major metropolitan areas and core regional cities	Less than 80%
Retail	Three major metropolitan areas and core regional cities	Less than 50%
Residential	<u>Mainly in Tokyo Metropolitan Area</u> Plus three major metropolitan areas and core regional cities	Less than 50%
Others	Investment focus will be determined based on characteristics of each asset	Less than 10%

Estimated Investment Market Size of Real Estate:
Approx. JPY 54.5 Trillion
(Aggregation of three types of properties)



Source: STB Research Institute
"Estimated Investment Market Size by Property Type" dated October 31, 2005

Effectively Apply the Characteristics of Each Asset Class

Avoid a Bias with Certain Asset Classes

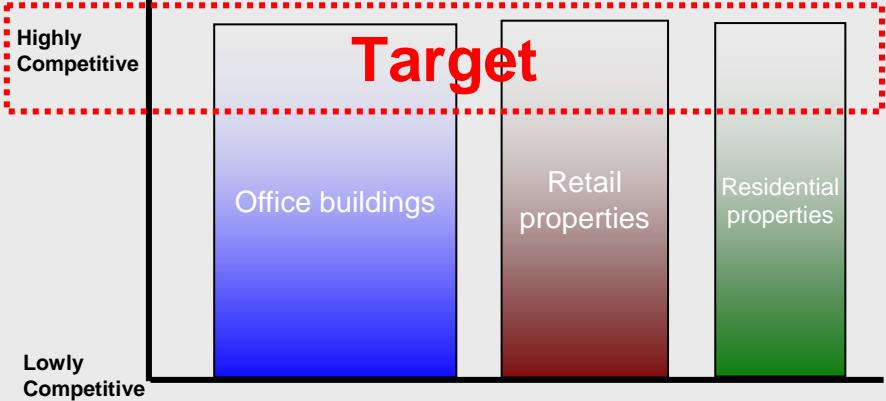
Array of choices from three asset classes
Enable screening of competitive properties

Pursuing External Growth

Pursuit of quality

Pursuing Both Steady Growth and Quality

Pursuing steady external growth through a blue-chip portfolio of diverse asset types



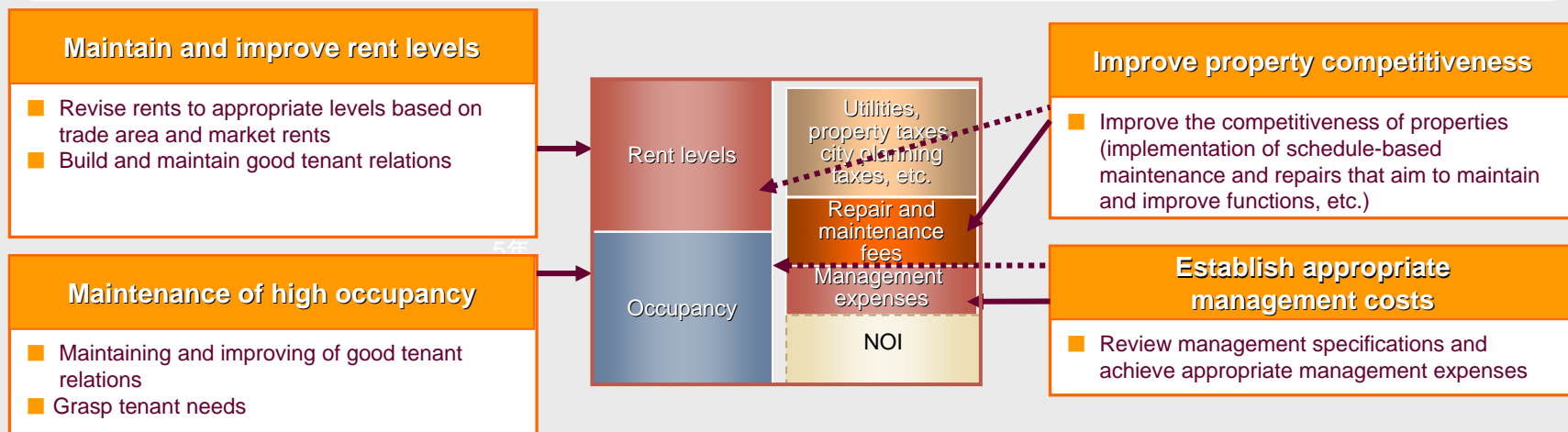
X- 4. Internal Growth Policy

Internal Growth Policy

Striving to maintain and improve revenues over the medium to long-term by maintaining and improving tenant satisfaction (“Tenant First” Policy)

- A. Maintaining and improving of tenant relations results in good relationships with tenants and consequently the maintenance of a high occupancy
- B. The examination of detailed measures to improve earnings by sharing themes and issues with the property manager and developing measures that meet the unique criteria of each property through periodical meetings
- C. Maintaining and securing of quality in property management and appropriate revision of maintenance costs

Maintain and Improve Earnings Over the Medium to Long Term



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

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