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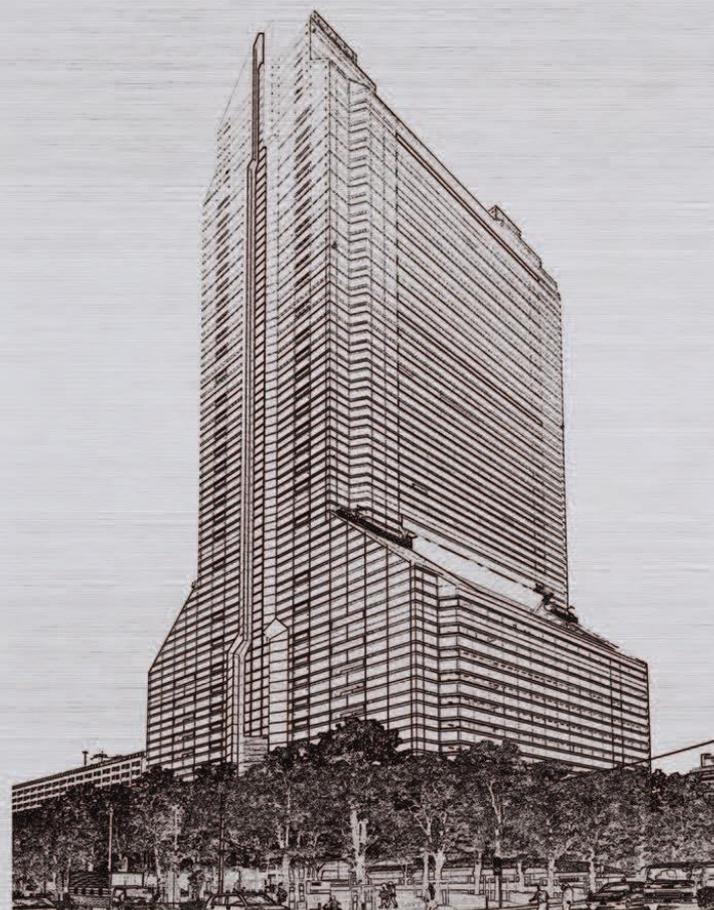


**TOP REIT, Inc.**

**Presentation on Business Results  
for the 18<sup>th</sup> Fiscal Period**

November 1, 2014 ~ April 30, 2015

June 17, 2015



**TOP REIT ASSET MANAGEMENT Co., Ltd.**



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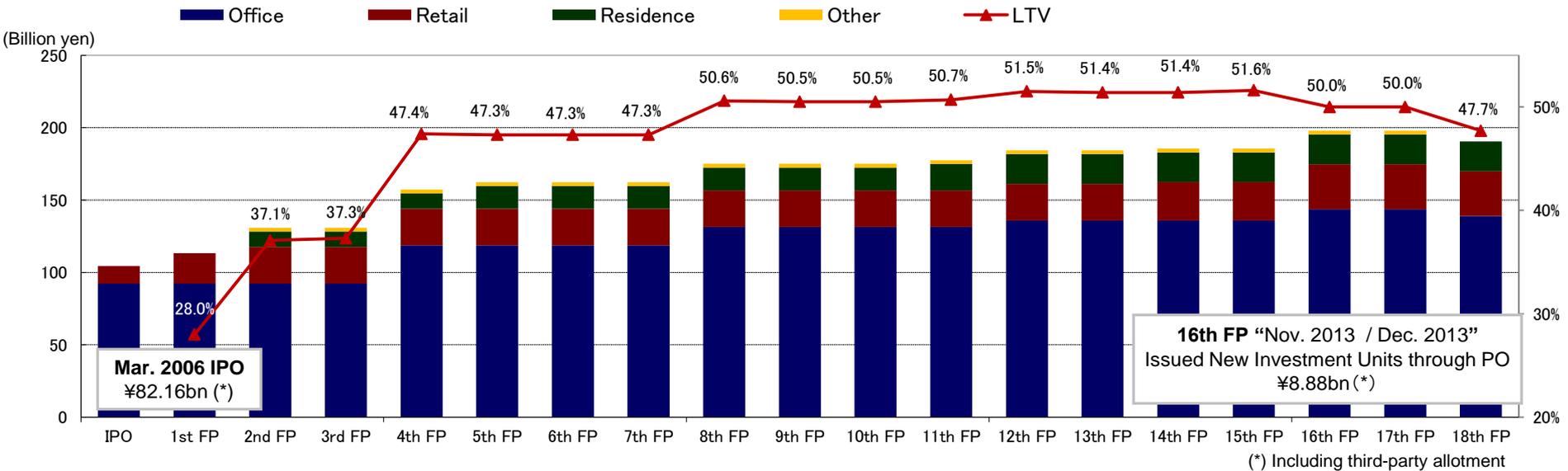
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# TOPICS.-1 Overview since Listing

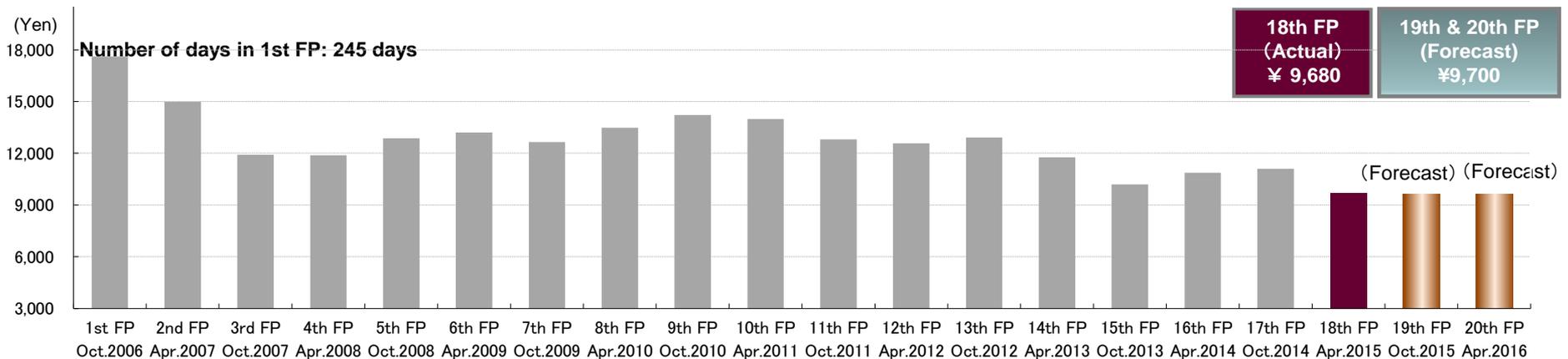
## External Growth and Financial Status

### Asset size (Total Acquisition Price)

End of 18th FP | 190,484 million yen



## Dividend per Unit



(Note) The forecasts are current calculation based on the certain assumption, and actual results may differ from the forecasts due to the change in market environments, etc.

## Implement Growth Strategy Focusing on “Internal Growth”

Leasing activities for early leasing-up

Consider value enhancement measures for existing portfolio

Conduct appropriate rent revision/ contract renewal

Steady Progress

- Kanda Nishiki-cho 3-chome Building
- Shiba-Koen Building and Others

- Harumi Triton Y  
Begun conversion work of cafeteria
- Additional acquisition of Shiba-Koen Building (resulted in 100%-owned)

- Ito-Yokado Higashi-Narashino Store Renewed contract
- Harumi Triton Y, Z and others Settled rent revision with major tenants

Current Situation of TOP

### Consolidate the foundation for stabilization of revenue as well as bottoming out of dividends

- Decreased risk of tenant concentration thanks to diversification of tenants, lowering the dependence on major tenants
- Pursued measures for value enhancement of properties owned, aiming improvement of profitability

Recognition of Market Environment

- **Real Estate Leasing Market**  
→ Rent of the office building is in the recovery trend
- **Real Estate Transaction Market**  
→ Investors maintain positive investment stance, while information on sale of excellent property is limited  
Upward trend of prices and downward trend of investment returns will continue
- **Financial/ Capital Market**  
→ Short-term interest rate, while requires close monitoring, remains at a low level under ongoing “Quantitative and Qualitative Financial Easing Measures”

Future Initiatives

### Continue growth strategy focusing on “Internal Growth,” aiming to raise dividends level

- Steadily implement measures for value enhancement of existing portfolio
- Pursue leasing activities to achieve full occupancy of office building and conduct appropriate rent revision
- Firmly maintain policy of selective investment that contribute to the improvement of portfolio quality as well as investors’ value
- Manage ratio of fixed rate loans with careful monitoring of interest rate trend, spread maturities and equalize refinance amount

## **I. Overview of Business Results of 18th FP (Ended April 30, 2015)**

# I-1. Highlights of 18th FP (Ended April 30, 2015)

**Dividend per Unit**

**¥9,680**

« Forecast ¥9,300 + 4.1% »

Portfolio Management

## ➤ Tenant leasing

### • Kanda Nishiki-cho 3-chome Building

Concluded lease contract with 6 tenants (approx. 1,722 tsubos) (see p14)

**Occupancy rate improved to 89.4% within less than 3 months after move-out of former major tenant** \*further improvement in 19th FP

### • Shiba-koen Building

Concluded lease contract with 1 tenant (approx. 140 tsubos), started on March 1, 2015 (See p16) **Achieved full occupancy**

### • Shinkawa-chuo Building

Concluded lease contract with 1 tenant (approx. 42 tsubos), started on January 7, 2015

**Achieved full occupancy within approximately 3 months after move-out of former tenant**

### • Akasaka Oji Building

Received cancellation notice from 1 tenant on December 15, 2014

**Maintained full occupancy after move-out of former tenant thanks to additional contract with existing tenant**

## ➤ Value enhancement (Harumi Island Triton Square Office Tower Y)

### • Begun conversion work of cafeteria (see p15)

**Leasing part of floor to existing tenant during work period. Plan to receive temporary payments for conversion from tenants**

## ➤ Rent Revision

### • 14 tenants (representing 21.7% of total rents for Oct. 2014 (the last month of 17th FP)) (\*excluding residential properties) (see p18)

**Down 6.1% on average within planed range of rent reduction (Up 0.3% excluding IY Higashi-Narashino Store)**

## ➤ Well-timed disposition of property

### • Disposed Kanda Park Plaza and OAK PLAZA on November 13, 2014 (see p20)

**Acquired gains on disposal, while unrealized property replacement**

## ➤ Additional acquisition of Shiba-Koen Building (resulted in 100%-owned)

### • Additionally acquired on march 30, 2015 (see p16) **Realized increase in asset value by being 100%-owned**

## ➤ Early repayment of ¥9,697 million of long-term loans

### • Made early repayment with proceeds from disposition of two properties on November 28, 2014 (see p20)

**Strengthened financial standing and secured investment capacity by lowering LTV level**

Property Acquisition/Disposition

Finance

# I-2. Summary of 18th FP Earnings Results

Items	17th FP (Results) (A)	18th FP (Forecast) (B)	18th FP (Results) (C)	Net Change (C) – (A)		Net Change (C) – (B)	
	May 1, 2014 - October 31, 2014	Nov 1, 2014 - Apr. 30, 2015	Nov 1, 2014 - Apr. 30, 2015	(3)	-	-	-
Number of days in each FP	184	181	181				
Operating revenue	¥5,792mn	¥5,600mn	¥5,612mn	(¥180mn)	(3.1%)	¥11mn	0.2%
Operating expenses	¥3,229mn	¥3,175mn	¥3,140mn	(¥89mn)	(2.8%)	(¥35mn)	(1.1%)
Expenses related to rent business	¥638mn	¥637mn	¥630mn	(¥7mn)	(1.2%)	(¥6mn)	(1.1%)
(Taxes and dues)							
(Repair expenses)	¥94mn	¥105mn	¥84mn	(¥9mn)	(10.4%)	(¥21mn)	(20.2%)
(Depreciation and amortization)	¥1,202mn	¥1,187mn	¥1,186mn	(¥16mn)	(1.4%)	(¥1mn)	(0.1%)
(Other)	¥1,294mn	¥1,245mn	¥1,239mn	(¥55mn)	(4.3%)	(¥6mn)	(0.5%)
Operating income	¥2,563mn	¥2,424mn	¥2,472mn	(¥91mn)	(3.6%)	¥47mn	2.0%
Non-operating income	¥6mn	¥1mn	¥2mn	(¥4mn)	(70.3%)	¥0mn	86.7%
Non-operating expenses	¥614mn	¥585mn	¥582mn	(¥32mn)	(5.2%)	(¥2mn)	(0.5%)
Ordinary income	¥1,955mn	¥1,840mn	¥1,891mn	(¥63mn)	(3.3%)	¥51mn	2.8%
Net income	¥1,954mn	¥1,839mn	¥1,831mn	(¥122mn)	(6.3%)	(¥7mn)	(0.4%)
( internal reserve (incl. tax effect))	-	¥202mn	¥187mn	¥187mn	-	(¥15mn)	(7.6%)
Number of units issued and outstanding (unit)	176,000	176,000	176,000	-	-	-	-
Net income per unit	¥11,107	¥10,452	¥10,744	(¥363mn)	(3.3%)	¥292mn	2.8%
Dividend per unit	¥11,107	¥9,300	¥9,680	(¥1,427mn)	(12.8%)	¥380mn	4.1%
Capital expenditures	¥143mn	¥442mn	¥442mn	¥299mn	209.3%	(¥0mn)	(0.0%)

## Comparison with Previous (17th) FP

### Operating Revenue (\*)

(¥180mn)

- Decrease in rental revenue due to tenant move-out from Kanda Nishiki-cho 3-chome Building (-)
- Increase in rental revenue due to contribution of new tenant of Harumi Y (termination of rent-free period) (+)
- Decrease in rental revenue and gains on disposal due to disposition of two properties (-)
- Decrease in rental revenue due to rent revision (-)
- Decrease in utilities income (-)

### Operating expenses (\*)

¥89mn

- Decrease in utilities expenses (+)
- Decrease in depreciation due to disposition of two properties (+)
- Decrease in taxes and dues due to disposition of two properties (+)

### Ordinary Income (\*)

(¥63mn)

- Decrease in interest expenses due to early repayment of borrowings (+)

## Comparison with 18th FP Forecast

### Operating Revenue (\*)

¥11mn

- Increase in rental revenue due to lower-than-expected rent reduction (+)
- Receipt of contract renewal fees and penalty charges on residential properties (+)

### Operating expenses (\*)

¥35mn

- Decrease in repair expenses due to revision of costs and/ or items of work (+)
- Decrease in taxes and dues due to disposition of two properties (+)

### Ordinary Income (\*)

¥51mn

- Decrease in interest expenses due to lower-than-expected base interest rate (TIBOR) (+)

(\*) There is difference between Ordinary income and Net income because of tax effect accounting related to reserve for reduction entry. (Income taxes-deferred (-))

(\*) Figures in above comparison charts represent the effects on income.

# I-3. Raising Dividend Level by Implementation of Growth Strategy

## 1 Raising stabilized dividends level toward 21st FP

**Above ¥9,600**

¥9,000

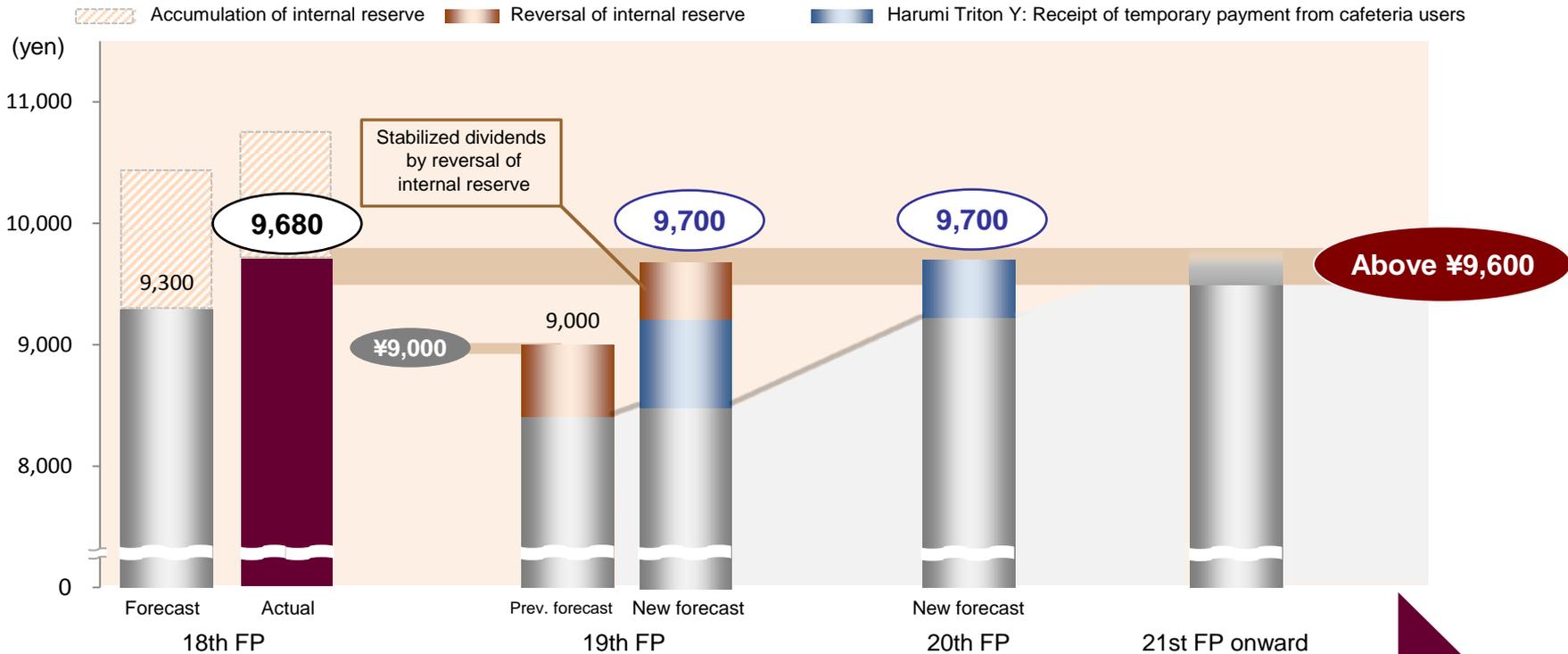
- (+) Leasing : Kanda Nishiki-cho bldg.
- (+) Conversion of cafeteria: Harumi Triton Y
- (+) Leasing, add. Acquisition: Shiba-Koen bldg.
- (+) Rent revision: minimizing rent reduction

## 2 19th FP DPU forecast: Up ¥700

(prev. forecast: ¥9,000 → new forecast: **¥9,700**)

## 3 Realizing steady improvement of stabilized DPU

Aiming further improvement through acquisition of new asset and internal growth



Realizing improvement of dividends level by steadily implement current growth strategy

# I-4. Assumptions for Earnings Forecasts

	19th FP (Ending October, 2015)						20th FP (Ending April, 2016)					
Portfolio Assets	20 properties											
Number of Units Issued and Outstanding	176,000 units											
Interest-Bearing Liabilities	Beginning of 19th FP: ¥90,598 million End of 19th FP: ¥90,530 million • Jun. 4, 2015 Redemption of investment corporation bond: ¥8,500 million Fully refinance into long-term loans (completed) • Sep. 30, 2015 Maturity of ¥4,251 million of long-term loans Fully refinance into long-term loans (planned) • Scheduled repayment of ¥67 million as agreed upon						Beginning of 20th FP: ¥90,530 million End of 20th FP: ¥90,463 million • Feb. 29, 2016 Maturity of ¥19,527 million of long-term loans Fully refinance into long-term loans (planned) • Scheduled repayment of ¥67 million as agreed upon					
Operating revenue	May.2015	Jun.2015	Jul.2015	Aug.2015	Sep.2015	Oct.2015	Nov.2015	Dec.2015	Jan.2016	Feb.2016	Mar.2016	Apr.2016
> Assumed occupancy rate of Kanda Nishiki-cho 3-chome Building > Rent Revisions > Harumi Triton Y Conversion of cafeteria	← 76.1% → 81.0% 94.3%						94.3% →					
Operating Expenses	Property tax, etc. : ¥611 million Depreciation and amortization : ¥1,190 million						Property tax, etc. : ¥611 million Depreciation and amortization : ¥1,187 million					
Non-Operating Expenses	¥553 million • Interest expenses on loans and investment corporation bonds, and related expenses: ¥544 million • Amortization of investment unit issuance expenses: ¥6 million						¥535 million • Interest expenses on loans, and related expenses: ¥526 million • Amortization of investment unit issuance expenses: ¥6 million					
Internal reserves (Dividend)	• Balance as of beginning of 19th FP: ¥266 million • Assuming reversal of internal reserve: approx. ¥82 million • Balance as of end of 19th FP: ¥184 million						• Balance as of beginning of 20th FP: ¥184 million • Assuming no reversal of internal reserve • Balance as of end of 20th FP: ¥184 million					

# I-5. Earnings Forecast of 19th FP (Ending Oct. 31, 2015)

Items	18th FP (Results) (A) Nov 1, 2014 - Apr 30, 2015	19th FP (Previous forecast) (B) May 1, 2015 - Oct. 31, 2015	19th FP (New forecast) (C) May 1, 2015 - Oct. 31, 2015	Net Change (C) - (A)		Net Change (C) - (B)	
Number of days in each FP	181	184	184	3	-	-	-
Operating revenue	¥5,612mn	¥5,164mn	¥5,391mn	(¥221mn)	(3.9%)	¥226mn	4.4%
Operating expenses	¥3,140mn	¥3,113mn	¥3,212mn	¥72mn	2.3%	¥98mn	3.2%
Expenses related to rent business							
(Taxes and dues)	¥630mn	¥613mn	¥611mn	(¥18mn)	(2.9%)	(¥1mn)	(0.3%)
(Repair expenses)	¥84mn	¥93mn	¥114mn	¥30mn	36.1%	¥21mn	23.4%
(Depreciation and amortization)	¥1,186mn	¥1,190mn	¥1,190mn	¥3mn	0.3%	(¥0mn)	(0.0%)
(Other)	¥1,239mn	¥1,216mn	¥1,295mn	¥56mn	4.6%	¥79mn	6.5%
Operating income	¥2,472mn	¥2,051mn	¥2,178mn	(¥293mn)	(11.9%)	¥127mn	6.2%
Non-operating income	¥2mn	¥1mn	¥1mn	(¥0mn)	(27.2%)	¥0mn	50.0%
Non-operating expenses	¥582mn	¥569mn	¥553mn	(¥28mn)	(4.9%)	(¥16mn)	(2.8%)
Ordinary income	¥1,891mn	¥1,482mn	¥1,626mn	(¥265mn)	(14.0%)	¥143mn	9.7%
Net income	¥1,831mn	¥1,481mn	¥1,625mn	(¥206mn)	(11.3%)	¥143mn	9.7%
Number of units issued and outstanding (unit)	176,000	176,000	176,000	-	-	-	-
Net income per unit	¥10,744	¥8,416	¥9,233	(¥1,511)	(14.1%)	¥817	9.7%
Dividend per unit	¥9,680	¥9,000	¥9,700	¥20	0.2%	¥700	7.8%
(Reversal of internal reserve)	-	¥584	¥467	¥467	-	(¥117)	-
Capital expenditures	¥442mn	¥180mn	¥634mn	¥192mn	43.4%	¥453mn	251.4%

## 19th FP (vs 18th FP Results) (C)-(A)

Operating Revenue (\*) (¥221mn)

- Disappearance of gains on disposal of two properties in 18th FP (-)
- Decrease in rental revenue due to tenant move-out from Kanda Nishiki-cho 3-chome Building (-)
- Harumi Y: Receipt of temporary payments from tenants related to conversion of cafeteria (+)
- Harumi Y: Disappearance of fees from cafeteria users due to closing of cafeteria (-)
- Increase in utilities income (+)

Operating expenses (\*) (¥72mn)

- Increase in repair expenses (-)
- Harumi Y: Disappearance of expense for agent service due to closing of cafeteria (+)
- Harumi Y: Loss on retirement of kitchen instruments due to closing of cafeteria (-)
- Decrease in taxes and dues due to disposition of two properties in 18th FP (+)
- Decrease in non-deductible consumption taxes (+)
- Increase in utilities expenses (-)

Ordinary Income (\*) (¥265mn)

- Decrease in interest expenses due to early repayment of borrowing and refinance (+)

## 19th FP (vs Previous forecast) (C)-(B)

Operating Revenue (\*) ¥226mn

- Increase in rental revenue due to new tenant move-in at Kanda Nishiki-cho 3-chome Building (+)
- Increase in rental revenue due to additional acquisition and new tenant of Shiba-Koen Building (+)
- Harumi Y: Receipt of temporary payments from tenants related to conversion of cafeteria (+)

Operating expenses (\*) (¥98mn)

- Harumi Y: Loss on retirement of kitchen instruments due to closing of cafeteria (-)
- Increase in repair expenses (-)
- Increase in property management fees and utilities expenses due to new tenants move-in at Kanda Nishiki-cho 3-chome Building (-)

Ordinary Income (\*) ¥143mn

- Decrease in interest expenses due to early repayment of borrowing and refinance(+)

(\*) Figures in above comparison charts show the effect against income

(Note) The forecast figures are calculated under certain assumptions as of the date of this material and are subject to change. Moreover, the dividend is not guaranteed.

# I-6. Earnings Forecast of 20th FP (Ending Apr. 30, 2016)

Items	18th FP (Results) (A) Nov 1, 2014 - Apr 30, 2015	19th FP (New forecast) (B) May 1, 2015 - Oct. 31, 2015	20th FP (Forecast) (C) Nov 1, 2015 - Apr. 30, 2016	Net Change (C) - (B)	
Number of days in each FP	181	184	182	-2	-
Operating revenue	¥5,612mn	¥5,391mn	¥5,407mn	¥16mn	0.3%
Operating expenses	¥3,140mn	¥3,212mn	¥3,165mn	(¥47mn)	(1.5%)
Expenses related to rent business					
(Taxes and dues)	¥630mn	¥611mn	¥611mn	(¥0mn)	(0.0%)
(Repair expenses)	¥84mn	¥114mn	¥150mn	¥35mn	30.9%
(Depreciation and amortization)	¥1,186mn	¥1,190mn	¥1,187mn	(¥2mn)	(0.2%)
(Other)	¥1,239mn	¥1,295mn	¥1,215mn	(¥79mn)	(6.2%)
Operating income	¥2,472mn	¥2,178mn	¥2,242mn	¥63mn	2.9%
Non-operating income	¥2mn	¥1mn	¥1mn	-	-
Non-operating expenses	¥582mn	¥553mn	¥535mn	(¥18mn)	(3.3%)
Ordinary income	¥1,891mn	¥1,626mn	¥1,708mn	¥82mn	5.0%
Net income	¥1,831mn	¥1,625mn	¥1,707mn	¥82mn	5.1%
Number of units issued and outstanding (unit)	176,000	176,000	176,000	-	-
Net income per unit	¥10,744	¥9,233	¥9,700	¥467	5.1%
Dividend per unit	¥9,680	¥9,700	¥9,700	-	-
(Reversal of internal reserve)	-	¥467	-	(¥467)	-
Capital expenditures	¥442mn	¥634mn	¥702mn	¥67mn	10.7%

(\*) Figures in above comparison charts show the effect against income

## 20th FP (vs 19th FP New forecast) (C)-(B)

Operating Revenue (\*) ¥16mn

- Increase in rental revenue due to new tenant move-in at Kanda Nishiki-cho 3-chome Building (+)
- Harumi Y: Decrease in amount of temporary payments from tenants related to conversion of cafeteria compared to 19th FP (-)

Operating expenses (\*) ¥47mn

- Harumi Y: Disappearance of loss on retirement of kitchen instruments due to closing of cafeteria (+)
- Increase in repair expenses (-)
- Decrease in utilities expenses (+)

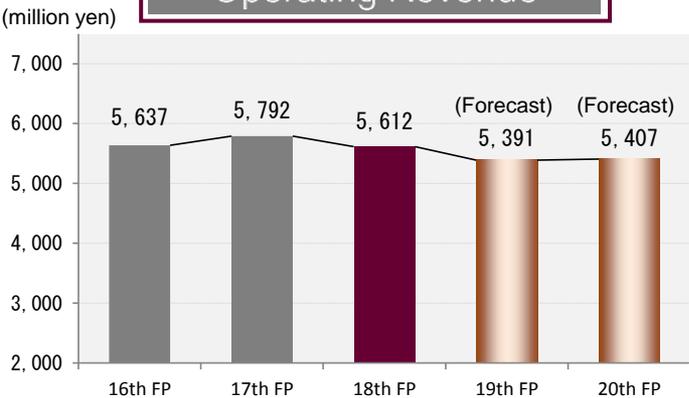
Ordinary Income (\*) ¥82mn

- Decrease in interest expenses due to refinance (+)

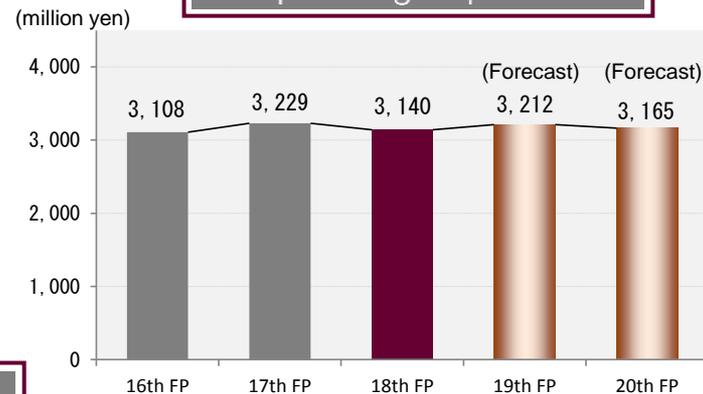
(Note) The forecast figures are calculated under certain assumptions as of the date of this material and are subject to change. Moreover, the dividend is not guaranteed.

# I-7. Earnings Results and Forecasts

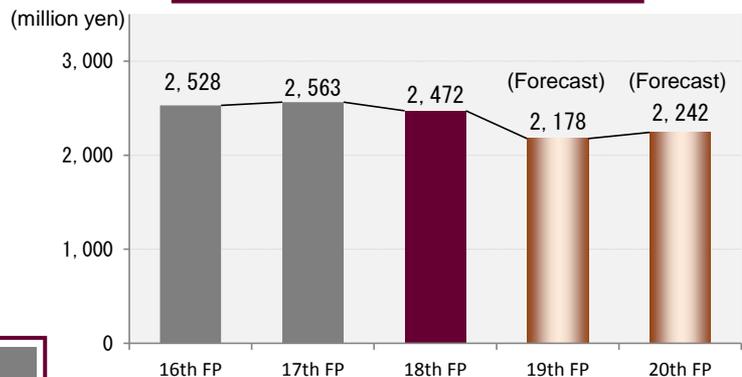
## Operating Revenue



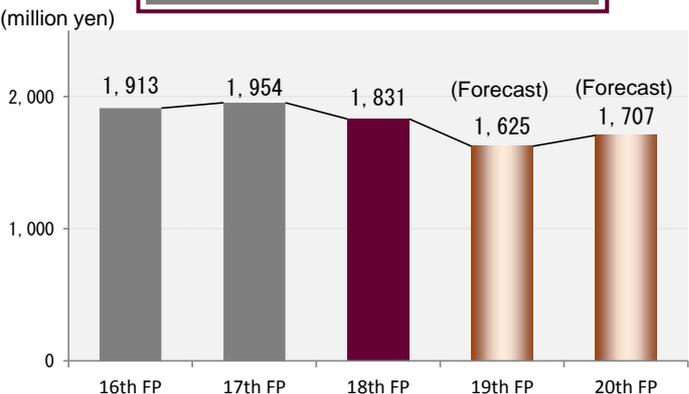
## Operating Expenses



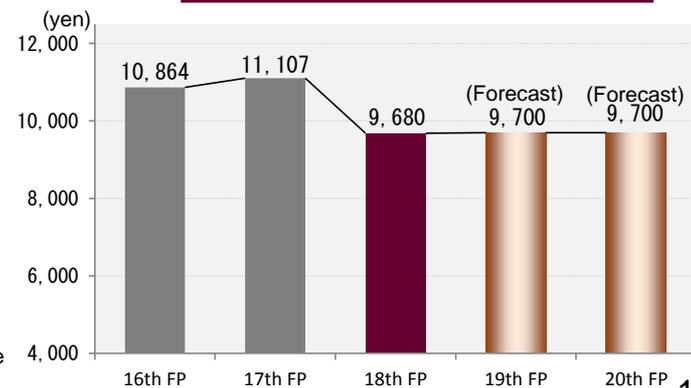
## Operating Income



## Net Income



## Dividend per Unit



\*The forecast figures are calculated under certain assumptions as of the date of this material and are subject to change. Moreover, the dividend is not guaranteed.

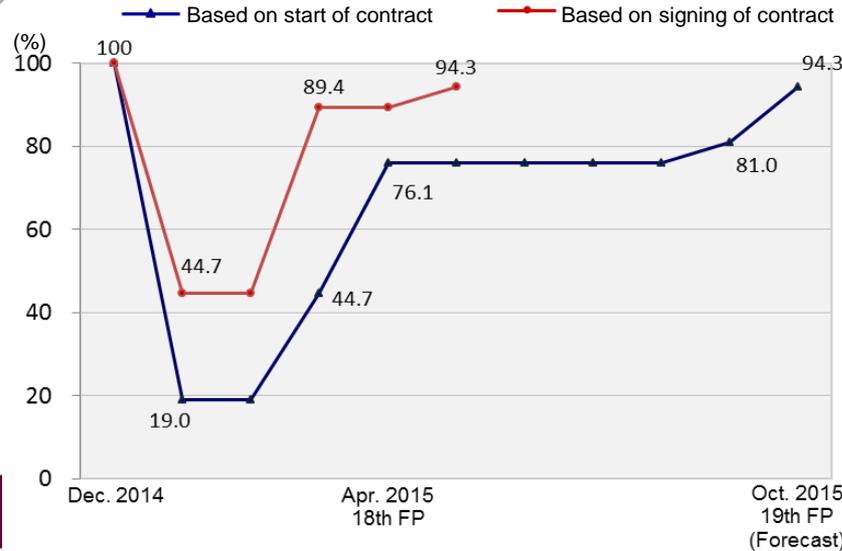
## II. Achievement of Growth Strategy

# II-1. Implementation of Growth Strategy Focusing on "Internal Growth" (1) Leasing Activities - Kanda Nishiki-cho 3-chome Building

## Kanda Nishiki-cho 3-chome Building

Steady progress in finding new tenant through collaboration with sponsor  
Attracted convenience store in 1st floor, becoming more convenient

Trend of Occupancy Rate



### Parking lots

- Parking lots for 35 vehicles
- Easy accessibility to Metropolitan Expressway
- Maintain high occupancy after move-out of former major tenant (34 in service as of end of May, 2015)

### Occupancy

Floor	Class	Floor Space		In service	
		(m <sup>2</sup> )	(Tsubo)		
9F	Office	654.40	197.95	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	
8F		663.79	200.79		
7F		663.79	200.79		
6F		648.98	196.29		
5F		915.72	276.99		
4F		951.07	287.67		
3F		998.16	301.93		
2F		1,027.68	310.86		
1F		523.75	158.42		Rental start: Sep. 2015 (Plan) <span style="background-color: #800000; color: white;">Vacancy</span> (approx.45 tsubos)
B1F		671.70	203.17		Rental start: Oct. 1, 2015 <span style="background-color: #800000; color: white;">Vacancy</span> (approx.88 tsubos)

**Attract successor tenants in short-term  
Achieve occ. rate of approx.94% in 5months**

Begun conversion work of cafeteria, strengthen profitability due to increase in rentable floor space

### 19th FP (May. 2015 - Oct. 2015)

### 20th FP (Nov. 2015 - Apr. 2016)

### 21th FP onward (May. 2016 -)

★ Closed cafeteria

#### First phase construction

(North: Conversion to office)  
(South: Removal of kitchen)

#### Second phase construction

(South : Conversion to office)

(1) Post loss on retirement of kitchen

(2) Capitalize fixed construction costs of 1st phase

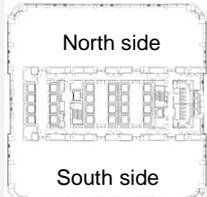
(3) Recognize temporary payment for 1st phase from tenants as revenue

(4) Capitalize fixed construction costs of 2nd phase

(5) Recognize temporary payment for 2nd phase from tenants as revenue

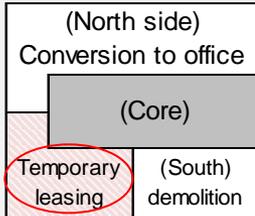
	Effects of conversion
Rentable office space	Up Approx. 8.1%
NOI yield (estimate)	Up Approx. 0.1% - 0.2%

#### <Basic Floor Plan>

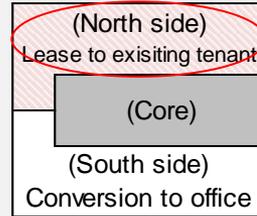


1,868.42m<sup>2</sup> (Approx. 565.19tsubo)

#### <1st phase>

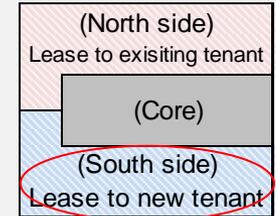


#### <2nd phase>



➤ lease inception (in early 20th FP)

#### <After completion of 2nd phase>



Lease half of south side space to existing tenant temporarily

Lease north side space to existing tenant (planned)

Possible to solicit new tenant to south side space

#### Construction costs, etc. (estimate)

1st phase construction	Approx. ¥400mn
2nd phase construction	Approx. ¥150mn
Loss on retirement of assets (19th FP)	Approx. ¥60-70mn

➤ Plan to receive temporary payment for conversion from cafeteria users in 19th and 20th FP  
(Recognize payment as revenue on receipt)

#### Revenues/ Expenses during construction period

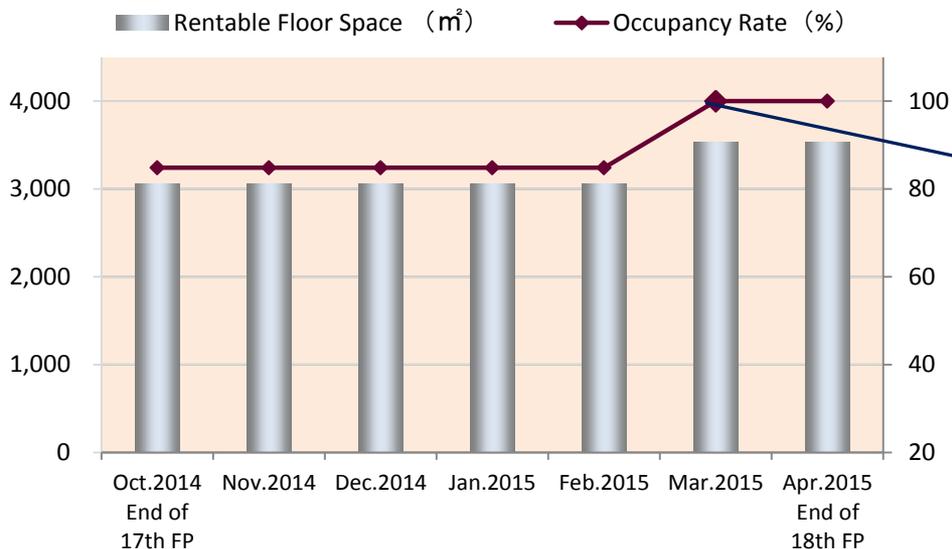
19th FP	20th FP
(+) Temporary rent revenue (South)	(+) Office rental revenue (North)
(+) Temporary payment from tenant	(+) Temporary payment from tenant
(-) Loss on disposal of kitchen	(-) Depreciation of completed construction
(-) Depreciation of completed construction	

# II-3. Implementation of Growth Strategy Focusing on “Internal Growth” (3) Enhancement of Asset Value – Additional Acquisition of Shiba-Koen Building



- Attracted new tenant for vacancy
- Acquired additional portion (8th floor)

## Enhancement of profitability (= Asset Value)



- **Mar. 1, 2015**  
Started contract with new tenant for one floor vacancy, achieved full occupancy
- **Mar. 30, 2015**  
Acquired additional portion (8th floor), become 100% owned  
Continuing full occupancy

Additional acquired portion	
Increase in rentable office space	463.74 m <sup>2</sup>
Acquisition Price (cash on hands)	¥375 million
NOI yield (direct cap rate in appraisal as of Feb. 28, 2015)	5.8%



### Effect of additional acquisition on appraisal value (100% owned)

Existing portion before additional acquisition (as of Oct. 31, 2014)	¥3,460 million
Additional acquired portion (as of Feb. 28, 2015)	¥400 million
<b>Property as a whole at end of 18th FP (as of Apr. 30, 2015)</b>	<b>¥4,110 million</b>



Note: This is a reference value of Shiba-Koen Building as a whole assessed by Daiwa Real Estate Appraisal Co., Ltd., and is not a formal appraisal value.

- ◆ Enhancement of asset value
- ◆ Improvement of NOI yield
- ◆ Streamlining of property management
- ◆ Liquidity enhancement

# <Renewal Opening> Ito-Yokado Kobuchi Store (April 24, 2015)

## Sagamihara Shopping Center

<Exterior> Renew exterior design which give customers sense of pleasure for shopping

<Newly build entrance to 1F food store>

<Set up LSD, Renew exterior wall>

<New building for "Net Supermarket">

Before

After



<Interior> Enhance line of specialty shops (36 shops incl. 21 new shops), Quadruplicate number of seats for 1F Food Court (418 seats)

After

Household goods specialty shop  
<LOFT>



Baby, Kids and Maternity goods specialty shop  
<Akachan Honpo>



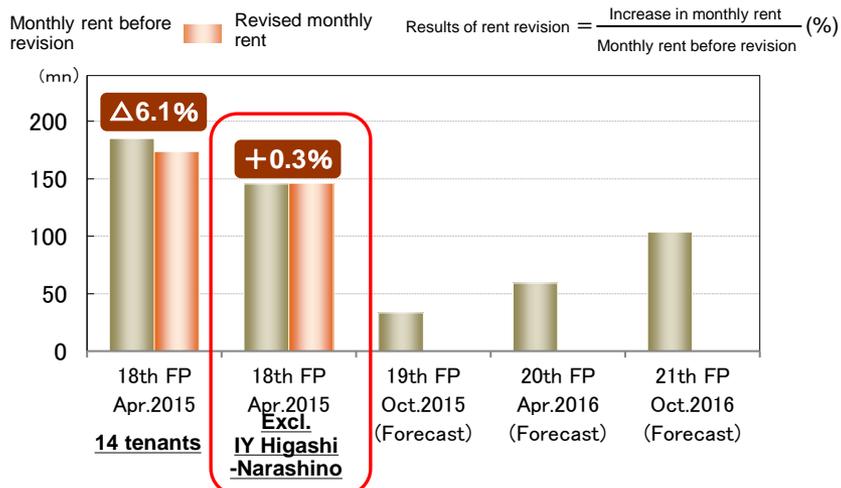
- Expanded 1F Food Court -  
418 seats available



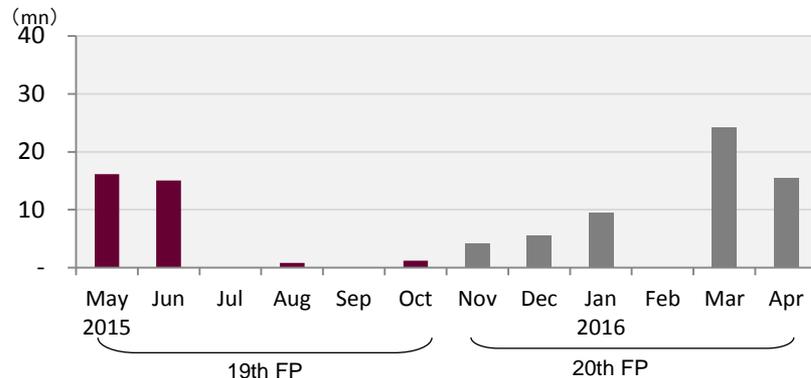
Popular  
sushi-go-around chain  
<Daiki Suisan>

## Rent revision in 18th FP (excl. residential properties)

14 tenants  
Increased: 3 Decreased: 5 Unchanged: 6  
« Down 6.1% on average, Up 0.3% excl. IY Higashi-Narashino »



## Rent revision in 19th and 20th FP (excl. residential properties)

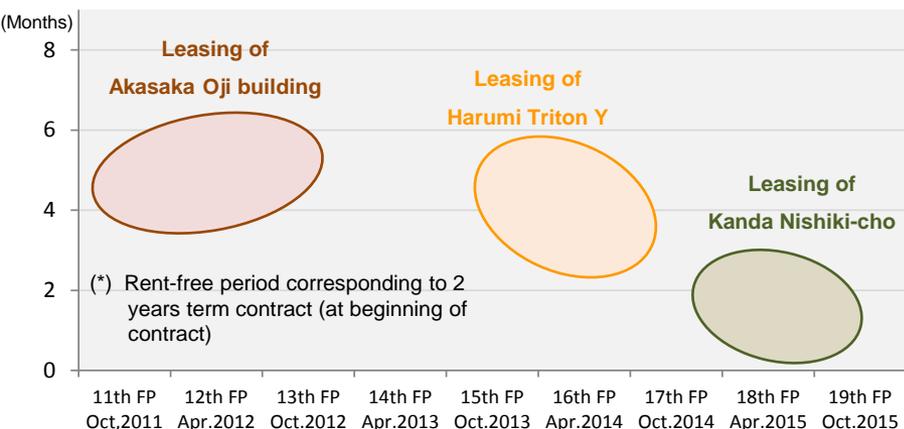


19 <sup>th</sup> FP	Akasaka Oji Building (some tenants)	8 tenants 4.0% of total rents (Note)
	Shiba-Koen Building (some tenants)	
	Shinjuku EAST Building (some tenants)	
	Shinkawa Chuo Building (some tenants)	
	Faret East Building (some tenants)	
	MEL Building (some tenants)	

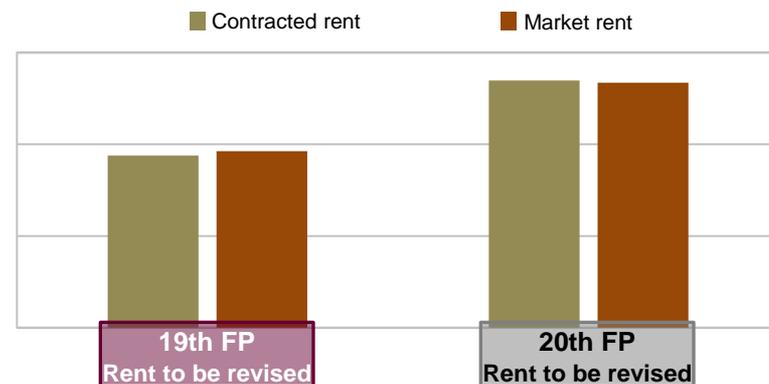
20 <sup>th</sup> FP	Akasaka Oji Building (some tenants)	12 tenants 7.1% of total rents (Note)
	Shiba-Koen Building (some tenants)	
	Shinjuku EAST Building (some tenants)	
	Shinkawa Chuo Building (some tenants)	

(Note) Ratio indicates the total monthly rent to be revised in 19th or 20th FP against the total monthly rent (including common service fees) of all properties owned for April 2015.

## Average rent-free period

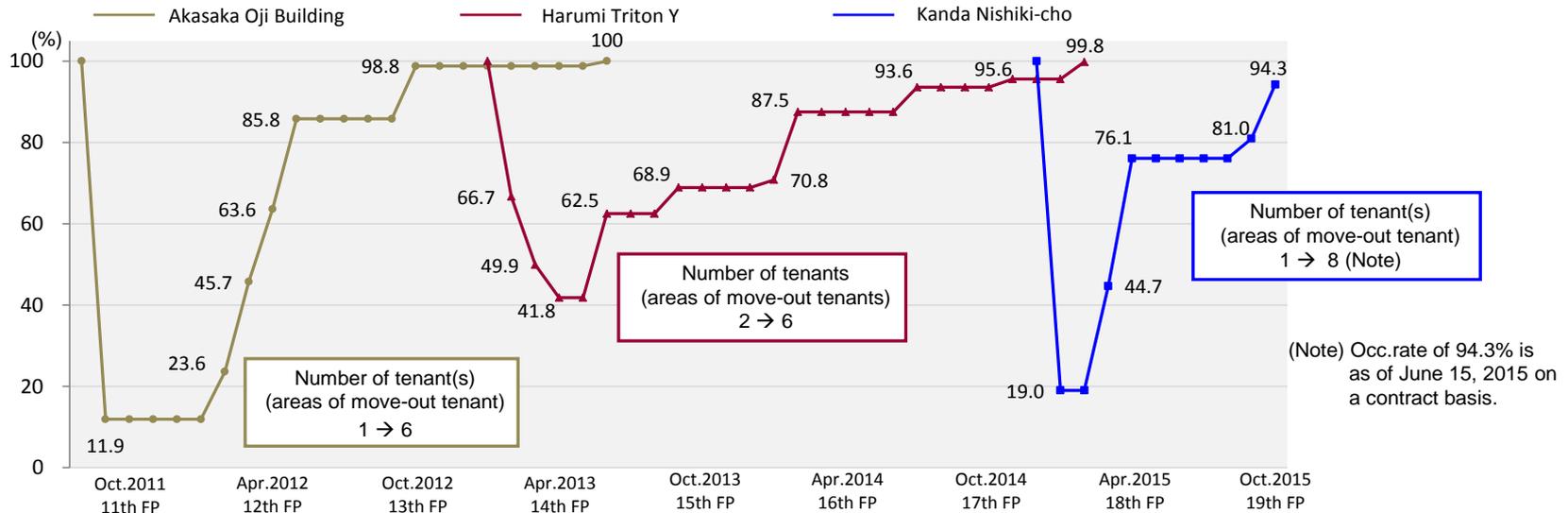


## Rent Gap



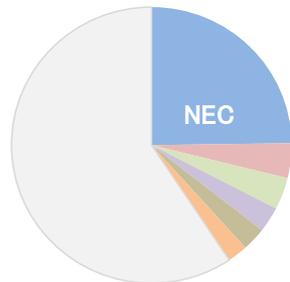
(Note) Market rent is the fair rent based on recognition of TOP.

## II-6. Achievement of Leasing Activities and Promotion of Tenant Diversification



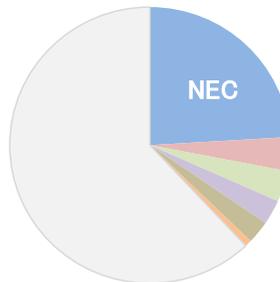
### “Achieve attraction of successor tenants” “Progress of Tenant Diversification”

End of 10<sup>th</sup> FP



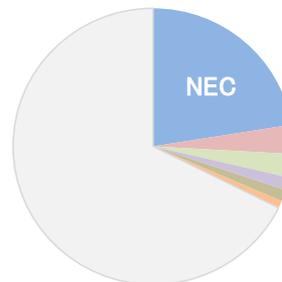
**40.6%**

End of 13<sup>th</sup> FP



**38.0%**

End of 18<sup>th</sup> FP



**32.3%**

**Ratio of major tenants (Top 6: Office bldg.) by rentable space**

# II-7. Well-timed Disposition of Property / Reinforcement of Financial Standing

## Securing gains on disposal by well-timed disposition of two old buildings

### Kanda Park Plaza

Address Kajicho, Chiyoda-ku, Tokyo

Nov. 13, 2014

### OAK PLAZA

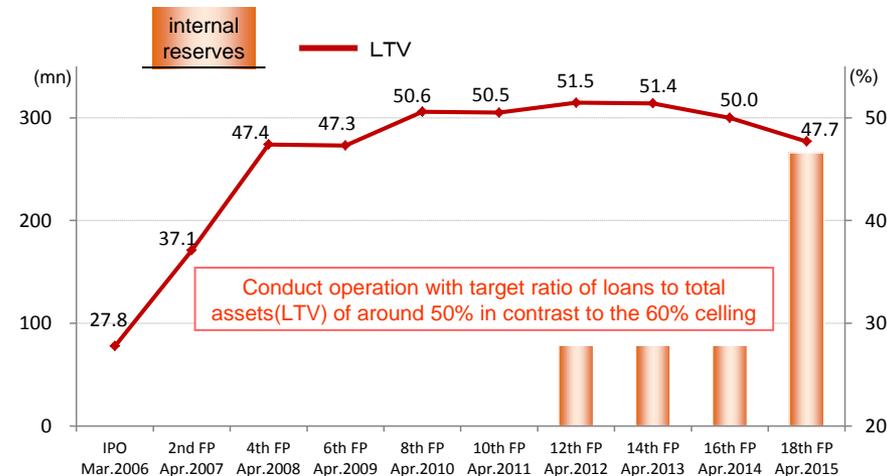
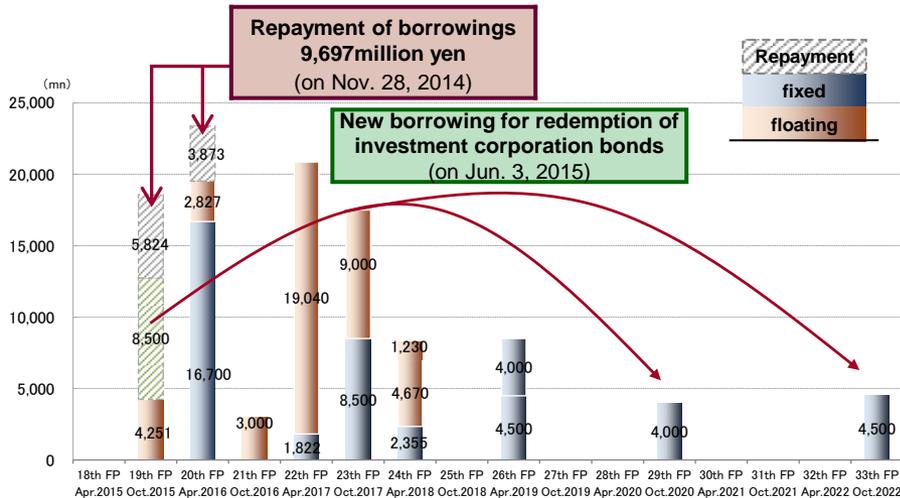
Address Kanda Awajicho, Chiyoda-ku, Tokyo

	Kanda Park Plaza	OAK PLAZA	TOTAL
Acquisition Price	5,156 million yen	2,590 million yen	7,746 million yen
Appraisal Value (Note1)	5,080 million yen	2,660 million yen	7,740 million yen
<b>Disposition Price (A)</b>	<b>5,350 million yen</b>	<b>2,900 million yen</b>	<b>8,250 million yen</b>
Book Value (B)	5,050 million yen	2,684 million yen	7,734 million yen
Difference between disposition price and book value (A)-(B)	299 million yen	215 million yen	515 million yen
Expenses related to disposition (C)		218 million yen	
Gains on disposal (A)-(B)-(C)		297 million yen	
internal reserve (Note2)		187 million yen	
Dividends to unitholders		109 million yen	

(Note1) Appraisal value as of Oct. 31, 2014 (end of 17th FP)

(Note2) Internal reserve pursuant to special taxation measures recognized as reserve for reduction entry

## Reinforcement of Financial Standing



Borrowed with fixed-interest currently, hedging risk of future interest rate hike  
Spread maturities and equalize refinance amount

Prepare for investment opportunity by lowering LTV  
Expand financial flexibility by accumulated internal reserve

## Establish “Diversified Portfolio” with office buildings in Central Tokyo as its core

### Three Major Asset Types

#### Office

Expected rise in rent during strong economy

#### Retail

Expected both rise in rent and stable revenue

#### Residence

Expected stable revenue regardless of economic conditions

- Tokyo, the Tokyo Metropolitan Area
- Other major cities (Sapporo, Sendai, Nagoya, Osaka, Fukuoka, etc.)

- ✓ High level of traffic convenience
- ✓ High-quality specifications

【 Ginza Oji Building 】



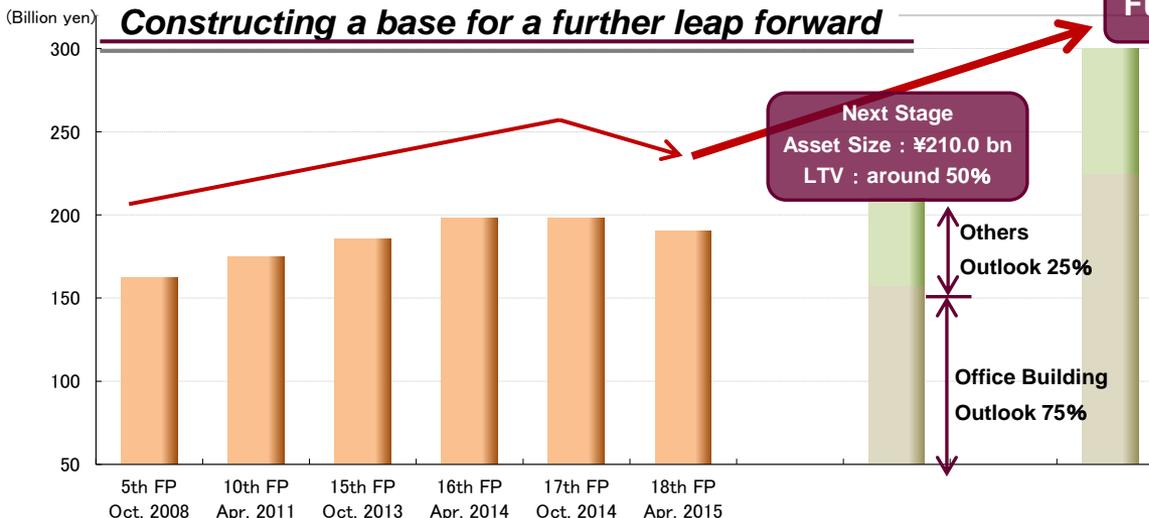
【 Shinkawa Chuo Building 】  
Strong tenant needs and excellent convenience to transportation



Hard-to-find location as being situated in Ginza 4-chome

- Three major metropolitan areas (Tokyo, Kinki and Chubu Regions) and other major cities
- Urban retail properties
- Mall-type and roadside retail properties
- Land with leasehold
- ✓ Stability and growth potential of the trade zone
- ✓ Located in areas where ample demand is anticipated
- ✓ Verify characteristics of individual asset sufficiently

- Tokyo, the Tokyo Metropolitan Area
- Other major cities (Sapporo, Sendai, Nagoya, Osaka, Fukuoka, etc.)
- Residences for singles targeting office workers and families
- ✓ High level of traffic convenience (proximity to railway stations)
- ✓ Located in areas where ample demand is anticipated
- ✓ Built relatively recently



Further growth

『 External growth of keyword 』

**Selective investment**

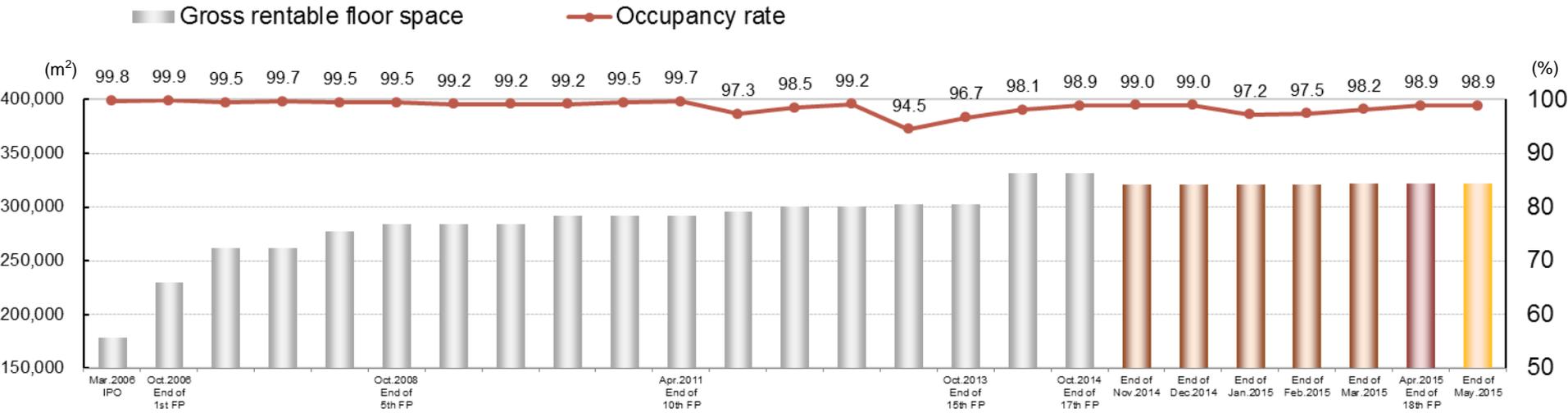
Aim to grow by utilizing sponsor’s support (pipeline function, warehousing function) and unique information channels

Continue to consider rebuilding of sponsor structure that will contribute to the growth of Top REIT

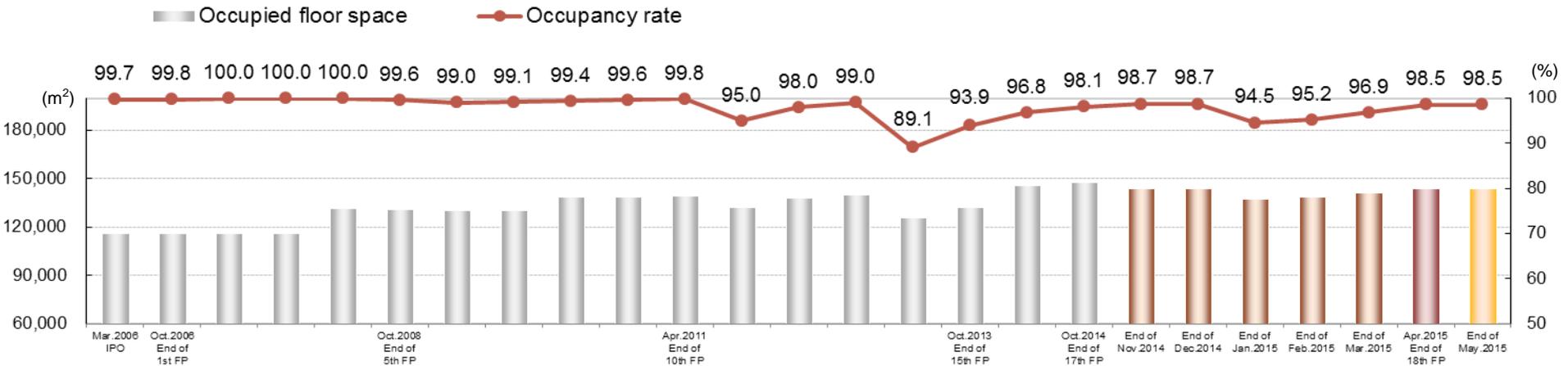
### **III. Management Results in 18th FP**

# III-1-(1). History of Occupancy Rate

## Occupancy Rate (Portfolio)

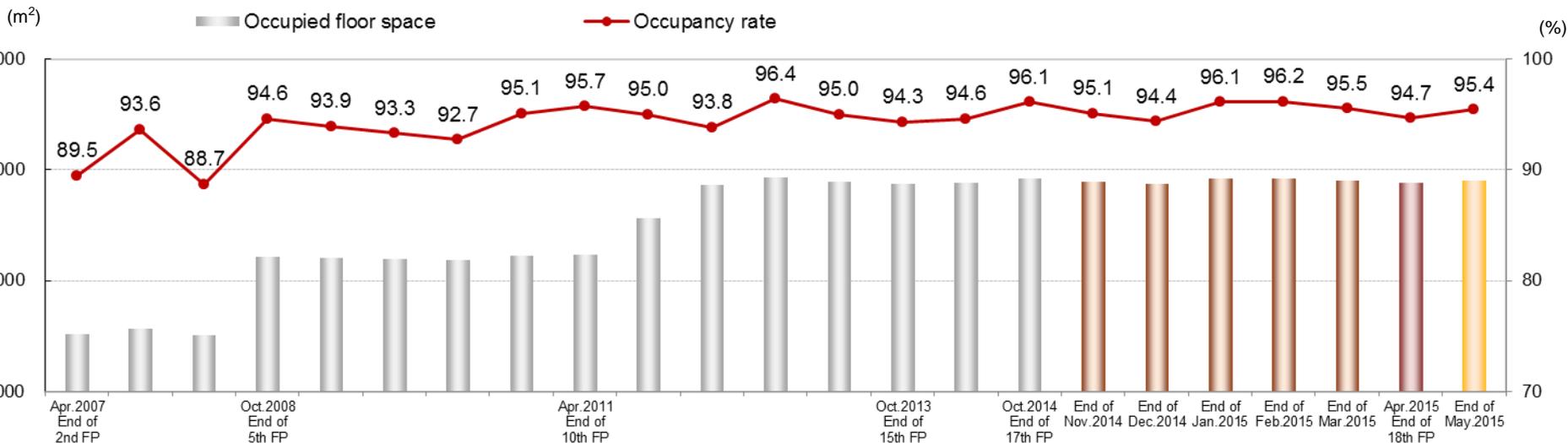


## Occupancy Rate (Office)

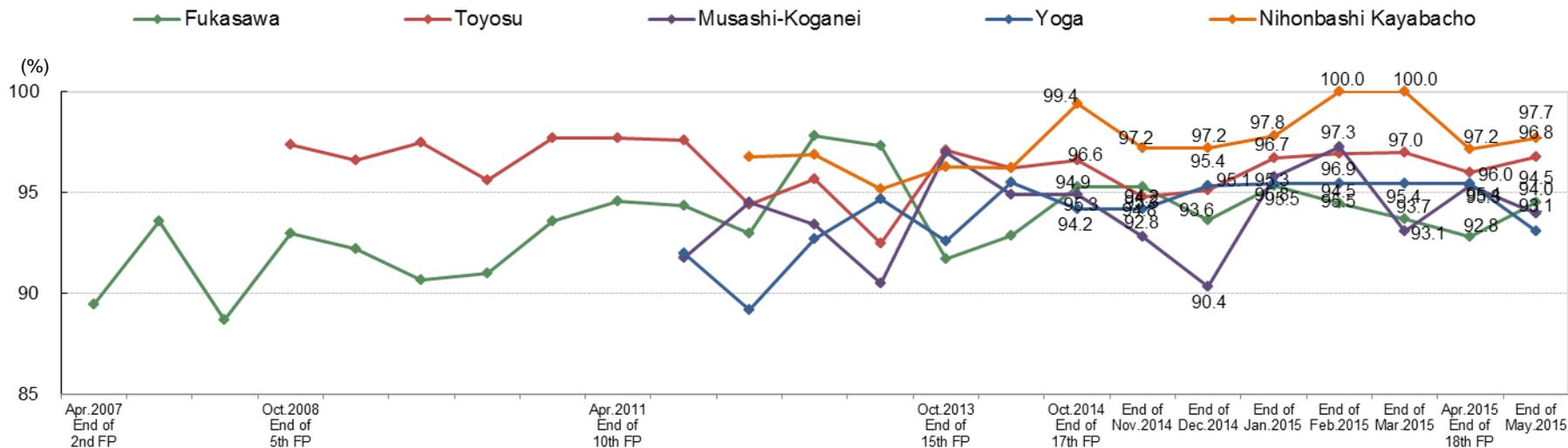


# III-1-(2). History of Occupancy Rate

## Occupancy Rate (Residence)



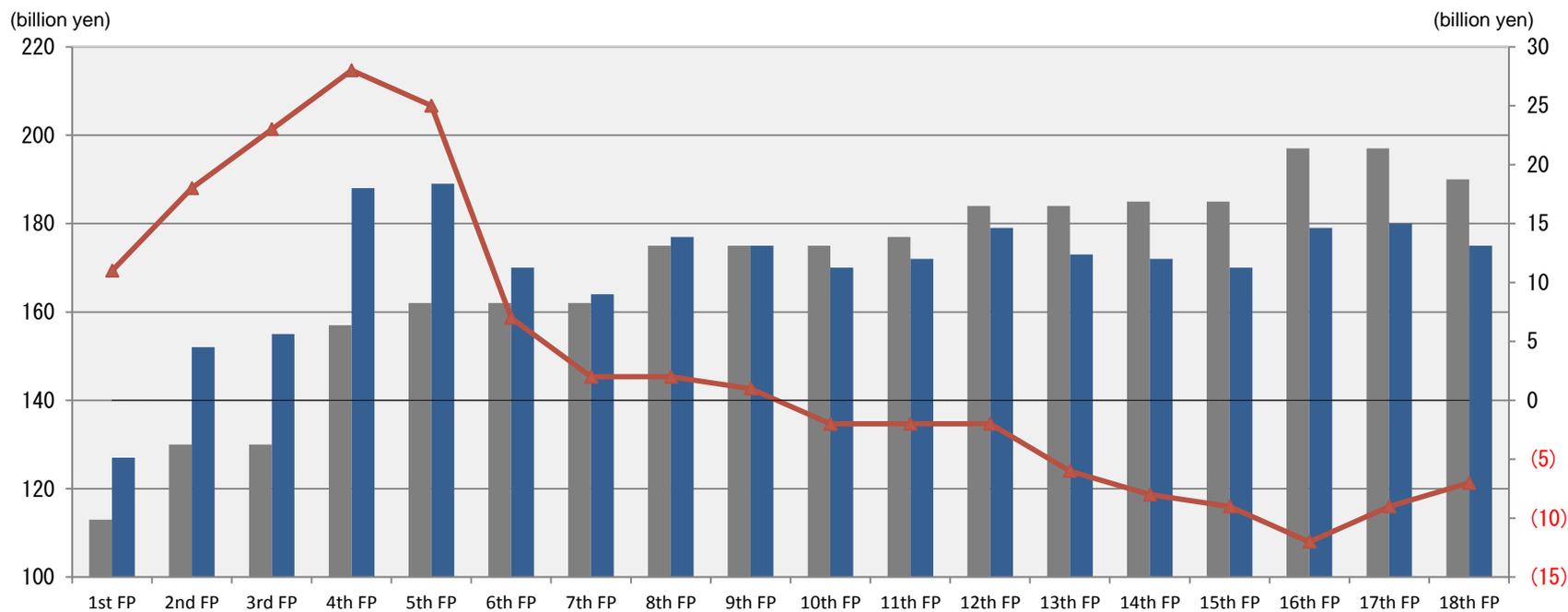
## Occupancy Rate (Individual Residential properties)



## III-2. History of Asset Growth

Left index : ■ Acquisition price ■ Appraisal value

Right index : ▲ Unrealized profit/ loss = (Appraisal value - Book value)



(billion yen)

	End of 1st FP Oct. 2006	End of 2nd FP Apr. 2007	End of 3rd FP Oct. 2007	End of 4th FP Apr. 2008	End of 5th FP Oct. 2008	End of 6th FP Apr. 2009	End of 7th FP Oct. 2009	End of 8th FP Apr. 2010	End of 9th FP Oct. 2010	End of 10th FP Apr. 2011	End of 11th FP Oct. 2011	End of 12th FP Apr. 2012	End of 13th FP Oct. 2012	End of 14th FP Apr. 2013	End of 15th FP Oct. 2013	End of 16th FP Apr. 2014	End of 17th FP Oct. 2014	End of 18th FP Apr. 2015
Acquisition Price	113.286	130.846	130.846	157.187	162.347	162.347	162.347	175.047	175.047	175.047	177.435	184.345	184.345	185.555	185.555	197.855	197.855	190.484
Book value	116.187	133.576	132.698	159.585	163.985	163.245	162.237	174.618	173.618	172.994	174.742	181.405	180.446	181.003	180.064	192.014	190.955	182.859
Appraisal Value	127.442	152.468	155.923	188.035	189.441	170.870	164.948	177.146	175.351	170.670	172.440	179.000	173.800	172.360	170.470	179.800	180.990	175.720
Unrealized profits and losses	11.254	18.891	23.224	28.449	25.455	7.624	2.710	2.527	1.732	(2.324)	(2.302)	(2.405)	(6.646)	(8.643)	(9.594)	(12.214)	(9.965)	(7.139)

\* Details of acquisition price and appraisal value are provided on P26 and P27.

\* Figures less than one million yen have been rounded down.

### III-3. Appraisal Value at End of Period

(million yen)

Asset Class	Area	Property	Acquisition Price	Book Value at End of 18th FP (A)	Appraisal Value at End of 15th FP	Appraisal Value at End of 16th FP	Appraisal Value at End of 17th FP (B)	Appraisal Value at End of 18th FP (C)	Difference Between Appraisal Value and Book Value (C) - (A)	Difference between Appraisal Value of 17th and 18th FP (C) - (B)
Office	Central Tokyo	NEC Head Office Building	41,950	42,623	50,100	51,900	53,150	54,500	11,876	1,350
		Harumi Island Triton Square Office Tower Y	33,000	29,696	29,500	27,200	27,100	27,200	(2,496)	100
		Harumi Island Triton Square Office Tower Z	20,000	19,114	12,600	12,300	12,300	12,300	(6,814)	-
		Kanda Nishiki-cho 3-chome Building	12,700	12,610	14,200	10,500	9,610	8,310	(4,300)	(1,300)
		Akasaka Oji Building	9,660	9,716	8,540	8,850	9,420	9,610	(106)	190
		Shiba-Koen Building (Note)	6,145	6,186	3,540	3,410	3,460	4,110	(2,076)	650
		Shinjuku East Building	5,800	5,721	-	6,250	6,450	6,550	828	100
		Shinkawa Chuo Building	5,610	5,710	5,790	5,990	6,010	6,150	439	140
	Ginza Oji Building	2,000	2,072	-	2,050	2,100	2,120	47	20	
	Tokyo Metropolitan Area	Faret East Building	2,091	1,596	2,450	2,530	2,570	2,630	1,033	60
Subtotal (10 Properties)			138,956	135,050	126,720	130,980	132,170	133,480	(1,570)	1,310
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	12,000	11,163	8,330	8,480	8,820	9,080	(2,083)	260
		Ito-Yokado Higashi-Narashino Store	8,900	7,661	5,620	5,400	3,990	3,990	(3,671)	-
		Kojima × Bic Camera Kashiwa Store	4,500	4,609	-	4,730	4,890	4,930	320	40
		Musashiurawa Shopping Square	4,335	3,732	3,880	3,870	4,010	4,140	407	130
	Other major cities	MEL Building	1,210	1,203	1,280	1,280	1,300	1,300	96	-
Subtotal (5 Properties)			30,945	28,370	19,110	23,760	23,010	23,440	(4,930)	430
Residential	Central Tokyo	Top Residence Nihonbashi Kayabacho	2,400	2,322	2,580	2,640	2,750	2,860	537	110
	Tokyo Metropolitan Area	Fukasawa House Towers H&I	10,635	9,934	7,120	7,230	7,410	7,810	(2,124)	400
		Ecology Toyosu Procentury	5,160	4,809	5,080	5,100	5,340	5,460	650	120
		Impress Musashi-Koganei	1,223	1,202	1,270	1,280	1,320	1,370	167	50
		Top Residence Yoga	1,165	1,169	1,180	1,200	1,250	1,300	130	50
Subtotal (5 Properties)			20,583	19,438	17,230	17,450	18,070	18,800	(638)	730
Total (20 Properties)			190,484	182,859	163,060	172,190	173,250	175,720	(7,139)	2,470

(Note) Kanda Park Plaza and OAK PLAZA were disposed in 18th FP. Figures for subtotal and total does not include these two properties.

Shiba-Koen building was additionally acquired in 18th FP, and the appraisal values for 15th FP to 17th FP do not include additional acquired portion.

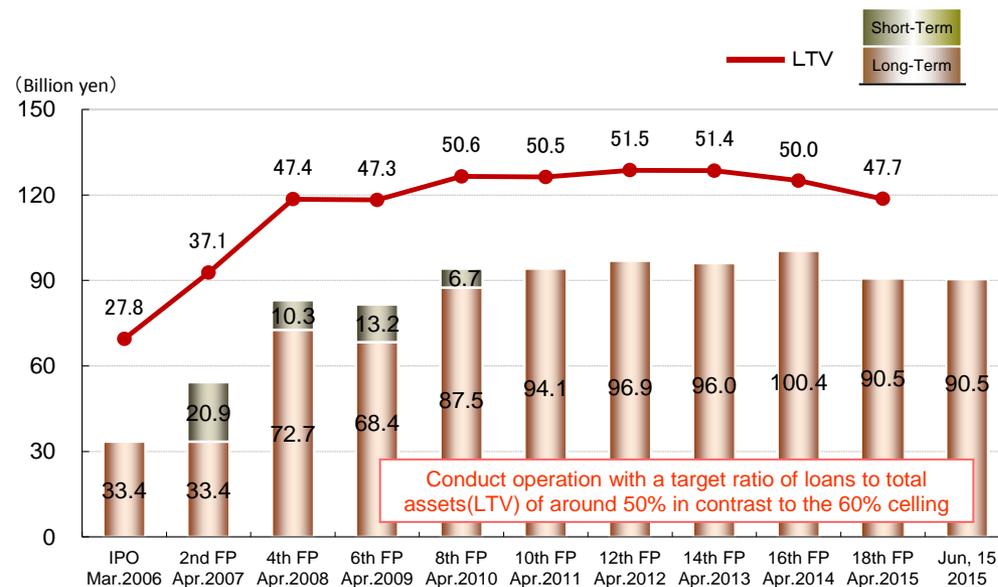
# III-4. Appraisal Cap Rate

Property	14th Fiscal Period			15th Fiscal Period			16th Fiscal Period			17th Fiscal Period			18th 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	4.2%	3.7% (Next 1 year) 3.9% (2-5 years) 4.2% (afterward)	4.5%	4.2%	3.7% (Next 4 years) 4.2% (afterward)	4.4%	4.1%	3.6% (Next 4 years) 4.1% (afterward)	4.3%	4.0%	3.5% (Next 3 years) 4.0% (afterward)	4.2%	3.9%	3.4% (Next -3 years) 3.9% (afterward)	4.1%
Harumi Island Triton Square Office Tower Y	4.8%	4.3%	4.8%	4.7%	4.3%	4.8%	4.6%	4.2%	4.7%	4.5%	4.1%	4.6%	4.4%	4.0%	4.5%
Harumi Island Triton Square Office Tower Z	4.8%	4.3%	4.8%	4.8%	4.3%	4.8%	4.7%	4.2%	4.7%	4.5%	4.1%	4.6%	4.4%	4.0%	4.5%
Kanda Nishiki-cho 3-chome Building	4.9%	4.6%	5.1%	4.8%	4.5%	5.0%	4.6%	4.3%	4.8%	4.5%	4.1%	4.6%	4.4%	4.0%	4.5%
Akasaka Oji Building	4.4%	4.3%	4.6%	4.3%	4.1%	4.4%	4.2%	4.0%	4.3%	4.1%	3.9%	4.2%	4.0%	3.8%	4.1%
Shiba-Koen Building	4.9%	4.6%	5.0%	4.8%	4.5%	4.9%	4.7%	4.4%	4.8%	4.6%	4.3%	4.7%	4.4%	4.1%	4.5%
Shinjuku East Building	-	-	-	-	-	-	4.9%	4.7%	5.1%	4.8%	4.6%	5.0%	4.7%	4.5%	4.9%
Shinkawa Chuo Building	4.9%	4.7%	5.1%	4.8%	4.6%	5.0%	4.7%	4.5%	4.9%	4.6%	4.4%	4.8%	4.5%	4.3%	4.7%
Ginza Oji Building	-	-	-	-	-	-	4.4%	4.2%	4.6%	4.3%	4.1%	4.5%	4.2%	4.0%	4.4%
Faret East Building	5.7%	5.4%	5.9%	5.6%	5.3%	5.8%	5.5%	5.2%	5.7%	5.4%	5.1%	5.6%	5.3%	5.0%	5.5%
Sagamihara Shopping Center	5.9%	5.7%	6.1%	5.6%	5.4%	5.8%	5.5%	5.3%	5.7%	5.3%	5.1%	5.5%	5.1%	4.9%	5.3%
Ito-Yokado Higashi-Narashino Store	6.3%	6.1%	6.6%	6.3%	6.1%	6.6%	6.3%	6.1%	6.6%	5.6%	5.3%	5.8%	5.6%	5.3%	5.8%
Kojima × Bic Camera Kashiwa Store	-	-	-	-	-	-	5.7%	5.4%	5.9%	5.5%	5.2%	5.7%	5.5%	5.2%	5.7%
Musashiurawa Shopping Square	5.7%	5.4%	6.0%	5.7%	5.4%	6.0%	5.6%	5.3%	5.9%	5.4%	5.1%	5.7%	5.2%	4.9%	5.5%
MEL Building	6.2%	6.2%	6.6%	6.1%	6.1%	6.5%	6.1%	6.1%	6.5%	5.9%	5.9%	6.3%	5.7%	5.7%	6.1%
Top Residence Nihonbashi Kayabacho	5.0%	4.8%	5.2%	5.0%	4.8%	5.2%	4.9%	4.7%	5.1%	4.7%	4.5%	4.9%	4.5%	4.3%	4.7%
Fukasawa House Towers H&I	4.9%	4.6%	5.1%	4.8%	4.5%	5.0%	4.7%	4.4%	4.9%	4.5%	4.2%	4.7%	4.3%	4.0%	4.5%
Ecology Toyosu Procentury	5.1%	4.9%	5.3%	5.0%	4.8%	5.2%	4.9%	4.7%	5.1%	4.7%	4.5%	4.9%	4.6%	4.4%	4.8%
Impress Musashi-Koganei	5.5%	5.3%	5.7%	5.4%	5.2%	5.6%	5.3%	5.1%	5.5%	5.1%	4.9%	5.3%	4.9%	4.7%	5.1%
Top Residence Yoga	5.0%	4.8%	5.2%	4.9%	4.7%	5.1%	4.8%	4.6%	5.0%	4.6%	4.4%	4.8%	4.4%	4.2%	4.6%

\* 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.

## Status of interest-bearing liabilities

[ Change in status of interest-bearing liabilities and LTV ]



[ Lender Formation ]

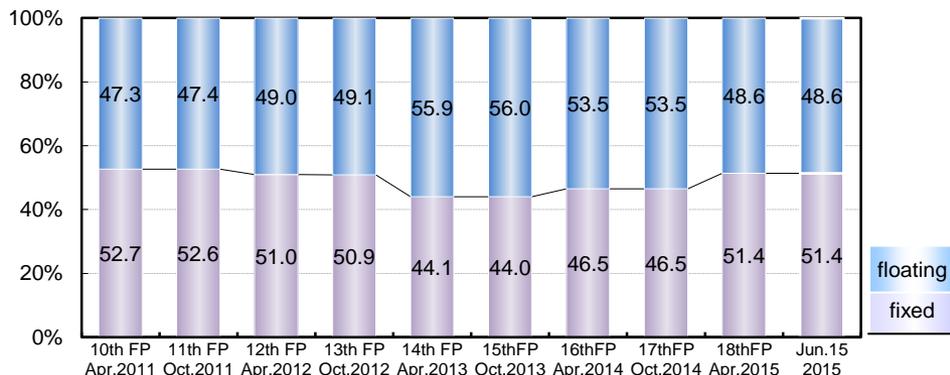
(as of Apr. 30, 2015)

Lender	Balance (mil yen)	share (%)	Lender	Balance (mil yen)	share (%)
Sumitomo Mitsui Trust Bank, Limited.	25,908	28.6	Resona Bank, Limited.	922	1.0
Mizuho Bank, Ltd.	16,503	18.2	The Bank of Fukuoka, Ltd.	1,766	1.9
Sumitomo Mitsui Banking Corporation	13,736	15.2	The Hiroshima Bank, Ltd.	422	0.5
The Bank of Tokyo Mitsubishi UFJ, Ltd.	11,936	13.2	The Yamaguchi Bank, Ltd.	422	0.5
Mitsubishi UFJ Trust and Banking Corporation	3,603	4.0	Aozora Bank, Ltd.	1,500	1.7
Development Bank of Japan, Inc.	4,380	4.8	Investment Corporation Bond	8,500	9.4
Dai-ichi Life Insurance Co., Ltd.	1,000	1.1	<b>Total</b>	<b>90,598</b>	<b>100</b>

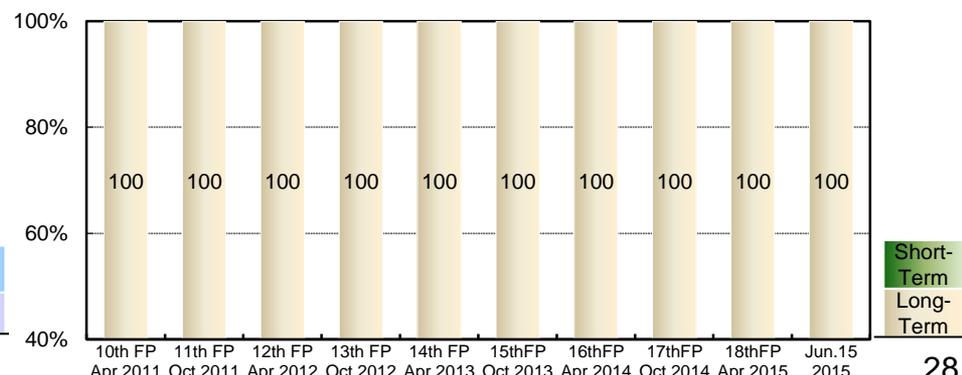
(as of Jun. 15, 2015)

Lender	Balance (mil yen)	share (%)	Lender	Balance (mil yen)	share (%)
Sumitomo Mitsui Trust Bank, Limited.	28,408	31.4	Dai-ichi Life Insurance Co., Ltd.	1,000	1.1
Mizuho Bank, Ltd.	16,503	18.2	Resona Bank, Limited.	1,922	2.1
Sumitomo Mitsui Banking Corporation	14,736	16.3	The Bank of Fukuoka, Ltd.	3,766	4.2
The Bank of Tokyo Mitsubishi UFJ, Ltd.	12,936	14.3	The Hiroshima Bank, Ltd.	422	0.5
Mitsubishi UFJ Trust and Banking Corporation	4,603	5.1	The Yamaguchi Bank, Ltd.	422	0.5
Development Bank of Japan, Inc.	4,380	4.8	Aozora Bank, Ltd.	1,500	1.7
<b>Total</b>	<b>90,598</b>	<b>100</b>			

[ Ratio of Loans with Fixed Interest Rate ]



[ Ratio of Long-Term Liabilities ]



# III-6. Issuer Rating and Loans at End of 18th FP

## Issuer Rating

A+ (Negative)

## Rating and Investment Information, Inc. (R&I)

Category	Lender	Balance	Interest Rate (Apr 30, 2015)	Execution Date	Repayment Date	Remaining Period	Note
Current Portion of Long-Term Loans	*Development Bank of Japan	¥135mn	2.42% <fixed>	Jan. 13, 2010	Nov. 30, 2016	Scheduled repayment	Unsecured and unguaranteed
		¥135mn				5 months <Average>	
	*Sumitomo Mitsui Trust Bank *Sumitomo Mitsui Banking Corporation *The Bank of Tokyo Mitsubishi UFJ *Resona Bank	¥2,954mn	0.61% <floating>	Nov. 30, 2012	Sep. 30, 2015	5 months	Unsecured and unguaranteed
		¥2,954mn					
	*Mizuho Bank *Mitsubishi UFJ Trust and Banking	¥1,297mn	0.61% <floating>	Mar. 27, 2013	Sep. 30, 2015	5 months	Unsecured and unguaranteed
		¥1,297mn					
	*Sumitomo Mitsui Trust Bank *Mizuho Bank *Sumitomo Mitsui Banking Corporation *The Bank of Tokyo Mitsubishi UFJ *Mitsubishi UFJ Trust and Banking	¥16,700mn	1.39% <fixed>	Mar. 3, 2011	Feb. 29, 2016	10 months	Unsecured and unguaranteed
		¥16,700mn					
	*Sumitomo Mitsui Trust Bank *The Bank of Fukuoka *The Hiroshima Bank *The Yamaguchi Bank	¥2,827mn	0.67% <floating>	Mar. 31, 2011	Feb. 29, 2016	10 months	Unsecured and unguaranteed
		¥2,827mn					
subtotal	¥23,913mn	1.17% <Average>			9 months <Average>		
Long-Term Loans	*Sumitomo Mitsui Trust Bank *Mizuho Bank *Sumitomo Mitsui Banking Corporation *The Bank of Tokyo Mitsubishi UFJ *Mitsubishi UFJ Trust and Banking	¥3,000mn	0.61% <floating>	Mar. 30, 2012	Oct. 31, 2016	1 years & 6 months	Unsecured and unguaranteed
		¥3,000mn					
	*Development Bank of Japan	¥1,890mn	2.42% <fixed>	Jan. 13, 2010	Nov. 30, 2016	1 years & 7 months <Average>	Unsecured and unguaranteed
		¥1,890mn					
	*Sumitomo Mitsui Trust Bank *Mizuho Bank *Sumitomo Mitsui Banking Corporation *The Bank of Tokyo Mitsubishi UFJ *Mitsubishi UFJ Trust and Banking	¥19,040mn	0.51% <floating>	Nov. 30, 2011	Nov. 30, 2016	1 years & 7 months	Unsecured and unguaranteed
	¥19,040mn						

Category	Lender	Balance	Interest Rate (Apr 30, 2015)	Execution Date	Repayment Date	Remaining Period	Note
Long-Term Loans	*Sumitomo Mitsui Trust Bank *Mizuho Bank *Sumitomo Mitsui Banking Corporation *The Bank of Tokyo Mitsubishi UFJ *Mitsubishi UFJ Trust and Banking	¥9,000mn	0.61% <floating>				
		¥8,500mn	0.79% <fixed>	Jun. 29, 2012	Jun. 30, 2017	2 years & 2 months	Unsecured and unguaranteed
		¥17,500mn					
	*Sumitomo Mitsui Trust Bank *Mizuho Bank *Sumitomo Mitsui Banking Corporation *The Bank of Tokyo Mitsubishi UFJ	¥4,670mn	0.73% <floating>	Mar. 27, 2013	Mar. 27, 2018	2 years & 11 months	Unsecured and unguaranteed
		¥2,355mn	1.08% <fixed>				
		¥7,025mn					
	*Sumitomo Mitsui Trust Bank *Resona Bank	¥1,230mn	0.73% <floating>	Apr. 30, 2013	Apr. 30, 2018	3 years	Unsecured and unguaranteed
		¥1,230mn					
	*Sumitomo Mitsui Trust Bank *Mizuho Bank *Sumitomo Mitsui Banking Corporation *The Bank of Fukuoka *Aozora Bank	¥4,500mn	0.82% <fixed>	Mar. 31, 2014	Mar. 29, 2019	3 years & 11 months	Unsecured and unguaranteed
		¥4,500mn					
	¥4,000mn	0.90% <fixed>	Jun. 30, 2014	Mar. 29, 2019	3 years & 11 months	Unsecured and unguaranteed	
	¥4,000mn						
subtotal	¥58,185mn	0.73% <Average>			2 years & 3 months <Average>		
Total Loans	¥82,098mn	0.86% <Average>			1 years & 10 months <Average>		
	No 1 Unsecured Investment Corporation Bonds	¥8,500mn	1.00% <fixed>	Jun. 4, 2010	Jun. 4, 2015	1 month	Unsecured and unguaranteed
	<b>Total Interest bearing liabilities</b>	<b>¥90,598mn</b>	<b>0.87% &lt;Average&gt;</b>			<b>1 years &amp; 8 month &lt;Average&gt;</b>	

(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.

## **IV. Details of 18th FP Results (Ended April 30, 2015)**

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



## Statements of Income

Account	17th FP May 1, 2014 - October 31, 2014 (184 days)	18th FP November 1, 2014 - April 30, 2015 (181 days)
	Amount (million yen)	Amount (million yen)
<b>Operating revenue</b>	<b>5,792</b>	<b>5,612</b>
Rent revenue - real estate	5,762	5,283
Other lease business revenue	29	31
Gain on sales of real estate properties	-	297
<b>Operating expenses</b>	<b>3,229</b>	<b>3,140</b>
Expenses related to rent business	2,721	2,630
Asset management fee	369	341
Asset custody fee	9	8
Administrative service fees	69	67
Directors' compensations	6	6
Audit fee	10	10
Other operating expenses	44	75
<b>Operating income</b>	<b>2,563</b>	<b>2,472</b>
<b>Non-operating income</b>	<b>6</b>	<b>2</b>
Interest income	1	1
Reversal of dividends payable	0	0
Insurance income	3	0
Other	0	-
<b>Non-operating expenses</b>	<b>614</b>	<b>582</b>
Interest expenses	402	355
Interest expense on investment corporation bonds	42	42
Amortization of investment corporation bond issuance costs	5	5
Borrowing related expenses	154	170
Amortization of investment unit issuance costs	6	6
Other	2	2
<b>Ordinary income</b>	<b>1,955</b>	<b>1,891</b>
Income before income taxes	1,955	1,891
Income taxes - current	0	0
Income taxes - deferred	(0)	59
<b>Net income</b>	<b>1,954</b>	<b>1,831</b>
<b>Unappropriated retained earnings</b>	<b>1,954</b>	<b>1,832</b>

## Statements of Cash Distributions

Account	17th FP May 1, 2014 - October 31, 2014 (184 days)	18th FP November 1, 2014 - April 30, 2015 (181 days)
	Amount	Amount
Unappropriated retained earnings	¥1,954mn	¥1,832mn
Total dividend amount	¥1,954mn	¥1,703mn
<Dividend per unit>	<¥11,107>	<¥9,680>
Voluntary retained earnings	¥0mn	¥128mn
Retained earnings carried forward	¥0mn	¥0mn

### 【Expenses related to rent business】

- Depreciation and amortization : ¥1,186 million
- Property management expenses : ¥ 432 million
- Utilities expenses : ¥ 247 million and others

## IV-2. Balance Sheets (Summary)

Account	17th FP (as of October 31, 2014)	18th FP (as of April 30, 2015)
	Amount (million yen)	Amount (million yen)
<b>Assets</b>		
<b>I. Total current assets</b>	<b>8,933</b>	<b>6,359</b>
Cash and deposits	4,427	2,046
Cash and deposits in trust	3,926	3,796
Other	580	516
<b>II. Total noncurrent assets</b>	<b>191,583</b>	<b>183,355</b>
<b>1. Total property, plant and equipment</b>	<b>190,945</b>	<b>182,850</b>
Buildings, etc.	930	977
Land	4,888	5,209
Buildings, etc. in trust	50,378	49,011
Land in trust	134,748	127,651
<b>2. Total intangible assets</b>	<b>9</b>	<b>9</b>
Intangible assets	9	9
<b>3. Total investment and other assets</b>	<b>628</b>	<b>496</b>
Lease and guarantee deposits	10	10
Long-term prepaid expenses	372	244
Other	246	241
<b>III. Total deferred assets</b>	<b>34</b>	<b>21</b>
Investment corporation bond issuance costs	7	1
Investment unit issuance expenses	26	20
<b>Total assets</b>	<b>200,551</b>	<b>189,737</b>

Account	17th FP (as of October 31, 2014)	18th FP (as of April 30, 2015)
	Amount (million yen)	Amount (million yen)
<b>Liabilities</b>		
<b>I. Total current liabilities</b>	<b>20,296</b>	<b>33,894</b>
Operating accounts payable	186	352
Current portion of Investment Corporation Bond payable	8,500	8,500
Current portion of long-term loans payable	10,210	23,913
Accounts payable — other	256	231
Accrued expenses	110	103
Accrued consumption taxes	223	85
Advances received	801	704
Other	6	4
<b>II. Total noncurrent liabilities</b>	<b>87,134</b>	<b>62,844</b>
Long-term loans payable	81,652	58,185
Tenant leasehold and security deposits	127	170
Tenant leasehold and security deposits in trust	5,298	4,373
Deferred tax liabilities	11	72
Derivative liabilities	44	42
Other noncurrent liabilities	0	-
<b>Total liabilities</b>	<b>107,430</b>	<b>96,738</b>
<b>Net assets</b>		
<b>I. Total unitholders' equity</b>	<b>93,149</b>	<b>93,027</b>
1. Unitholders' capital	91,143	91,143
2. Surplus	2,006	1,883
Reserve for reduction entry	51	51
Unappropriated retained earnings	1,954	1,832
<b>II. Total valuation and translation adjustments</b>	<b>(29)</b>	<b>(28)</b>
Deferred gains or losses on hedge	(29)	(28)
<b>Total net assets</b>	<b>93,120</b>	<b>92,998</b>
<b>Total liabilities and net assets</b>	<b>200,551</b>	<b>189,737</b>

# IV-3. Earnings Results and Forecasts (Detail)



(million yen)

Item	13th FP (Actual)	14th FP (Actual)	15th FP (Actual)	16th FP (Actual)	17th FP (Actual)	18th FP (Actual)	19th FP (Forecast)	20th FP (Forecast)
Period of asset management (days)	184	181	184	181	184	181	184	182
<b>Operating revenue</b>	5,636	5,844	5,154	5,637	5,792	5,612	5,391	5,407
<b>Rent revenue-real estate</b>	5,605	5,370	5,125	5,590	5,762	5,283	5,366	5,381
Rental revenue	5,268	5,107	4,824	5,255	5,407	4,975	4,972	5,057
Other lease revenue	336	262	300	334	355	308	393	324
<b>Other lease business revenue</b>	30	474	28	47	29	31	25	25
<b>Gain on sales of real estate properties</b>	-	-	-	-	-	297	-	-
<b>Operating expenses</b>	2,939	3,397	2,981	3,108	3,229	3,140	3,212	3,165
<b>Expenses related to rent business (excluding depreciation and amortization)</b>	1,267	1,726	1,322	1,429	1,518	1,443	1,539	1,497
Expenses related to rent business (Business consignment expenses)	392	400	388	452	436	432	409	415
(Utilities expenses)	230	207	244	248	297	247	289	266
(Taxes and dues)	565	564	581	580	638	630	611	611
(Repair expenses)	46	522	75	99	94	84	114	150
(sundry expenses)	32	32	33	48	52	49	113	53
<b>Net operating income from property leasing depreciation and amortization</b>	4,368	4,117	3,831	4,207	4,274	3,871	3,851	3,910
<b>Operating income from property leasing</b>	1,116	1,121	1,115	1,193	1,202	1,186	1,190	1,187
<b>Operating income from property leasing</b>	3,251	2,996	2,715	3,014	3,071	2,981	2,661	2,722
General and administrative expenses	554	548	542	485	508	509	482	480
Asset management fee	430	416	406	354	369	341	339	341
Other fees	88	89	89	92	94	92	92	92
Other operating expenses	36	42	46	38	44	75	50	45
<b>Operating income</b>	2,697	2,447	2,172	2,528	2,563	2,472	2,178	2,242
Non-operating income	3	3	11	1	6	2	1	1
Non-operating expenses	697	627	603	617	614	582	553	535
Interest expenses , borrowing related expenses	645	574	550	559	556	525	534	526
Interest expense on investment corporation bonds , amortization of investment corporation bond issuance costs	48	47	48	47	48	47	10	-
Other (Included Amortization of investment unit issuance costs)	4	5	4	11	8	8	9	9
<b>Ordinary income</b>	2,002	1,823	1,580	1,913	1,955	1,891	1,626	1,708
<b>Income before income taxes</b>	2,002	1,823	1,580	1,913	1,955	1,891	1,626	1,708
Income taxes	0	0	0	(0)	0	60	1	1
<b>Net income</b>	2,001	1,822	1,579	1,913	1,954	1,831	1,625	1,707
Number of units issued and outstanding (units)	155,000	155,000	155,000	176,000	176,000	176,000	176,000	176,000
Dividend per unit (yen)	12,912	11,759	10,191	10,864	11,107	9,680	9,700	9,700
FFO (million yen)	3,117	2,944	2,695	3,107	3,157	2,721	2,815	2,894
FFO per unit (yen)	20,113	18,996	17,390	17,655	17,941	15,461	15,997	16,448

Note1: Net operating income from property leasing does not include capital gains by disposition of property.

Note2: The above forecast figures are calculated under certain assumptions as of the date of this material and are subject to change. The forecasts should not be construed as a guarantee of the actual dividends

## IV-4. Major Financial Indicators

Item	16th FP November 1, 2013 – April 30, 2014	17th FP May 1, 2014 – October 31, 2014	18th FP November 1, 2014 – April 30, 2015	Remarks
Period of asset management	181days	184days	181days	
Ratio of interest-bearing liabilities to total assets at end of period (LTV)	50.0%	50.0%	47.7%	Interest-bearing liabilities at end of period / Total assets at end of period
Rental NOI (Net operating income)	¥4,207mn	¥4,274mn	¥3,871mn	Rent revenue - Expenses related to rent business + Depreciation and amortization
Rental NOI yield	4.3%	4.3%	4.1%	Rental NOI x 2 / Sum total of the acquisition price of all properties in the portfolio at end of period
Funds from Operation (FFO)	¥3,107mn	¥3,157mn	¥2,721mn	Net income + Depreciation and amortization - Gains on disposal (+ Losses on disposal)
FFO per unit	¥17,655	¥17,941	¥15,461	FFO / Number of units issued and outstanding at end of period
Ratio of ordinary income to total assets (return on assets (ROA))	1.0%	1.0%	1.0%	Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2)
Annualized	[2.0%]	[1.9%]	[2.0%]	
Ratio of net income to unitholders' equity (return on equity (ROE))	2.2%	2.1%	2.0%	Net income / ((Net assets at beginning of period + Net assets at end of period) / 2)
Annualized	[4.4%]	[4.2%]	[4.0%]	
Implied Cap Rate	4.8%	4.7%	4.3%	Annualized 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	0.97	0.97	1.06	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	46.4%	46.4%	49.0%	Net assets at end of period / Total assets at end of period

# IV-5. Unitholders

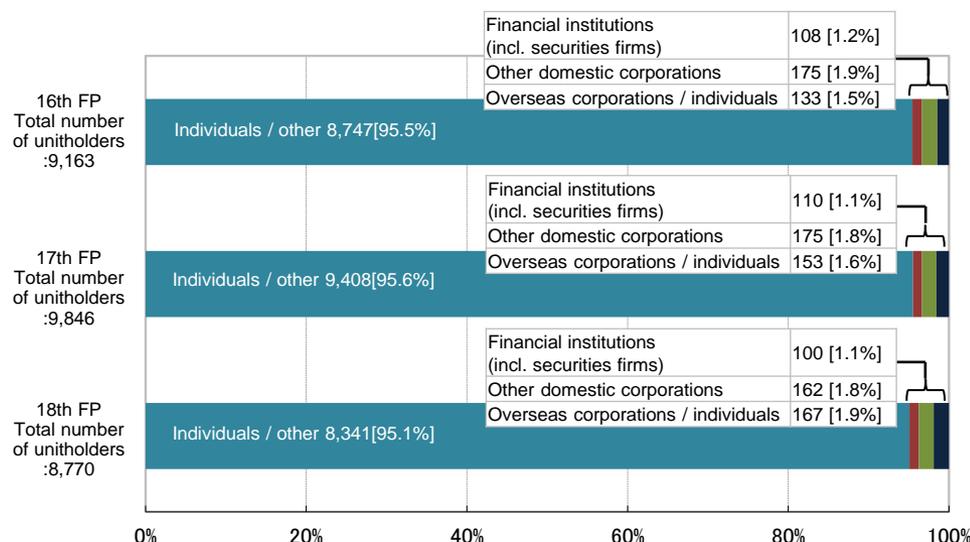
## Composition of Unitholders (as of the end of 18th FP)

Category	Number of Units Held		Number of Unitholders	
Individuals / other	27,290	15.5%	8,341	95.1%
Financial institutions (incl. securities firms)	102,567	58.3%	100	1.1%
Other domestic corporations	12,544	7.1%	162	1.8%
Overseas corporations / individuals	33,599	19.1%	167	1.9%
<b>Total</b>	<b>176,000</b>	<b>100.0%</b>	<b>8,770</b>	<b>100.0%</b>

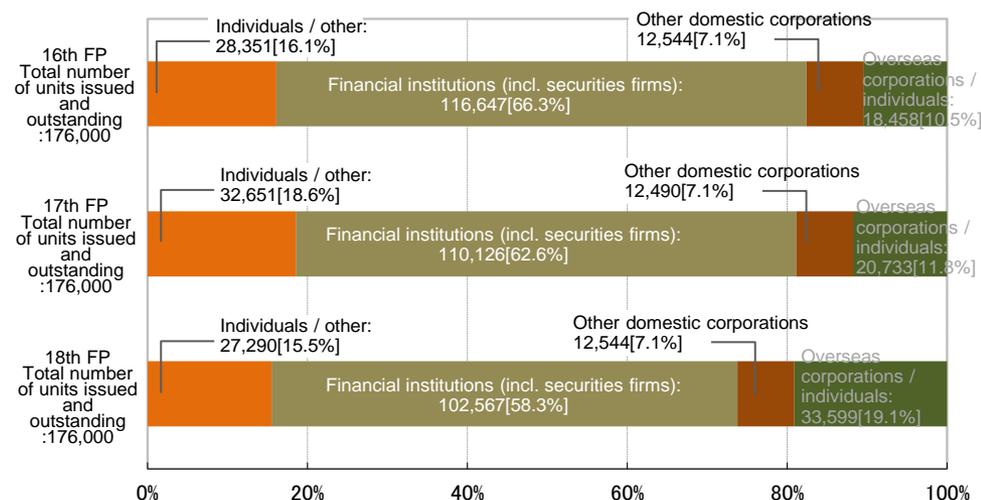
## Major Unitholders (as of the end of 18th FP)

Rank	Name	Number of Units Held	Component Ratio (%)
1	Japan Trustee Service Bank (trust account)	40,482	23.0
2	The Master Trust Bank of Japan (trust account)	16,492	9.4
3	Trust and Custody Services Bank (securities investment trust account)	9,808	5.6
4	Nomura Trust and Banking (investment trust account)	6,106	3.5
5	Sumitomo Mitsui Trust Bank, Limited	3,176	1.8
6	Oji Real Estate Co., Ltd.	3,162	1.8
6	NIPPON STEEL KOWA REAL ESTATE CO.,LTD.	3,162	1.8
8	STATE STREET BANK AND TRUST COMPANY 505223	2,563	1.5
9	The Asahi Fire & Marine Insurance Co., Ltd.	2,010	1.1
10	NOMURA BANK (LUXEMBOURG) S.A.	1,932	1.1
11	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	1,926	1.1
12	STATE STREET BANK AND TRUST COMPANY 505001	1,841	1.0
13	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	1,714	1.0
14	The Gibraltar Life insurance Co., Ltd (general accounts J-REIT account)	1,343	0.8
15	The Minami Nippon Bank, Ltd.	1,270	0.7
	<b>Total</b>	<b>96,987</b>	<b>55.1%</b>

## Number of Unitholders by Category (as of the end of each fiscal periods)

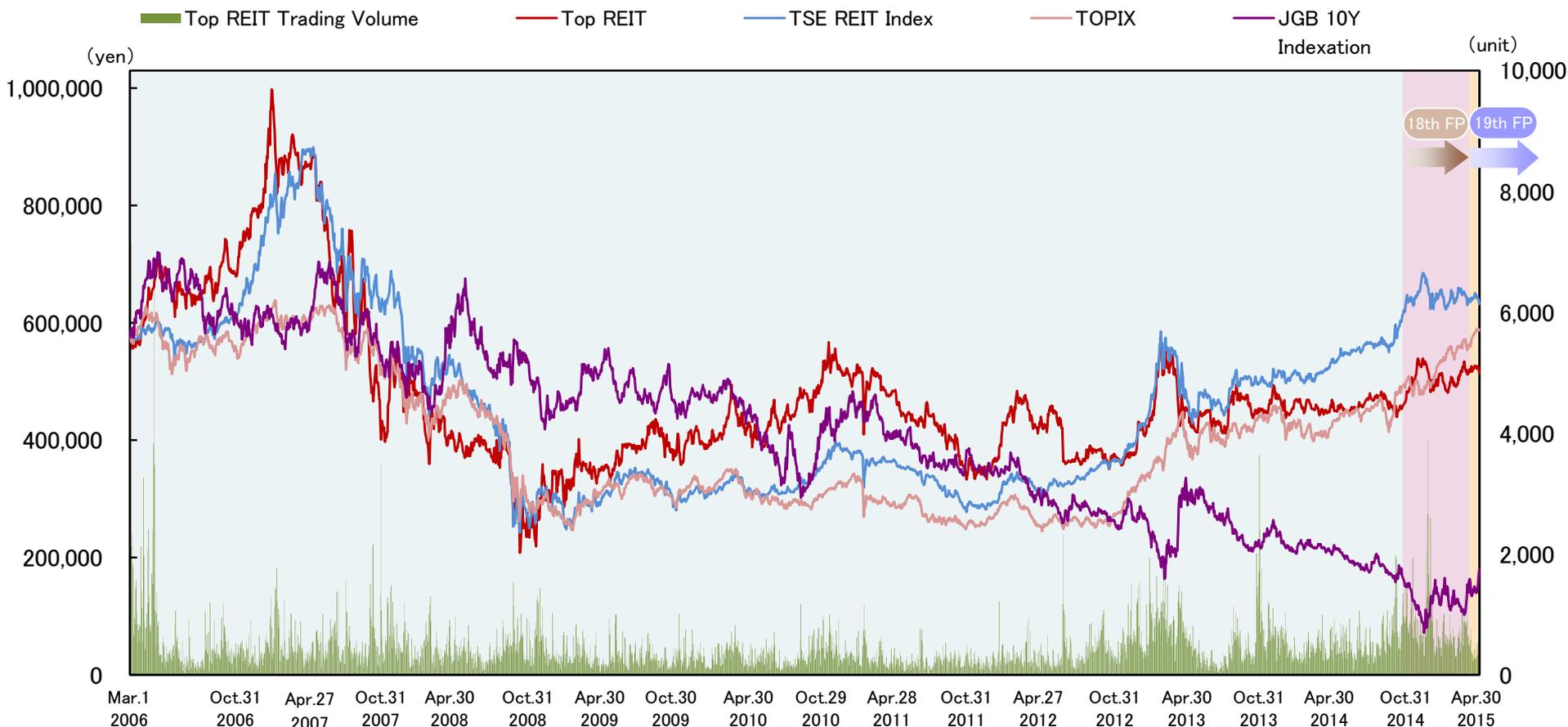


## Number of Units Held by Category (as of the end of each fiscal periods)



(Note) Ratios on this page are rounded to the first decimal place.

# IV-6. Unit Price Performance and Trading Volume [Mar. 1, 2006 – May. 29, 2015]



Unit Price as of the end of 18th Fiscal Period (closing price)	¥516,000 (April 30, 2015)	IPO Price	¥550,000	Mar. 1, 2006
		2nd PO Price	¥438,750	Nov. 26, 2013
		Historical High since IPO (closing price)	¥998,000	Feb. 16, 2007
		Historical Low since IPO (closing price)	¥208,000	Oct. 28, 2008

## V. Appendix : Portfolio Overview

# V-1. Portfolio Map at End of 18th FP



NEC Head Office Building



Fukasawa House Towers H&I



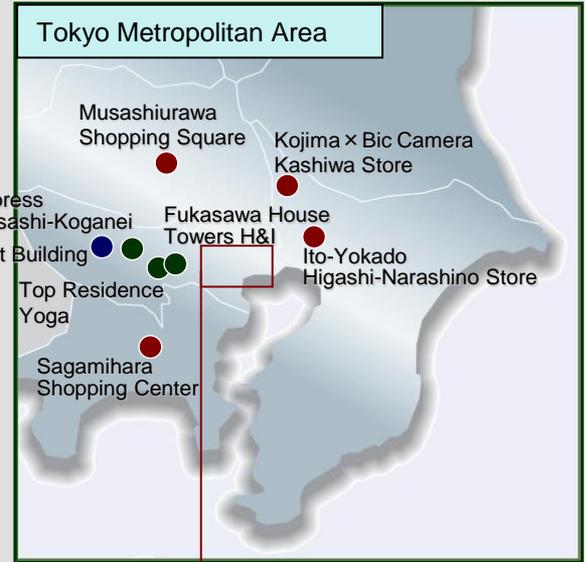
Harumi Island Triton Square Office Tower Y&Z



Ginza Oji Building



Sagami-hara Shopping Center



MEL Building  
(Sendai-shi, Miyagi Pref.)



# V-2. Portfolio Summary at End of 18th FP

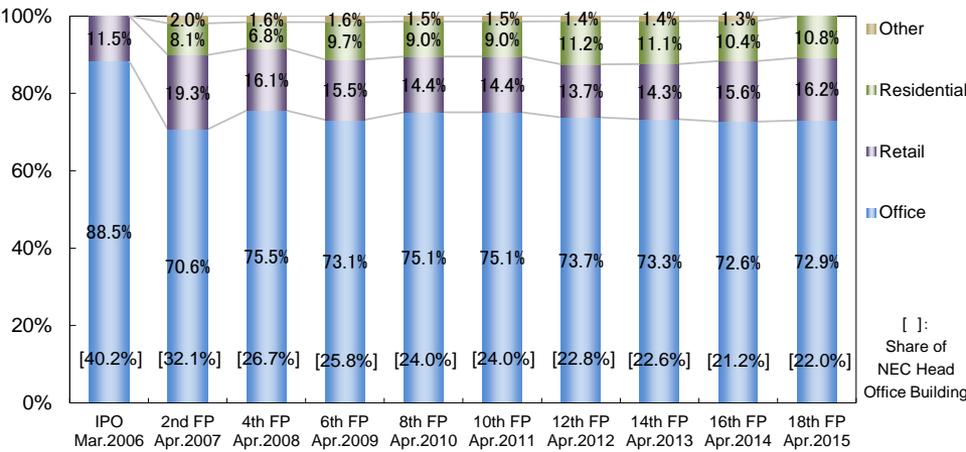
Total Acquisition Price : ¥190.484 bn

Gross Rentable Floor Area : 321,207.26 m<sup>2</sup>

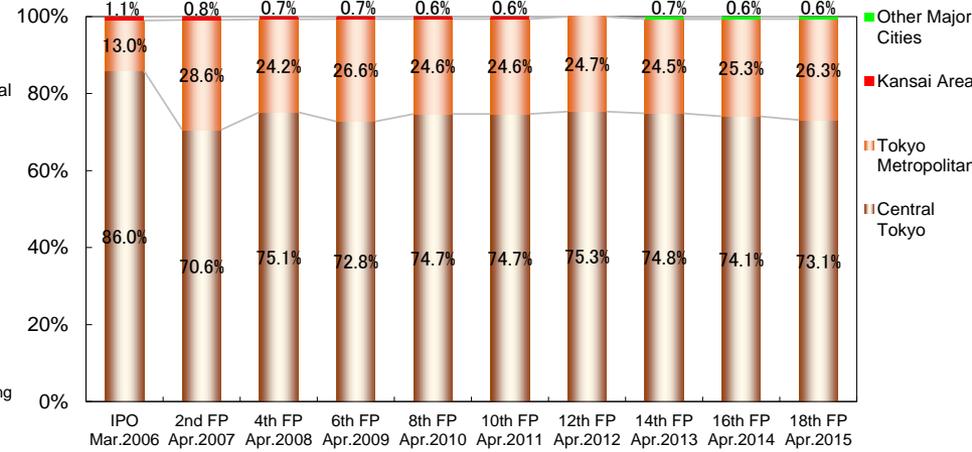
Number of Properties : 20

PML : 2.5%

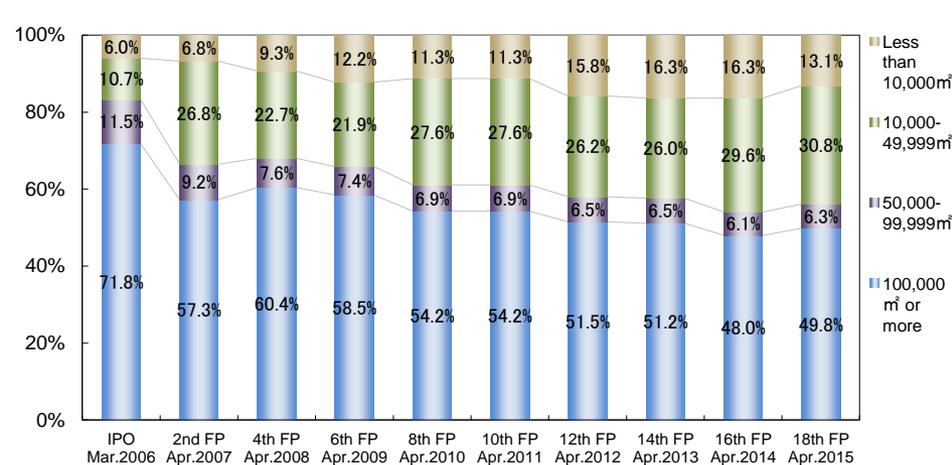
### Asset Class (property type)



### Area

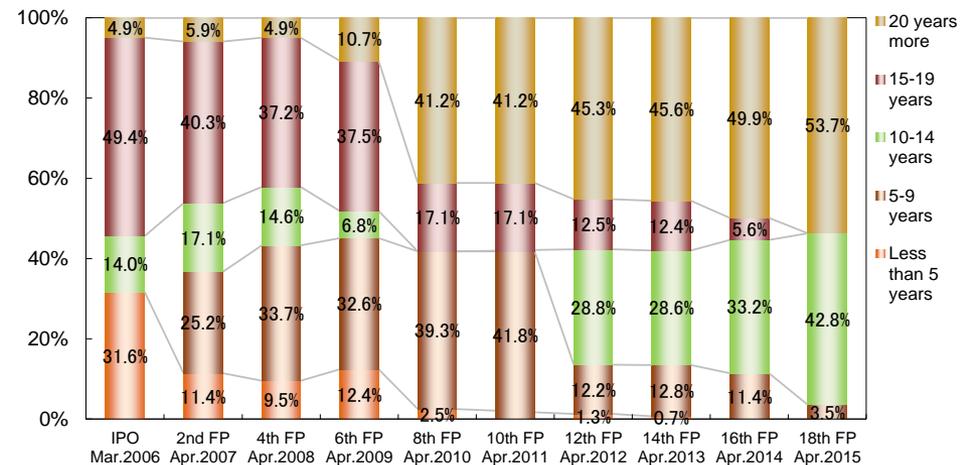


### Asset size (based on total floor space)



### Age of Buildings

Average age as of the end of 18th FP: 19.7 years



(Note1) In the above graphs, percentage figures are calculated based on acquisition price and the average age is calculated based on a weighted average of acquisition price.

# V-3. Portfolio List at End of 18th FP

Asset Class	Area	Property	Address	Acquisition Date	Total Floor Space (m <sup>2</sup> )	Rentable Floor Space (m <sup>2</sup> )	Completion Date	Acquisition Price (million yen)	Portfolio Share (%)	Occupancy Rate (%)	Number of Tenants	PML (%)
Office	Central Tokyo	NEC Head Office Building	Minato-ku, Tokyo	Mar 3, 2006	144,476.05	72,238.03	Jan. 1990	41,950	22.0	100.0	1	1.4
		Harumi Island Triton Square Office Tower Y	Chuo-ku, Tokyo	Mar 1, 2006	267,132.67	23,170.40	Oct. 2001	33,000	17.3	99.8	9	1.2
		Harumi Island Triton Square Office Tower Z	Chuo-ku, Tokyo	Mar 27, 2008	267,132.67	10,914.20	Oct. 2001	20,000	10.5	100.0	1(Note1)	1.5
		Kanda Nishiki-cho 3-chome Building	Chiyoda-ku, Tokyo	Jan 13,2010	12,169.78	7,719.04	Mar.1973	12,700	6.7	76.1	5	7.0
		Akasaka Oji Building	Minato-ku, Tokyo	Mar 1, 2006	10,063.05	7,301.15	Apr. 1989	9,660	5.1	100.0	6	6.4
		Shiba-Koen Building	Minato-ku, Tokyo	Mar 19, 2008 Mar 30, 2015	4,954.74	3,524.17	May. 1991	6,145	3.2	100.0	2(Note2)	9.7
		Shinjuku EAST Building	Shinjuku-ku, Tokyo	Nov 28, 2013	10,704.44	7,523.04	Oct. 2002	5,800	3.0	99.4	4	6.4
		Shinkawa Chuo Building	Chuo-ku, Tokyo	Mar 30, 2012	7,981.27	6,032.24	Jul. 1987	5,610	2.9	100.0	1(Note1)	7.0
		GINZA OJI Building	Chuo-ku, Tokyo	Nov 28, 2013	3,251.03	1,923.37	Jan. 1991	2,000	1.0	100.0	2(Note2)	4.9
	Tokyo Met. Area	Faret East Building	Tachikawa-shi, Tokyo	Mar 1, 2006 Mar 18, 2008	16,206.34	5,850.23	Dec. 1994	2,091	1.1	96.2	1(Note1)	2.8
Subtotal (10 Properties)					—	146,195.87	—	138,956	72.9	98.5	32	—
Retail	Tokyo Met. Area	Sagamihara Shopping Center	Sagamihara-shi, Kanagawa	Mar 1, 2006	56,351.42	61,763.28	Aug. 1993 etc.	12,000	6.3	100.0	2	3.6
		Ito-Yokado Higashi-Narashino Store	Narashino-shi, Chiba	Jun 30, 2006	45,338.37	51,098.42	Oct. 1994	8,900	4.7	100.0	1	8.0
		Kojima × Bic Camera Kashiwa Store	Kashiwa-shi, Chiba	Nov 28, 2013	20,437.36	20,437.36	Sep. 2000	4,500	2.4	100.0	1	5.3
		Musashiurawa Shopping Square	Saitama-shi, Saitama	Mar 19, 2007	28,930.36	14,960.69	Oct. 2005	4,335	2.3	100.0	3	8.5
	Other Major Cities	MEL Building	Sendai-shi, Miyagi	Apr 30, 2013	1,756.32	1,580.70	Jan. 1980	1,210	0.6	90.9	1(Note1)	3.8
Subtotal (5 Properties)					—	149,840.45	—	30,945	16.2	99.9	8	—
Residential	Central Tokyo	Top Residence Nihonbashi Kayabacho	Chuo-ku, Tokyo	Feb 1, 2012	4,540.70	3,455.68	Feb. 2004	2,400	1.3	97.2	1(Note1)	6.6
	Tokyo Met. Area	Fukasawa House Towers H&I	Setagaya-ku, Tokyo	Dec 8, 2006	12,135.36	11,357.44	Jun. 2004	10,635	5.6	92.8	1(Note1)	1.6
		Ecology Toyosu Procentury	Koto-ku, Tokyo	May 30, 2008	9,630.96	6,789.03	Jan. 2005	5,160	2.7	96.0	1(Note1)	10.6
		Impress Musashi-Koganei	Koganei-shi, Tokyo	Aug 12, 2011	2,471.30	2,056.41	Jun. 2008	1,223	0.6	95.3	1(Note1)	6.4
		Top Residence Yoga	Setagaya-ku, Tokyo	Oct 14, 2011	1,894.35	1,512.38	Feb. 2008	1,165	0.6	95.4	1(Note1)	8.6
Subtotal (5 Properties)					—	25,170.94	—	20,583	10.8	94.7	5	—
Total (20 Properties)					—	321,207.26	—	190,484	100.0	98.9	45	2.5

(Note1) An entire property has been rented to master lessee and subleased to each tenant.

(Note2) An entire property has been rented to master lessee and subleased to each tenant excluding one tenant who rented directly from TOP REIT.

# V-4. Operating Income by Property of 18th FP

	NEC Head Office Building	Harumi Island Triton Square Office Tower Y	Harumi Island Triton Square Office Tower Z	Kanda Nishiki-cho 3-chome Building	Akasaka Oji Building	Shiba- Koen Building	Shinjuku East Building	Shinkawa Chuo Building	Kanda Park Plaza	Ginza Oji Building	Faret East Building
Operating period	181days	181days	181days	181days	181days	181days	181days	181days	13days	181days	181days
Total revenue from property leasing	1,439	830			270	88	240	204	10	92	147
Rent revenue — real estate	1,439	830			270	88	240	204	10	92	147
Total expenses from property leasing	210	362			87	31	65	53	12	42	71
Property management expenses	1	167			24	9	20	14	1	8	36
Utilities expenses	-	93			19	9	22	19	1	4	21
Taxes and dues	205	89			38	9	20	13	9	11	11
Non-life insurance expenses	1	2			0	0	0	0	0	0	0
Repair expenses	0	7			3	3	1	4	-	1	0
Other	1	2			1	0	0	0	0	16	1
NOI	1,229	468	211	149	183	56	175	151	(1)	50	75
[NOI yield]	(5.9%)	(2.8%)	(2.1%)	(2.3%)	(3.8%)	(1.8%)	(6.0%)	(5.4%)	-	(5.0%)	(7.2%)
Depreciation and amortization	247	250	121	34	34	17	57	36	2	7	21
Operating income	981	218	89	114	148	38	117	114	(3)	43	53
Capital expenditures	284	19	7	23	15	1	-	9	-	4	0

	Sagamihara Shopping Center	Ito-Yokado Higashi-Narashino Store	Kojima × Bic Camera Kashiwa Store	Musashi urawa Shopping Square	MEL Building	Top Residence Nihonbashi Kayabacho	Fukasawa House Towers H&I	Ecology Toyosu Procentury	Impress Musashi-Koganei	Top Residence Yoga	OAK PLAZA
Operating period	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	13days
Total revenue from property leasing	332	177		126	56	89	238	166	44	38	6
Rent revenue — real estate	332	177		126	54	86	225	157	41	36	6
Total expenses from property leasing	60	44		19	12	19	60	40	12	7	11
Property management expenses	2	1		1	2	8	32	20	5	3	0
Utilities expenses	-	-		-	5	1	0	1	0	0	-
Taxes and dues	52	27		14	3	4	15	8	2	2	9
Non-life insurance expenses	0	0		0	0	0	0	0	0	0	0
Repair expenses	3	13		1	0	4	9	8	3	0	1
Other	2	0		1	0	0	2	1	0	0	0
NOI	272	133	133	107	44	70	177	126	31	30	(5)
[NOI yield]	(4.5%)	(3.0%)	(5.9%)	(5.0%)	(7.3%)	(5.8%)	(3.3%)	(4.9%)	(5.2%)	(5.3%)	-
Depreciation and amortization	56	67	16	41	7	26	62	44	17	11	2
Operating income	215	65	117	66	36	43	115	82	14	19	(7)
Capital expenditures	42	30	-	0	-	0	0	0	-	0	-

(million yen)

**【NEC Head Office Building】**

- Renewal of
- Monitoring device
  - Cooling machine
  - Gondola
  - Air conditioning facility, etc.

**【Kanda Nishiki-cho 3-chome Building】**

- Floor partition
- Security device
- Smoke control system, etc.

**【Sagamihara Shopping Center】**

- Renewal of
- Fire-prevention monitoring equipment
  - Air conditioning facility

**【Ito-Yokado Higashi-Narashino Store】**

- Renewal of
- Electrical locking system
  - Monitoring device
  - Air fan, etc.

(Note) Some figures for Harumi Island Triton Square Office Tower Z, Kanda Nisiki-cho 3-chome Building and Kojima × Bic Camera Kashiwa Store are not disclosed due to request by the tenants.

# V-5-(1). Property Details: Office Buildings



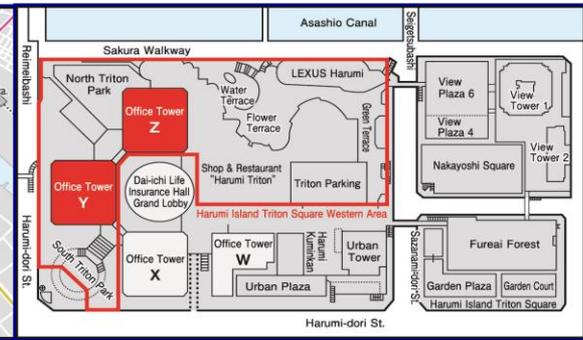
Property	NEC Head Office Building
Address	Shiba, Minato-ku, Tokyo
Floor Area	144,476.05 m <sup>2</sup>
Completion	January 1990
Title	Co-ownership (50%)
Acquisition Price	41.95 billion yen



Property	Harumi Island Triton Square Office Tower Y
Address	Harumi, Chuo-ku, Tokyo
Floor Area	267,132.67 m <sup>2</sup>
Completion	October 2001
Title	Co-ownership (3 <sup>rd</sup> – 15 <sup>th</sup> floors)
Acquisition Price	33.00 billion yen



Property	Harumi Island Triton Square Office Tower Z
Address	Harumi, Chuo-ku, Tokyo
Floor Area	267,132.67 m <sup>2</sup>
Completion	October 2001
Title	Co-ownership (a part of the 17 <sup>th</sup> floor and 18 <sup>th</sup> – 22 <sup>nd</sup> floors)
Acquisition Price	20.00 billion yen



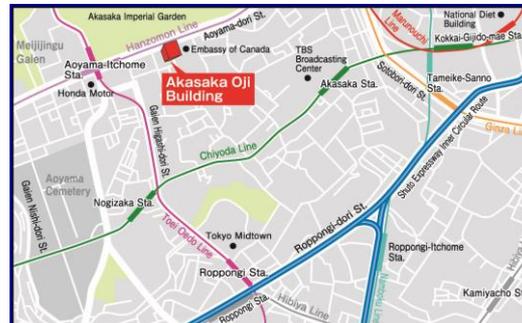
# V-5-(2). Property Details: Office Buildings



Property	Kanda Nishiki-cho 3-chome Building
Address	Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Floor Area	12,169.78 m <sup>2</sup>
Completion	March 1973 (large-scale renovation undertaken in November 2001 and earthquake-resistant reinforcement construction implemented in October 2009)
Title	Ownership
Acquisition Price	12.70 billion yen



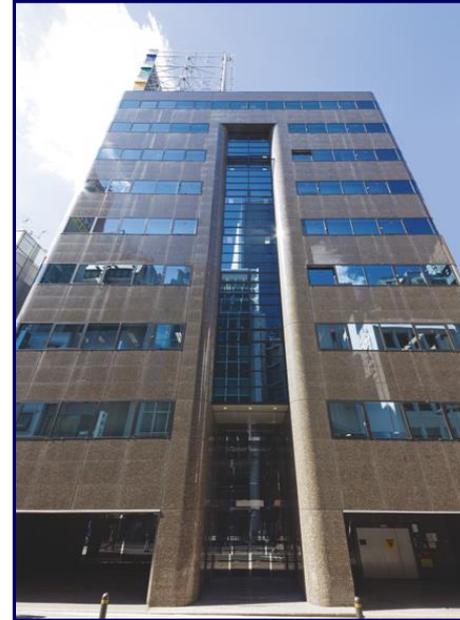
Property	Akasaka Oji Building
Address	Akasaka, Minato-ku, Tokyo
Floor Area	10,063.05 m <sup>2</sup>
Completion	April 1989
Title	Ownership
Acquisition Price	9.66 billion yen



Property	Shiba-Koen Building
Address	Shiba, Minato-ku, Tokyo
Floor Area	4,954.74 m <sup>2</sup>
Completion	May 1991
Title	Ownership
Acquisition Price	6.145 billion yen



# V-5-(3). Property Details: Office Buildings

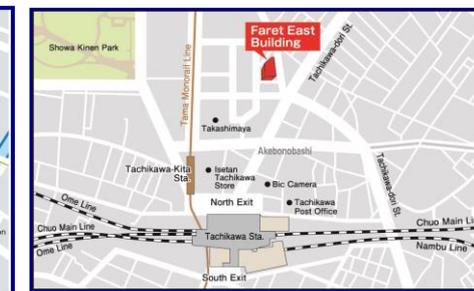


Property	Shinjuku EAST Building
Address	Tomihisa-cho, shinjuku-ku, Tokyo
Floor Area	10,704.44 m <sup>2</sup>
Completion	October 2002
Title	Ownership
Acquisition Price	5.80 billion yen

Property	Shinkawa Chuo Building
Address	Shinkawa, Chuo-ku, Tokyo
Floor Area	7,981.27 m <sup>2</sup>
Completion	July 1987
Title	Ownership
Acquisition Price	5.61 billion yen

Property	Ginza Oji Building
Address	Ginza, Chuo-ku, Tokyo
Floor Area	3,251.03 m <sup>2</sup>
Completion	January 1991
Title	Ownership (leasehold interest for part of the land)
Acquisition Price	2.00 billion yen

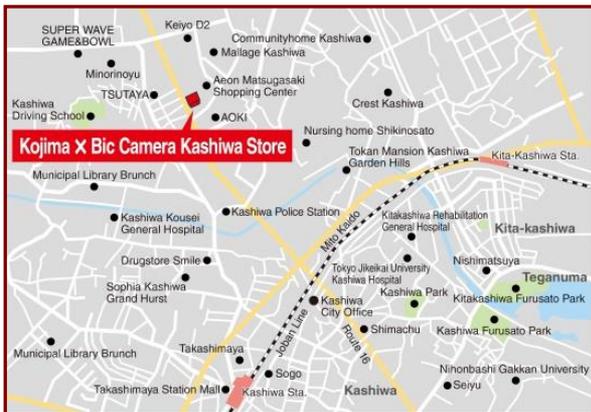
Property	Faret East Building
Address	Akebonocho, Tachikawa-shi, Tokyo
Floor Area	16,206.34 m <sup>2</sup>
Completion	December 1994
Title	Co-ownership (2 <sup>nd</sup> – 5 <sup>th</sup> and a part of the 6 <sup>th</sup> and 8 <sup>th</sup> floors)
Acquisition Price	2.091 billion yen



# V-5-(4). Property Details: Retail Properties



Property	Sagami-hara Shopping Center
Address	Kobuchi, Minami-ku Sagami-hara-shi, Kanagawa
Floor Area	56,351.42 m <sup>2</sup>
Completion	August 1993
Title	Ownership
Acquisition Price	12.00 billion yen



Property	Kojima x Bic Camera Kashiwa Store
Address	Oyamadai, Kashiwa-shi, Chiba
Floor Area	Building A: 10,090.80 m <sup>2</sup> Building B: 10,346.56 m <sup>2</sup>
Completion	September 2000
Title	Ownership
Acquisition Price	4.50 billion yen



# V-5-(5). Property Details: Retail Properties



Property	Ito-Yokado Higashi-Narashino Store
Address	Higashinarashino, Narashino-shi, Chiba
Floor Area	45,338.37 m <sup>2</sup>
Completion	October 1994
Title	Ownership
Acquisition Price	8.90 billion yen



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



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



# V-5-(6). Property Details: Residential



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



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

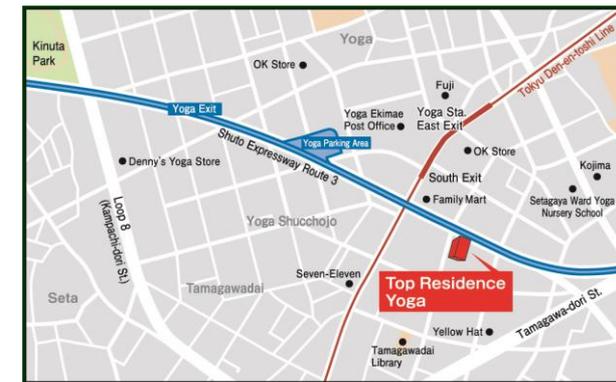
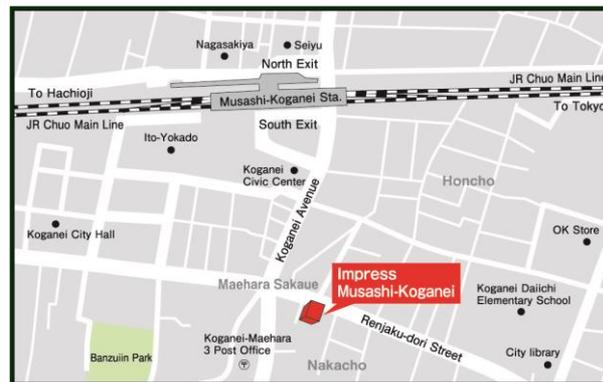
# V-5-(7). Property Details: Residential



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

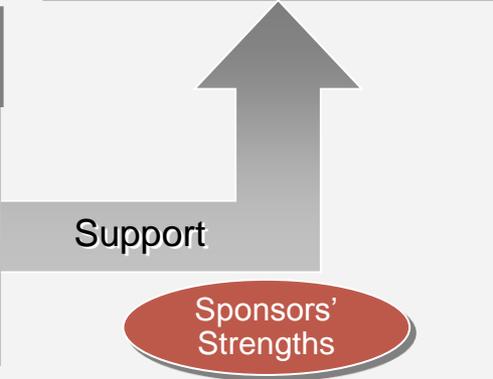
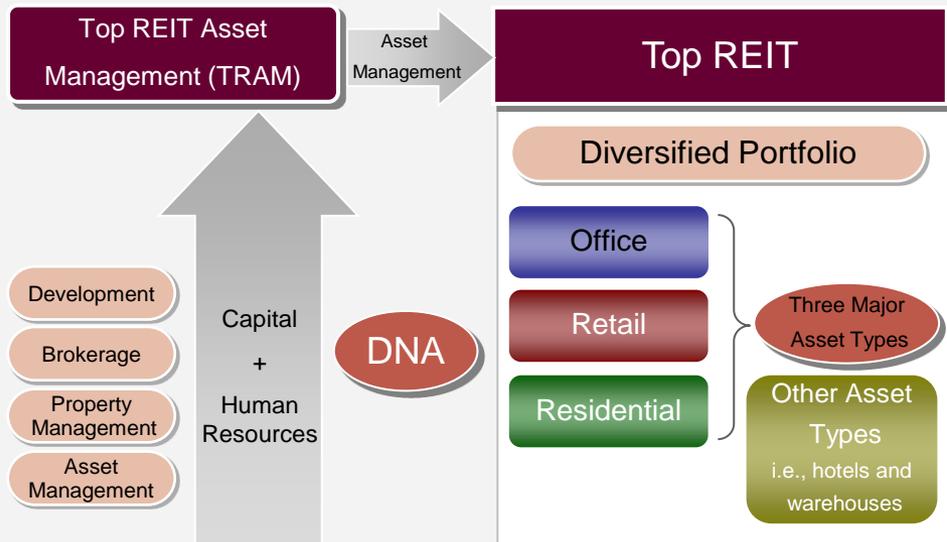
Property	Impress Musashi-Koganei
Address	Nakamachi, Koganei-shi, Tokyo
Floor Area	2,471.30 m <sup>2</sup>
Completion	June 2008
Title	Ownership
Acquisition Price	1.2234 billion yen

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



## **VI. Appendix : Management Structure of Top REIT**

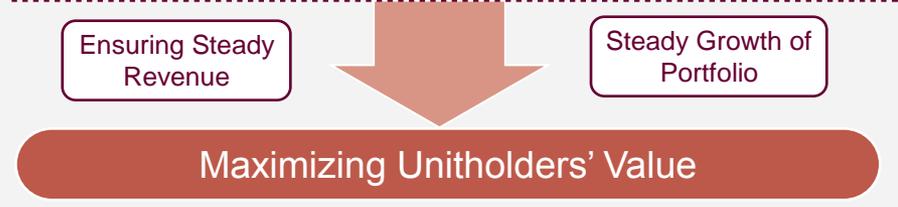
# VI-1. Characteristics and Operational Strategies of Top REIT



**Inheriting Sponsors' DNA**

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

- 1. Skilled Management of a Diversified Portfolio**
  - (1) Pursue both external growth and quality of portfolio assets
  - (2) Pursue "stability" and "growth potential" of profitability by utilizing characteristic of diversified assets
  - (3) Strategic application of commissioned reports from a think tank
- 2. Maximum Use of Sponsor Strengths**
  - (1) Steady external growth through pipeline function
  - (2) Agile acquisition of properties utilizing warehousing function
  - (3) Achieving internal growth through "management-added benefits"



**Utilizing Sponsors' Strengths**

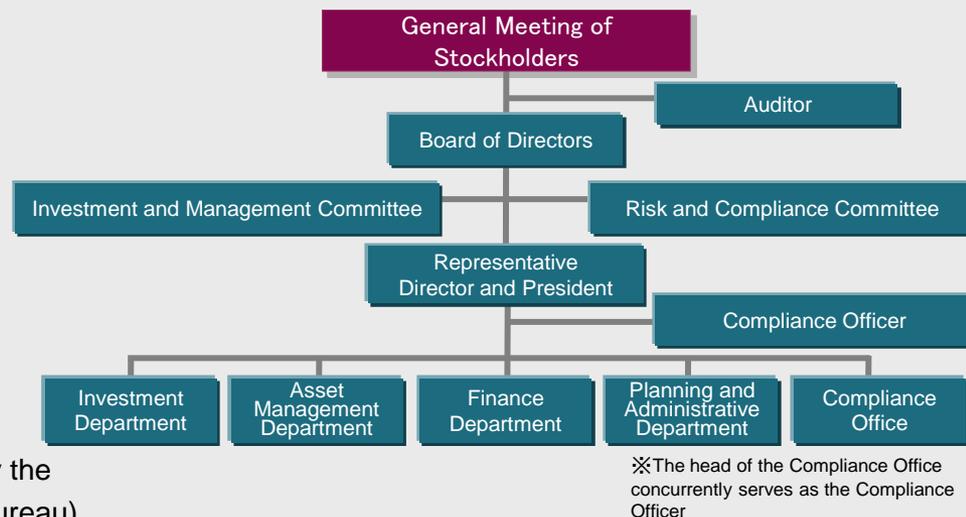
- Sponsor skills shall be utilized to achieve steady growth by applying their real estate development abilities, brokerage networks and management skills, including leasing activities that utilize the leasing demand from sponsors' groups/clients.

Number of group companies (as of Mar. 31, 2015)

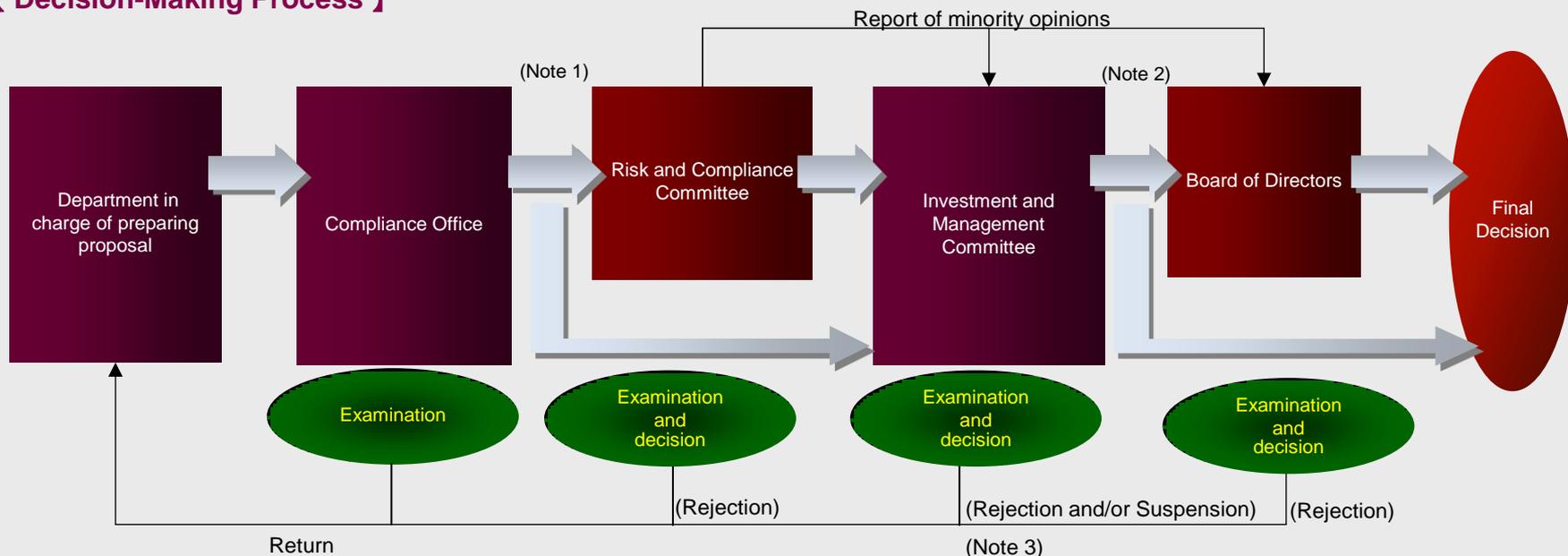
Sumitomo Mitsui Trust Holdings Group	91
Oji Holdings Corporation Group	366

# VI-2-(1). Overview of Asset Manager

<b>Name</b>	Top REIT Asset Management Co., Ltd.
<b>Address</b>	1-3-7 Yaesu, Chuo Ward, Tokyo
<b>Established</b>	Oct. 22, 2004
<b>Paid-in Capital</b>	¥300mn
<b>Shareholders</b>	Sumitomo Mitsui Trust Bank, Limited. 69% Oji Real Estate Co., Ltd. 31%
<b>Business Description</b>	Investment management business (Registered Financial Instruments Business Operator No. 365 (Kinsho), issued by the Director-General of the Kanto Local Finance Bureau)
<b>Directors</b>	President and Representative Director: Tatsuya Chiba
<b>Milestones</b>	<p>Dec. 10, 2004: Top REIT Asset Management (TRAM) obtained a license as a real estate agent (The Governor of Tokyo No. (1) 83904)</p> <p>May 10, 2005: TRAM obtained approval for a discretionary agent license for real estate transactions (The Minister of Land, Infrastructure and Transport No. 35)</p> <p>June 28, 2005: TRAM obtained approval as an asset manager for an investment corporation (The Prime Minister No. 47)</p> <p>Nov. 2, 2005: TRAM entered into an Asset Management Agreement with Top REIT, Inc.</p> <p>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</p> <p>Nov. 27, 2007: TRAM formally submitted applications to register as Financial Instruments Business Operator (Investment Management Business)</p> <p>Dec. 10, 2009: TRAM renewed a license as a real estate agent (The Governor of Tokyo No. (2) 83904)</p> <p>Dec. 10, 2014: TRAM renewed a license as a real estate agent (The Governor of Tokyo No. (3) 83904)</p>



## 【 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 (Of the transactions with interested parties, certain transactions designated by laws and regulations are subject to final decisions by the Board of Directors of Top REIT.)
- **Forward commitment transactions**
- **Capital raising plans (final decisions on raising capital shall be made by the Board of Directors of Top REIT.)**

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

## IR Contact

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Investor Relations

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

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**TOP VIEW**

