

June 14, 2011

## Summary of Earnings Results for the Tenth Fiscal Period (From November 1, 2010 to April 30, 2011)

Top REIT, Inc. (listed on the Tokyo Stock Exchange with securities code 8982) hereby announces its earnings results for the fiscal period ended April 30, 2011 (tenth fiscal period).

### 1. Earnings Results for the Tenth Fiscal Period

Tenth Fiscal Period: From November 1, 2010 to April 30, 2011

Ninth Fiscal Period: From May 1, 2010 to October 31, 2010

#### (1) Business Results

|                     | Operating Revenue | Period-on-Period Change | Operating Income | Period-on-Period Change | Ordinary Income | Period-on-Period Change |
|---------------------|-------------------|-------------------------|------------------|-------------------------|-----------------|-------------------------|
| Tenth Fiscal Period | ¥5,967mn          | (1.5%)                  | ¥2,971mn         | (1.6%)                  | ¥2,194mn        | (0.5%)                  |
| Ninth Fiscal Period | ¥6,060mn          | 4.2%                    | ¥3,019mn         | 6.0%                    | ¥2,204mn        | 5.4%                    |

|                     | Net Income | Period-on-Period Change | Net Income per Unit | Ratio of Net Income to Unitholders' Equity | Ratio of Ordinary Income to Total Assets | Ratio of Ordinary Income to Operating Revenue |
|---------------------|------------|-------------------------|---------------------|--|--|---|
| Tenth Fiscal Period | ¥2,157mn   | (2.1%)                  | ¥13,922             | 2.6%                                       | 1.2%                                     | 36.8%   |
| Ninth Fiscal Period | ¥2,204mn   | 5.5%                    | ¥14,220             | 2.6%                                       | 1.2%                                     | 36.4%   |

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

#### (2) Dividends

|                     | Dividend per Unit<br>(excluding dividend in excess of earnings) | Total Amount of Dividends | Dividend in Excess of Earnings per Unit | Total Amount of Dividends in Excess of Earnings | Dividend Payout Ratio | Ratio of Dividends to Net Assets |
|---------------------|---|---------------------------|---|---|-----------------------|----------------------------------|
| Tenth Fiscal Period | ¥13,922   | ¥2,157mn                  | ¥0                                      | ¥-mn  | 100.0%                | 2.6%                             |
| Ninth Fiscal Period | ¥14,220   | ¥2,204mn                  | ¥0                                      | ¥-mn  | 100.0%                | 2.6%                             |

#### (3) Financial Position

|                     | Total Assets | Net Assets | Ratio of Unitholders' Equity to Total Assets | Net Assets per Unit |
|---------------------|--------------|------------|--|---------------------|
| Tenth Fiscal Period | ¥186,336mn   | ¥84,418mn  | 45.3%  | ¥544,632            |
| Ninth Fiscal Period | ¥186,459mn   | ¥84,438mn  | 45.3%  | ¥544,768            |

(Note) Net assets per unit is rounded to the nearest yen.

#### (4) Cash Flows

|                     | Net Cash Provided by (Used in) Operating Activities | Net Cash Provided by (Used in) Investing Activities | Net Cash Provided by (Used in) Financing Activities | Cash and Cash Equivalents at End of Period |
|---------------------|---|---|---|--|
| Tenth Fiscal Period | ¥3,026mn  | (¥318mn)  | (¥2,271mn)  | ¥12,448mn                                  |
| Ninth Fiscal Period | ¥3,481mn  | (¥141mn)  | (¥2,213mn)  | ¥12,013mn                                  |

## 2. Forecast of Earnings Results for the Eleventh Fiscal Period

Eleventh Fiscal Period: From May 1, 2011 to October 31, 2011

|                        | Operating Revenue | Period-on-Period Change | Operating Income | Period-on-Period Change | Ordinary Income | Period-on-Period Change |
|------------------------|-------------------|-------------------------|------------------|-------------------------|-----------------|-------------------------|
| Eleventh Fiscal Period | ¥5,806mn          | (2.7%)                  | ¥2,752mn         | (7.4%)                  | ¥1,954mn        | (11.0%)                 |

|                        | Net Income | Period-on-Period Change | Dividend per Unit<br>(excluding dividend in excess of earnings) | Dividend in Excess of Earnings per Unit |
|------------------------|------------|-------------------------|---|---|
| Eleventh Fiscal Period | ¥1,953mn   | (9.5%)                  | ¥12,600   | ¥0                                      |

(Note) Estimated net income per unit for the tenth fiscal period: ¥12,600

#### \*Explanation on the Appropriate Use of Earnings Results Forecasts, and Other Matters of Special Note

The earnings results forecasts and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by Top REIT.

Accordingly, the actual results may differ materially due to a variety of factors. Moreover, the forecasts should not be construed as a guarantee of the dividend amount.

## 3. Others

### (1) Changes in Accounting Policies

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

### (2) Number of Investment Units Issued and Outstanding

- Number of investment units (including own investment units) issued and outstanding at end of fiscal period  
Tenth Fiscal Period: 155,000 units  
Ninth Fiscal Period: 155,000 units
- Number of own investment units issued and outstanding at end of fiscal period  
Tenth Fiscal Period: 0 units  
Ninth Fiscal Period: 0 units

This summary of earnings results is translated from the Japanese “Kessan Tanshin” report, dated June 14, 2011, which is prepared in accordance with generally accepted accounting principles in Japan and Japanese law.

Unless otherwise stated, fractions less than the specified unit are rounded down to the nearest specified unit for monetary amounts and rounded to the nearest specified unit for percentage figures.

## **4. Asset Management Performance**

### **(1) Acquisition and Selling of Assets**

Top REIT began the tenth fiscal period with 15 properties (total acquisition value: ¥175,047 million), and investigated possible acquisition of properties based on information collected and carefully selected with a focus on office buildings located in central Tokyo through the “optimal application of sponsors’ strengths.” However, from the turmoil and the growing sense of opaqueness in the economic situation and the real estate market environment due to the impact of the Great East Japan Earthquake, etc., Top REIT decided to suspend acquisitions while it assesses the ensuing impact of the Earthquake, etc. on the economic situation and the real estate market environment. As a result, the number of properties owned by Top REIT remained unchanged from the ninth fiscal period at 15 properties (total acquisition value: ¥175,047 million) as of the end of the tenth fiscal period.

### **(2) Management and Maintenance of Portfolio Assets**

The basic asset management strategy of Top REIT centers on sustaining and increasing revenue over the medium to long term by maintaining and improving tenant satisfaction (the “Tenants First” policy) and keeping operational management costs at an appropriate level.

Top REIT strived to improve tenant satisfaction by sustaining relationships of trust with tenants and discerning tenant needs via property management companies in order to maintain high occupancy rates. Moreover, solicitation of new tenants and other efforts were appropriately made. As a result of such undertakings, the occupancy rate of Top REIT’s entire portfolio at the end of the tenth fiscal period was 99.7%.

Regarding maintenance, Top REIT followed up on ensuring an appropriate perception of the operational management conditions and steady implementation of asset management plans for each property. Top REIT also carried out repair work that contributes to enhancing the competitiveness of properties and maintaining and improving the functionality of properties based on asset management plans, took steps to keep relevant costs at an appropriate level, as well as conducted efficient management of resources.

## **5. Procurement of Funds**

Top REIT procures funds by adopting a financial policy that is based on stable financial management. Of the total borrowings, a total of ¥23,400 million in loans became due for repayment during the tenth fiscal period, Top REIT implemented refinancing of these loans, as described below, in an effort to increase the ratio of long-term loans payable, extend the periods remaining until repayment dates of interest-bearing liabilities, and hedge the risk of interest rate fluctuations by fixing interest rates.

First, Top REIT refinanced ¥6,700 million in short-term loans payable, which matured on February 28, 2011, by borrowing short-term loans payable as of the same date (repayment date: February 29, 2012). Later, as of March 31, 2011, the loan was refinanced with long-term loans payable (repayment date: February 29, 2016). In addition, Top REIT refinanced the ¥16,700 million in long-term loans payable, which became due on March 3, 2011 by borrowing long-term loans payable (repayment date: February 29, 2016) as of the same date, and fixed the interest rate through an interest rate swap deal.

As a result, at the end of the tenth fiscal period, the total amount of interest-bearing liabilities stands at ¥94,105 million and the ratio of interest-bearing liabilities to total assets at 50.5%. Of the total amount of interest-bearing liabilities, 52.7% are interest-bearing liabilities with fixed interest rates and 100.0% are long-term interest-bearing liabilities (including the current portion).

The credit ratings of Top REIT as of April 30, 2011 are as follows:

| Rating Agency                                 | Issuer Rating [Outlook] |
|---|-------------------------|
| Moody's Japan K.K. (Moody's)                  | A3 [Negative]           |
| Rating and Investment Information, Inc. (R&I) | AA- [Stable]            |

**[Reference Information]**

Top REIT decided at its Board of Directors meeting held on May 23, 2011 to convene the fourth General Meeting of Unitholders, scheduled for July 26, 2011.

**6. Outlook for the Eleventh and Twelfth Fiscal Periods**

The earnings results forecasts for the eleventh fiscal period (from May 1, 2011 to October 31, 2011) and the twelfth fiscal period (from November 1, 2011 to April 30, 2012) are as follows:

| Fiscal Period<br>[period of asset management]                   | Eleventh Fiscal Period<br>[184 days] | Twelfth Fiscal Period<br>[182 days] |
|---|--------------------------------------|-------------------------------------|
| Operating Revenue   | ¥5,806mn                             | ¥5,320mn                            |
| Ordinary Income   | ¥1,954mn                             | ¥1,721mn                            |
| Net Income  | ¥1,953mn                             | ¥1,720mn                            |
| Dividend per Unit<br>(excluding dividend in excess of earnings) | ¥12,600                              | ¥11,100                             |
| Dividend in Excess of Earnings per Unit                         | ¥0                                   | ¥0                                  |

(Note) The earnings results forecasts presented above are the current estimated figures calculated based on certain assumptions. Accordingly, the actual operating revenue, ordinary income, net income, dividend per unit and dividend in excess of earnings per unit may vary due to changes in the circumstances. Moreover, the forecasts should not be construed as a guarantee of the dividend amount.

**Preconditions for Forecast of Earnings Results for the Eleventh Fiscal Period (from May 1, 2011 to October 31, 2011) and the Twelfth Fiscal Period (from November 1, 2011 to April 30, 2012)**

| Item  | Preconditions and Assumptions   |
|---|---|
| Management Period                                 | <ul style="list-style-type: none"> <li>• Eleventh fiscal period: May 1, 2011 – October 31, 2011 (184 days)</li> <li>• Twelfth fiscal period: November 1, 2011 – April 30, 2012 (182 days)</li> </ul>  |
| Portfolio Assets                                  | <ul style="list-style-type: none"> <li>• The forecast is based on the 15 properties Top REIT owns as of June 14, 2011. The actual circumstances may change due to the acquisition or disposal of properties and other factors.</li> <li>• Top REIT does not have any forward commitments, etc. indicated in the supervision guidelines of the Financial Services Agency (FSA) as of June 14, 2011.</li> </ul>   |
| Number of Investment Units Issued and Outstanding | <ul style="list-style-type: none"> <li>• The number of investment units issued and outstanding is based on the number as of April 30, 2011, which is 155,000 units, and assumes that no issuance of new investment units will be made through to April 30, 2012.</li> </ul>   |
| Interest-Bearing Liabilities                      | <ul style="list-style-type: none"> <li>• It is assumed that the total amount of interest-bearing liabilities will be ¥94,105 million, which is the amount as of April 30, 2011.</li> <li>• For the eleventh fiscal period, it is assumed that ¥67.5 million in long-term loans payable will be repaid on June 30, 2011 as agreed upon.</li> <li>• For the twelfth fiscal period, it is assumed that ¥67.5 million in long-term loans payable will be repaid on December 30, 2011 as agreed upon. Moreover, it is assumed that the ¥19,040 million loans payable due for repayment on November 30, 2011 will be fully refinanced.</li> </ul>   |
| Operating Revenue                                 | <ul style="list-style-type: none"> <li>• For real estate rent revenue for existing properties, Top REIT takes into consideration execution of new agreements, early termination of agreements, etc. that have been finalized as of June 14, 2011, along with current real estate leasing market conditions, and also takes into account factors that may cause fluctuations in such aspects as risks of reductions in revenue due to decreased amounts of rent of tenants when they reach their rent revision period hereafter.</li> <li>• It is assumed that the amount of ¥142 million will be accrued in the eleventh fiscal period as income equivalent to expenses for restoring the property to its original state in accordance with the relocation of a major tenant from Akasaka Oji Building.</li> </ul>  |
| Operating Expenses                                | <ul style="list-style-type: none"> <li>• Top REIT adopts a method treating property, city planning and depreciable asset taxes, etc. on real estate, etc. it owns, as expenses related to the rent business in the amount corresponding to the management period out of the assessed and determined taxation amount.</li> <li>• It is assumed that the amount of property tax, etc. will be ¥611 million for the eleventh fiscal period and ¥611 million for the twelfth fiscal period.</li> <li>• It is assumed that depreciation and amortization will be ¥1,050 million for the eleventh fiscal period and ¥1,029 million for the twelfth fiscal period.</li> <li>• Repair expenses for buildings, etc. may vary greatly from the forecasted amount due to various reasons. For example, emergency repair expenses may possibly arise due to unexpected factors causing building damage, etc. Another reason is that repair expenses are expenses that do not accrue periodically and, rather, the variation in the amount is large depending on the fiscal period.</li> <li>• It is assumed that the amount of ¥142 million will accrue in the eleventh fiscal period as expenses for restoring the property to its original state in accordance with the relocation of a major tenant from Akasaka Oji Building.</li> <li>• Management operation fees are assumed by reflecting historical data, among other factors.</li> </ul> |
| Non-Operating Expenses                            | <ul style="list-style-type: none"> <li>• It is assumed that non-operating expenses for the eleventh fiscal period will be ¥801 million, of which interest on loans and interest expenses on investment corporation bonds (including related expenses) will be ¥798 million.</li> </ul>  |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>• It is assumed that non-operating expenses for the twelfth fiscal period will be ¥746 million, of which interest on loans and interest expenses on investment corporation bonds (including related expenses) will be ¥740 million.</li> </ul>   |
| Dividend per Unit                       | <ul style="list-style-type: none"> <li>• Dividends (dividend per unit) are calculated based on the dividend policy stipulated in Top REIT's Articles of Incorporation.</li> </ul>   |
| Dividend in Excess of Earnings per Unit | <ul style="list-style-type: none"> <li>• Top REIT does not currently anticipate dividends in excess of earnings (dividend in excess of earnings per unit).</li> </ul>   |
| Other                                   | <ul style="list-style-type: none"> <li>• It is assumed that there will be no changes in legislation, taxation, accounting standards, Tokyo Stock Exchange's listing regulations, rules and requirements imposed by The Investment Trusts Association, Japan that would impact the aforementioned forecasts.</li> <li>• It is assumed that there will be no unpredictable material changes in general economic trends and real estate market conditions, etc.</li> </ul> |

## 7. Financial Statements

### (1) Balance Sheets

(Unit: thousand yen)

|   | Ninth Fiscal Period<br>(as of October 31, 2010) | Tenth Fiscal Period<br>(as of April 30, 2011) |
|---|---|---|
| <b>Assets</b>                               |   |   |
| Current assets                              |   |   |
| Cash and deposits                           | 7,343,741                                       | 8,244,212                                     |
| Cash and deposits in trust                  | 4,769,415                                       | 4,204,759                                     |
| Operating accounts receivable               | 42,947  | 28,260  |
| Prepaid expenses                            | 250,570   | 259,065                                       |
| Deferred tax assets                         | 16,379  | 18  |
| Income taxes receivable                     | 511   | 267   |
| Other                                       | 2,859   | 2,333   |
| Total current assets                        | 12,426,425                                      | 12,738,917                                    |
| Noncurrent assets                           |   |   |
| Property, plant and equipment               |   |   |
| Buildings                                   | 1,116,573                                       | 1,116,573                                     |
| Accumulated depreciation                    | (110,360)                                       | (129,310)                                     |
| Buildings, net                              | 1,006,212                                       | 987,262                                       |
| Structures                                  | 4,452   | 4,452   |
| Accumulated depreciation                    | (2,283)   | (2,596)                                       |
| Structures, net                             | 2,168   | 1,855   |
| Machinery and equipment                     | 11,436  | 11,436  |
| Accumulated depreciation                    | (8,116)   | (9,210)                                       |
| Machinery and equipment, net                | 3,320   | 2,226   |
| Tools, furniture and fixtures               | 1,004   | 1,370   |
| Accumulated depreciation                    | (448)   | (560)   |
| Tools, furniture and fixtures, net          | 555   | 810   |
| Land  | 4,888,525                                       | 4,888,525                                     |
| Buildings in trust                          | 57,717,230                                      | 58,107,314                                    |
| Accumulated depreciation                    | (8,942,395)                                     | (9,962,605)                                   |
| Buildings in trust, net                     | 48,774,834                                      | 48,144,709                                    |
| Structures in trust                         | 657,339   | 680,914                                       |
| Accumulated depreciation                    | (179,227)                                       | (199,312)                                     |
| Structures in trust, net                    | 478,112   | 481,601                                       |
| Machinery and equipment in trust            | 212,861   | 212,861                                       |
| Accumulated depreciation                    | (71,141)  | (81,959)                                      |
| Machinery and equipment in trust, net       | 141,720   | 130,902                                       |
| Tools, furniture and fixtures in trust      | 156,580   | 204,392                                       |
| Accumulated depreciation                    | (67,501)  | (81,894)                                      |
| Tools, furniture and fixtures in trust, net | 89,079  | 122,498                                       |
| Land in trust                               | 118,234,009                                     | 118,234,009                                   |
| Total property, plant and equipment         | 173,618,539                                     | 172,994,401                                   |
| Intangible assets                           |   |   |
| Other                                       | 212   | 191   |
| Total intangible assets                     | 212   | 191   |
| Investments and other assets                |   |   |
| Lease and guarantee deposits                | 10,000  | 10,000  |
| Long-term prepaid expenses                  | 198,549   | 389,548                                       |
| Other                                       | 154,660   | 157,734                                       |
| Total investments and other assets          | 363,210   | 557,282                                       |
| Total noncurrent assets                     | 173,981,962                                     | 173,551,875                                   |
| Deferred assets                             |   |   |
| Investment corporation bond issuance costs  | 51,444  | 45,932  |
| Total deferred assets                       | 51,444  | 45,932  |
| Total assets                                | 186,459,832                                     | 186,336,725                                   |

(Unit: thousand yen)

|  | Ninth Fiscal Period<br>(as of October 31, 2010) | Tenth Fiscal Period<br>(as of April 30, 2011) |
|--|---|---|
| <b>Liabilities</b>                                 |   |   |
| Current liabilities                                |   |   |
| Operating accounts payable                         | 187,056   | 210,849                                       |
| Short-term loans payable                           | 6,700,000                                       | —   |
| Current portion of long-term loans payable         | 16,835,000                                      | 19,175,000                                    |
| Accounts payable – other                           | 271,228   | 262,699                                       |
| Accrued expenses                                   | 239,784   | 254,237                                       |
| Income taxes payable                               | 445   | 528   |
| Accrued consumption taxes                          | 134,143   | 49,858  |
| Advances received                                  | 810,715   | 868,261                                       |
| Derivatives liabilities                            | 62,972  | —   |
| Provision for loss on disaster                     | —   | 26,742  |
| Other  | 2,670   | 2,425   |
| Total current liabilities                          | 25,244,017                                      | 20,850,602                                    |
| Noncurrent liabilities                             |   |   |
| Investment corporation bond                        | 8,500,000                                       | 8,500,000                                     |
| Long-term loans payable                            | 62,137,500                                      | 66,430,000                                    |
| Tenant leasehold and security deposits             | 146,592   | 144,487                                       |
| Tenant leasehold and security deposits in trust    | 5,992,614                                       | 5,993,537                                     |
| Long-term advances received                        | 122   | 79  |
| Total noncurrent liabilities                       | 76,776,829                                      | 81,068,104                                    |
| Total liabilities                                  | 102,020,847                                     | 101,918,707                                   |
| <b>Net Assets</b>                                  |   |   |
| Unitholders' equity                                |   |   |
| Unitholders' capital                               | 82,260,100                                      | 82,260,100                                    |
| Surplus  |   |   |
| Unappropriated retained earnings (undisposed loss) | 2,204,126                                       | 2,157,918                                     |
| Total surplus                                      | 2,204,126                                       | 2,157,918                                     |
| Total unitholders' equity                          | 84,464,226                                      | 84,418,018                                    |
| Valuation and translation adjustments              |   |   |
| Deferred gains or losses on hedges                 | (25,241)  | —   |
| Total valuation and translation adjustments        | (25,241)  | —   |
| Total net assets                                   | 84,438,984                                      | 84,418,018                                    |
| Total liabilities and net assets                   | 186,459,832                                     | 186,336,725                                   |



**(2) Statements of Income**

(Unit: thousand yen)

|  | Ninth Fiscal Period<br>(May 1, 2010 –<br>October 31, 2010) | Tenth Fiscal Period<br>(November 1, 2010 –<br>April 30, 2011) |
|--|--|---|
| Operating revenue  |  |   |
| Rent revenue – real estate                                 | 6,047,097  | 5,947,270   |
| Other lease business revenue                               | 13,728   | 20,165  |
| Total operating revenue                                    | 6,060,826  | 5,967,436   |
| Operating expenses   |  |   |
| Expenses related to rent business                          | 2,451,121  | 2,414,304   |
| Asset management fee                                       | 455,280  | 450,347   |
| Asset custody fee  | 8,367  | 8,367   |
| Administrative service fees                                | 63,093   | 63,117  |
| Directors' compensations                                   | 6,900  | 6,900   |
| Audit fee  | 10,000   | 10,000  |
| Other operating expenses                                   | 46,613   | 42,808  |
| Total operating expenses                                   | 3,041,377  | 2,995,845   |
| Operating income   | 3,019,449  | 2,971,591   |
| Non-operating income                                       |  |   |
| Interest income  | 6,225  | 3,373   |
| Reversal of dividends payable                              | 728  | 795   |
| Insurance income   | —  | 2,235   |
| Other  | 678  | 144   |
| Total non-operating income                                 | 7,633  | 6,549   |
| Non-operating expenses                                     |  |   |
| Interest expenses  | 665,835  | 615,788   |
| Interest expense on investment corporation bonds           | 34,698   | 42,034  |
| Amortization of investment corporation bond issuance costs | 4,593  | 5,511   |
| Borrowing related expenses                                 | 108,153  | 115,568   |
| Amortization of deferred organization expenses             | 5,670  | —   |
| Other  | 3,144  | 4,702   |
| Total non-operating expenses                               | 822,095  | 783,605   |
| Ordinary income  | 2,204,986  | 2,194,535   |
| Extraordinary income                                       |  |   |
| Refunded Property taxes                                    | —  | 1,361   |
| Total extraordinary income                                 | —  | 1,361   |
| Extraordinary loss   |  |   |
| Loss on disaster   | —  | 10,277  |
| Provision for loss on disaster                             | —  | 26,742  |
| Total extraordinary loss                                   | —  | 37,019  |
| Income before income taxes                                 | 2,204,986  | 2,158,876   |
| Income taxes – current                                     | 950  | 986   |
| Income taxes – deferred                                    | 2  | (1)   |
| Total income taxes   | 953  | 985   |
| Net income   | 2,204,033  | 2,157,891   |
| Retained earnings brought forward                          | 92   | 26  |
| Unappropriated retained earnings (undisposed loss)         | 2,204,126  | 2,157,918   |

### (3) Statements of Cash Flows

(Unit: thousand yen)

|   | Ninth Fiscal Period<br>(May 1, 2010 –<br>October 31, 2010) | Tenth Fiscal Period<br>(November 1, 2010 –<br>April 30, 2011) |
|---|--|---|
| Net cash provided by (used in) operating activities           |  |   |
| Income before income taxes                                    | 2,204,986  | 2,158,876   |
| Depreciation and amortization                                 | 1,081,984  | 1,086,104   |
| Amortization of deferred organization expenses                | 5,670  | —   |
| Amortization of right of trademark                            | 21   | 21  |
| Amortization of investment corporation bond issuance costs    | 4,593  | 5,511   |
| Interest income and interest on securities                    | (6,225)  | (3,373)   |
| Interest expenses   | 700,534  | 657,823   |
| Provision for loss on disaster                                | —  | 26,742  |
| Decrease (increase) in operating accounts receivable          | (6,205)  | 14,206  |
| Decrease (increase) in income taxes receivable                | 19   | 243   |
| Decrease (increase) in consumption taxes receivable           | 17,430   | —   |
| Decrease (increase) in prepaid expenses                       | (3,803)  | (8,494)   |
| Decrease (increase) in other current assets                   | 96   | —   |
| Increase (decrease) in operating accounts payable             | 35,191   | (5,169)   |
| Increase (decrease) in accounts payable – other               | 17,047   | (8,528)   |
| Increase (decrease) in accrued consumption taxes              | 134,143  | (84,285)  |
| Increase (decrease) in advances received                      | (98,403)   | 57,546  |
| Decrease (increase) in long-term prepaid expenses             | 102,210  | (190,999)   |
| Other, net  | (23,850)   | (17,961)  |
| Subtotal  | 4,165,440  | 3,688,263   |
| Interest income received                                      | 5,391  | 3,757   |
| Interest expenses paid  | (688,296)  | (664,738)   |
| Income taxes paid   | (945)  | (904)   |
| Net cash provided by (used in) operating activities           | 3,481,589  | 3,026,378   |
| Net cash provided by (used in) investing activities           |  |   |
| Payments into time deposits                                   | (400,000)  | (300,000)   |
| Proceeds from withdrawal of time deposits                     | 300,000  | 400,000   |
| Purchase of property, plant and equipment                     | (196)  | (366)   |
| Purchase of property, plant and equipment in trust            | (87,610)   | (417,894)   |
| Repayments of tenant leasehold and security deposits          | (1,301)  | (2,105)   |
| Proceeds from tenant leasehold and security deposits in trust | 82,322   | 646,653   |
| Repayments of tenant leasehold and security deposits in trust | (34,721)   | (645,250)   |
| Net cash provided by (used in) investing activities           | (141,507)  | (318,962)   |
| Net cash provided by (used in) financing activities           |  |   |
| Increase in short-term loans payable                          | —  | 6,700,000   |
| Decrease in short-term loans payable                          | —  | (13,400,000)  |
| Proceeds from long-term loans payable                         | —  | 23,400,000  |
| Repayment of long-term loans payable                          | (8,567,500)  | (16,767,500)  |
| Proceeds from issuance of investment corporation bonds        | 8,500,000  | —   |
| Payments for investment corporation bond issuance costs       | (55,667)   | —   |
| Dividends paid  | (2,090,020)  | (2,204,100)   |
| Net cash provided by (used in) financing activities           | (2,213,187)  | (2,271,600)   |
| Net increase (decrease) in cash and cash equivalents          | 1,126,894  | 435,816   |
| Cash and cash equivalents at beginning of period              | 10,886,261   | 12,013,156  |
| Cash and cash equivalents at end of period                    | 12,013,156   | 12,448,972  |

## 8. Portfolio Data

| Asset Class             | Area                    | Property Name                              | Acquisition Value<br>(million yen) | Appraisal Value at End of Period<br>(million yen) | Investment Breakdown<br>(Note)<br>(%) |
|-------------------------|-------------------------|--|------------------------------------|---|---------------------------------------|
| Office Building         | Central Tokyo           | NEC Head Office Building                   | 41,950                             | 47,950  | 28.1                                  |
|                         |                         | Harumi Island Triton Square Office Tower Y | 33,000                             | 38,700  | 22.7                                  |
|                         |                         | Akasaka Oji Building                       | 9,660                              | 9,570   | 5.6                                   |
|                         |                         | Kanda Park Plaza                           | 5,156                              | 4,970   | 2.9                                   |
|                         |                         | Shiba-Koen Building                        | 5,770                              | 3,410   | 2.0                                   |
|                         |                         | Harumi Island Triton Square Office Tower Z | 20,000                             | 14,300  | 8.4                                   |
|                         |                         | Kanda Nishiki-cho 3-chome Building         | 12,700                             | 14,000  | 8.2                                   |
|                         | Tokyo Metropolitan Area | Faret East Building                        | 2,091                              | 2,430   | 1.4                                   |
|                         | Kansai                  | Nittetsu Honmachi Building                 | 1,100                              | 1,430   | 0.8                                   |
| Subtotal (9 properties) |                         |  | 131,427                            | 136,760   | 80.1                                  |
| Retail Property         | Tokyo Metropolitan Area | Sagamihara Shopping Center                 | 12,000                             | 10,300  | 6.0                                   |
|                         |                         | Ito-Yokado Higashi-Narashino Store         | 8,900                              | 5,560   | 3.3                                   |
|                         |                         | Musashiurawa Shopping Square               | 4,335                              | 3,810   | 2.2                                   |
|                         | Subtotal (3 properties) |  |                                    | 25,235  | 19,670                                |
| Residential Property    | Tokyo Metropolitan Area | Fukasawa House Towers H&I                  | 10,635                             | 6,990   | 4.1                                   |
|                         |                         | Ecology Toyosu Procentury                  | 5,160                              | 4,590   | 2.7                                   |
|                         | Subtotal (2 properties) |  |                                    | 15,795  | 11,580                                |
| Other Property          | Central Tokyo           | OAK PLAZA                                  | 2,590                              | 2,660   | 1.6                                   |
|                         | Subtotal (1 property)   |  |                                    | 2,590   | 2,660                                 |
| Total (15 properties)   |                         |  | 175,047                            | 170,670   | 100.0                                 |

(Note) The investment breakdown is the ratio of the appraisal value at end of period for the applicable property or the applicable asset class to the sum total of the appraisal value at end of period for all properties in the portfolio and is rounded to the first decimal place.

For more information, please visit our website <http://www.top-reit.co.jp/english/>

Contact for inquiries in Japanese:  
Top REIT Asset Management Co., Ltd. (Asset Manager)  
Koji Murata, Director, General Manager, Finance Department  
+81-3-3243-2181

Contact for inquiries in English:  
Top REIT Asset Management Co., Ltd. (Asset Manager)  
E-mail address: [info-top@top-reit-am.co.jp](mailto:info-top@top-reit-am.co.jp)

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