



**Translation of Japanese Original**

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To All Concerned Parties

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**Notice of Revised Forecast on Business Result and Dividend  
 for the Fourteenth Fiscal Period Ending April 30, 2013**

Top REIT, Inc. (“Top REIT”) announces the revision of its forecast on business result and dividend per unit for the Fourteenth Fiscal Period ending April 30, 2013, which was announced in the Summary of Earnings Results (Kessan Tanshin) dated June 14, 2012, for the Twelfth Fiscal Period ended April 30, 2012. The details are as follows.

1. Revision of forecast on business result and dividend per unit for the Fourteenth Fiscal Period Ending April 30, 2013 (from November 1, 2012 to April 30, 2013)

**(1) Revisions**

	Operating Revenue (Million yen)	Operating Income (Million yen)	Ordinary Income (Million yen)	Net Income (Million yen)	Dividend per Unit (Yen) (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit (Yen)
Previous Forecast (as of June 14, 2012) (A)	5,670	2,663	2,016	2,015	13,000	—
Revised Forecast (B)	5,397	2,422	1,783	1,782	11,500	—
Net Change (C) = (B) – (A)	(272)	(241)	(232)	(232)	(1,500)	—
Percentage Change (C / A × 100)	(4.8%)	(9.1%)	(11.5%)	(11.5%)	(11.5%)	—

(Note 1) The assumed number of units outstanding as of the end of the Fourteenth Fiscal Period: 155,000 units

(Note 2) Figures have been rounded down to the nearest yen.

## (2) Reasons for Revision

Top REIT has revised downward the business results forecast and dividend forecast per unit for the Fourteenth Fiscal Period ending April 30, 2013, which was announced in the Summary of Earnings Results (Kessan Tanshin) dated June 14, 2012, as in the above table, since the dividend forecast per unit may change by 5% or more due to the following reasons.

- ① As announced in the press release “Notice Concerning Tenant Relocation of Owned Property” dated July 23, 2012, it is assumed that operating revenue after each lease termination date, January 31 and February 28, 2013, will decrease due to Top REIT receiving a notice of cancellation on a lease contract from Sumitomo Metal Industries, Ltd., a tenant at Harumi Island Toriton Square Office Tower Y, a property in trust for the beneficiary interest in real estate owned by Top REIT.

Furthermore, overview of the lease contract with Sumitomo Metal Industries, Ltd. and the relocation are as follows.

[Overview of lease contract] (Note 1)

•Leased floor space:	11,905.47m <sup>2</sup>
•Ratio of total leased floor space of property (Note 2):	51.3%
•Ratio of total leased floor space of Top REIT’s portfolio (Note 3):	4.0%

[Overview of the relocation]

	January 31, 2013	February 28, 2013	Total
Lease termination date (To be scheduled)			-
Cancelled leased floor spaces	7,736.36 m <sup>2</sup>	3,886.42 m <sup>2</sup>	11,622.78 m <sup>2</sup>
Ratio of total leased floor space of property (Note 2)	33.3%	16.7%	50.1%
Ratio of total leased floor space of Top REIT’s portfolio (Note 3)	2.6%	1.3%	3.9%

(Note 1) Figures as of the end of June 2012 are used for floor space and ratio.

(Note 2) Total leased floor space of property: 23,219.46m<sup>2</sup>

(Note 3) Total leased floor space of Top REIT’s portfolio: 300,294.23m<sup>2</sup>

- ② As property taxes, etc. for fiscal 2012 owned properties were finalized, expenses assumed for such were revised.
- ③ Top REIT entered into an interest rate swap agreement for JPY 8,500 million, which is part of the borrowing executed to refinance long-term loans totaling JPY 17,500 million that became due for repayment on June 29, 2012, for the purpose of hedging against interest rate fluctuation. By doing so, Top REIT fixed interest rate and expenses assumed for such were revised.
- ④ Others, operating expenses were revised.

\* Top REIT’s internet website address is <http://www.top-reit.co.jp/english/>

### DISCLAIMER:

Top REIT, Inc. makes no assurance or warranty with respect to the completeness or accuracy of this English translation. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. For complete and accurate information, please refer to the Japanese original.

(Reference)

**Preconditions for Forecast of Earnings Results for the Fourteenth Fiscal Period (from November 1, 2012 to April 30, 2013)**

Item	Preconditions and Assumptions
Management Period	<ul style="list-style-type: none"><li>• Fourteenth fiscal period: November 1, 2012 – April 30, 2013 (181days)</li></ul>
Portfolio Assets	The forecast is based on 18 properties Top REIT owns as of July 26, 2012. The actual circumstances may change depending on the acquisition or disposal of other properties.
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 July 26, 2012, which is 155,000 units, and assumes that no issuance of new investment units will be made through to April 30, 2013.</li></ul>
Interest-Bearing Liabilities	<ul style="list-style-type: none"><li>• It is assumed that the total amount of interest-bearing liabilities is ¥96,902 million, which is the amount as of July 26, 2012.</li><li>• For the fourteenth fiscal period, it is assumed that the ¥9,800 million loans payable due for repayment on November 30, 2012 and the ¥9,300 million loans payable due for March 27, 2013 will be fully refinanced. Moreover, it is assumed that the ¥67 million in long-term loans payable will be repaid on December 28, 2012 as agreed upon.</li></ul>
Operating Revenue	<ul style="list-style-type: none"><li>• For real estate rent revenue related to existing properties, Top REIT takes into consideration execution of new agreements, early termination of agreements, etc. that have been finalized as of July 26, 2012, 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></ul> <p>Furthermore, as announced in the press release “Notice Concerning Tenant Relocation of Owned Property” dated July 23, 2012, it is assumed that operating revenue after each lease termination date, January 31 and February 28, 2013, will decrease due to Top REIT receiving a notice of cancellation on a lease contract from Sumitomo Metal Industries, Ltd., a tenant at Harumi Island Toriton Square Office Tower Y, an owned property of Top REIT.</p>
Operating Expenses	<ul style="list-style-type: none"><li>• Top REIT adopts a method of 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. In addition, as for the acquisition of real estate or beneficiary interests in trust in real estate, the adjustments equivalent to property tax for the acquired fiscal year paid to the transferor will be included in acquisition costs, and thus will not be recorded as expenses in the corresponding period.</li><li>• It is assumed that the amount of property tax, etc. will be ¥ 565 million for the fourteenth fiscal period.</li><li>• It is assumed that the depreciation and amortization will be ¥1,121 million for the fourteenth 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>• 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 fourteenth fiscal period will be ¥640 million, of which interest on loans and interest expenses on investment corporation bonds (including related expenses) will be ¥ 635 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> <li>• It is assumed that, with regard to the ¥78 million that was internally reserved, Top REIT will not reverse the amount of internal reserves for the fourteenth fiscal period.</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>