



TOP REIT
(TSE Code: 8982)

Top REIT, Inc.

Presentation on
Business Results for
the 10th Fiscal Period

November 1, 2010—
April 30, 2011

June 16, 2011

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2. Impact of the Great East Japan Earthquake on Portfolio
3. Measures for Environmental Issues

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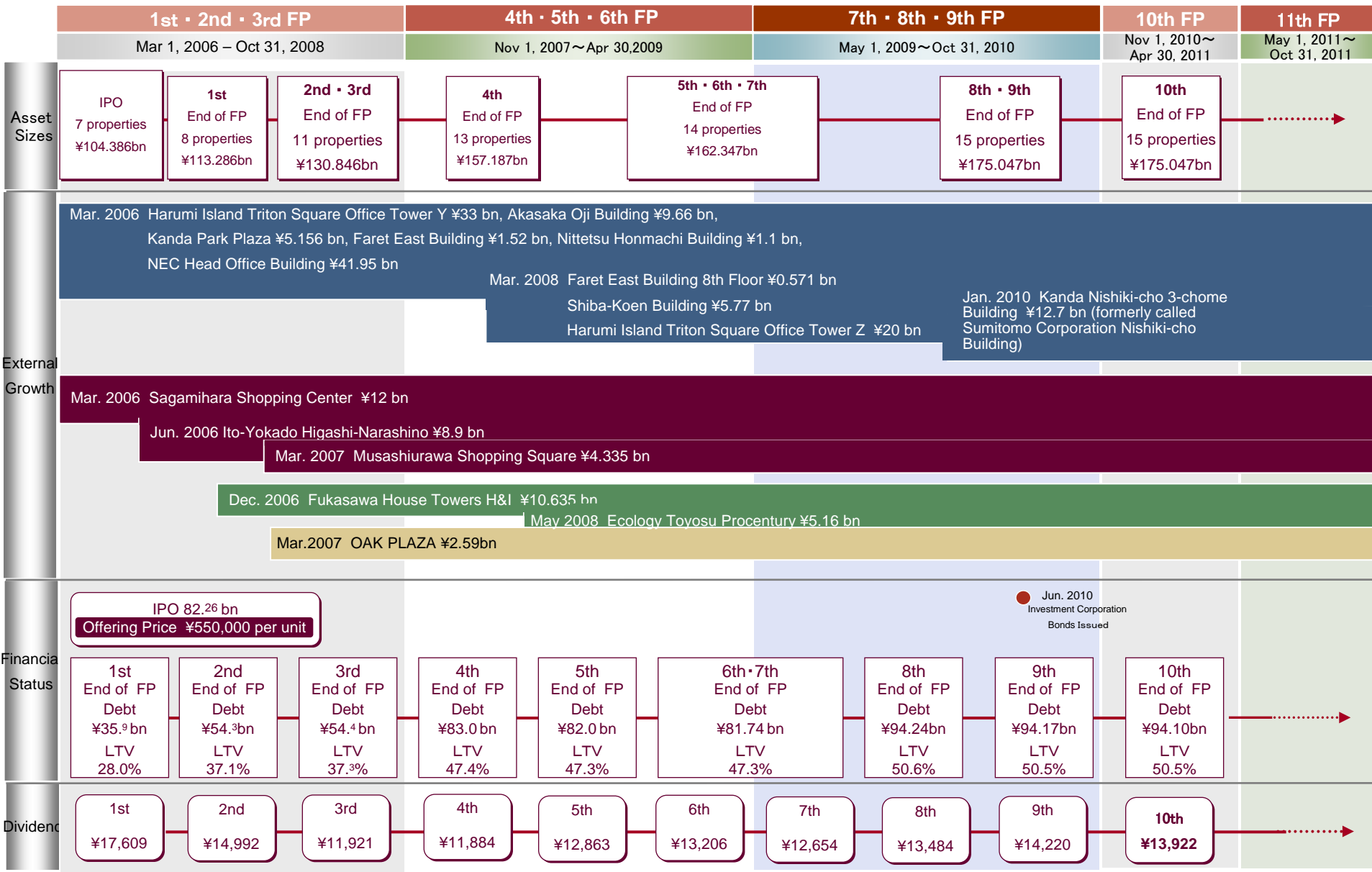
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TOPICS 1. Overview since Listing



Damage by Earthquake	Casualties	None
	Property damage	<p>Minor Damage – Inspections by external experts were conducted on 14 properties, or all owned properties except the one property in Kansai.</p> <ul style="list-style-type: none"> • Minor interior, exterior and facilities damage was found at 13 of the 14 properties • Part of the restoration work was completed in the 10th FP and the remaining will be completed in the 11th FP

Impact of Earthquake	Capital expenditures	None
	Restoration expenses	¥37.0 million

Posted as extraordinary losses for the 10th FP

[Percentage as compared to acquisition price of all 15 properties]

0.02%

Owned Assets by Region	Central Tokyo	8 properties, 74.7%
	Tokyo Metropolitan Area	6 properties, 24.6%
	Kansai	1 property, 0.6%

[Portfolio PML]

2.4%

*PML of individual properties are listed on p. 36

Dealing with Earthquake Risk

Standards of Property Acquisition
(must meet the following 3 criterion)

- Meets or exceeds the New Earthquake Resistant Standard (a standard implemented in 1981 that buildings must meet in order to attain permission to build)
- Has a PML of below 20%
- Portfolio PML is maintained at below 10%

PML

PLM refers to the probable maximum loss that would result from an earthquake. It is the rate of the amount of maximum loss (with 90% probability of non-exceedance) that would be incurred in the case of an earthquake of the largest scale that may occur during the period the building is in use (large earthquake with more than 10% possibility of occurring in 50 years, or that would occur once in 475 years) against the cost of reacquisition (total loss/building reacquisition cost).

Regarding Earthquake Insurance

In view of cost effectiveness of premiums, properties are not covered by earthquake insurance.

NEC Head Office Building



3 properties certified as sub-top level of
**“Superior Special Global Warming
Countermeasure Office Building”**
which is based on the Tokyo Metropolitan Ordinance
on Environmental Preservation
(Certified May 26, 2011)



- Number of Top Level Office Buildings Certified in 2011 -
(Tokyo)

Top level office buildings: 14

Sub-top level office buildings: 22

Superior Special Global Warming Countermeasure Office Buildings

Office buildings with extremely superior levels of promoting global warming countermeasures are certified as “top level” and those with superior levels of such are certified “sub-top level” according to the standards set by the governor or Tokyo. Greenhouse gas emissions reduction obligations, imposed on large-scale office buildings, is reduced for certified buildings. Various facility performances and operational systems are subject to assessment.



Harumi Island Triton Square (Office Towers Y&Z)



I. Summary of Results of the Tenth Fiscal Period (Ended April 30, 2011)

I-1. Highlights of the Tenth Fiscal Period

《 Flawless Management of Existing Properties 》

◆ Secured Management

- Rent revision periods concentrated within the assumed range
 - ⇒ Decreased 12.7% on average compared with the level before renewal of contracts with 16 tenants in 10th FP (representing about 30% of monthly total rents)
- Maintained and improved occupancy rate through coordination of asset management and property management companies under continuously severe market conditions
 - ⇒ **Achieved occupancy rates of 100%** at Faret East Building (Tachikawa) and Nittetsu Honmachi Building (Osaka) which previously had partial vacancies
 - ⇒ **Maintained high occupancy rates** at residential properties Fukasawa House (period end occupancy rate 94.6%) and Ecology Toyosu procentury (period end occupancy rate 97.7%)

Occupancy rate at end of 10th FP
99.7%

《 Financial Strategy 》

◆ Refinancing

- ¥6.7 billion Repayment date in February 2011 → After refinancing to short-term loan, refinanced to an approximately 5 year long-term loan in March 2011 before maturity (**expanded fund procurement base through transactions with new lenders**)
 - ¥16.7 billion Repayment date in March 2011 → Refinanced to an approximately 5 year long-term loan (**fixed all interest payments through execution of interest rate swap agreement**)
- ⇒ **Average remaining period of interest-bearing liabilities**
(End of 9th FP: 1 year & 9 months → End of 10th FP: 2 years & 6 months)

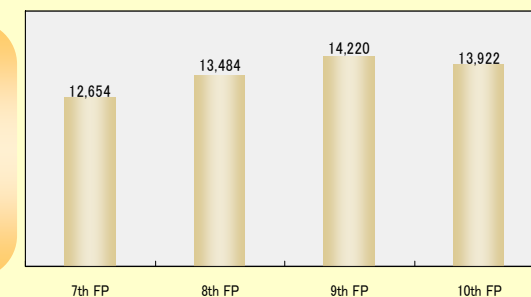
Average remaining period of interest-bearing liabilities
Extended

《 Dividend 》

Cash Dividend for Tenth Fiscal Period
13,922 yen

- ◆ Maintained **steady dividends** even under severe environment
 - Increased revenues through high occupancy rate at residential properties (Fukasawa House, Ecology Toyosu procentury)
 - **Ordinary income-based dividends: approx. ¥14,160 per unit**

-Impact of Earthquake-
37 million yen posted as extraordinary losses for 10th FP
⇒ **Dividends decreased due to the losses (-¥238 per unit)**



I-2. Summary of the Tenth Fiscal Period

Items	10th FP Results November 1, 2010 - April 30, 2011	10th FP Forecast (Announced on December 15, 2010)	Net Change (Results vs Forecast)		9th FP Results May 1, 2010 - October 31, 2010	Net Change (10th FP Results vs. 9th FP Results)	
Period of asset management (days)	181	181	-	-	184	-	-
Operating revenue	¥5,967mn	¥5,976mn	(¥8mn)	(0.1%)	¥6,060mn	(¥93mn)	(1.5%)
Operating income	¥2,971mn	¥2,951mn	¥20mn	0.7%	¥3,019mn	(¥47mn)	(1.6%)
Ordinary income	¥2,194mn	¥2,169mn	¥24mn	1.1%	¥2,204mn	(¥10mn)	(0.5%)
Extraordinary loss	¥37mn	-	¥37mn	-	-	¥37mn	-
Net income	¥2,157mn	¥2,170mn	(¥12mn)	(0.6%)	¥2,204mn	(¥46mn)	(2.1%)
Number of units issued and outstanding (unit)	155,000	155,000	-	-	155,000	-	-
Dividend per unit (yen)	¥13,922	¥14,000	(¥78)	(0.6%)	¥14,220	(¥298)	(2.1%)
Number of properties	15	15	-	-	15	-	-
Appraisal value total	¥170,670mn	-	-	-	¥175,351mn	(¥4,681mn)	(2.7%)

■ Differences between Forecasts and Actual Results

Operating Revenue: - ¥8mn

- Decrease in revenue from utility expenses borne by tenants
- Decrease in revenue through rent revision (1 month rent holiday at 1 tenant)

Operating Income: +¥20mn

- Decrease in utility expenses
- Reduced property management expenses at Harumi Island Triton Square

Ordinary Income: +¥24mn

- Reduced interest rate costs

Net Income: - ¥12mn

- Posted restoration work costs, etc. due to earthquake

■ Other References

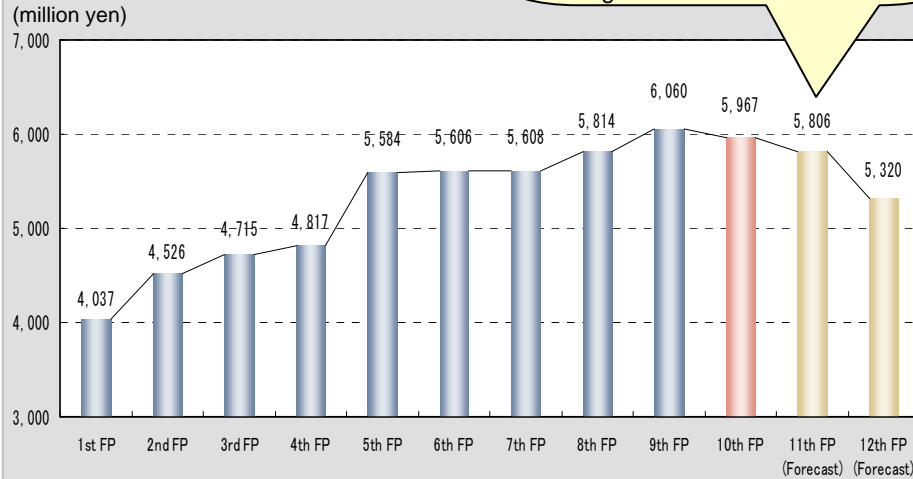
Items	10th FP Results	9th FP Results
Number of tenants	46	46
Total rentable floor space	291,627.72m ²	291,627.72m ²
Occupancy rate	99.7%	99.5%
Depreciation and amortization	¥1,086mn	¥1,081mn
Capital expenditures	¥464mn	¥83mn
Term-end unit price (yen)	¥491,500	¥457,000
Term-end market capitalization	¥76,182.5mn	¥70,835mn

II. Results of Past Periods and Forecasts

II-1. Results of Past Periods and Forecasts

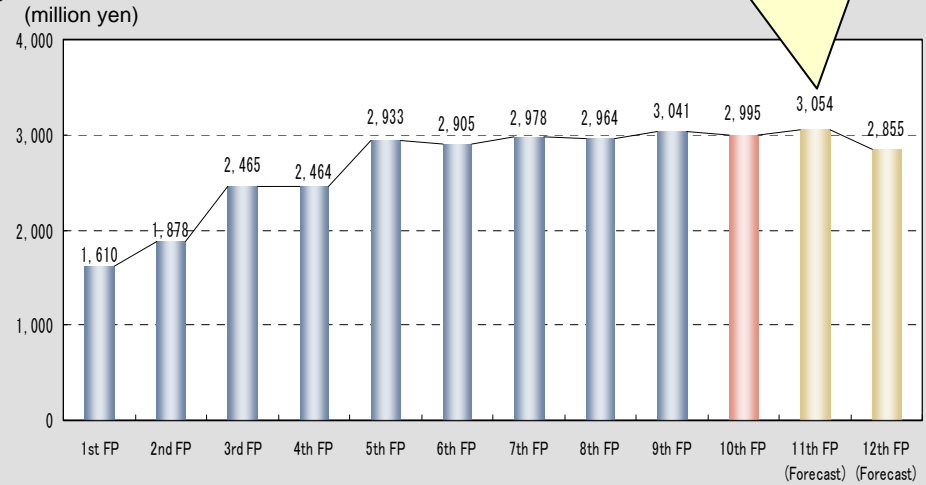
Operating Revenue

Posted revenue equivalent to expenses for restoring to original condition (¥142 mn) due to a major tenant moving out of Akasaka Oji Building

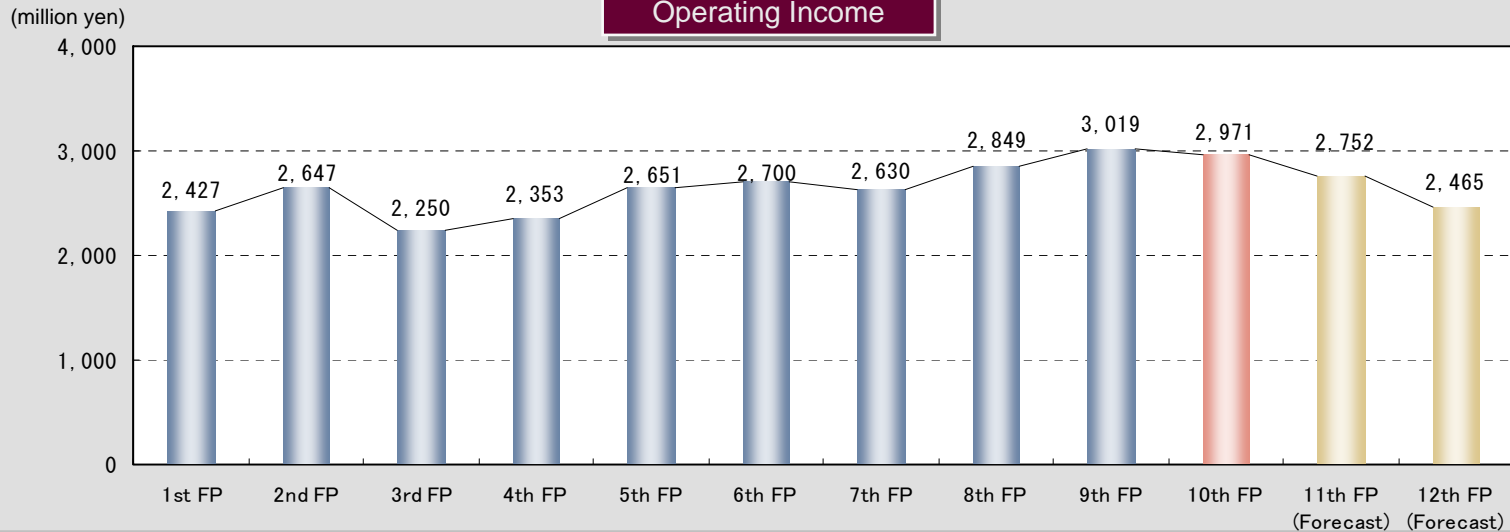


Operating Expenses

Posted expenses for restoring to original condition (¥142 mn) due to a major tenant moving out of Akasaka Oji Building

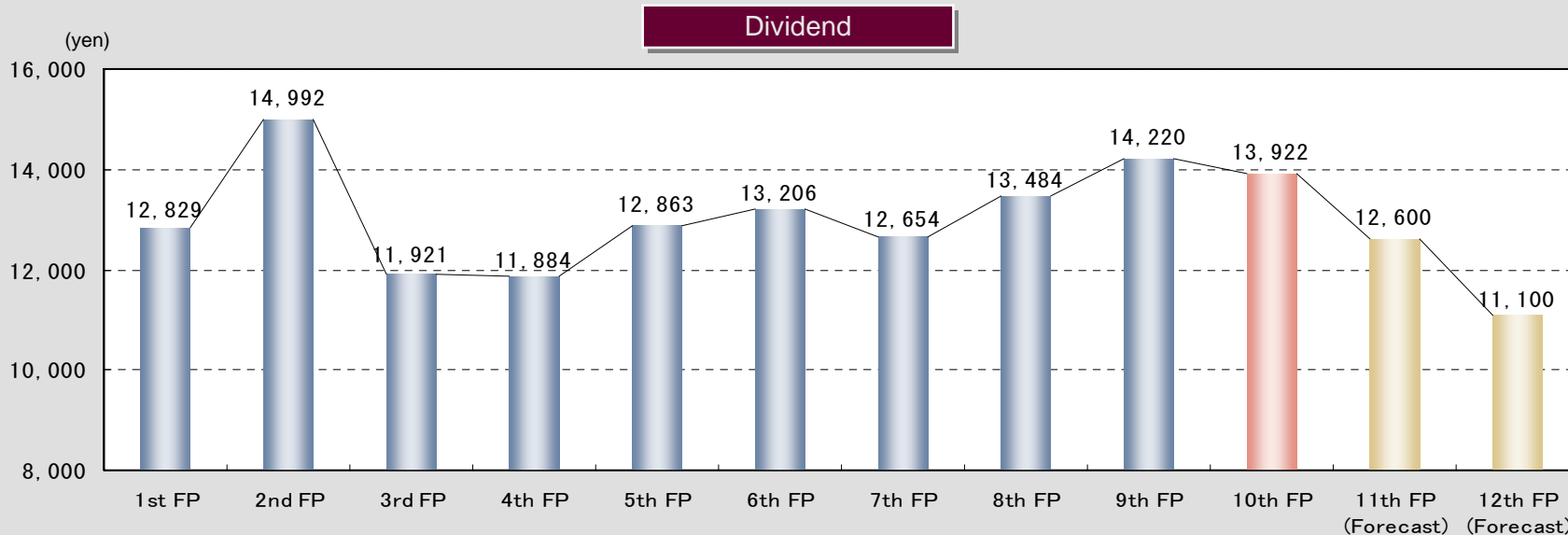
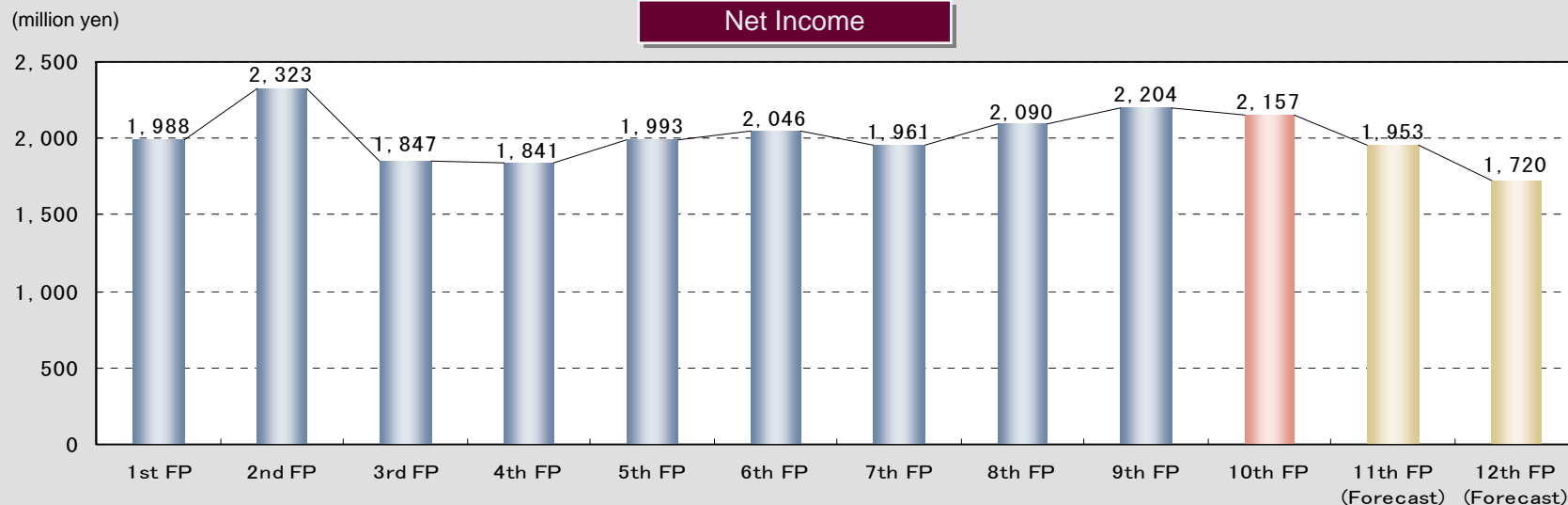


Operating Income



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

II-1. Results of Past Periods and Forecasts



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

II-2. Results of Past Periods and Forecasts (Detail)

Item	5th Fiscal Period	6th Fiscal Period	7th Fiscal Period	8th Fiscal Period	9th Fiscal Period	10th Fiscal Period	11th Fiscal Period (Forecast)	12th Fiscal Period (Forecast)
Period of asset management (days)	184	181	184	181	184	181	184	182
Operating revenue	¥5,584mn	¥5,606mn	¥5,608mn	¥5,814mn	¥6,060mn	¥5,967mn	¥5,806mn	¥5,320mn
Operating expenses	¥2,933mn	¥2,905mn	¥2,978mn	¥2,964mn	¥3,041mn	¥2,995mn	¥3,054mn	¥2,855mn
Of which, expenses related to rent business (excluding taxes and dues, and depreciation and amortization)	¥701mn	¥718mn	¥762mn	¥711mn	¥783mn	¥741mn	¥838mn	¥680mn
Of which, taxes and dues	¥522mn	¥476mn	¥561mn	¥567mn	¥586mn	¥586mn	¥611mn	¥611mn
Of which, depreciation and amortization	¥1,147mn	¥1,151mn	¥1,105mn	¥1,127mn	¥1,081mn	¥1,086mn	¥1,050mn	¥1,029mn
Operating income	¥2,651mn	¥2,700mn	¥2,630mn	¥2,849mn	¥3,019mn	¥2,971mn	¥2,752mn	¥2,465mn
Ordinary income	¥1,994mn	¥2,047mn	¥1,960mn	¥2,091mn	¥2,204mn	¥2,194mn	¥1,954mn	¥1,721mn
Net income	¥1,993mn	¥2,046mn	¥1,961mn	¥2,090mn	¥2,204mn	¥2,157mn	¥1,953mn	¥1,720mn
Net operating income from property leasing	¥4,360mn	¥4,412mn	¥4,284mn	¥4,535mn	¥4,691mn	¥4,639mn	¥4,356mn	¥4,028mn
FFO	¥3,141mn	¥3,198mn	¥3,066mn	¥3,217mn	¥3,286mn	¥3,243mn	¥3,003mn	¥2,749mn
Number of units issued and outstanding (units)	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Dividend per unit (yen)	¥12,863	¥13,206	¥12,654	¥13,484	¥14,220	¥13,922	¥12,600	¥11,100
FFO per unit (yen)	¥20,266	¥20,635	¥19,785	¥20,755	¥21,200	¥20,929	¥19,380	¥17,741
Precondition 11th Fiscal Period 12th Fiscal Period	<p>Number of properties: 15 Loans outstanding: End of 11th period ¥94.037bn. / End of 12th fiscal period ¥93.97bn Operating revenue: Takes into consideration execution of new agreements, early termination of agreements, etc. that have been finalized as of June 14, 2011, as well as factors that may cause fluctuations in such matters as risks of reductions in revenue due to decreased amounts of rent of tenants when they reach their rent revision period hereafter. Non-operating expenses: (11th FP) ¥801mn (of which, interest of loans and investment corporation bonds and related expenses: ¥798mn) (12th FP) ¥746mn (of which, interest of loans and investment corporation bonds and related expenses: ¥740mn)</p>							

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

III. Growth Strategy: Leaping for the Next Stage

Real Estate Leasing Market

[Present state]

- ◆ Office vacancy rates in 5 central wards of Tokyo remain high at around 8%
- ◆ Office rents remain weak in central Tokyo
- ◆ Further severe renting conditions presented by new office tenants
- ◆ Studio and family rental residences with high convenience showing steady performance

[Future prospects]

- ◆ Due to the impact of the earthquake, companies may adopt a cautious stance and relocate for reasons such as office integration
- ◆ Vacancy rates will remain high
- ◆ Further delay of rent recovery due to deteriorating results of companies
 - ⇒TOP REIT's strategy
 - Strengthen preventive measures of tenant's moving out as well as leasing activities

Real Estate Transaction Market

[Present state]

- ◆ Sale of high-grade office properties are low due to gap in price perspectives of seller and buyer, and there is no difference in basic perspectives even after the earthquake
- ◆ The market for rental residential property transactions is steady

[Future prospects]

- ◆ How to compromise the price perspective difference between seller and buyer
- ◆ The market for rental residential property transactions will remain steady
 - ⇒TOP REIT's strategy
 - Continue to focus on gathering information on high-grade office buildings in central Tokyo and residential properties with excellent transit access

Financial / Capital Market

[Present state]

- ◆ Continuation of de facto zero interest rate monetary policy by the Bank of Japan
- ◆ No particular change the lending attitude of banks since the earthquake
- ◆ Doubling in purchasing amount of J-REIT units by the Bank of Japan and favorable performance of J-REIT investments are supporting unit prices

[Future prospects]

- ◆ Market interest rates will remain low in the meantime
- ◆ REIT market is looking for sources of recovery
 - ⇒TOP REIT's strategy
 - While closely monitoring the market environment, select bank loans, investment corporation bonds, public offerings, etc.

Current Management Policy

- Factors of Dividend Decrease at 11th FP and 12th FP
 - Major tenant moving out Akasaka Oji Building
 - Possibility of free rent requests from new tenants
 - Weak rents due to delayed recovery of company results
 - Putting off of acquisition of new properties

Completion of early leasing of Akasaka Oji Building

Minimize range of decrease in rent revision

- ◆ Secure foothold for revenues through flawless management of existing properties

- Place utmost focus on securing tenants for Akasaka Oji Building
- In addition to continuing to strengthen tenant relations, implement measures to prevent tenants moving out and maintain high occupancy rates.

- ◆ External growth that perceives good acquisition opportunities for superior properties (acquisition of superior properties with cash on hand + additional bank loans)

- Utilize the sponsor's strengths (properties owned or brokered by sponsors) as well as various information channels
- Target office buildings in central Tokyo and residential properties in the Tokyo Metropolitan Area

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

Accumulate greater revenues with acquisition of new properties

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

III-3. Leasing Policy of Akasaka Oji Building

Overview of Relocation Plan by Major Tenant

【Name of Major Tenant】

- Sony Computer Entertainment Inc.

【Lease Termination Date】

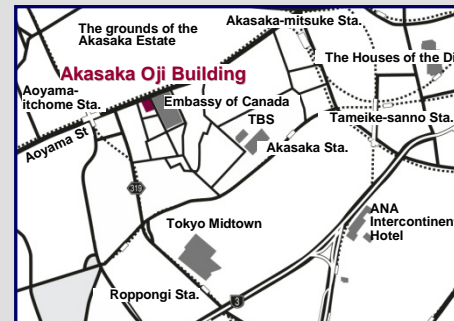
- September 18, 2011

【Leased Floor Space/Proportion to Total Leased Floor Space of the Property】

- 6,779.82m² / 93.1%

【Proportion to Total Leased Floor of Entire Portfolio】

- 2.3%



Conducted renewal construction of common areas along with the work of restoring to original conditions (all capital expenditures construction planned)

Superiority of Akasaka Oji Building

- Faces Aoyama-dori Street (Route 246) to feature high visibility, while standing adjacent to Akasaka Imperial Gardens where Crown Prince's Palace is located and Canadian Embassy, which provide abundant greenery despite business surroundings
- Located in four-minute walk from Aoyama 1-chome Station on the Tokyo Metro Ginza Line and Hanzomon Line and Toei Oedo Line, enjoying high convenience for access
- Has specifications comparable to most modern office buildings, including individually controlled air conditioning systems (renewed in 2006), office automation-compatible floors and ceiling height of 2,600mm
- Leasable to multiple tenants
- Administration by staff / mechanical security at night and on holidays

Highly praised by many potential tenants for its convenience and its good environment

Leasing Policy

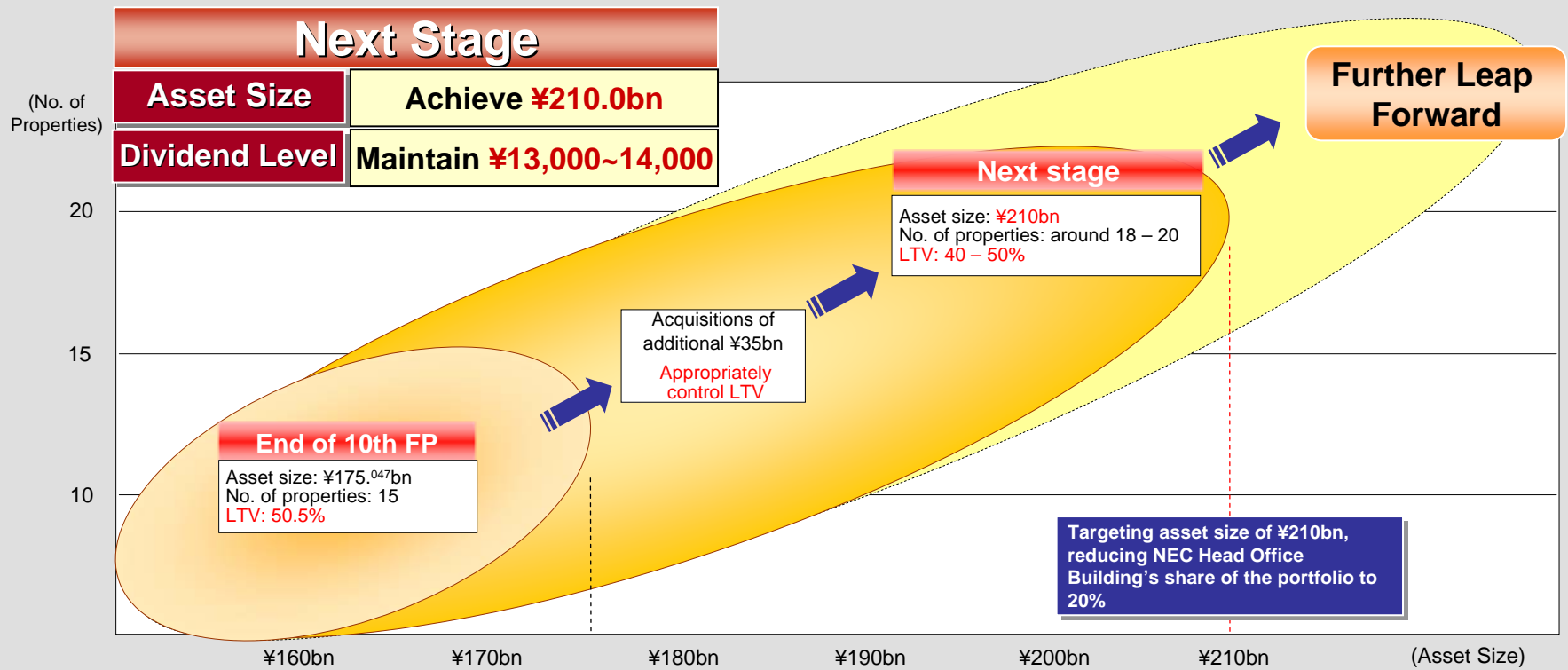
- Promote the superiority of Akasaka Oji Building and approach IT companies, apparel companies and others regardless of their business
 - While maintaining the level of rents, aim for a minimization of downtime
- ⇒ **Leasing activity which brings together the collective strengths of TOP REIT**

Leasing Condition (End of May)

●Inquiries	: 47
●Property visits	: 9
●Consideration requests	: 2
●Agreements concluded	: 1

Continued Implementation of Growth Strategy for the Next Stage

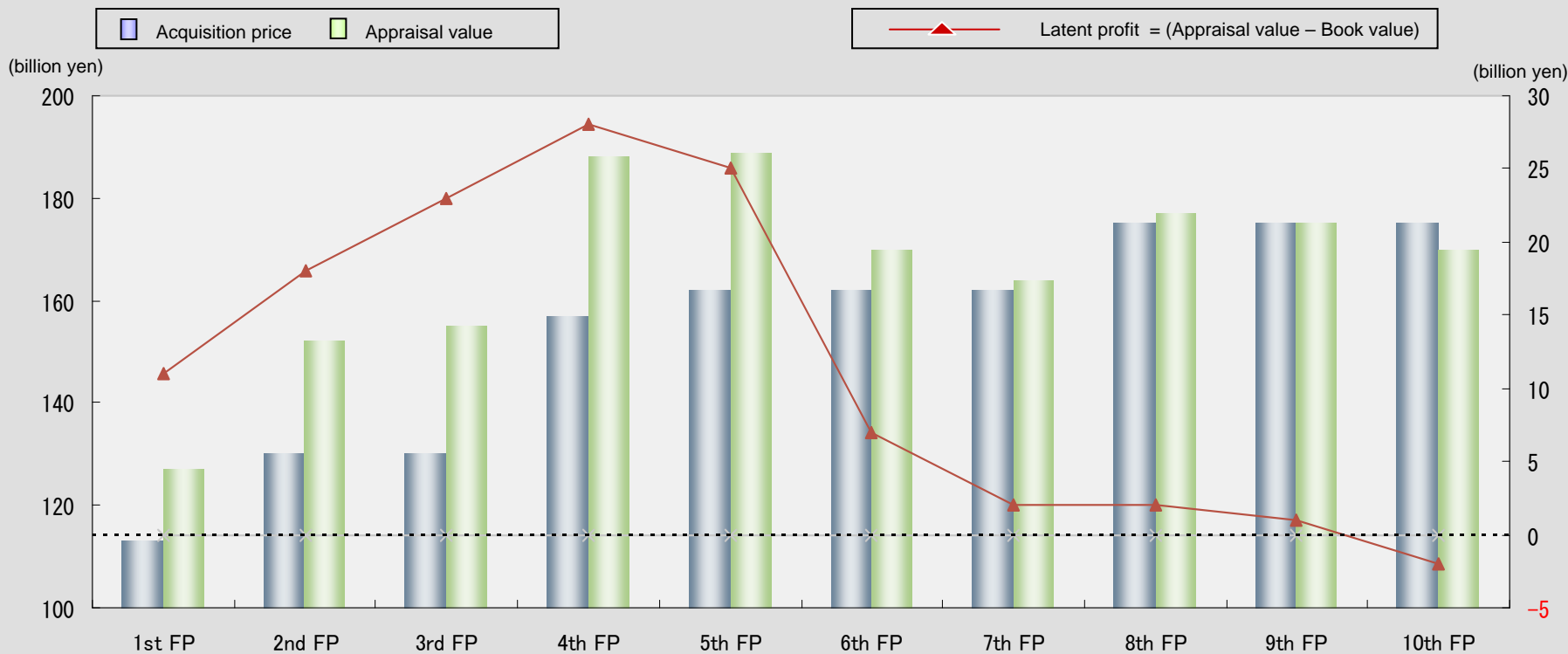
Growth Methods	<ul style="list-style-type: none"> ◆ Fully utilize the Top REIT Edge Sponsor Strength Superior Portfolio ◆ Implement growth strategy with an extreme focus on the dividend level (¥13,000~14,000) 	Growth Strategy	<ul style="list-style-type: none"> ◆ While securing a foothold for revenues, acquire competitive and highly profitable properties ◆ Flexibly select fund procurement means according to the market environment <ul style="list-style-type: none"> • Bank loans: Flexibly utilize strong bank formation • Investment corporation bonds: Consider in view of market environment, etc. • Capital increases through public offerings: Consider investment unit price levels and property returns, as well as amount of net assets and dividend ◆ Consider M&A and joining of new sponsors
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IV. Tenth Fiscal Period Operating Results and Future Initiatives

IV-1. Operating Results: History of Asset Growth

History of Asset Growth



	End of 1st FP Oct. 2006	End of 2nd FP April. 2007	End of 3rd FP Oct. 2007	End of 4th FP April. 2008	End of 5th FP Oct. 2008	End of 6th FP April. 2009	End of 7th FP Oct. 2009	End of 8th FP April. 2010	End of 9th FP Oct. 2010	End of 10th FP April. 2011
Acquisition price	¥113. ²⁸⁶ bn	¥130. ⁸⁴⁶ bn	¥130. ⁸⁴⁶ bn	¥157. ¹⁸⁷ bn	¥162. ³⁴⁷ bn	¥162. ³⁴⁷ bn	¥162. ³⁴⁷ bn	¥175. ⁰⁴⁷ bn	¥175. ⁰⁴⁷ bn	¥175. ⁰⁴⁷ bn
Book value	¥116. ¹⁸⁷ bn	¥133. ⁵⁷⁶ bn	¥132. ⁶⁹⁸ bn	¥159. ⁵⁸⁵ bn	¥163. ⁹⁸⁵ bn	¥163. ²⁴⁵ bn	¥162. ²³⁷ bn	¥174. ⁶¹⁸ bn	¥173. ⁶¹⁸ bn	¥172. ⁹⁹⁴ bn
Appraisal value	¥127. ⁴⁴² bn	¥152. ⁴⁶⁸ bn	¥155. ⁹²³ bn	¥188. ⁰³⁵ bn	¥189. ⁴⁴¹ bn	¥170. ⁸⁷⁰ bn	¥164. ⁹⁴⁸ bn	¥177. ¹⁴⁶ bn	¥175. ³⁵¹ bn	¥170. ⁶⁷⁰ bn
Latent profits and losses	¥11. ²⁵⁴ bn	¥18. ⁸⁹¹ bn	¥23. ²²⁴ bn	¥28. ⁴⁴⁹ bn	¥25. ⁴⁵⁵ bn	¥7. ⁶²⁴ bn	¥2. ⁷¹⁰ bn	¥2. ⁵²⁷ bn	¥1. ⁷³² bn	(¥2. ³²⁴ bn)

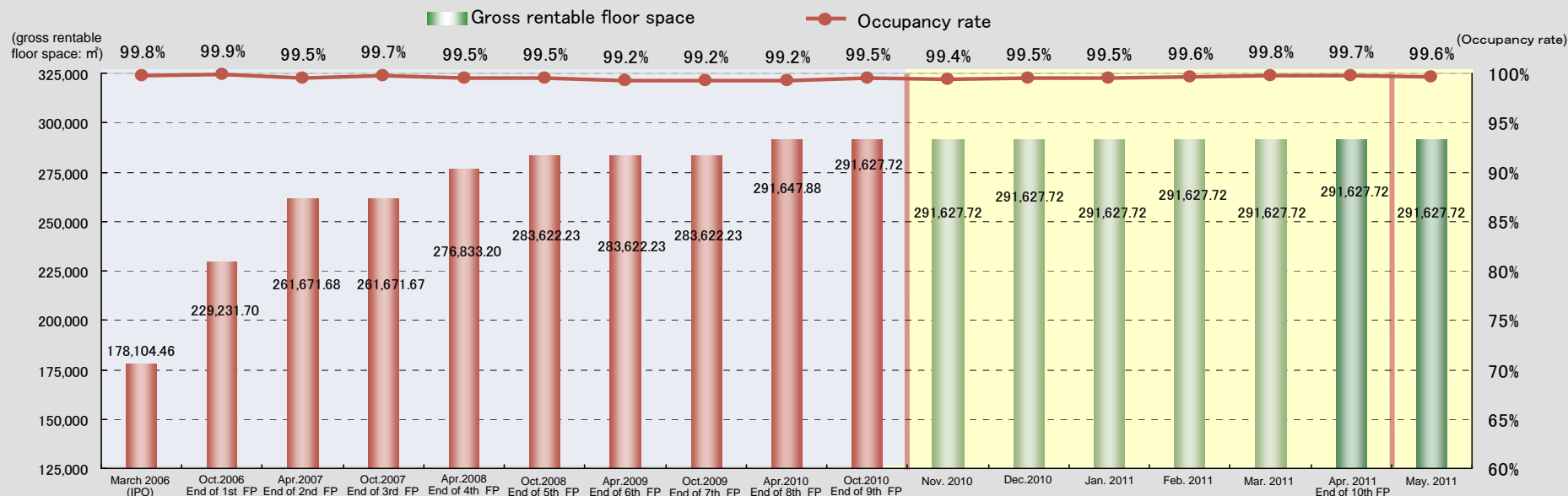
*Acquisition price and appraisal value details are provided on P36 to P38.

*Figures less than one million yen have been rounded down for the above-mentioned values. As for latent profits and losses, figures less than one million yen have been rounded down after deducting book value (total) from appraisal value (total).

IV-2. Operating Results: History of Occupancy Rate

Occupancy Rate (Portfolio)

Maintaining Stable and High Occupancy since IPO

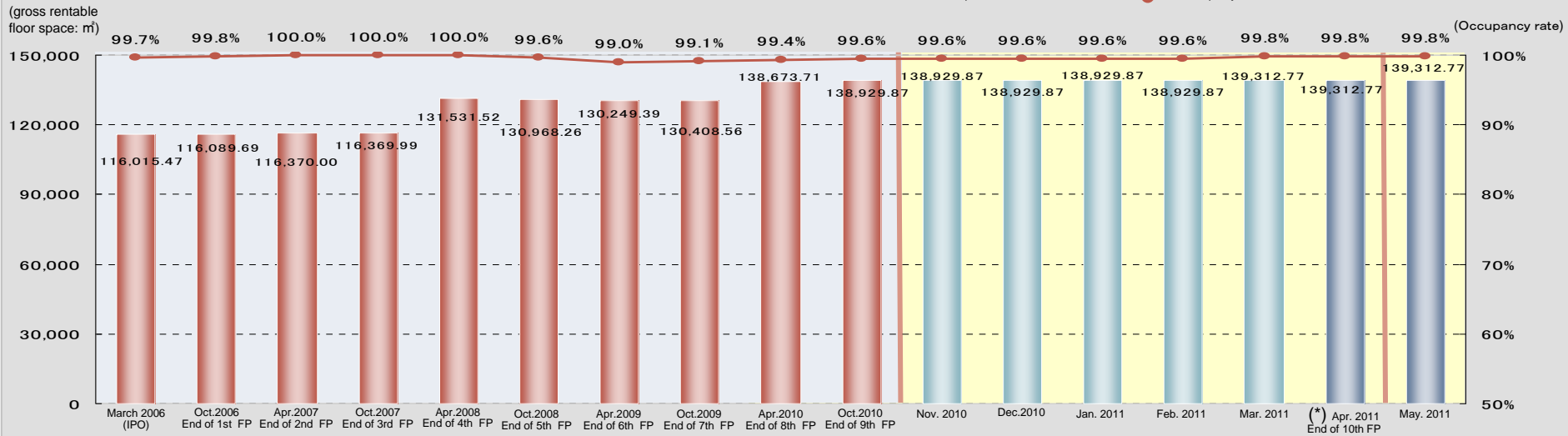


《 Major Long-Term Rent Agreement (3 years or more) 》

Property	Main tenant	Based on rent per Share of portfolio	Based on rented floor space per share of portfolio	Remaining period of contract (years)	Tenancy period (years)	Expiration date	Notes
NEC Head Office Building	NEC Corporation	25.8%	24.8%	14.7	Previous owner	Dec. 28, 2025	Fixed-rate rent by Dec. 2013 (16 th FP) Cancellation banned until Dec. 2013 (16 th FP)
Ito-Yokado Higashinarashino Store	Ito-Yokado Co., Ltd.	4.4%	17.5%	3.6	16.3	Nov. 30, 2014	Expiration date of rent agreement :18 th FP (some rent is to be calculated on sales of store)
Musashiurawa Shopping Square	Olympic Corporation Nitori Co., Ltd. etc	2.4%	5.1%	14.5	5.4	Oct. 31,2025	Cancellation banned until Oct. 2015(19 th FP)
OAK PLAZA	Nippon Steel City Produce, Ltd.	1.8%	2.1%	15.9	Previous owner	Mar. 31,2027	Fixed-rate rent until Mar. 2017(22 nd FP) Cancellation banned until Mar. 2017(22 nd FP)
Total		34.4%	49.5%				

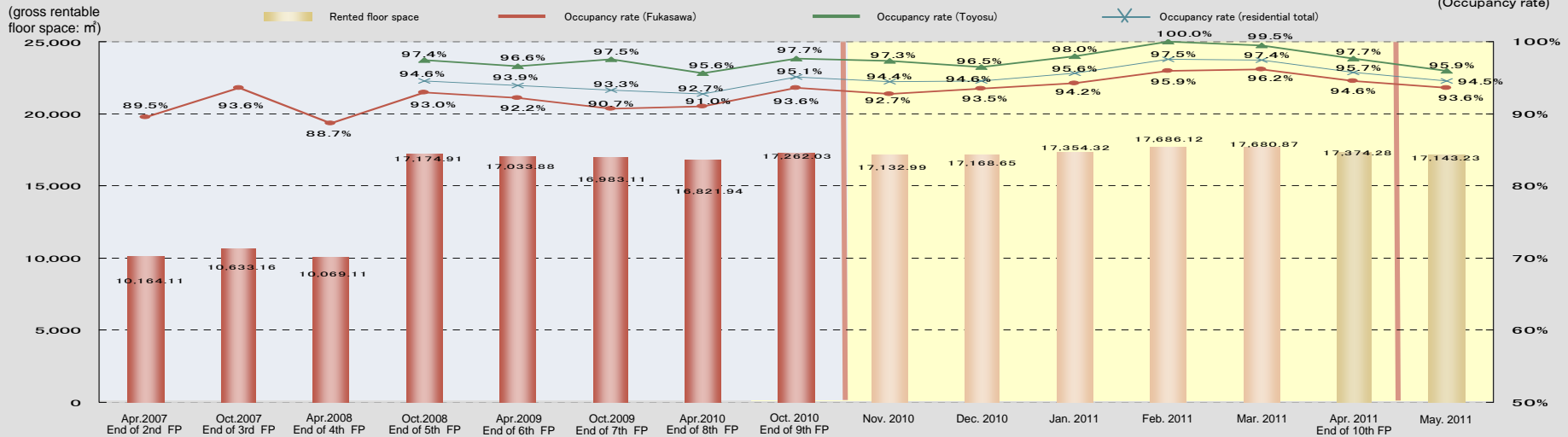
IV-2. Operating Results: History of Occupancy Rate

Occupancy Rate (Office)



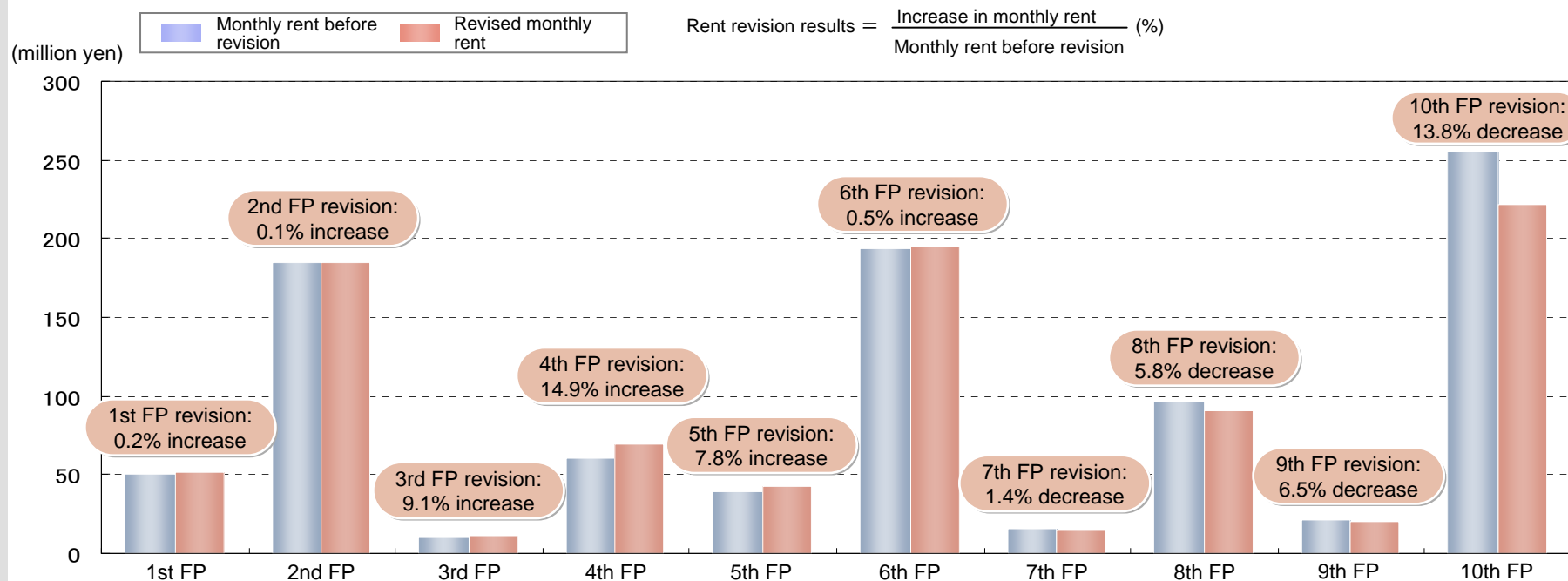
(*)Vacant space: Shiba-Koen Building (224.24m²)

Occupancy Rate (Residential)



IV-3. Operating Results: Results from Rent Revisions (excluding residential)

Office: Rent Revision Results (As at end of 10th FP)



Retail: Rent Revision Results (As at end of 10th FP)

● Musashiurawa Shopping Square

Contracts were renewed with unchanged rents

◆ Results of 10th FP Rent Revision (Total) ◆

~ Concluded nearly mostly within assumed range ~

- Office buildings 13 cases: 13.8% decrease on average (Unchanged:2, Decreased:11)
- Retail properties: Unchanged

■ Total (excluding residential): 12.7% decrease on average

*The master lease agreement with Obayashi Corporation at Harumi Island Triton Square Office Tower Z expired and a sublease agreement with guaranteed rent was concluded with the previous sublease company

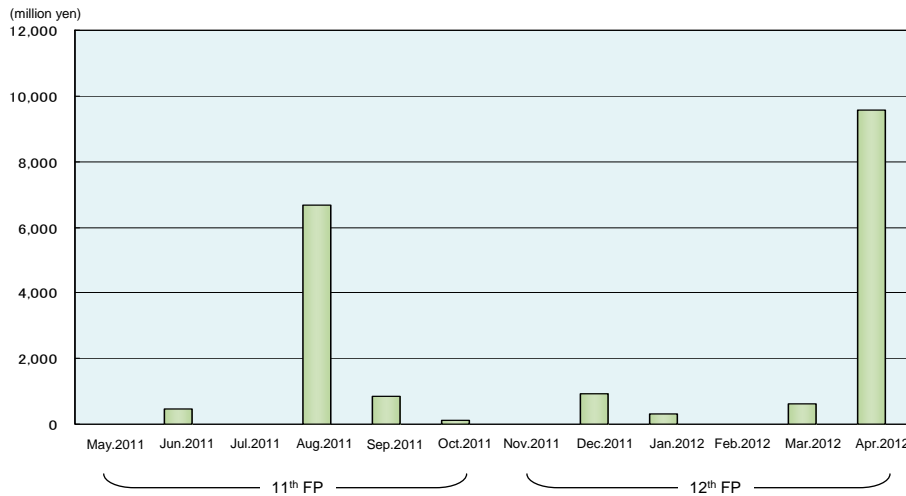
IV-4. Operating Strategies: Management Policy and Schedule of Future Rent Revisions

「Tenants First」 Policy = 「Maintaining and Improving tenants satisfaction」

Maintain and enhance asset value by discerning and appropriately incorporating tenant needs

Secure stable revenue for the long term by creating a favorable relationship with superior tenants

Schedule of Rent Revisions in the 11th FP & 12th FP



*Based on monthly rent

11 th FP	Shiba-Koen Building (parts of tenants)	6 tenants
	Kanda Park Plaza (parts of tenants)	
	Faret East Building (parts of tenants)	
	Nittetsu Honmachi Building (parts of tenants)	
	Sagamihara Shopping Center (※)	
Harumi Island Triton Y (parts of tenants)	11 tenants	
Akasaka Oji Building (parts of tenants)		
Shiba-Koen Building (parts of tenants)		
Kanda Park Plaza (parts of tenants)		
Faret East Building (parts of tenants)		
Nittetsu Honmachi Building (parts of tenants)		

*Rent revision of Sagamihara Shopping Center were with Ito-Yokado

Rent Revision Policy

Conduct persistent negotiations using the good relations with tenants

V. Financial Strategies

Financial Policies (Stable Financial Management)

Maintain stable bank formation and secure financial flexibility

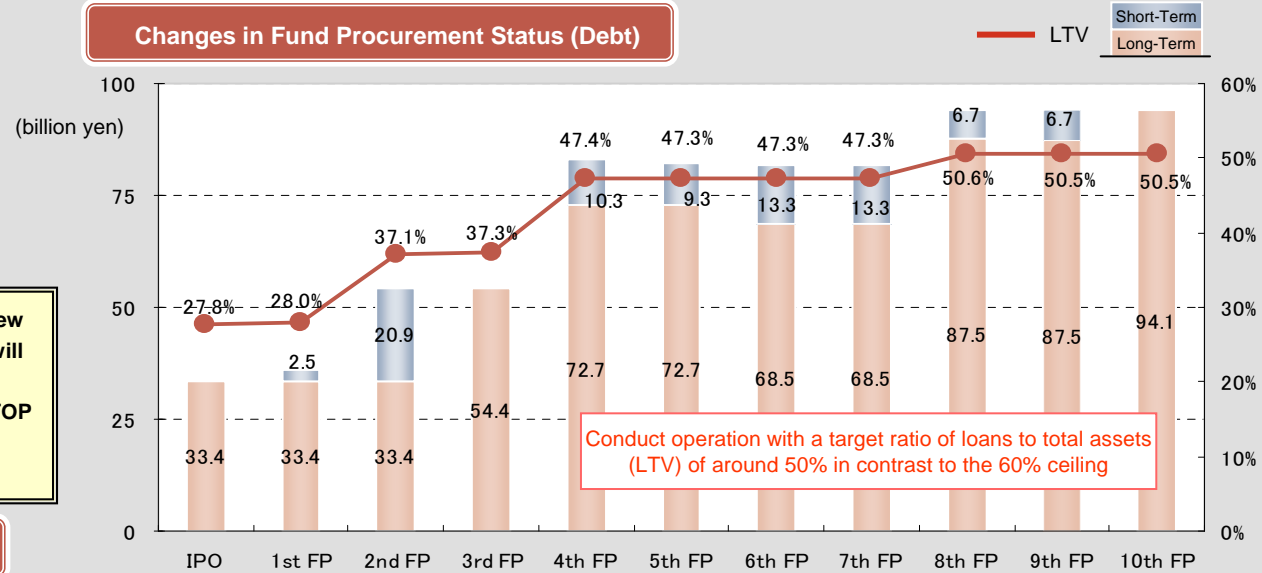
Extend Borrowing Periods and Spread Out Repayment Dates

Manage Risk of Fluctuating Interest Rates

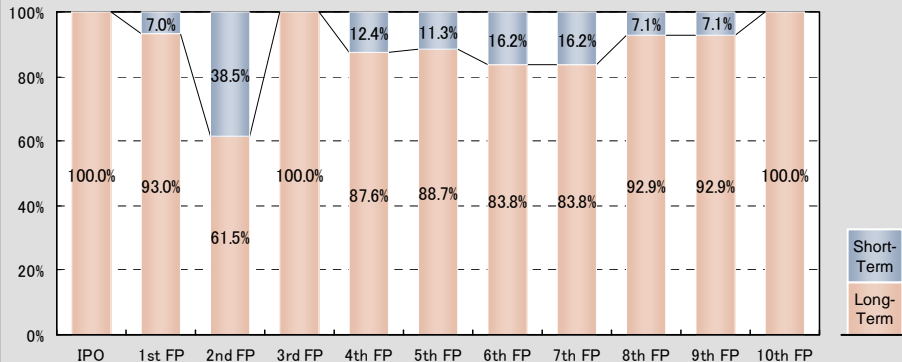
The market interest rate is currently low and stable. In view of the risk of future interest rate fluctuations, TOP REIT will in the meantime operate with a ratio of fixed-rate interest borrowings of 50% while enjoying the present benefits. TOP REIT will watch for interest rate trends and deliberate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

Manage Risk of Fluctuating Interest Rates

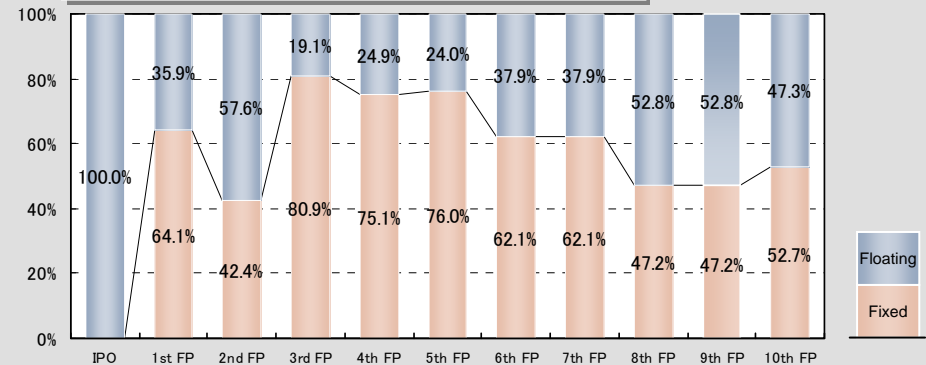
Changes in Fund Procurement Status (Debt)



Ratio of Long-Term Loans



Ratio of Loans with Fixed Interest Rates



*Regarding all graphs on this page, figures for the end of the 9th and 10th FP include ¥8.5 bn of investment corporation bonds.

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

Refinancing and Extend Borrowing Periods

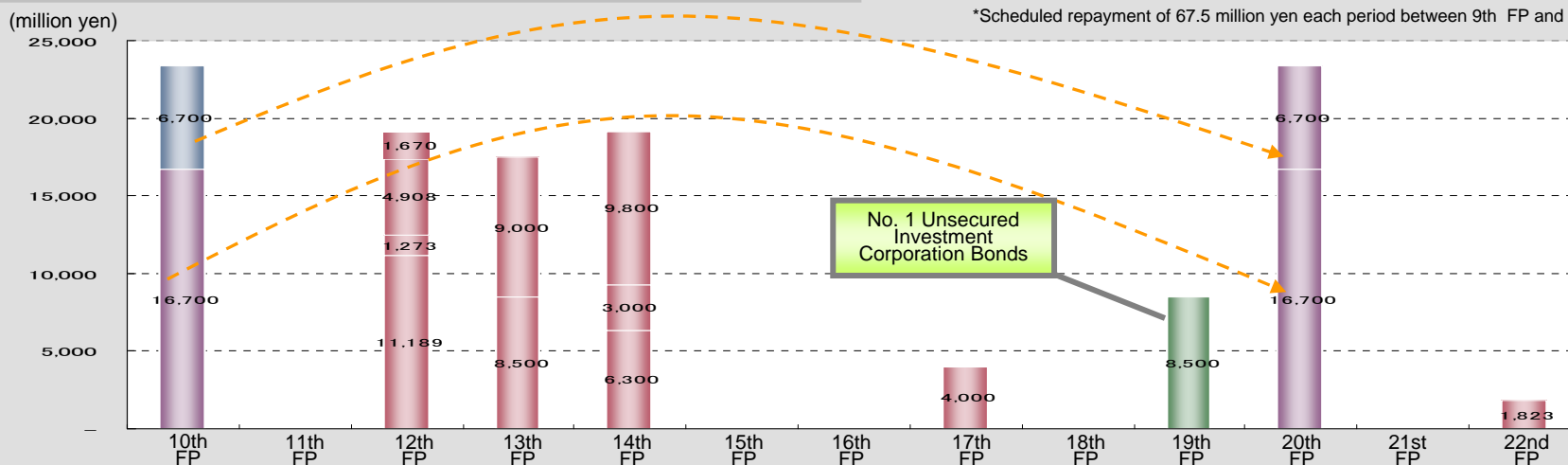
Refinancing in the 10th FP

- Feb. 2011 ¥6.7bn in short-term loans ⇒ Refinanced with short-term loans
- Mar. 2011 ¥6.7bn in short-term loans ⇒ Refinanced before maturity with long-term loans (approx. 5 year)
- Mar. 2011 ¥16.7bn in long-term loans ⇒ Refinanced with long-term loans (approx. 5 year) (fixed rate)

Remaining Period of Interest-bearing Liabilities

9th FP (as of Oct. 31, 2010)	1 year & 9 months (avg.)
10th FP (as of April 30, 2011)	2 years & 6 months (avg.)

*Scheduled repayment of 67.5 million yen each period between 9th FP and 21st FP



Outstanding Balance of Loans by Lender

The Sumitomo Trust and Banking Co., Ltd.	¥22,689mn	26.5%	Development Bank of Japan, Inc.	¥6,565mn	7.7%
Mizuho Corporate Bank, Ltd.	¥15,946mn	18.6%	Dai-ichi Life Insurance Company Ltd.	¥1,000mn	1.2%
Sumitomo Mitsui Banking Corporation	¥12,570mn	14.7%	Resona Bank, Limited	¥1,000mn	1.2%
The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥12,570mn	14.7%	The Bank of Fukuoka, Ltd.	¥3,000mn	3.5%
The Chuo Mitsui Trust and Banking, Co., Ltd	¥4,190mn	4.9%	The Hiroshima Bank, Ltd.	¥1,000mn	1.2%
Mitsubishi UFJ Trust and Banking Corporation	¥4,075mn	4.8%	The Yamaguchi Bank, Ltd.	¥1,000mn	1.2%
SUB TOTAL				¥85,605mn	100.0%

No. 1 Unsecured Investment Corporation Bonds

TOTAL **¥94,105mn** **—**

Implemented enhancement of funding base in preparation of expansion of asset size. Maintaining a stable bank formation centering on previous lenders.

(as of Apr.30, 2011)

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

Issuer Rating

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

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

Category	Lender	Loan Balance	Interest Rate (end of April 2011)	Loan Execution Date	Repayment Date	Remaining Period	Note
Current Portion of Long-Term Loans	Development Bank of Japan, Inc	¥135mn	2.42% (fixed)	January 13, 2010	November 30, 2016	Scheduled repayment	Unsecured and without guarantee
		¥135mn					
	The Sumitomo Trust and Banking, Co., Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥11,189mn	1.24% (floating)	March 3, 2009	November 30, 2011	7 months	Unsecured and without guarantee
		¥11,189mn					
	The Sumitomo Trust and Banking, Co., Ltd. Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation	¥1,273mn	1.24% (floating)	March 27, 2009	November 30, 2011	7 months	Unsecured and without guarantee
		¥1,273mn					
	Mizuho Corporate Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ, Ltd.	¥4,908mn	1.24% (floating)	November 30, 2009	November 30, 2011	7 months	Unsecured and without guarantee
		¥4,908mn					
	The Chuo Mitsui Trust and Banking, Co., Ltd.	¥1,670mn	1.24% (floating)	February 26, 2010	November 30, 2011	7 months	Unsecured and without guarantee
		¥1,670mn					
Subtotal		¥19,175mn	1.25% (avg.)			7 months (avg.)	
Long-Term Loans	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. The Chuo Mitsui Trust and Banking, Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥8,500mn	1.95% (fixed)	June 29, 2007	June 29, 2012	1 year & 2 months	Unsecured and without guarantee
		¥8,500mn					
	The Sumitomo Trust and Banking, Co., Ltd.	¥2,000mn	2.27% (fixed)	June 29, 2007	June 30, 2014	3 years & 2 months	Unsecured and without guarantee
	Development Bank of Japan, Inc.	¥1,000mn	2.40% (fixed)				
	Dai-ichi Life Insurance Company Ltd.	¥1,000mn	2.40% (fixed)				
		¥4,000mn					
	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥6,300mn	1.48% (fixed)	March 27, 2008	March 27, 2013	1 year & 11 months	Unsecured and without guarantee
Development Bank of Japan, Inc.	¥3,000mn	1.53% (fixed)					
	¥9,300mn						

Category	Lender	Loan Balance	Interest Rate (end of April 2011)	Loan Execution Date	Repayment Date	Remaining Period	Note
Long-Term Loans	The Sumitomo Trust and Banking, Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Resona Bank, Limited	¥9,800mn	1.24% (floating)	January 13, 2010	November 30, 2012	1 year & 7 months	Unsecured and without guarantee
	Development Bank of Japan, Inc.	¥2,497mn	2.42% (fixed)	January 13, 2010	November 30, 2016	5 years	
		¥12,297mn					
	The Sumitomo Trust and Banking, Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥9,000mn	1.24% (floating)	March 26, 2010	June 29, 2012	1 year & 2 months	Unsecured and without guarantee
		¥9,000mn					
	The Sumitomo Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ, Ltd. The Chuo Mitsui Trust and Banking, Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation	¥16,700mn	1.39% (fixed)	March 3, 2011	February 29, 2016	4 years & 10 months	Unsecured and without guarantee
		¥16,700mn					
	The Sumitomo Trust and Banking Co., Ltd. The Bank of Fukuoka, Ltd. The Hiroshima Bank, Ltd. The Yamaguchi Bank, Ltd.	¥6,700mn	0.76% (floating)	March 31, 2011	February 29, 2016	4 years & 10 months	Unsecured and without guarantee
		¥6,700mn					
	Subtotal		¥66,430mn	1.39% (avg.)			2 years & 5 months (avg.)
No. 1 Unsecured Investment Corporation Bonds		¥8,500mn	1.00% (fixed)	June 4, 2010	June 4, 2015	4 years & 1 month	Unsecured and without guarantee
Total		¥94,105mn	1.38% (avg.)			2 years & 6 months (avg.)	

Note: Interest rates are rounded to the second decimal place, and the remaining periods are rounded to a whole number.
The averages for interest rates and remaining periods are weighted averages based on the balance at the end of fiscal period.

VI. Tenth Fiscal Period Results (Ended April 30, 2011)

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

■ Statements of Income

Account	9th FP May 1, 2010 – October 31, 2010 (184 days)	10th FP November 1, 2010 – April 30, 2011 (181 days)
	Amount	Amount
I. Operating revenue and expenses		
1. Operating revenue	¥6,060mn	¥5,967mn
2. Operating expenses	¥3,041mn	¥2,995mn
Expenses related to rent business	¥2,451mn	¥2,414mn
Asset management fees	¥455mn	¥450mn
Other	¥134mn	¥131mn
Operating income	¥3,019mn	¥2,971mn
II. Non-operating income and expenses		
1. Non-operating income	¥7mn	¥6mn
Interest income	¥6mn	¥3mn
Other	¥1mn	¥3mn
2. Non-operating expenses	¥822mn	¥783mn
Interest expenses	¥665mn	¥615mn
Interest expenses on investment corporation bonds	¥34mn	¥42mn
Amortization of deferred organization expenses	¥5mn	–
Other	¥115mn	¥125mn
Ordinary income	¥2,204mn	¥2,194mn
Extraordinary loss	–	¥37mn
Income before income taxes	¥2,204mn	¥2,158mn
Income taxes—current	¥0mn	¥0mn
Income taxes—deferred	¥0mn	¥0mn
Net income	¥2,204mn	¥2,157mn
Unappropriated retained earnings	¥2,204mn	¥2,157mn

■ Statements of Cash Distributions

Account	9th FP May 1, 2010 – October 31, 2010 (184 days)	10th FP November 1, 2010 – April 30, 2011 (181 days)
	Amount	Amount
Unappropriated retained earnings	¥2,204mn	¥2,157mn
Total dividend amount	¥2,204mn	¥2,157mn
<Dividend per unit>	<¥14,220>	<¥13,922>
Retained earnings carried forward	–	–

【Expenses related to rent business】

- Depreciation and amortization: ¥1,086mn
- Property management expenses: ¥389mn
- Utilities expenses: ¥202mn and others

VI-2. Balance Sheets (Summary)

Account	9th FP (as of October 31, 2010)	10th FP (as of April 30, 2011)
	Amount	Amount
Assets		
I. Total current assets	¥12,426mn	¥12,738mn
Cash and deposits	¥7,343mn	¥8,244mn
Cash and deposits in trust	¥4,769mn	¥4,204mn
Other	¥313mn	¥289mn
II. Total noncurrent assets	¥173,981mn	¥173,551mn
1. Total property, plant and equipment	¥173,618mn	¥172,994mn
Buildings, etc.	¥1,012mn	¥992mn
Land	¥4,888mn	¥4,888mn
Buildings, etc. in trust	¥49,483mn	¥48,879mn
Land in trust	¥118,234mn	¥118,234mn
2. Total intangible assets	¥0mn	¥0mn
Intangible assets	¥0mn	¥0mn
3. Total investment and other assets	¥363mn	¥557mn
Lease and guarantee deposits	¥10mn	¥10mn
Long-term prepaid expenses	¥198mn	¥389mn
Other	¥154mn	¥157mn
III. Total deferred assets	¥51mn	¥45mn
Deferred organization expenses	-	-
Investment corporation bond issuance costs	¥51mn	¥45mn
Total assets	¥186,459mn	¥186,336mn

Account	9th FP (as of October 31, 2010)	10th FP (as of April 30, 2011)
	Amount	Amount
Liabilities		
I. Total current liabilities	¥25,244mn	¥20,850mn
Operating accounts payable	¥187mn	¥210mn
Short-term loans payable	¥6,700mn	-
Current portion of long-term loans payable	¥16,835mn	¥19,175mn
Accounts payable — other	¥271mn	¥262mn
Accrued expenses	¥239mn	¥254mn
Accrued consumption taxes	¥134mn	¥49mn
Advances received	¥810mn	¥868mn
Derivative liabilities	¥62mn	-
Other	¥3mn	¥29mn
II. Total noncurrent liabilities	¥76,776mn	¥81,068mn
Investment Corporation Bond	¥8,500mn	¥8,500mn
Long-term loans payable	¥62,137mn	¥66,430mn
Tenant leasehold and security deposits	¥146mn	¥144mn
Tenant leasehold and security deposits in trust	¥5,992mn	¥5,993mn
Total liabilities	¥102,020mn	¥101,918mn
Net assets		
I. Total unitholders' equity	¥84,464mn	¥84,418mn
1.Unitholders' capital	¥82,260mn	¥82,260mn
2.Surplus		
Unappropriated retained earnings	¥2,204mn	¥2,157mn
Total surplus	¥2,204mn	¥2,157mn
II. Total valuation and translation adjustments	(¥25mn)	-
Deferred gains or losses on hedge	(¥25mn)	-
Total net assets	¥84,438mn	¥84,418mn
Total liabilities and net assets	¥186,459mn	¥186,336mn

VI-3. Major Financial Indicators

Item	8th Fiscal Period November 1, 2009 – April 30, 2010	9th Fiscal Period May 1, 2010 – October 31, 2010	10th Fiscal Period November 1, 2010 – April 30, 2011	Remark
Period of asset management	181days	184days	181days	
Ratio of interest-bearing liabilities to total assets at end of period (LTV)	50.6%	50.5%	50.5%	Interest-bearing liabilities at end of period / Total assets at end of period
Rental NOI (Net operating income)	¥4,535mn	¥4,691mn	¥4,639mn	Rent revenue – Expenses related to rent business + Depreciation and amortization
Rental NOI yield	5.4%	5.4%	5.3%	Rental NOI x 2 / Sum total of the acquisition price of all properties in the portfolio at end of period
Funds from Operation (FFO)	¥3,217mn	¥3,286mn	¥3,243mn	Net income + Depreciation and amortization
FFO per unit	¥20,755	¥21,200	¥20,929	FFO / Number of units issued and outstanding at end of period
Ratio of ordinary income to total assets (return on assets (ROA))	1.2%	1.2%	1.2%	Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2)
Annualized	[2.3%]	[2.4%]	[2.4%]	
Ratio of net income to unitholders' equity (return on equity (ROE))	2.5%	2.6%	2.6%	Net income / ((Net assets at beginning of period + Net assets at end of period) / 2)
Annualized	[5.0%]	[5.2%]	[5.1%]	
Implied Cap Rate	5.9%	5.8%	5.6%	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	0.79	0.82	0.93	Market capitalization at end of period / (Net assets at end of period + (Appraisal value at end of period – Book value at end of period))
Ratio of unitholders' equity to total assets at the end of period	45.2%	45.3%	45.3%	Net assets at end of period / Total assets at end of period

VI-4 . Unitholders

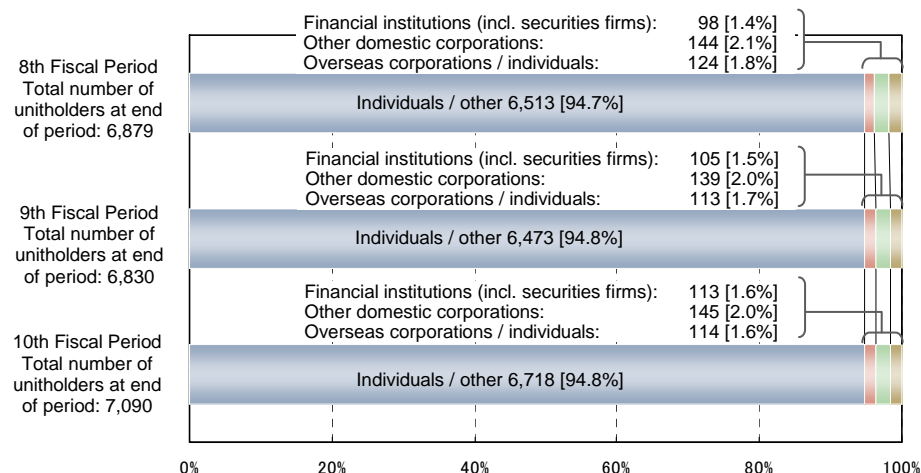
Unitholdings (as at end of 10th FP)

Category	Number of Units Held		Number of Unitholders	
Individuals / other	20,592	13.3%	6,718	94.8%
Financial institutions (incl. securities firms)	97,259	62.7%	113	1.6%
Other domestic corporations	13,475	8.7%	145	2.0%
Overseas corporations / individuals	23,674	15.3%	114	1.6%
Total	155,000	100.0%	7,090	100.0%

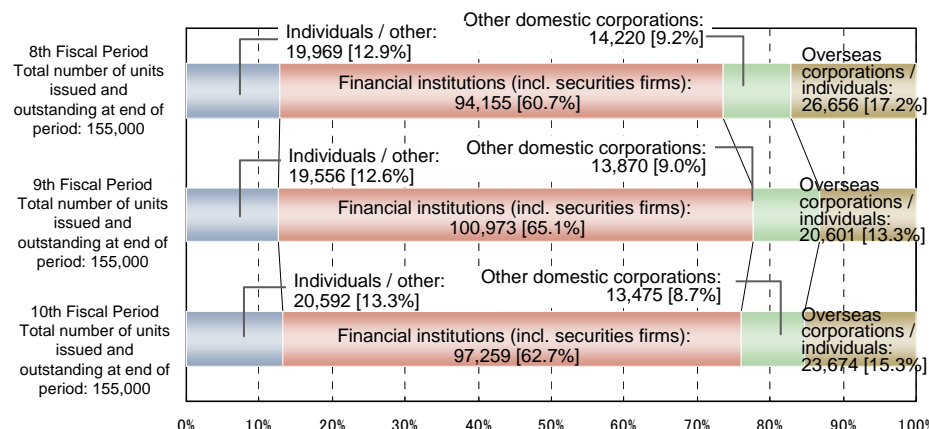
Top 15 Unitholders (as at end of 10th FP)

Rank	Name	Number of Units Held	Share of Total
1	Japan Trustee Service Bank (trust account)	23,336	15.06
2	Nomura Trust and Banking (investment trust account)	13,768	8.88
3	Trust and Custody Services Bank (securities investment trust account)	7,680	4.95
4	The Master Trust Bank of Japan (trust account)	6,449	4.16
5	North Pacific Bank, LTD.	6,139	3.96
6	The Senshu Ikeda Bank, Ltd	4,540	2.93
7	American Life Insurance Company GAL	3,900	2.52
8	NOMURA BANK (LUXEMBOURG) S.A.	3,800	2.45
9	The Fuji Fire and Marine Insurance Company, Limited	3,465	2.24
10	The Sumitomo Trust and Banking Co., Ltd.	3,176	2.05
11	Nippon Steel City Produce, Inc	3,162	2.04
11	Oji Real Estate Co., Ltd.	3,162	2.04
13	Trust and Custody Services Bank (money trust tax account)	2,844	1.83
14	Mizuho Trust & Banking co., Ltd	2,062	1.33
15	The Minami Nippon Bank, Ltd.	1,550	1.00
	Total	89,033	57.44

Number of Unitholders



Number of Units Held



VI-5. Unit Price Performance and Volume (March 1, 2006 – May 31, 2011)



10th Fiscal Period End Unit Price (based on closing price)	¥491,500 (April 28, 2011)	IPO Price	¥550,000	Mar. 1, 2006
		Historical High since IPO (based on closing price)	¥998,000	Feb. 16, 2007
		Historical Low since IPO (based on closing price)	¥208,000	Oct. 28, 2008

VII. Appendix: Portfolio Overview

VII-1. Portfolio Map



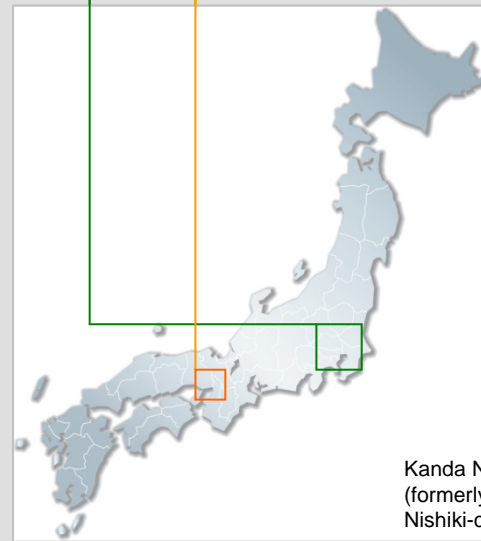
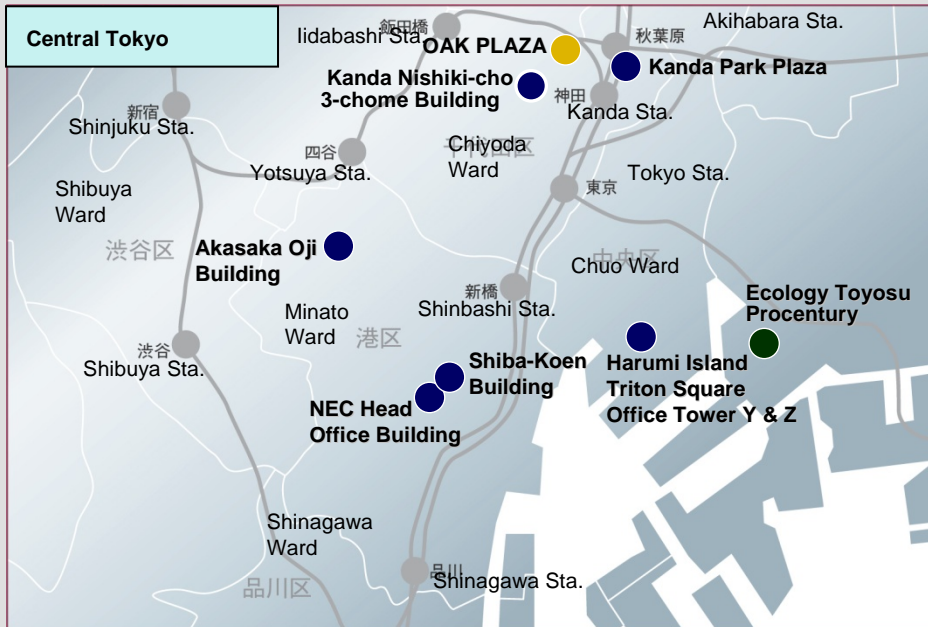
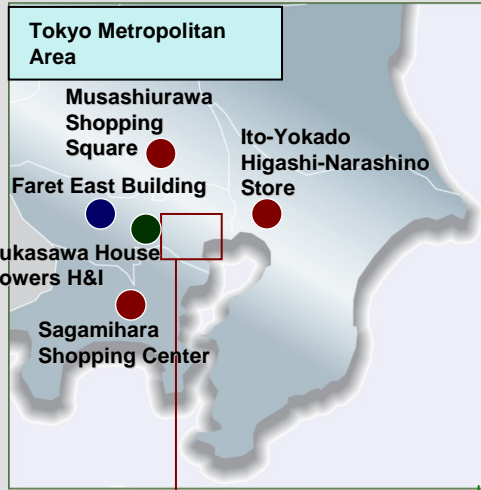
Harumi Island Triton Square Office Tower Y&Z



Fukasawa House Towers H&I



NEC Head Office Building



Sagamiyara Shopping Center



Kanda Nishiki-cho 3-chome Building (formerly called Sumitomo Corporation Nishiki-cho Building)

VII- 2. Portfolio Summary (as at end of 10th FP)

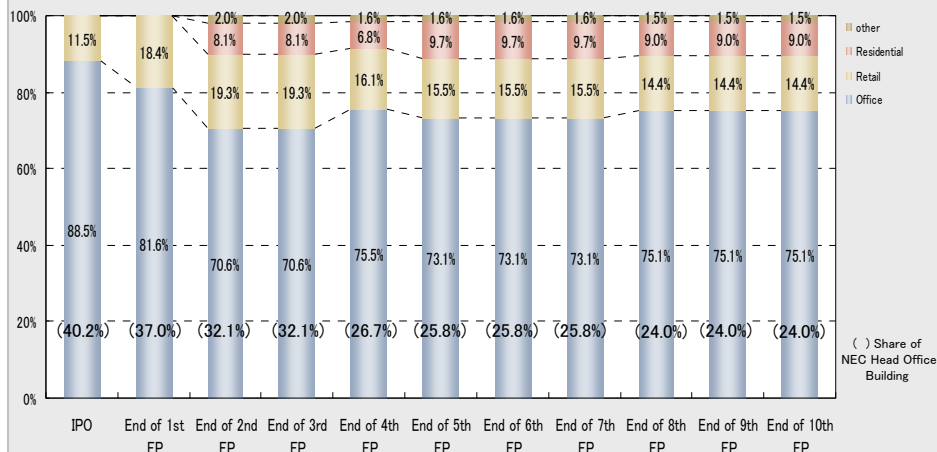
Total Acquisition Price : ¥175.⁰⁴⁷bn.

Number of Properties : 15

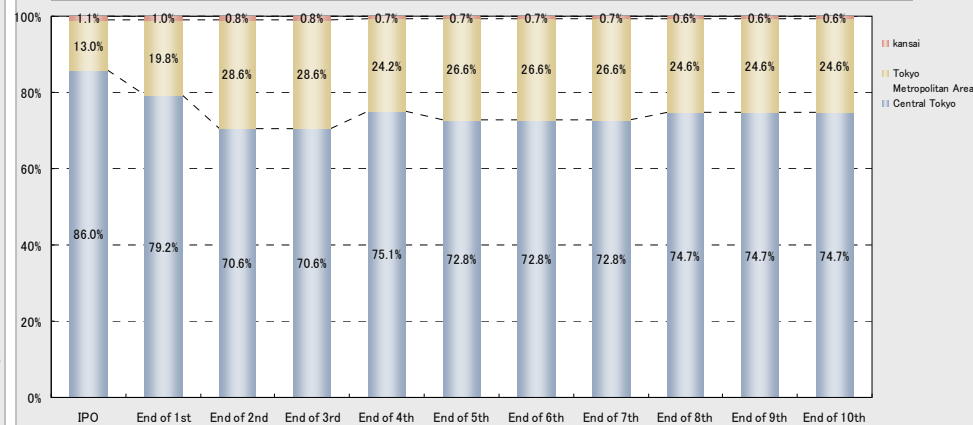
Gross Rentable Floor Area : 291,627.⁷²m²

PML : 2.4%

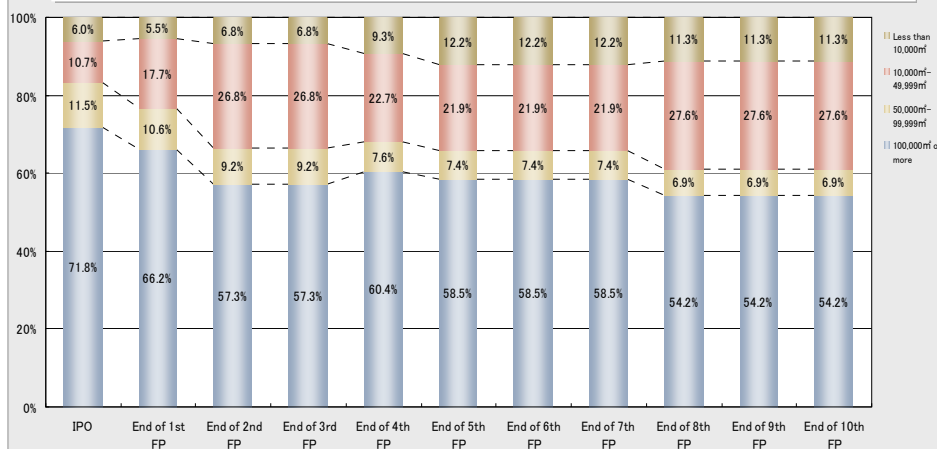
Asset Class (property type)



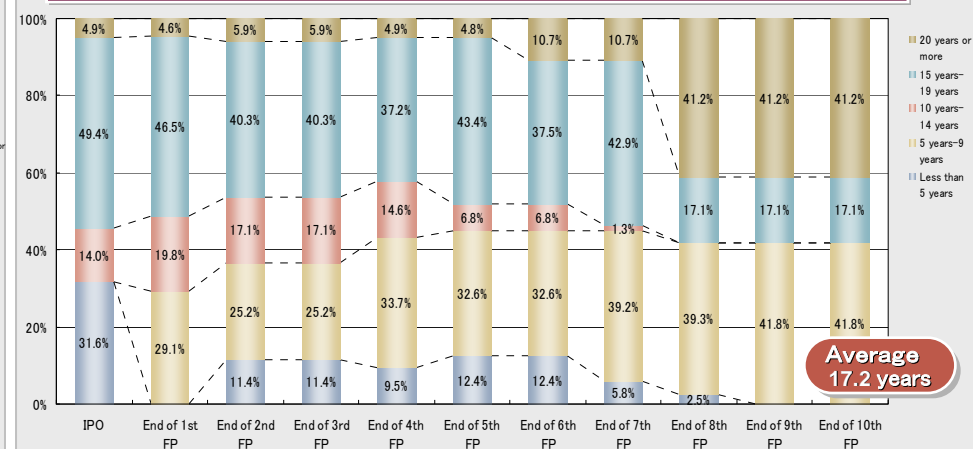
Area



Scale (based on total floor space)



Age of Buildings



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

VII-3. Portfolio Overview (as at end of 10th FP)

Asset Class	Area	Property	Address	Acquisition Date	Total Floor Space (㎡)	Rentable Floor Space (㎡)	Completion Date	Acquisition Price (mm yen)	Portfolio Share (%)	Occupancy Rate (%)	Number of Tenants	PML (%)
Office	Central Tokyo	NEC Head Office Building	Minato Ward, Tokyo	Mar 3, 2006	144,476. ⁰⁵	72,238. ⁰³	Jan. 1990	41,950	24.0	100.0	1	1.4
		Harumi Island Triton Square Office Tower Y	Chuo Ward, Tokyo	Mar 1, 2006	267,132. ⁶⁷	23,219. ⁴⁶	Oct. 2001	33,000	18.9	100.0	7	1.2
		Harumi Island Triton Square Office Tower Z	Chuo Ward, Tokyo	Mar 27, 2008	267,132. ⁶⁷	10,914. ²⁰	Oct. 2001	20,000	11.4	100.0	1	1.5
		Kanda Nishiki-cho 3-chome Building	Chiyoda Ward, Tokyo	Jan 13, 2010	12,169. ⁷⁸	8,025. ⁶⁵	Mar. 1973	12,700	7.3	100.0	1	7.0
		Akasaka Oji Building	Minato Ward, Tokyo	Mar 1, 2006	10,063. ⁰⁵	7,281. ⁸³	Apr. 1989	9,660	5.5	100.0	2	6.4
		Shiba-Koen Building	Minato Ward, Tokyo	Mar 19, 2008	4,958. ²⁹	3,060. ⁴³	May 1991	5,770	3.3	92.7	2	9.6
		Kanda Park Plaza	Chiyoda Ward, Tokyo	Mar 1, 2006	5,511. ⁸³	4,537. ⁶⁶	Nov. 1959	5,156	2.9	100.0	10	14.1
	Tokyo Metropolitan Area	Faret East Building	Tachikawa City, Tokyo	Mar 1, 2006	16,206. ³⁴	5,850. ²³	Dec. 1994	2,091	1.2	100.0	1	2.8
	Kansai	Nittetsu Honmachi Building	Osaka City, Osaka	Mar 1, 2006	6,714. ⁰⁹	4,409. ⁵²	June 1991	1,100	0.6	100.0	12	8.5
Subtotal					—	139,537. ⁰¹	—	131,427	75.1	99.8	37	—
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	Mar 1, 2006	56,351. ⁴²	61,763. ²⁸	Aug. 1993 etc.	12,000	6.9	100.0	2	3.6
		Ito-Yokado Higashi-Narashino Store	Narashino City, Chiba Pref.	Jun 30, 2006	45,338. ³⁷	51,098. ⁴²	Oct. 1994	8,900	5.1	100.0	1	7.7
		Musashiurawa Shopping Square	Saitama City, Saitama Pref.	Mar 19, 2007	28,930. ³⁶	14,960. ⁶⁹	Oct. 2005	4,335	2.5	100.0	3	8.5
	Subtotal					—	127,822. ³⁹	—	25,235	14.4	100.0	6
Residential	Tokyo Metropolitan Area	Fukasawa House Towers H&I	Setagaya Ward, Tokyo	Dec 8, 2006	12,135. ³⁶	11,357. ⁴⁴	June 2004	10,635	6.1	94.6	1	1.6
		Ecology Toyosu Procentury	Koto Ward, Tokyo	May 30, 2008	9,630. ⁹⁶	6,789. ⁰³	Jan. 2005	5,160	2.9	97.7	1	10.6
	Subtotal					—	18,146. ⁴⁷	—	15,795	9.0	95.7	2
Other	Central Tokyo	OAK PLAZA	Chiyoda Ward, Tokyo	Mar 20, 2007	6,121. ⁸⁵	6,121. ⁸⁵	Apr. 1985	2,590	1.5	100.0	1	7.7
	Subtotal					—	6,121. ⁸⁵	—	2,590	1.5	100.0	1
Total					—	291,627. ⁷²	—	175,047	100.0	99.7	46	2.4

VII-4. Appraisal Value as at End of Period

(million yen)

Asset Class	Area	Property	Acquisition Price	Book Value at End of 10th FP (A)	Appraisal Value at End of 7th FP	Appraisal Value at End of 8th FP	Appraisal Value at End of 9th FP (B)	Appraisal Value at End of 10th FP (C)	Difference Between Appraisal Value and Book Value (C) – (A)	Difference in Appraisal Value from End of 9th FP (C) – (B)
Office	Central Tokyo	NEC Head Office Building	41,950	43,067	47,500	47,750	47,750	47,950	4,882	200
		Harumi Island Triton Square Office Tower Y	33,000	31,472	39,500	39,300	39,000	38,700	7,227	(300)
		Harumi Island Triton Square Office Tower Z	20,000	20,040	15,700	15,500	15,100	14,300	(5,740)	(800)
		Sumitomo Corporation Nishiki-cho Building	12,700	12,854	–	14,100	14,100	14,000	1,145	(100)
		Akasaka Oji Building	9,660	9,761	14,400	13,300	13,300	9,570	(191)	(3,730)
		Shiba-Koen Building	5,770	5,880	3,790	3,710	3,410	3,410	(2,470)	–
		Kanda Park Plaza	5,156	5,118	5,179	5,047	4,959	4,970	(148)	11
	Tokyo Metropolitan Area	Faret East Building	2,091	1,746	2,780	2,500	2,500	2,430	683	(70)
	Kansai	Nittetsu Honmachi Building	1,100	1,014	1,440	1,390	1,380	1,430	415	50
			Subtotal	131,427	130,957	130,289	142,597	141,499	136,760	5,802
Retail	Tokyo Metropolitan Area	Sagamihara Shopping Center	12,000	11,480	10,700	10,700	10,300	10,300	(1,180)	–
		Ito-Yokado Higashi-Narashino Store	8,900	8,150	5,416	5,613	5,568	5,560	(2,590)	(8)
		Musashiurawa Shopping Center	4,335	4,097	3,790	3,800	3,810	3,810	(287)	–
			Subtotal	25,235	23,728	19,906	20,113	19,678	19,670	(4,058)
Residential	Tokyo Metropolitan Area	Fukasawa House Towers H&I	10,635	10,437	7,540	7,180	6,980	6,990	(3,447)	10
		Ecology Toyosu Procentury	5,160	5,165	4,640	4,560	4,520	4,590	(575)	70
			Subtotal	15,795	15,602	12,180	11,740	11,500	11,580	(4,022)
Other	Central Tokyo	OAK PLAZA	2,590	2,706	2,573	2,696	2,674	2,660	(46)	(14)
		Subtotal	2,590	2,706	2,573	2,696	2,674	2,660	(46)	(14)
		Total	175,047	172,994	164,948	177,146	175,351	170,670	(2,324)	(4,681)

VII-5. Appraisal Cap Rate

Property	6th Fiscal Period			7th Fiscal Period			8th Fiscal Period			9th Fiscal Period			10th Fiscal Period		
	Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method		Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method	
		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate		Discount Rate	Terminal Cap Rate
NEC Head Office Building	4.3%	3.8% (Next 4 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 4 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 3 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 3 years) 4.3% (afterward)	4.6%	4.3%	3.8% (Next 2 years) 4.3% (afterward)	4.6%
Harumi Island Triton Square Office Tower Y	4.4%	4.1%	4.6%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%
Harumi Island Triton Square Office Tower Z	4.4%	4.1%	4.6%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%	4.6%	4.3%	4.8%
Kanda Nishiki-cho 3-chome Building	-	-	-	-	-	-	5.2%	4.9%	5.4%	5.2%	4.9%	5.4%	4.9%	4.6%	5.1%
Akasaka Oji Building	4.5%	4.4%	4.8%	4.5%	4.4%	4.8%	4.5%	4.4%	4.8%	4.5%	4.5%	4.8%	4.5%	4.5%	4.8%
Shiba-Koen Building	4.8%	4.6%	4.9%	4.8%	4.6%	4.9%	4.8%	4.6%	4.9%	5.0%	4.8%	5.1%	4.9%	4.7%	5.0%
Kanda Park Plaza	5.2%	4.7%	5.8%	5.3%	4.8%	5.9%	5.3%	4.8%	5.9%	5.3%	4.8%	5.9%	5.3%	4.8%	5.6%
Faret East Building	5.6%	5.3%	5.8%	5.8%	5.5%	6.0%	5.8%	5.5%	6.0%	5.8%	5.5%	6.0%	5.8%	5.5%	6.0%
Nittetsu Honmachi Building	6.1%	6.3%	6.4%	6.2%	6.4%	6.5%	6.2%	6.4%	6.5%	6.2%	6.3%	6.5%	6.2%	6.3%	6.5%
Sagamihara Shopping Center	5.8%	5.6%	6.0%	6.0%	5.8%	6.2%	6.0%	5.8%	6.2%	6.0%	5.8%	6.1%	6.0%	5.8%	6.1%
Ito-Yokado Higashi-Narashino Store	6.3%	5.4%	6.8%	6.4%	5.5%	6.9%	6.4%	5.5%	6.9%	6.4%	5.5%	6.9%	6.3%	6.1%	6.6%
Musashiurawa Shopping Square	5.6%	5.3%	5.9%	5.8%	5.5%	6.1%	5.8%	5.5%	6.1%	5.8%	5.5%	6.1%	5.8%	5.5%	6.1%
Fukasawa House Towers H&I	5.1%	4.8%	5.3%	5.2%	4.9%	5.4%	5.2%	4.9%	5.4%	5.2%	4.9%	5.4%	5.1%	4.8%	5.3%
Ecology Toyosu Procentury	5.3%	5.1%	5.5%	5.4%	5.2%	5.6%	5.5%	5.3%	5.7%	5.5%	5.3%	5.7%	5.4%	5.2%	5.6%
OAK PLAZA	4.7%	4.2%	5.3%	4.8%	4.3%	5.4%	4.8%	4.3%	5.4%	4.8%	4.3%	5.4%	5.2%	5.0%	5.5%

Appraisers	Properties
Tanizawa Sogo Appraisal Co., Ltd.	NEC Head Office Building, Akasaka Oji Building, Nittetsu Honmachi Building
Japan Real Estate institute	Harumi Island Triton Square Office Towers Y & Z, Kanda Nishiki-cho 3-chome Building, Kanda Park Plaza, Faret East Building, Ito-Yokado Higashi-Narashino Store, Fukasawa House Towers H&I, Ecology Toyosu Procentury, OAK PLAZA
DAIWA REAL ESTATE APPRAISAL Corporation	Shiba-Koen Building, Sagamihara Shopping Center, Musashiurawa Shopping Square

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

* Since the appraisals at the end of the 10th FP, appraisers for some properties have been changed and aggregation of appraisers undertaken with the aim of increasing efficiency and lowering appraisal costs.

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

(million yen)

	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	Kanda Park Plaza	Faret East Building	Nittetsu Honmachi Building	Sagamihara Shopping Center	Ito-Yokado Higashi-Narashino Store	Musashiburawa Shopping Square	Fukasawa House Towers H&I	Ecology Toyosu Procentury	OAK PLAZA
Operating period (days)	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
Total revenue from property leasing	1,370	1,309	582		431	110	169	160	92	407	236	129	239	173	94
Rent revenue — real estate	1,370	1,309	582		431	110	169	160	92	407	236	129	233	159	94
Total expenses from property leasing	231	359	129		111	30	41	72	43	60	52	18	61	38	23
Property management expenses	1	164	43		30	9	8	29	12	2	1	1	34	25	0
Taxes and dues	223	94	42		40	9	15	12	9	55	29	15	16	6	14
Utilities expenses	—	78	30		21	7	11	24	9	—	—	—	0	1	—
Repair expenses	2	17	7		16	3	4	3	9	1	19	0	7	3	6
Non-life insurance expenses	1	2	0		0	0	0	0	0	0	0	0	0	0	0
Other	2	2	5		2	—	2	3	2	1	0	1	2	1	1
NOI (NOI yield)	1,139 [5.4%]	949 [5.8%]	452 [4.5%]	408 [6.4%]	320 [6.6%]	79 [2.8%]	127 [4.9%]	87 [8.4%]	49 [9.0%]	346 [5.8%]	183 [4.1%]	110 [5.1%]	177 [3.3%]	134 [5.2%]	71 [5.5%]
Depreciation and amortization	221	243	119	34	29	20	13	46	16	53	107	49	66	51	11
Operating income	918	705	332	373	290	59	114	40	32	293	76	61	111	83	59
Capital expenditures	377	53	11	2	—	0	7	—	5	1	—	—	0	—	5

“Repair work based on the Long Term Repair Plans”
 • Renewal of the outer wall sealing
 • Renewal of the central monitoring system, etc.

• Installation of new partition walls
 • Renewal of the emergency telephone facilities, etc.

VII-7. Property Details: Office Buildings



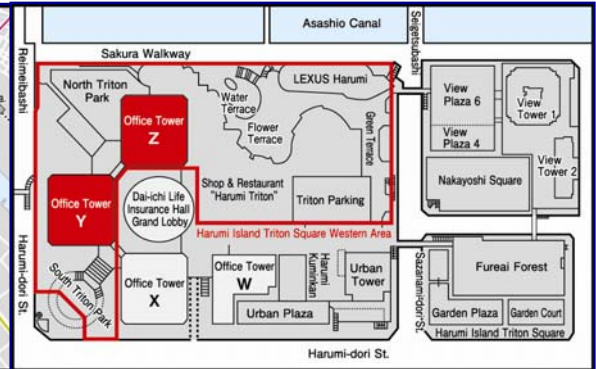
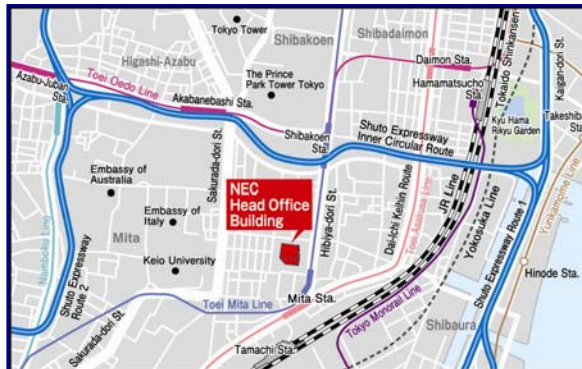
Property	NEC Head Office Building
Address	Shiba, Minato Ward, Tokyo
Floor Area	144,476. ⁰⁵ m ²
Completion	January 1990
Title	Co-ownership (50%)
Acquisition Price	41. ⁹⁵ billion yen



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



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



VII-7. Property Details: Office Buildings



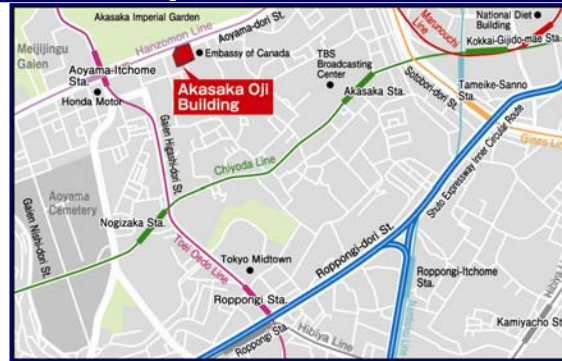
Property	Kanda Nishiki-cho 3-chome Building (formerly called "Sumitomo Corporation Nishiki-cho Building")
Address	Kanda Nishiki-cho, Chiyoda Ward, Tokyo
Floor Area	12,169.78m ²
Completion	March 1973 (large-scale renovation undertaken in November 2001 and earthquake-resistant reinforcement construction implemented in October 2009)
Title	Ownership
Acquisition Price	12. ⁷ billion yen



Property	Akasaka Oji Building
Address	Akasaka, Minato Ward, Tokyo
Floor Area	10,063.05m ²
Completion	April 1989
Title	Ownership
Acquisition Price	9. ⁶⁶ billion yen



Property	Shiba-Koen Building
Address	Shiba, Minato Ward, Tokyo
Floor Area	4,958.29m ²
Completion	May 1991
Title	Co-ownership (1 st – 7 th floors)
Acquisition Price	5. ⁷⁷ billion yen



VII-7. Property Details: Office Buildings



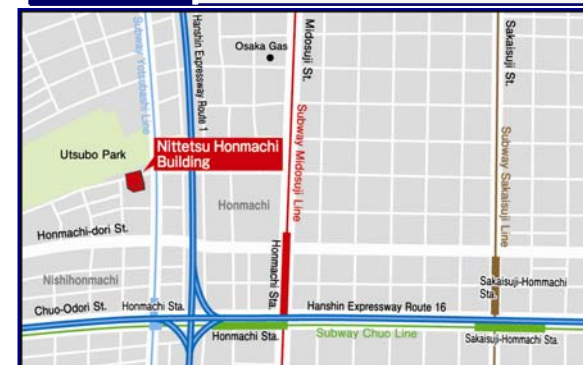
Property	Kanda Park Plaza
Address	Kajicho, Chiyoda Ward, Tokyo
Floor Area	5,511.83m ²
Completion	November 1959 Repair work to enhance earthquake resistance in 2003
Title	Ownership
Acquisition Price	5,156 billion yen



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



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



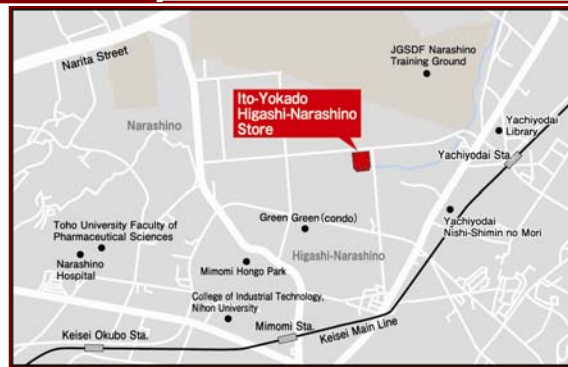
VII-8. Property Details: Retail Properties



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



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



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



VII-9. Property Details: Residential and Other Properties



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



Property	Ecology Toyosu Procentury
Address	Toyosu, Koto Ward, Tokyo
Floor Area	9,630.96m ²
Completion	January 2005
Title	Ownership
Acquisition Price	5.16 billion yen



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



VII-10. Measures for Electricity Conservation in this Summer

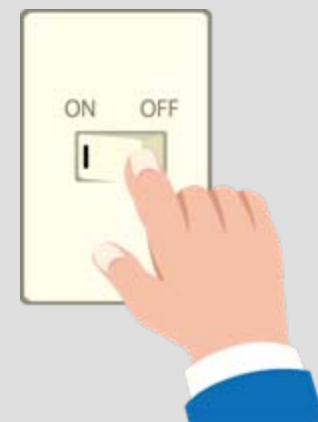
A restriction of electrical power use came into effect as of June 1, 2011 based on article 27 of the Electricity Business Act. Subject to the restriction are large consumers with contract electricity of 500kw or more in the supply area of Tokyo Electric Power and Tohoku Electric Power. (Restriction in the supply area of Tokyo Electric Power: the hours 9:00 – 20:00 of July 1, 2011 to September 22, 2011 except Saturdays, Sundays and holidays)

Subject properties and measures of tenants

NEC Head Office Building	The tenant, NEC Corporation, established a power saving task force and is also planning to implement two weeks holiday rotations at all of its operational locations (excluding factories and data centers) by splitting them into 4 groups.
Harumi Island Triton Square Office Tower Y&Z	Major tenant of Office Tower Y, Sumitomo Metal Industries, Ltd, has been introducing Summer Time Working Hours. At Office Tower Z, thorough efforts to turn off unnecessary lights, adjust lighting and use minimum air conditioning are being implemented.
Kanda Nishiki-cho 3-chome Building	The building's tenant (there is only one tenant) will turn off all lights at 18:00 during this period. Besides this, it is also implementing thorough efforts to turn off unnecessary lights, adjust lighting and use minimum air conditioning.
Retail Properties	Ito-Yokado Co., Ltd. is turning off the lights on their exterior billboards and have installed demand controllers to monitor and adjust electric usage. Also, shops at Musashiurawa Shopping Square are turning off unnecessary lights, turning off lights of vending machines and other measures.
Akasaka Oji Building	Major tenant, Sony Computer Entertainment, Inc., will relocate in mid June and work for restoring to original conditions will take place at the area they vacated, thus electricity usage of the building is anticipated to be largely reduced.

TOP REIT's Measures

- * The following will be implemented at common areas and tenants will be asked to cooperate
- Turn off unnecessary lights and suspend operation of some elevators
 - Raise air conditioning temperature and suspend some air conditioning
 - Turn off hand dryers at restrooms
 - Turn off exhaust fans
 - Turn off electric water heater at hot water supply room
 - Turn off lights of vending machines



What were the effects of the earthquake on Harumi Island Triton Square?



★When Harumi Island Triton Square opened, each tenant was given a pamphlet titled “Preparing for Earthquakes.” We are more confident in earthquake resistance now.

◎Since Harumi is a landfill, does that mean the ground is weak?

Harumi Triton Square is supported by a strong stratum (Kazusa layer group) located about 30m below ground with plenty of soil bearing capacity. The conditions are about the same as central urban regions such as Marunouchi and Shiodome.

◎Aren't skyscrapers prone to severe damage in earthquakes?

The building employs a damage level control structure which protects the main structural material by passing the damage to the energy-absorbing material. It has the effect of not only protecting humans but also mitigates the impact of earthquakes on facilities and appliances. Also, with the energy-absorbing material, quick recovery from damage is made possible.

◎What about tsunamis?

The Harumi district is safeguarded by a seawall for earthquakes and is protected from tsunamis and high tides. Harumi Triton Square is especially well protected as it faces Asashio Canal which is surrounded by a seawall and a water gate. Also, Harumi is a designated regional evacuation area for times of disasters.

Has there been liquefaction at areas surrounding Ecology Toyosu Procentury?

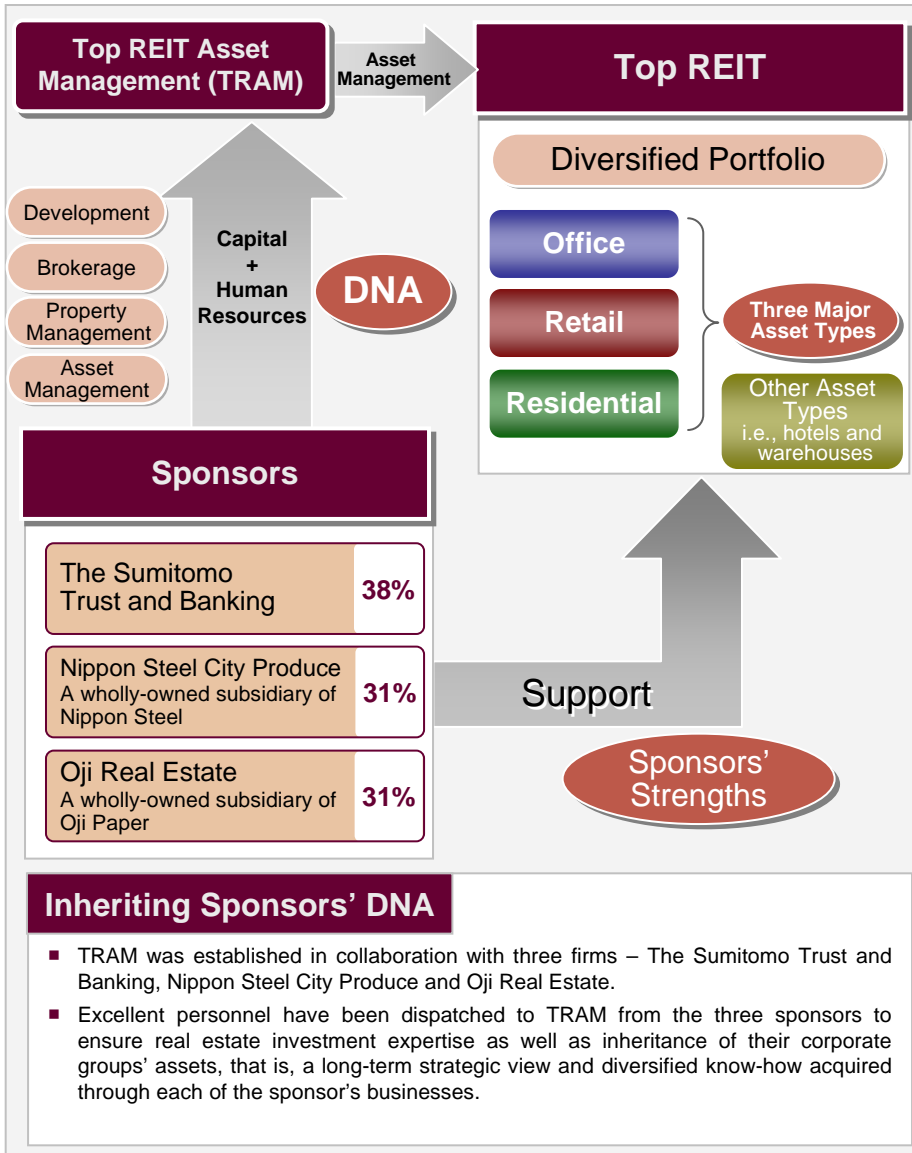
◎There have been reports of liquefaction at Urayasu and parts of the Toyosu district. What about TOP REIT's residential property in Toyosu?

There has been no liquefaction at Ecology Toyosu Procentury. Restoration works of some form or another are taking place at 13 owned properties and restoration costs for this property is actually the lowest of the 13 properties at ¥99,000. Only minimal restoration work was required and it has already been completed.



VIII. Appendix: Structure of Related Parties

VIII-1. Characteristics of Top REIT and Operational Strategies



1. Skilled Management of a Diversified Portfolio

- (1) Pursuit of both external growth and quality of assets managed
- (2) Pursuit of stability and growth potential of profitability through unique asset class
- (3) Strategic application of commissioned reports from a think tank

2. Optimal Application of Sponsor Strengths

- (1) Steady external growth through pipeline function
- (2) Agile acquisition of properties through warehousing function
- (3) Achieving internal growth through "management-added benefits"

Ensuring Steady Revenue

Steady Growth of Portfolio

Maximizing Unitholders' Value

Utilizing Sponsor Strengths

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

Number of group companies (as of March 31, 2011)

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

VIII-2. Overview of Asset Manager

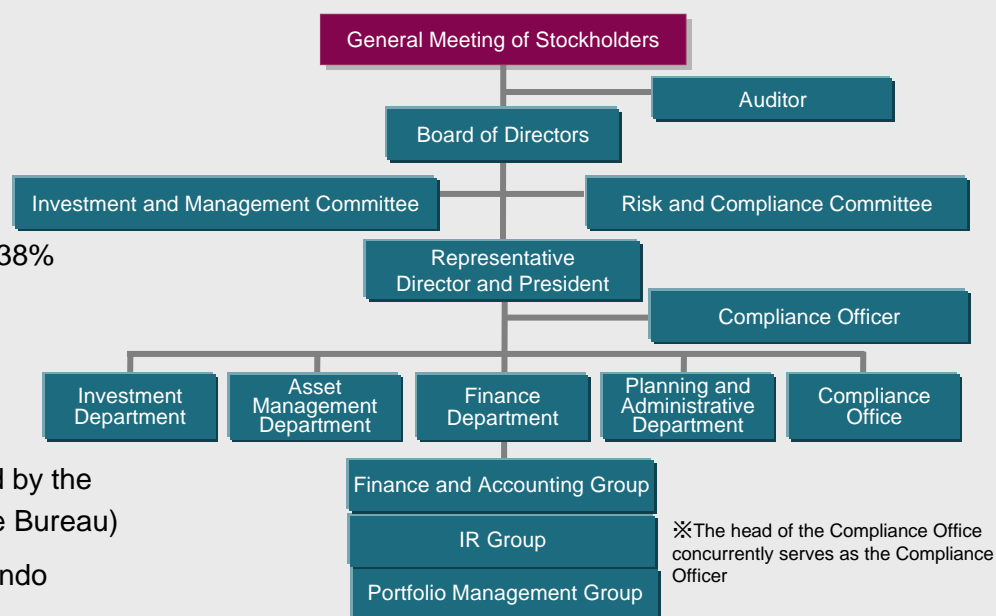
Name Top REIT Asset Management Co., Ltd.
Address Nittetsu Nihonbashi Building
 1-13-1 Nihonbashi, Chuo Ward, Tokyo
Established Oct. 22, 2004
Paid-in Capital ¥300mn
Shareholders The Sumitomo Trust and Banking Co., Ltd. 38%
 Nippon Steel City Produce, Inc. 31%
 Oji Real Estate Co., Ltd. 31%

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

Directors President and Representative Director: Nobuhito Endo

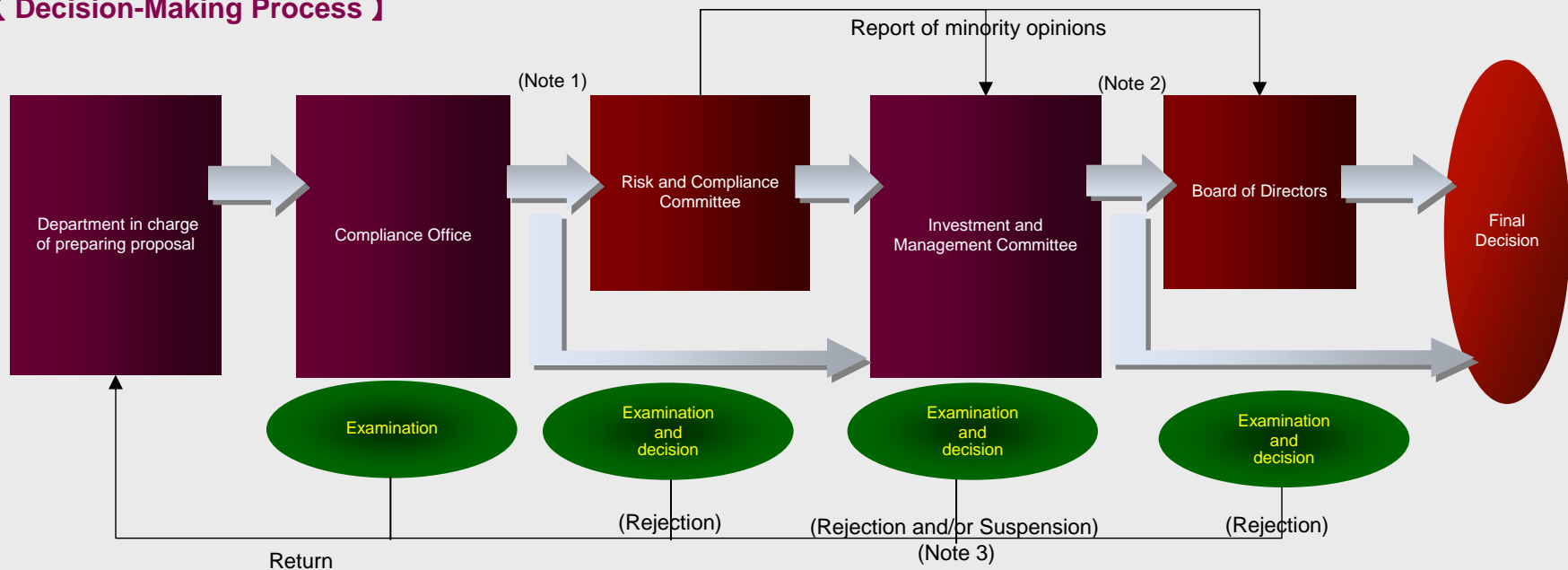
Milestones

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



VIII-2. Overview of Asset Manager

【 Decision-Making Process 】



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

- **Material transactions with interested parties** defined in the rules on transactions with interested parties (a **unanimous vote** is required in this case.)
- The head of the Compliance Office **recognizes** the discussion of the issues in the Risk and Compliance Committee to be necessary.

(Note 2) Proposals will be passed to the Board of Directors if they fall under any of the following:

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

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

IR Contact
Koji Murata,
Tomio Kurokawa,
Junko Yoshii
Investor Relations
Top REIT Asset Management Co., Ltd. (Asset Manager)
Phone: +81-3-3243-2181
Fax: +81-3-3243-2182
E-mail: info-top@top-reit-am.co.jp
HP: <http://www.top-reit.co.jp/english/>

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