

TSE Code

8982



TOP REIT, Inc.

TOP REIT, Inc.

**Presentation on Business Results
for the 15th Fiscal Period
May 1, 2013 ~ October 31, 2013**



TOP REIT, Inc.



**TOP REIT
ASSET MANAGEMENT**



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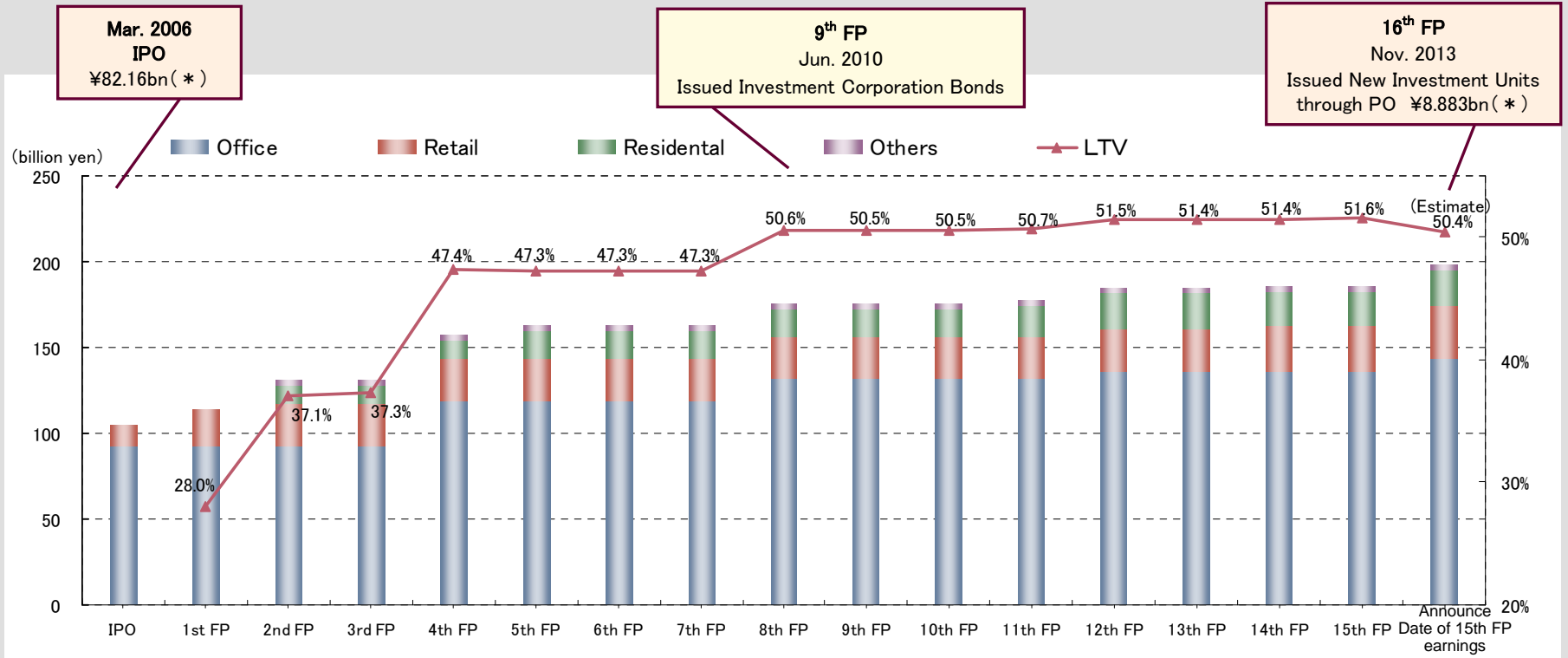
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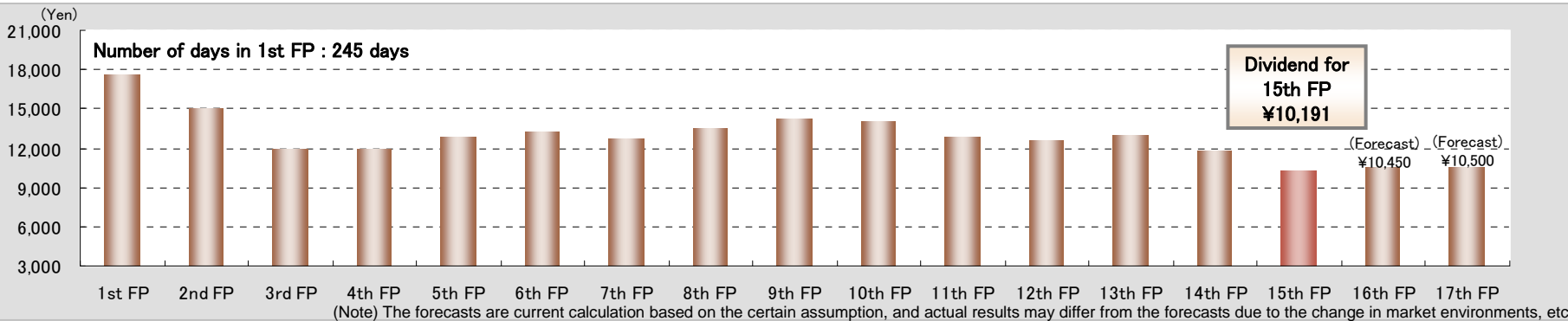
TOPICS. Overview since Listing

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(*) Including third-party allotment

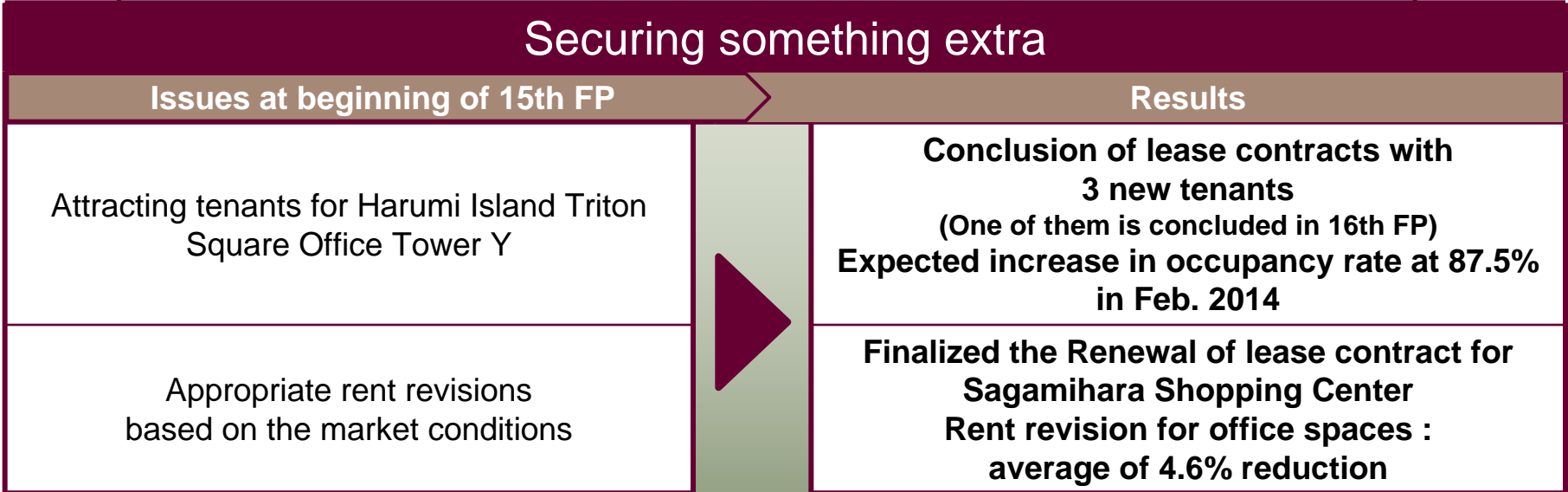
Dividend



I. Management Results and Overview of Business Results of 15th FP (Ended October 31, 2013)

I - 1. Issues and Management Results Summary of 15th FP

15th FP : Strong Determination to “Lay the Foundation of Step for Growth”



16th FP : First-time Capital Increase through Public Offering

I - 2. Issues and Management Results of Internal Growth

“Leasing Situation of Harumi Island Triton Square Office Tower Y”

New Contracts : 3 tenants for approx. 1,750 tsubos

Expected occupancy rate : 87.5% in Feb. 2014

**Rents : Record as revenue at average monthly amount during the contract period due to the appendant penalty clause against cancellation
→ contribute to the bottom line even during the rent-free period**

◆ Leasing Situation ◆

| Floor | Termination date of previous tenant | Leasing situation for each floor (Lease start date of successor tenants) | |
|-------|-------------------------------------|---|----------|
| 15 | Feb. 28, 2013 | Sep. 1, 2013 (Approx. 443 tsubos) | (Note 2) |
| 14 | | (Note 3) | |
| 13 | Jan. 31, 2013 | Jun. 1, 2013 (Approx. 1,454tsubos) | |
| 12 | | | |
| 11 | | | |
| 10 | | | |
| 9 | Feb. 28, 2013 | Feb. 1, 2014 (Approx. 1,170tsubos) | |
| 8 | Mar.31, 2013 | | |
| 7 | — | Under lease contract with existing tenant | |
| 6 | — | | |
| 5 | — | | |
| 4 | — | | |
| 3 | Feb. 28, 2013 Mar.31, 2013 | | (Note 1) |

With continued leasing activities

- : contract concluded in 14th FP
- : contract concluded in 15th FP
- : contract concluded in 16th FP

(Note 1) Floor expansion within existing building for two tenants (approx. 80 tsubos), that are two affiliated companies of the sponsors' groups in March and April 2013.

(Note 2) Start of lease contract on January 8, 2014 (approx. 135 tsubos)

(Note 3) 14th floor is a cafeteria space for tenants' employees, therefore not included in leasable area.

【 Future Action Policy 】

- Continuous approach to candidates considering lease
→ Conduct leasing activities in coordination with the sponsors and property management companies

Aim to complete lease up as early as possible

| | May. 2013 | Jun. 2013 | Jul. 2013 | Aug. 2013 | Sep. 2013 | Oct. 2013 | Nov. 2013 | Dec. 2013 | Jan. 2014 | Feb. 2014 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Occupancy rate(%) | 41.8 | 62.5 | 62.5 | 62.5 | 68.9 | 68.9 | 68.9 | 68.9 | 70.8 | 87.5 |
| Vacancy space (tsubos) | 4,079 | 2,625 | 2,625 | 2,625 | 2,182 | 2,182 | 2,182 | 2,182 | 2,046 | 875 |
| Number of total tenants | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 6 | 7 |

I - 3. Issues and Management Results of Internal Growth “Rent Revision”

【Appropriate rent revisions considering the real estate leasing market】

- 15th FP : 6 office building tenants and 2 retail facility tenants (11.1% of portfolio’s rent at the end of 14th FP)

Rent revision for office buildings (6 tenants) : average of 4.6% reduction

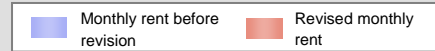
Renewal of contract for Sagamihara Shopping Center :

6 year-lease within planned range of rent reduction

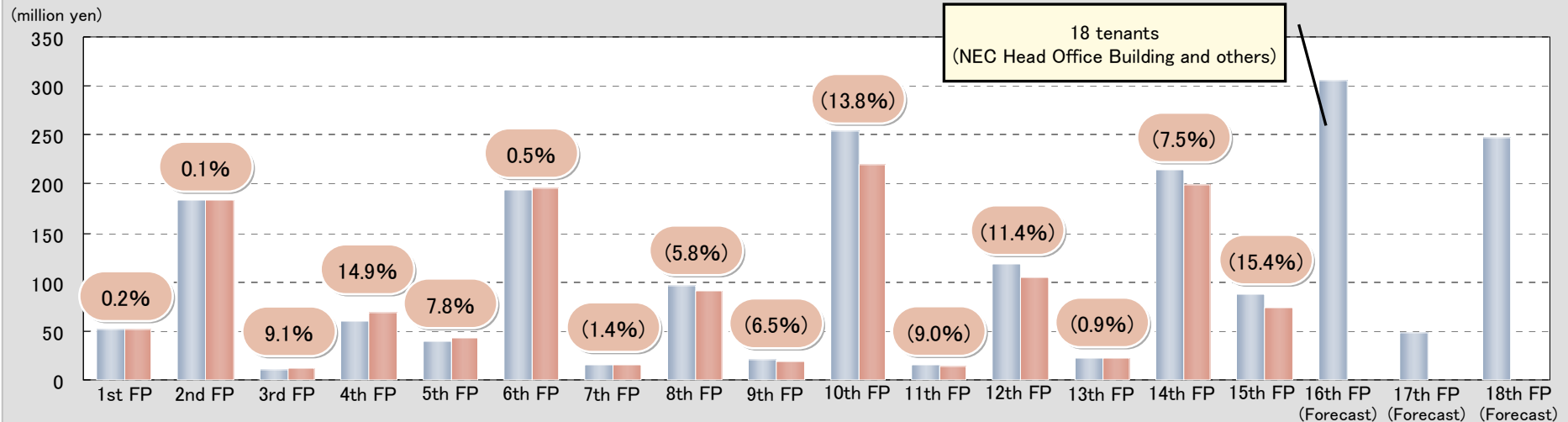
- 16th FP: **NEC Head Office Building**

Rent revision (increase) agreed as of September 30, 2013. The revised rent will be fixed **until December 2017**.

◆ Results of 15th FP Rent Revision (excluding residential) ◆



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



15th FP 8cases(excluding residential) : Unchanged:3 • Decreased:5

I - 4. Summary of 15th FP

| Items | 15th FP Results May 1, 2013 - October 31, 2013 | 15th FP Forecast (Announced on June 13, 2013) | Net Change (Results vs. Forecast) | | 14th FP Results November 1, 2012 - April 30, 2013 | Net Change (15th FP Results vs. 14th FP Results) | |
|--|--|---|--------------------------------------|------|--|--|---------|
| | | | Amount | Rate | | Amount | Rate |
| Number of days in each FP | 184 | 184 | - | - | 181 | - | - |
| Operating revenue | ¥5,154mn | ¥5,125mn | ¥28mn | 0.6% | ¥5,844mn | (¥690mn) | (11.8%) |
| Operating income | ¥2,172mn | ¥2,112mn | ¥60mn | 2.9% | ¥2,447mn | (¥274mn) | (11.2%) |
| Ordinary income | ¥1,580mn | ¥1,504mn | ¥75mn | 5.1% | ¥1,823mn | (¥243mn) | (13.3%) |
| Net income | ¥1,579mn | ¥1,503mn | ¥76mn | 5.1% | ¥1,822mn | (¥243mn) | (13.3%) |
| Number of units issued and outstanding (unit) | 155,000 | 155,000 | - | - | 155,000 | - | - |
| Dividend per unit | ¥ 10,191 | ¥ 9,700 | ¥ 491 | 5.1% | ¥ 11,759 | (¥1,568) | (13.3%) |
| Number of properties | 19 | 19 | - | - | 19 | - | - |
| Appraisal value total | ¥170,470mn | - | - | - | ¥172,360mn | (¥1,890mn) | (1.1%) |

■ Differences between Forecasts and Actual Results

Operating Revenue: +¥28mn

- Increase in utilities income due to seasonal factors
- Increase in income due to penalty fees for lease termination and renewal fees

Operating Income: +¥60mn (Operating income above with increase/decrease of operating expenses reflected (+32 million yen))

- Decrease in fees (broker's commission) incurred by conclusion of contract with succeeding tenants carried over to the next fiscal period
- Decrease in cost as part of restoration work was changed to capital expenditure
- Increase in utilities expenses due to seasonal factors

Ordinary income: +¥75mn (Operating income above with non-operating income/expenses reflected (+15 million yen))

- Insurance income

■ Other References

| Items | 15th FP Results | 14th FP Results |
|-----------------------------------|--------------------------|--------------------------|
| Number of tenants | 40 | 39 |
| Total rentable floor space | 301,825.87m ² | 301,825.87m ² |
| Occupancy rate | 96.7% | 94.5% |
| Depreciation and amortization | ¥1,115mn | ¥1,121mn |
| Capital expenditures | ¥176mn | ¥443mn |
| Term-end unit price | ¥457,500 | ¥522,000 |
| Term-end market capitalization | ¥70,912mn | ¥80,910mn |

II. Capital Increase through Public Offering (16th FP (November 2013))

II - 1. Capital Increase through Public Offering for Acceleration of Further Growth

Capital Increase through Public Offering to Lay the Foundation for Maintaining and Improving Dividend Level

Pursue both quality and return of investment of assets under management

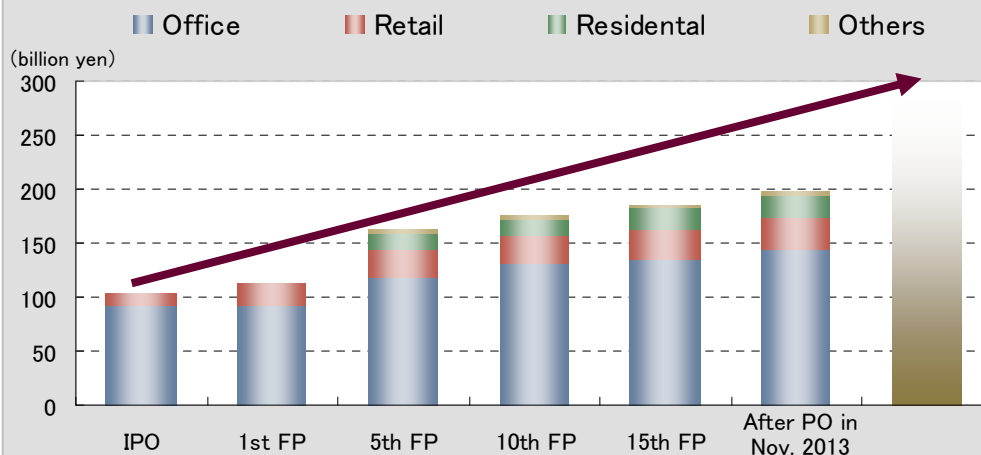
Changes in Portfolio after Acquisition of New Properties

| | 15 th FP | | Properties Newly Acquired | | After Acquisition |
|------------------------------------|---------------------|---|---------------------------|---|-------------------|
| Number of Properties | 19 | | 3 | | 22 |
| Acquisition Price (billion yen) | 185.5 | | 12.3 | | 197.8 |
| Tokyo Metropolitan Area (%) | 74.8 | + | 63.4 | = | 74.1 |
| NOI Yield (%) | 4.1 | | 5.6 | | 4.5 |
| NOI Yield (after depreciation) (%) | 2.9 | | 4.1 | | 3.3 |

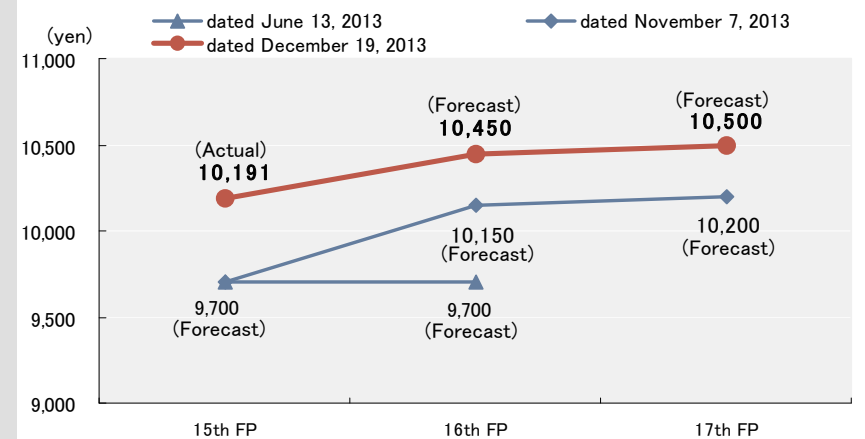
Public Offering

| | Public Offering | Third-Party Allotment |
|--|----------------------|-----------------------|
| Payment Date | November 25, 2013 | December 13, 2013 |
| Number of investment units to be offered | 20,000 units | 1,000 units |
| Issue price | 438,750 yen per unit | — |
| Amount to be paid in | 423,000 yen per unit | 423,000 yen per unit |
| Total amount to be paid in | 8,460,000,000 yen | 423,000,000 yen |

Steady expansion of asset size
Accelerating the growth speed for further growth in the future



Realizing improvement in dividend level considering dilution of dividend and reduction in LTV
51.6% → 50.4% (estimated)



II - 2. Support from Sponsors

Achievement by Fully Utilizing Sponsors' Strengths

Sumitomo Mitsui Trust
Bank, Limited.
Sumitomo Mitsui Trust
Holdings Group (TSE code 8309)

Oji Real Estate Co., Ltd.
Oji Holdings Corporation Group
(TSE code 3861)

【 Financial Management 】

Considering dividend by
combining bank loans
Prompt borrowing from
main sponsor

| | |
|--------------------------|-------------------------------------|
| Lender | Sumitomo Mitsui Trust Bank, Limited |
| Amount of loan | JPY4,500 million |
| Execution date | November 28, 2013 |
| Principal repayment date | April 30, 2014 |

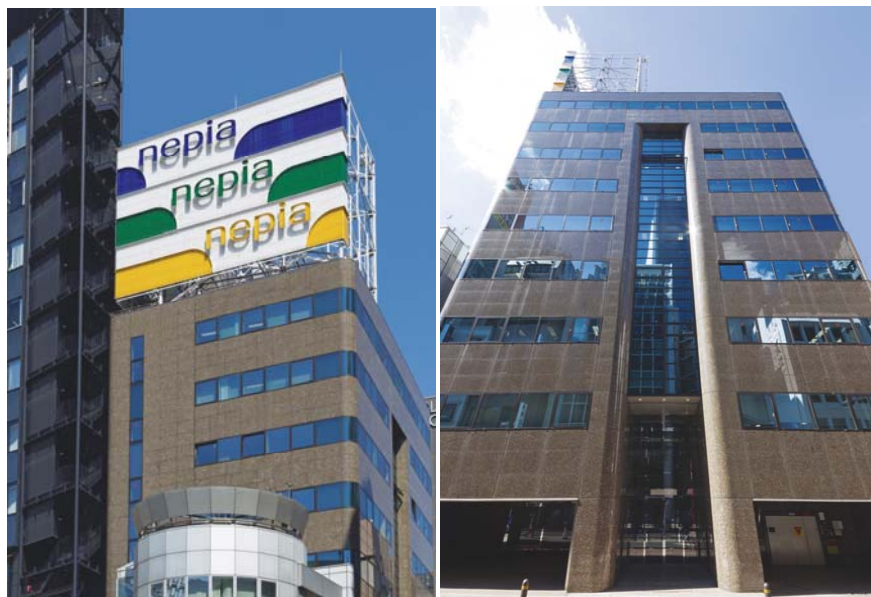
【 External Growth 】

Utilizing sponsors' pipeline
function for acquiring
3 new properties



II - 3. Detail of Property Newly Acquired “Ginza Oji Building”

Central Tokyo / Office



Acquired from sponsor's group with support of Oji Real Estate.
Realized negotiation transaction without price competition.

NOI Yield : 4.9%

*NOI Yield=Annual rent revenue/acquisition cost of property, calculated by the direct capitalization method described in the real estate appraisal report

【Reason for Acquisition】

- The property is located 3-minute walk from “Ginza Station”, 1-minute walk from “Higashi-Ginza Station”, 6-minute walk from “Ginza 1-chome Station” on the Tokyo Metro, and 9-minute walk from “Yurakucho Station” on the JR Line, featuring excellent traffic convenience.
- The property is located in the Ginza 4-chome area, where real properties have high scarcity value among the Ginza area. As such, this area has a strong appeal to companies that focus and prefer the brand power of “Ginza”.
- The property underwent remodeling in 2006 for leasing to external tenants, and was equipped with office automation floors and individually controllable air conditioning systems as well as introducing an automated security system to allow use of internal space around the clock. These and other features secure the level of facilities that should satisfy recent tenant needs.

Description of Ginza Oji Building

| | |
|-------------------|---|
| Address | 4-9-8 Ginza, Chuo-ku, Tokyo |
| Land | 421.37 m ² (including a leased portion of 24.36 m ²) |
| Building | 3,251.03 m ² |
| Structure/Floors | Steel and reinforced concrete structure with a flat roof, 2 basement floors and 9 floors above ground |
| Completion Date | January 1991 |
| Type of Title | Ownership (leasehold interest for part of the land) |
| Acquisition Price | 2,000 million yen |
| Appraisal Value | 2,000 million yen (Dated September 30, 2013) |



II - 4. Detail of Property Newly Acquired “Shinjuku EAST Building”

Central Tokyo / Office



Information provided by sponsor's group
with support of Sumitomo Mitsui Trust Bank.

NOI Yield : 5.5%

* NOI Yield=Annual rent revenue/acquisition cost of property, calculated by the direct capitalization method described in the real estate appraisal report

【Reason for Acquisition】

- The property is located 7-minute walk from both “Shinjuku-Gyoenmae Station” on the Tokyo Metro and “Akebonobashi Station” on the Toei Subway Line, and has a good traffic convenience, as it takes only 16 minutes to “Tokyo Station” by the Tokyo Metro Marunouchi Line.
- The property, with good access to JR “Shinjuku Station” located in one of the most prosperous commercial areas in Tokyo, has a strong appeal to companies focusing on the ability to attract customers and commercial prosperity.
- The property has a ceiling height of 2,800 mm and a space of approx. 390 tubos for a standard floor, equipped with office automation floors (200 mm), a heavy-duty zone for computer facilities with a floor load of 500 kg/m² and individually controllable air conditioning systems.
- The property was completed in 2002, designed and constructed by Kajima Corporation, a major general contractor in Japan. As it is relatively newly built, the property should contribute to lowering the average age of the entire portfolio.

Description of Shinjuku EAST Building

| | |
|-------------------|---|
| Address | 10-5 Tomihisa-cho, Shinjuku-ku, Tokyo |
| Land | 3,208.20 m ² |
| Building | 10,704.44 m ² |
| Structure/Floors | Reinforced concrete structure with a flat roof, 2 basement floors and 6 floors above ground |
| Completion Date | October 2002 |
| Type of Title | Ownership |
| Acquisition Price | 5,800 million yen |
| Appraisal Value | 6,110 million yen (Dated September 30, 2013) |



II - 5. Detail of Property Newly Acquired “Kojima × Bic Camera Kashiwa Store”

Tokyo Metropolitan / Retail

Acquired from sponsor's group with support of Sumitomo Mitsui Trust Bank.

NOI Yield : 6.0%



* NOI Yield=Annual rent revenue/acquisition cost of property, calculated by the direct capitalization method described in the real estate appraisal report

【Reason for Acquisition】

- Abundant population in its trading zone. Excellent market environment as a commercial district.
- Sufficiently open to Route 16 allowing high visibility from vehicles
- Centering on Kojima, the facility houses businesses like Nitori and Seria that have strong ability to attract consumers and are synergistic with each other, presumably enhancing the migration of visitors and convenience mutually.
- As for the Kojima store section, the former Kojima NEW Kashiwa Store was renewed and opened as Kojima × Bic Camera Kashiwa Store in September 2013, fully demonstrating the collaboration effect with Bic Camera, which is the parent company of Kojima Co., Ltd.. As such, the property pursues to maintain and improve its competitiveness.

Description of Kojima × Bic Camera Kashiwa Store

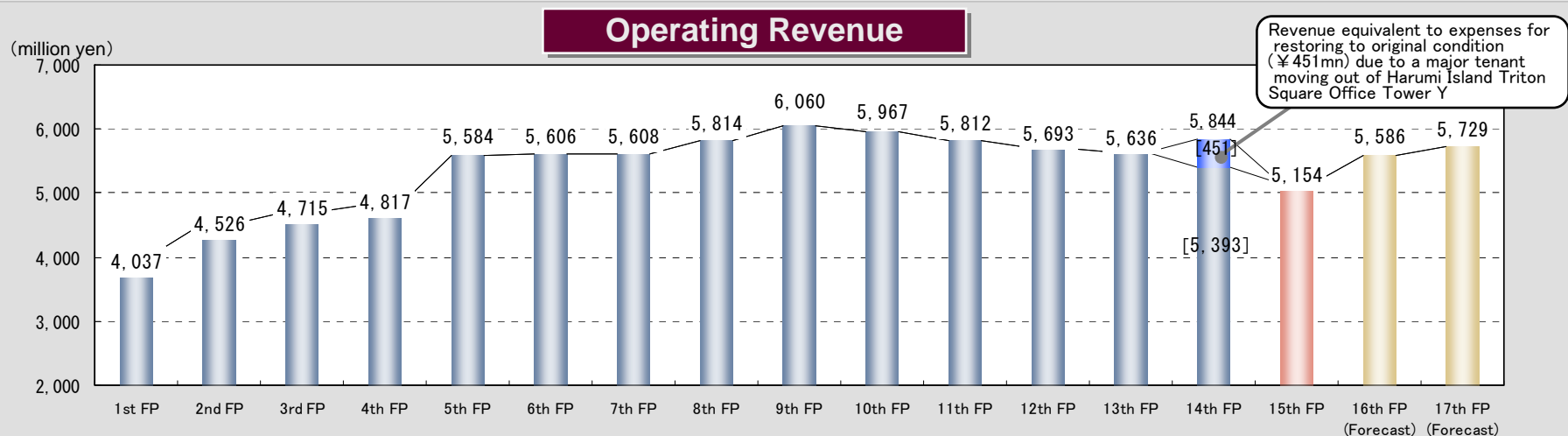
| | |
|-------------------|--|
| Address | Oyamadai, Kashiwa-shi, Chiba |
| Land | 19,053.98 m ² |
| Building | Building A: 10,090.80 m ² / Building B: 10,346.56 m ² |
| Structure/Floors | Building A: Reinforced structure with a flat roof, 4 floors above ground Building B: Reinforced structure with a flat roof, 3 floors above ground |
| Completion Date | September 2000 |
| Type of Title | Ownership |
| Acquisition Price | 4,500 million yen |
| Appraisal Value | 4,740 million yen |



III. 16th FP and 17th FP Forecasts

III - 1. Preconditions for 16th FP and 17th FP Forecasts

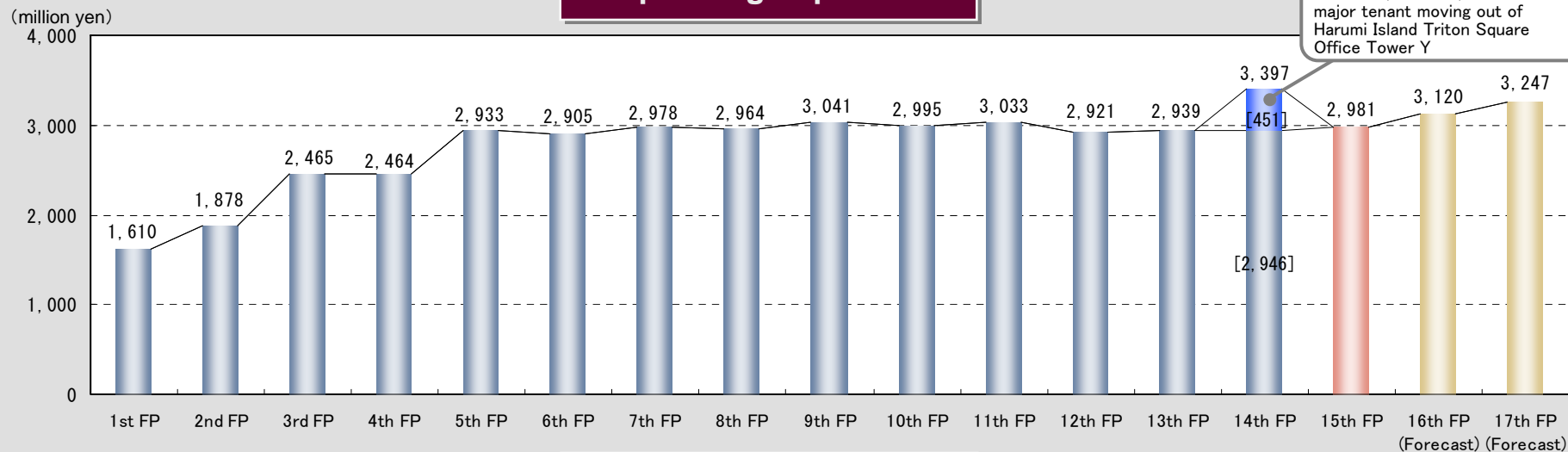
| Preconditions for Forecast | 16th FP (Ending April, 2014) | 17th FP (Ending October, 2014) | | | | | | | | | | | | |
|--|---|--|-----------|-----------|-----------|-----------|-----------|-------|-------|-------|-------|-------|-------|--------------------------------|
| Portfolio Assets | Preconditioned on 22 properties held by Top REIT including 3 properties acquired on November 28, 2013 | | | | | | | | | | | | | |
| Number of Units Issued and Outstanding | 176,000 units | | | | | | | | | | | | | |
| Interest-Bearing Liabilities | As of end of 16th FP: ¥100,430 million <ul style="list-style-type: none"> • Early repayment of ¥4,500 million under short-term loan-payable as of March 31, 2014, and refinanced the same amount into long-term loan payable • Anticipated repayment of ¥67 million as agreed upon | As of end of 17th FP: ¥100,362 million <ul style="list-style-type: none"> • Refinanced a long-term loan-payable of ¥4,000 million into long-term loan-payable • Anticipated repayment of ¥67 million as agreed upon | | | | | | | | | | | | |
| Occupancy rate of Harumi Island Triton Square Office Tower Y | <table border="1"> <thead> <tr> <th>Nov. 2013</th> <th>Dec. 2013</th> <th>Jan. 2014</th> <th>Feb. 2014</th> <th>Mar. 2014</th> <th>Apr. 2014</th> </tr> </thead> <tbody> <tr> <td>68.9%</td> <td>68.9%</td> <td>70.8%</td> <td>87.5%</td> <td>87.5%</td> <td>87.5%</td> </tr> </tbody> </table> | Nov. 2013 | Dec. 2013 | Jan. 2014 | Feb. 2014 | Mar. 2014 | Apr. 2014 | 68.9% | 68.9% | 70.8% | 87.5% | 87.5% | 87.5% | May. 2014 ~ Oct. 2014 87.5% |
| Nov. 2013 | Dec. 2013 | Jan. 2014 | Feb. 2014 | Mar. 2014 | Apr. 2014 | | | | | | | | | |
| 68.9% | 68.9% | 70.8% | 87.5% | 87.5% | 87.5% | | | | | | | | | |
| Rent Revisions | For the 34.9% of total rents scheduled for rent revision, assuming in certain level of fluctuations in rent | For the 5.5% of total rents scheduled for rent revision, assuming in certain level of fluctuations in rent | | | | | | | | | | | | |
| Operating Expenses | It is assumed that property tax, etc. will be ¥580 million and depreciation and amortization will be ¥1,200 million | It is assumed that property tax, etc. will be ¥638 million and depreciation and amortization will be ¥1,210 million | | | | | | | | | | | | |
| Non-Operating Expenses | Amortization of ¥40 million of cost related to the issuance and offering of new investment units in 3 years ¥626million (interest on loans, interest expenses on investment corporation bonds and related expenses: ¥613 million) | Amortization of ¥40 million of cost related to the issuance and offering of new investment units in 3 years ¥633million (interest on loans, interest expenses on investment corporation bonds and related expenses: ¥620 million) | | | | | | | | | | | | |
| Dividend | It is assumed that there is no reversal of internal reserves. | | | | | | | | | | | | | |



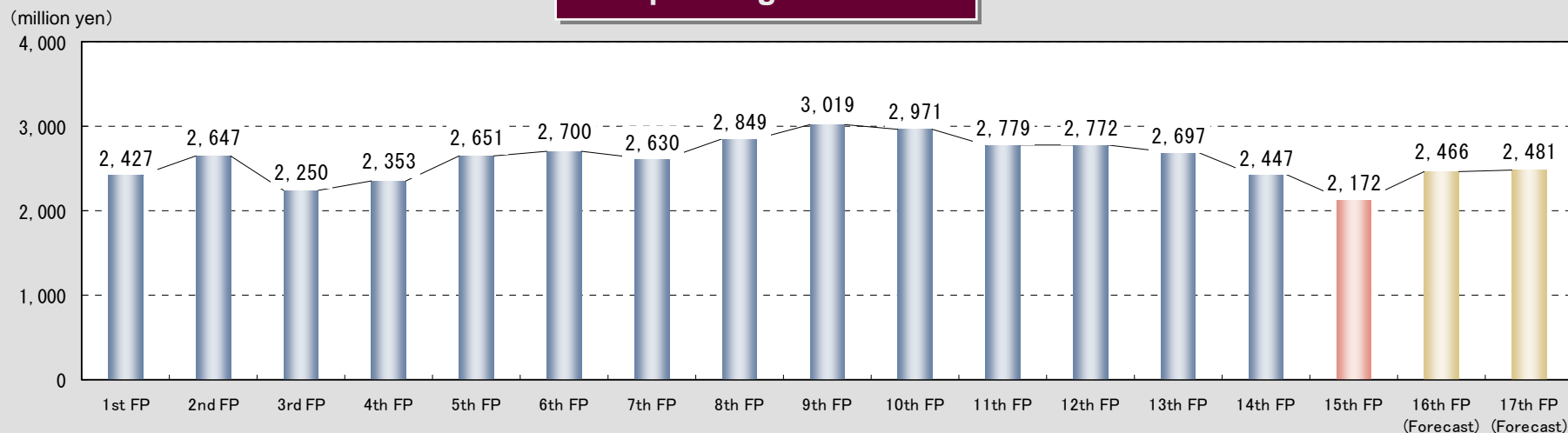
*The actual number of days in the First Fiscal Period was 245. The above numbers are calculated by the following calculation method: (First Fiscal Period Results / 245 Days) x 365 Days / 2. In addition, the above forecast figures are calculated under certain preconditions as of the date of this material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

III - 2. 16th FP and 17th FP Forecasts

Operating Expenses



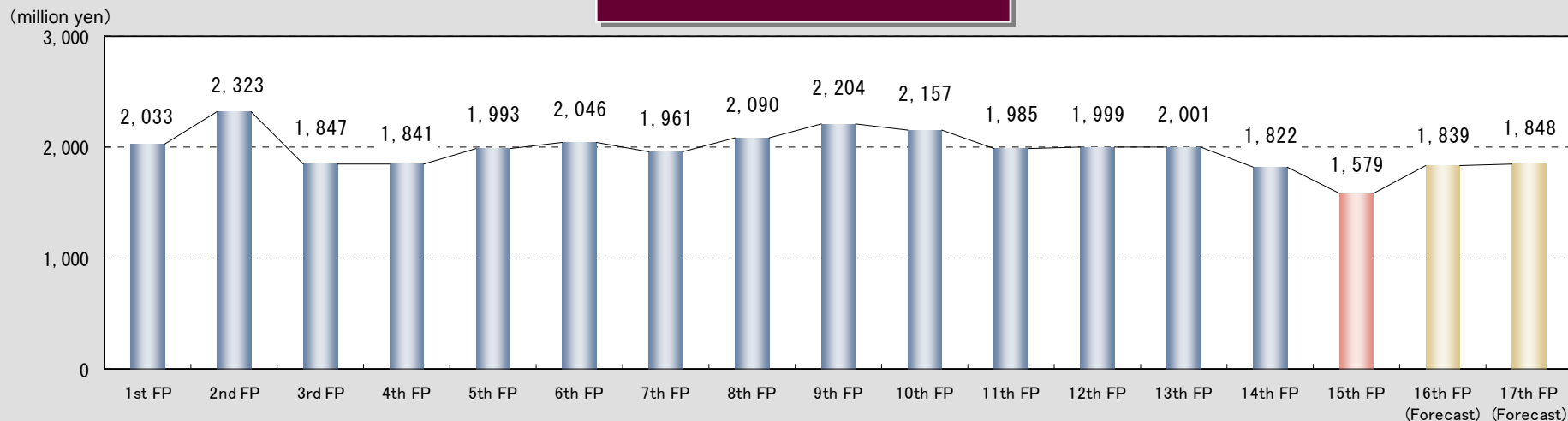
Operating Income



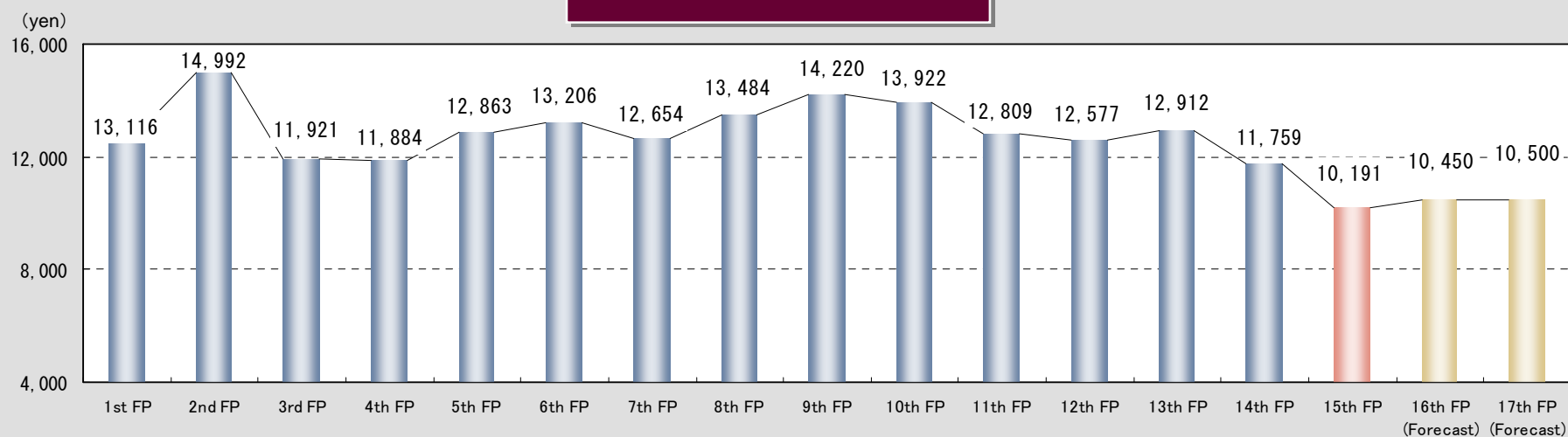
*The actual number of days in the First Fiscal Period was 245. The above numbers are calculated by the following calculation method: (First Fiscal Period Results / 245 Days) x 365 Days / 2. In addition, the above forecast figures are calculated under certain preconditions as of the date of this material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

III - 2 . 16th FP and 17th FP Forecasts

Net Income



Dividend



*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.

III - 3. Results of Past Periods and Forecasts (Detail)

| Item | 10th Fiscal Period (Actual) | 11th Fiscal Period (Actual) | 12th Fiscal Period (Actual) | 13th Fiscal Period (Actual) | 14th Fiscal Period (Actual) | 15th Fiscal Period (Actual) | 16th Fiscal Period (Forecast) | 17th Fiscal Period (Forecast) |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Number of days in each FP | 181 | 184 | 182 | 184 | 181 | 184 | 181 | 184 |
| Operating revenue | ¥5,967mn | ¥5,812mn | ¥5,693mn | ¥5,636mn | ¥5,844mn | ¥5,154mn | ¥5,586mn | ¥5,729mn |
| Operating expenses | ¥2,995mn | ¥3,033mn | ¥2,921mn | ¥2,939mn | ¥3,397mn | ¥2,981mn | ¥3,120mn | ¥3,247mn |
| Of which, expenses related to rent business (excluding taxes and dues, and depreciation and amortization) | ¥741mn | ¥809mn | ¥702mn | ¥702mn | ¥1,162mn | ¥741mn | ¥845mn | ¥892mn |
| Of which, taxes and dues | ¥586mn | ¥609mn | ¥608mn | ¥565mn | ¥564mn | ¥581mn | ¥580mn | ¥638mn |
| Of which, depreciation and amortization | ¥1,086mn | ¥1,060mn | ¥1,072mn | ¥1,116mn | ¥1,121mn | ¥1,115mn | ¥1,200mn | ¥1,210mn |
| Operating income | ¥2,971mn | ¥2,779mn | ¥2,772mn | ¥2,697mn | ¥2,447mn | ¥2,172mn | ¥2,466mn | ¥2,481mn |
| Ordinary income | ¥2,194mn | ¥1,986mn | ¥2,029mn | ¥2,002mn | ¥1,823mn | ¥1,580mn | ¥1,840mn | ¥1,849mn |
| Net income | ¥2,157mn | ¥1,985mn | ¥1,999mn | ¥2,001mn | ¥1,822mn | ¥1,579mn | ¥1,839mn | ¥1,848mn |
| Net operating income from property leasing | ¥4,639mn | ¥4,393mn | ¥4,126mn | ¥4,368mn | ¥4,117mn | ¥3,831mn | ¥4,161mn | ¥4,198mn |
| FFO | ¥3,243mn | ¥3,046mn | ¥2,815mn | ¥3,117mn | ¥2,944mn | ¥2,695mn | ¥3,039mn | ¥3,058mn |
| Number of units issued and outstanding (units) | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 | 176,000 | 176,000 |
| Dividend per unit | ¥13,922 | ¥12,809 | ¥12,577 | ¥12,912 | ¥11,759 | ¥10,191 | ¥10,450 | ¥10,500 |
| FFO per unit | ¥20,929 | ¥19,654 | ¥18,165 | ¥20,113 | ¥18,996 | ¥17,390 | ¥17,270 | ¥17,376 |

Note1: Net operating income from property leasing of 12th Fiscal Period does not include capital gains by disposition of property.

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

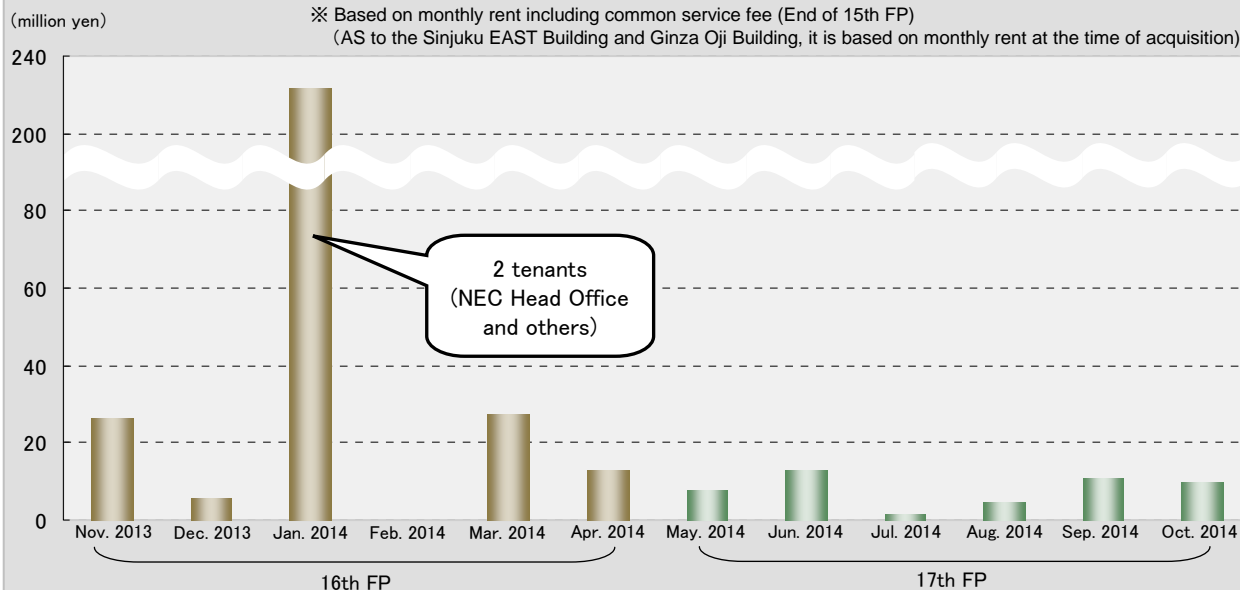
IV. Current Strategies

IV - 1. Market Prospects

| | Present state | Future prospects |
|--|--|--|
| <p>Real Estate Leasing Market</p> | <ul style="list-style-type: none"> ◆ Movements of tenants considering relocation to high-grade properties (with better anti-disaster measures and specs) or relocation for expansion are gradually becoming active, but awareness of cost reduction remains strong ◆ Vacancy rate for office buildings in Central Tokyo is gradually improving ◆ Office rent levels show sign of bottoming out. Even some reversing trend has started to appear ◆ Studio and family residences with high convenience have continued to show steady performance | <ul style="list-style-type: none"> ● Office rents are expected to bottom out, but it is likely to take time to recover ● As for retail industry, rents for retail properties are likely to differ depending on the property characteristics as consumers become more selective due to the expansion of the E-commerce market and consumption tax rate hike ● Studio and family residences with high convenience in major cities will maintain steady performance due to inflow of population to major cities and increase of divided households |
| <p>Real Estate Transaction Market</p> | <ul style="list-style-type: none"> ◆ Buyers show strong willingness to buy, but information on high-grade office properties available for sale is limited ◆ Real estate transaction amounts increased further compared to the previous year in line with the increase of acquisitions of properties from sponsors through IPO of new J-REITs and PO of existing J-REITs ◆ Market for rental residential property transactions remains steady, but tends to overheat in Central Tokyo and the Tokyo Metropolitan Area | <ul style="list-style-type: none"> ● Prices of high-grade office properties will be on an upward trend, given the office properties available for sale continuing to be scarce and REITs and other buyers including overseas funds maintaining strong willingness to buy ● Prices of properties of all types will generally be on an upward trend. Residential properties in particular will tend to overheat in major cities ● Sales of regional or road-side retail properties are relatively abundant |
| <p>Financial / Capital Market</p> | <ul style="list-style-type: none"> ◆ Against the backdrop of monetary easing by BOJ, for both long-term and short-term interest rates remain stable at low levels ◆ Financing environment is relatively favorable, with financial institutions maintaining positive lending attitude toward the real estate industry ◆ Credit premium for J-REITs is at a historically low level ◆ Though a temporarily leap in the J-REIT market was seen after the successful bid for the 2020 Olympic Games by Tokyo, it has settled down recently | <ul style="list-style-type: none"> ● Long-term interest is expected to rise in mid-term, but currently remains stable at a low level ● Future prospects are bright due to U.S. economic recovery and expansion of domestic demands, but overseas movement such as in emerging countries should be watched carefully ● As the NISA system, which matches the product characteristics of J-REITs will be introduced in Jan. 2014, the J-REIT market is expected to become more active |

IV - 2. Current Internal Growth Strategy

Monthly Schedule of Rent Revisions (excluding residential)



| | | |
|-----------------------------|---------------------------------------|------------------------------------|
| 16 th FP | NEC Head Office Building | 18 tenants 34.9% of total rents |
| | Akasaka Oji Building (some tenants) | |
| | Shiba-Koen Building (some tenants) | |
| | Shinkawa Chuo Building (some tenants) | |
| | Kanda Park Plaza (some tenants) | |
| | Faret East Building (some tenants) | |
| | Musashiurawa Shopping Square | |
| | Shinjuku EAST Building (some tenants) | |
| 17 th FP | Akasaka Oji Building (some tenants) | 15 tenants 5.5% of total rents |
| | Shinkawa Chuo Building (some tenants) | |
| | Kanda Park Plaza (some tenants) | |
| | Faret East Building (some tenants) | |
| | Giza Oji Building (some tenants) | |
| MEL Building (some tenants) | | |

* The ratio of tenant rents to the total rents for those tenants whose rents will be revised in 16th FP and 17th FP is a ratio to the sum of total rents (inclusive of common service fees) at the end of 15th FP and monthly rents (inclusive of common service fees) at the time of acquisition of Shinjuku EAST Building, Ginza Oji Building and Kojima X Bic Camera Kashiwa Store.

● NEC Head Office Building (Rent revised)

Rent has been revised upward along with a fixed term leasing agreement until December 2025. Revised rent will be fixed until December 2017.
Leasing agreement with the tenant includes clauses that will reduce the rent fluctuation risk. (Based on this agreement, termination is prohibited until December 2017.)

【Properties with vacant rentable spaces】

- ◆ Remaining 1.5 floor space in Harumi Island Triton Square Office Tower Y
- ◆ Office buildings
(approx. 348 tsubos in Shiba-Koen Building, approx. 133 tsubos in Kanda Park Plaza, and approx. 69 tsubos in Ginza Oji Building)

IV - 3. Current External Growth Strategy

| Major three asset classes | | Target | Investment ratio |
|---------------------------|-------------|---|------------------|
| Office | | <p>Construct a portfolio primarily focused on office buildings with excellent locations in Central Tokyo and other major cities</p> <ul style="list-style-type: none"> • Located in areas with high level of traffic convenience where ample demand is anticipated • High-quality specifications (*investigate properties for acquisition, even though they are rather old, as long as they have specifications comparable with those of newer buildings, or properties that are well managed and administrated) | Approx. 75% |
| Other than office | Retail | <p>Properties in the three major metropolitan areas and other major cities</p> <p>Verify characteristics of individual asset sufficiently</p> <ul style="list-style-type: none"> • Stability and growth potential of the trade zone itself • Located in areas where ample demand is anticipated • Specifications with versatility | Approx. 25% |
| | Residential | <p>Considering carefully as the transaction market of residential properties is tend to overheat, though the steady performance will be expected</p> <ul style="list-style-type: none"> • High level of traffic convenience (proximity to railway stations) • Located in areas where ample demand is anticipated • Built relatively recently | |

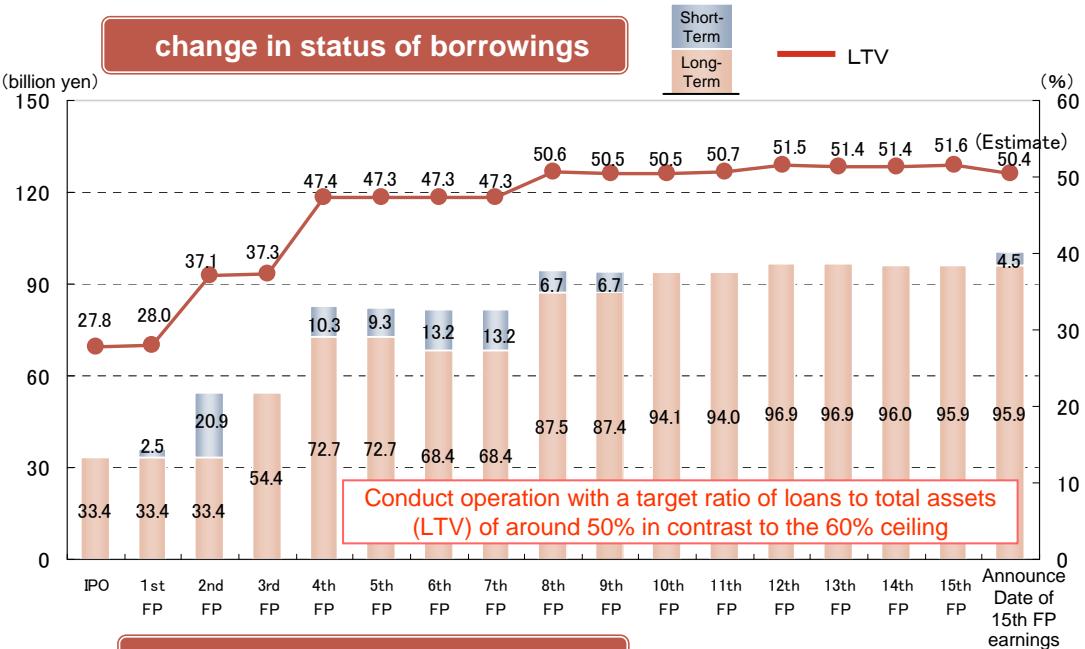
Secure investment opportunities in a flexible manner
taking into account the market environment, while placing emphasis on office buildings
Selective investment upon verifying characteristics of each property
 by taking advantage of diversified portfolio management
 Considering property replacement that contributes to the reinforcement of earnings power

Pursue stability and growth potential of portfolio revenues

IV - 4. Current Financial Strategy

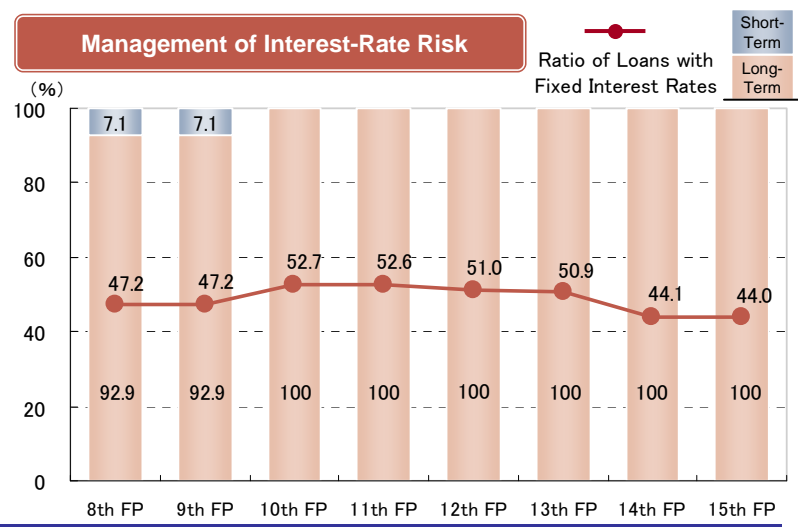
Financial Policies (Stable Financial Management)

change in status of borrowings



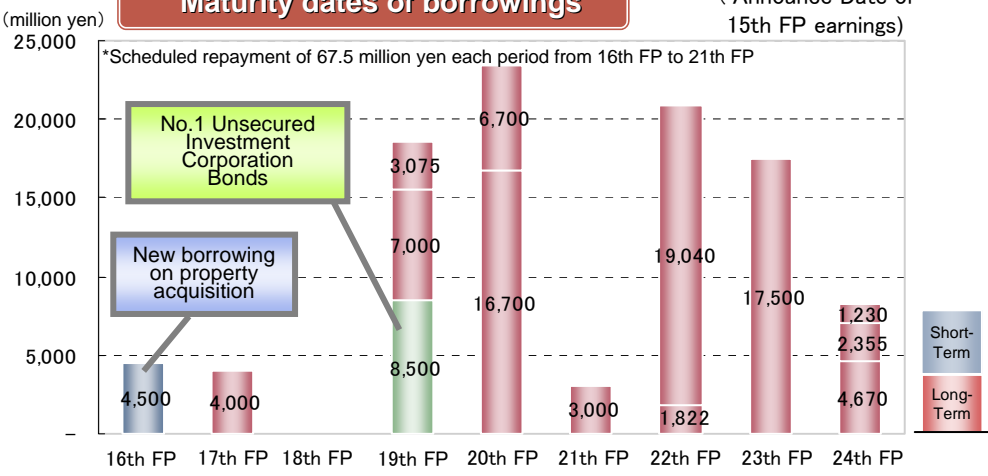
Conduct operation with a target ratio of loans to total assets (LTV) of around 50% in contrast to the 60% ceiling

Management of Interest-Rate Risk



With the short-term interest rate in the market staying at a low level, reduce interest costs by maintaining the interest ratio of loans with fixed rate at around 50%, and reap the benefits while extending the remaining periods.

Maturity dates of borrowings



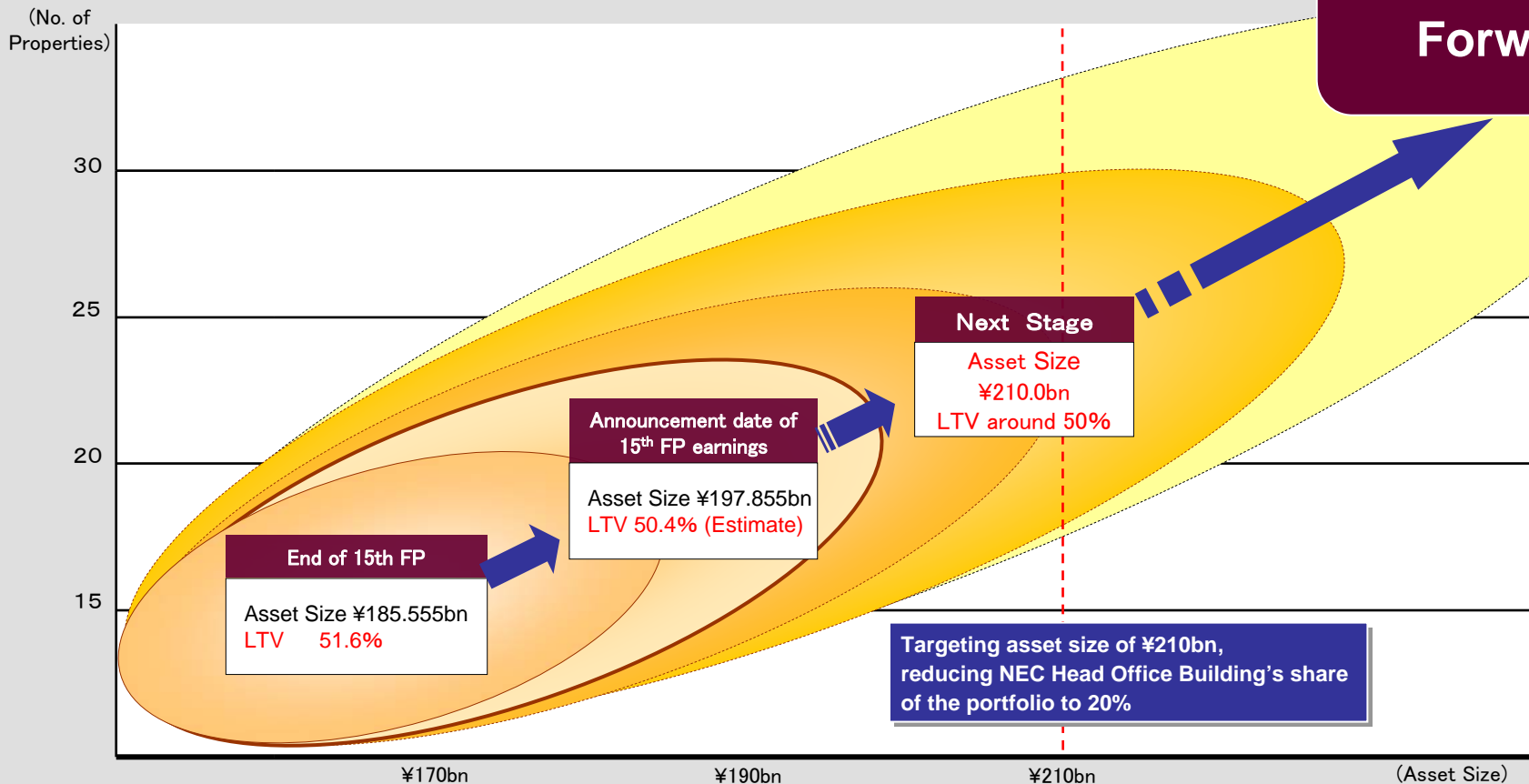
| Lender | Balance (Million yen) | share (%) | Lender | Balance (Million yen) | share (%) |
|--|-----------------------|-----------|---------------------------------------|-----------------------|--------------------|
| Sumitomo Mitsui Trust Bank, Limited. | 28,225 | 29.4 | The Dai-ichi Life Insurance Co., Ltd. | 1,000 | 1.0 |
| Mizuho Bank, Ltd. | 16,244 | 16.9 | Resona Bank, Limited | 1,500 | 1.6 |
| Sumitomo Mitsui Banking Corporation | 12,803 | 13.3 | The Bank of Fukuoka, Ltd. | 3,000 | 3.1 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 12,803 | 13.3 | The Hiroshima Bank, Ltd. | 1,000 | 1.0 |
| Mitsubishi UFJ Trust and Banking Corporation | 4,340 | 4.5 | The Yamaguchi Bank, Ltd. | 1,000 | 1.0 |
| Development Bank of Japan, Inc. | 5,582 | 5.8 | Investment Corporation Bond | 8,500 | 8.9 |
| (End of 15th FP) | | | | Total | ¥95,997 100 |

IV - 5. Acceleration of Further Growth

Strengthen Cooperation with Sponsors for Acceleration of Further Growth

Path to Further Growth

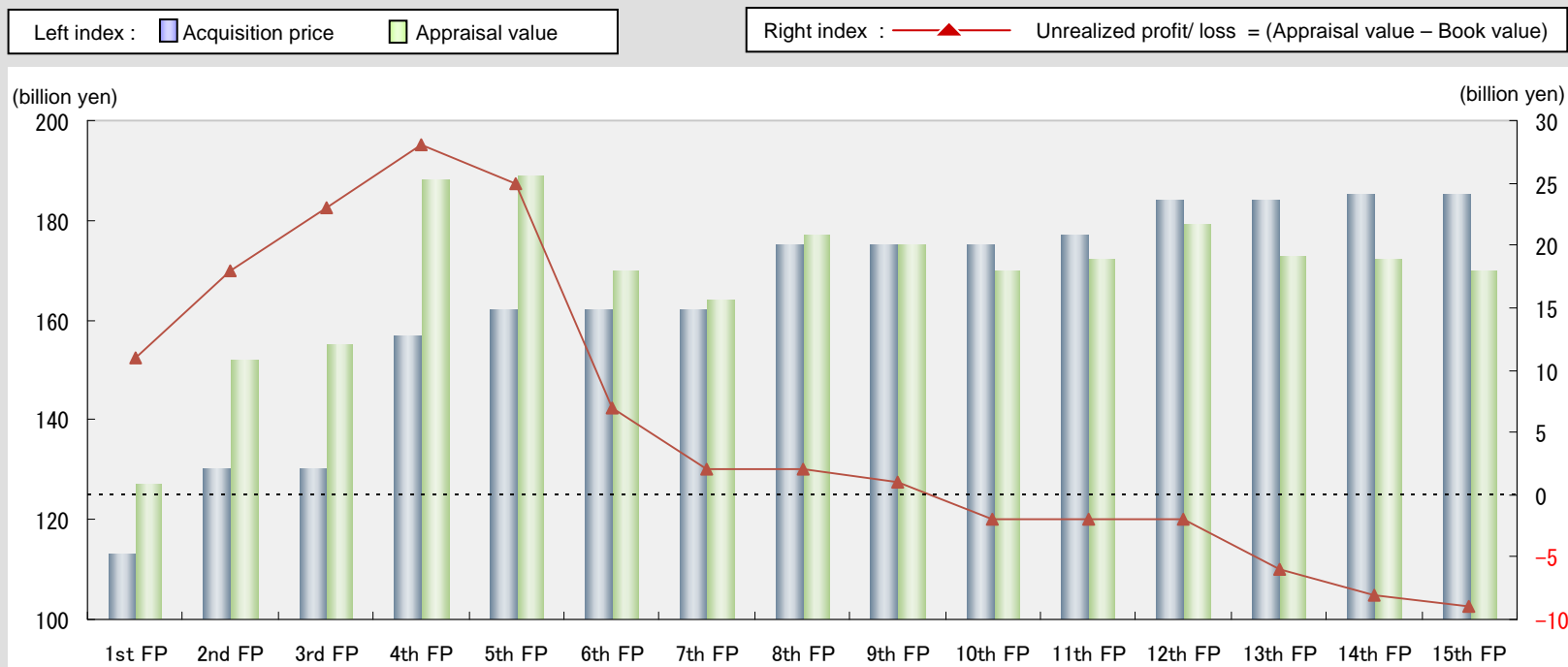
Further Leap Forward



V. Management Results at the 15th FP

V - 1. 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 | End of 11th FP Oct. 2011 | End of 12th FP April. 2012 | End of 13th FP Oct. 2012 | End of 14th FP April. 2013 | End of 15th FP Oct. 2013 |
|-------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| 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 | ¥177.435 bn | ¥184.345 bn | ¥184.345 bn | ¥185.555 bn | ¥185.555 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 | ¥174.742 bn | ¥181.405 bn | ¥180.446 bn | ¥181.003 bn | ¥180.064 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 | ¥172.440 bn | ¥179.000 bn | ¥173.800 bn | ¥172.360 bn | ¥170.470 bn |
| Unrealized profits and losses | ¥11.254bn | ¥18.891bn | ¥23.224bn | ¥28.449bn | ¥25.455bn | ¥7.624bn | ¥2.710bn | ¥2.527bn | ¥1.732bn | (¥2.324bn) | (¥2.302bn) | (¥2.405bn) | (¥6.646bn) | (¥8.643bn) | (¥9.594bn) |

* Details of acquisition price and appraisal value are provided on P28 to P29.

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

V - 2. Appraisal Value at End of Period

(million yen)

| Asset Class | Area | Property | Acquisition Price | Book Value at End of 15th FP (A) | Appraisal Value at End of 12th FP | Appraisal Value at End of 13th FP | Appraisal Value at End of 14th FP (B) | Appraisal Value at End of 15th FP (C) | Difference Between Appraisal Value and Book Value (C) - (A) | Difference in Appraisal Value between 14th FP and 15th FP (C) - (B) |
|-------------------------|-------------------------|--|-------------------|-------------------------------------|-----------------------------------|-----------------------------------|--|--|--|--|
| Office | Central Tokyo | NEC Head Office Building | 41,950 | 42,675 | 49,450 | 49,450 | 49,500 | 50,100 | 7,424 | 600 |
| | | Harumi Island Triton Square Office Tower Y | 33,000 | 30,373 | 36,400 | 32,100 | 30,800 | 29,500 | (873) | (1,300) |
| | | Harumi Island Triton Square Office Tower Z | 20,000 | 19,457 | 14,300 | 14,300 | 12,600 | 12,600 | (6,857) | - |
| | | Kanda Nishiki-cho 3-chome Building | 12,700 | 12,689 | 14,100 | 14,100 | 14,100 | 14,200 | 1,510 | 100 |
| | | Akasaka Oji Building | 9,660 | 9,760 | 9,080 | 7,990 | 8,060 | 8,540 | (1,220) | 480 |
| | | Shiba-Koen Building | 5,770 | 5,844 | 3,420 | 3,420 | 3,470 | 3,540 | (2,304) | 70 |
| | | Shinkawa Chuo Building | 5,610 | 5,789 | 5,790 | 5,790 | 5,780 | 5,790 | 0 | 10 |
| | Kanda Park Plaza | 5,156 | 5,063 | 4,930 | 4,900 | 4,910 | 4,910 | (153) | - | |
| | Tokyo Metropolitan Area | Faret East Building | 2,091 | 1,624 | 2,390 | 2,390 | 2,410 | 2,450 | 825 | 40 |
| Subtotal (9 properties) | | | 135,937 | 133,279 | 139,860 | 134,440 | 131,630 | 131,630 | (1,649) | - |
| Retail | Tokyo Metropolitan Area | Sagamihara Shopping Center | 12,000 | 11,261 | 10,400 | 10,400 | 10,500 | 8,330 | (2,931) | (2,170) |
| | | Ito-Yokado Higashi-Narashino Store | 8,900 | 7,814 | 5,620 | 5,610 | 5,620 | 5,620 | (2,194) | - |
| | | Musashiurawa Shopping Center | 4,335 | 3,857 | 3,860 | 3,860 | 3,880 | 3,880 | 22 | - |
| | Other Major cities | MEL Building | 1,210 | 1,226 | - | - | 1,260 | 1,280 | 53 | 20 |
| Subtotal (4 properties) | | | 26,445 | 24,160 | 19,880 | 19,870 | 21,260 | 19,110 | (5,050) | (2,150) |
| Residential | Central Tokyo | Top Residence Nihonbashi Kayabacho | 2,400 | 2,403 | 2,550 | 2,580 | 2,580 | 2,580 | 176 | - |
| | Tokyo Metropolitan Area | Fukasawa House Towers H&I | 10,635 | 10,116 | 6,950 | 7,060 | 7,030 | 7,120 | (2,996) | 90 |
| | | Ecology Toyosu Procentury | 5,160 | 4,940 | 4,880 | 4,970 | 4,980 | 5,080 | 139 | 100 |
| | | Impress Musashi-Koganei | 1,223 | 1,254 | 1,280 | 1,270 | 1,260 | 1,270 | 15 | 10 |
| | | Top Residence Yoga | 1,165 | 1,207 | 1,150 | 1,160 | 1,170 | 1,180 | (27) | 10 |
| Subtotal (5 properties) | | | 20,583 | 19,923 | 16,810 | 17,040 | 17,020 | 17,230 | (2,693) | 210 |
| Other | Central Tokyo | OAK PLAZA | 2,590 | 2,700 | 2,450 | 2,450 | 2,450 | 2,500 | (200) | 50 |
| | Subtotal (1 property) | | | 2,590 | 2,700 | 2,450 | 2,450 | 2,450 | 2,500 | (200) |
| Total (19 properties) | | | 185,555 | 180,064 | 179,000 | 173,800 | 172,360 | 170,470 | (9,594) | (1,890) |

(Note) Top REIT acquired 2 office buildings (Ginza Oji Building and Shinjuku EAST Building) and 1 retail property (Kojima × Bic Camera Kashiwa Store) at the beginning of 16th FP.

V - 3. Appraisal Cap Rate

| Property | 11th Fiscal Period | | | 12th Fiscal Period | | | 13th Fiscal Period | | | 14th Fiscal Period | | | 15th 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 2 years) 4.3% (afterward) | 4.6% | 4.2% | 3.7% (Next 1 year) 3.9% (2 - 5 years) 4.2% (afterward) | 4.5% | 4.2% | 3.7% (Next 1 year) 3.9% (2 - 5 years) 4.2% (afterward) | 4.5% | 4.2% | 3.7% (Next 1 year) 3.9% (2 - 5 years) 4.2% (afterward) | 4.5% | 4.2% | 3.7% (Next 4 years) 4.2% (afterward) | 4.4% |
| Harumi Island Triton Square Office Tower Y | 4.6% | 4.3% | 4.8% | 4.6% | 4.3% | 4.8% | 4.8% | 4.3% | 4.8% | 4.8% | 4.3% | 4.8% | 4.7% | 4.3% | 4.8% |
| Harumi Island Triton Square Office Tower Z | 4.6% | 4.3% | 4.8% | 4.6% | 4.3% | 4.8% | 4.6% | 4.3% | 4.8% | 4.8% | 4.3% | 4.8% | 4.8% | 4.3% | 4.8% |
| Kanda Nishiki-cho 3-chome Building | 4.9% | 4.6% | 5.1% | 4.9% | 4.6% | 5.1% | 4.9% | 4.6% | 5.1% | 4.9% | 4.6% | 5.1% | 4.8% | 4.5% | 5.0% |
| Akasaka Oji Building | 4.5% | 4.5% | 4.8% | 4.5% | 4.4% | 4.7% | 4.5% | 4.4% | 4.7% | 4.4% | 4.3% | 4.6% | 4.3% | 4.1% | 4.4% |
| Shiba-Koen Building | 4.9% | 4.7% | 5.0% | 4.8% | 4.6% | 5.0% | 4.8% | 4.6% | 5.0% | 4.9% | 4.6% | 5.0% | 4.8% | 4.5% | 4.9% |
| Shinkawa Chuo Building | - | - | - | 4.9% | 4.7% | 5.1% | 4.9% | 4.7% | 5.1% | 4.9% | 4.7% | 5.1% | 4.8% | 4.6% | 5.0% |
| Kanda Park Plaza | 5.2% | 4.7% | 5.5% | 5.2% | 4.7% | 5.5% | 5.2% | 4.7% | 5.5% | 5.2% | 4.7% | 5.5% | 5.1% | 4.6% | 5.4% |
| Faret East Building | 5.7% | 5.4% | 5.9% | 5.7% | 5.4% | 5.9% | 5.7% | 5.4% | 5.9% | 5.7% | 5.4% | 5.9% | 5.6% | 5.3% | 5.8% |
| Sagamihara Shopping Center | 6.0% | 5.8% | 6.1% | 5.9% | 5.7% | 6.1% | 5.9% | 5.7% | 6.1% | 5.9% | 5.7% | 6.1% | 5.6% | 5.4% | 5.8% |
| Ito-Yokado Higashi-Narashino Store | 6.3% | 6.1% | 6.6% | 6.3% | 6.1% | 6.6% | 6.3% | 6.1% | 6.6% | 6.3% | 6.1% | 6.6% | 6.3% | 6.1% | 6.6% |
| Musashiurawa Shopping Square | 5.8% | 5.5% | 6.1% | 5.7% | 5.4% | 6.0% | 5.7% | 5.4% | 6.0% | 5.7% | 5.4% | 6.0% | 5.7% | 5.4% | 6.0% |
| MEL Building | - | - | - | - | - | - | - | - | - | 6.2% | 6.2% | 6.6% | 6.1% | 6.1% | 6.5% |
| Top Residence Nihonbashi Kayabacho | - | - | - | 5.1% | 4.9% | 5.3% | 5.0% | 4.8% | 5.2% | 5.0% | 4.8% | 5.2% | 5.0% | 4.8% | 5.2% |
| Fukasawa House Towers H&I | 5.0% | 4.7% | 5.2% | 5.0% | 4.7% | 5.2% | 4.9% | 4.6% | 5.1% | 4.9% | 4.6% | 5.1% | 4.8% | 4.5% | 5.0% |
| Ecology Toyosu Procentury | 5.2% | 5.0% | 5.4% | 5.2% | 5.0% | 5.4% | 5.1% | 4.9% | 5.3% | 5.1% | 4.9% | 5.3% | 5.0% | 4.8% | 5.2% |
| Impress Musashi-Koganei | 5.5% | 5.3% | 5.7% | 5.5% | 5.3% | 5.7% | 5.5% | 5.3% | 5.7% | 5.5% | 5.3% | 5.7% | 5.4% | 5.2% | 5.6% |
| Top Residence Yoga | 5.0% | 4.8% | 5.2% | 5.0% | 4.8% | 5.2% | 5.0% | 4.8% | 5.2% | 5.0% | 4.8% | 5.2% | 4.9% | 4.7% | 5.1% |
| OAK PLAZA | 5.2% | 5.0% | 5.5% | 5.1% | 4.9% | 5.4% | 5.1% | 4.9% | 5.4% | 5.1% | 4.9% | 5.4% | 5.0% | 4.8% | 5.3% |

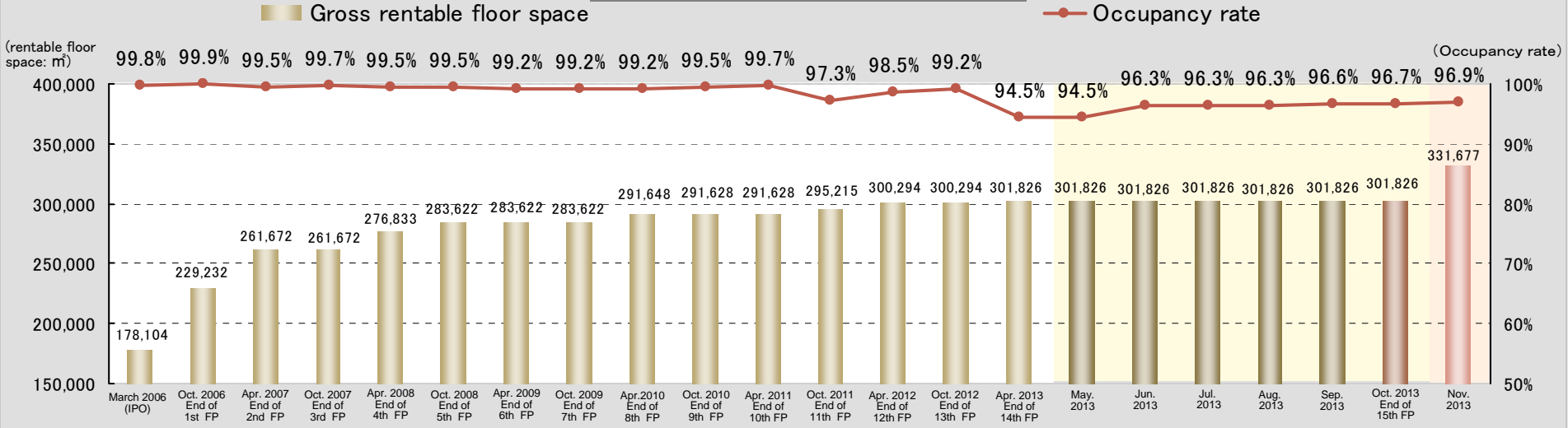
Appraisers

Properties

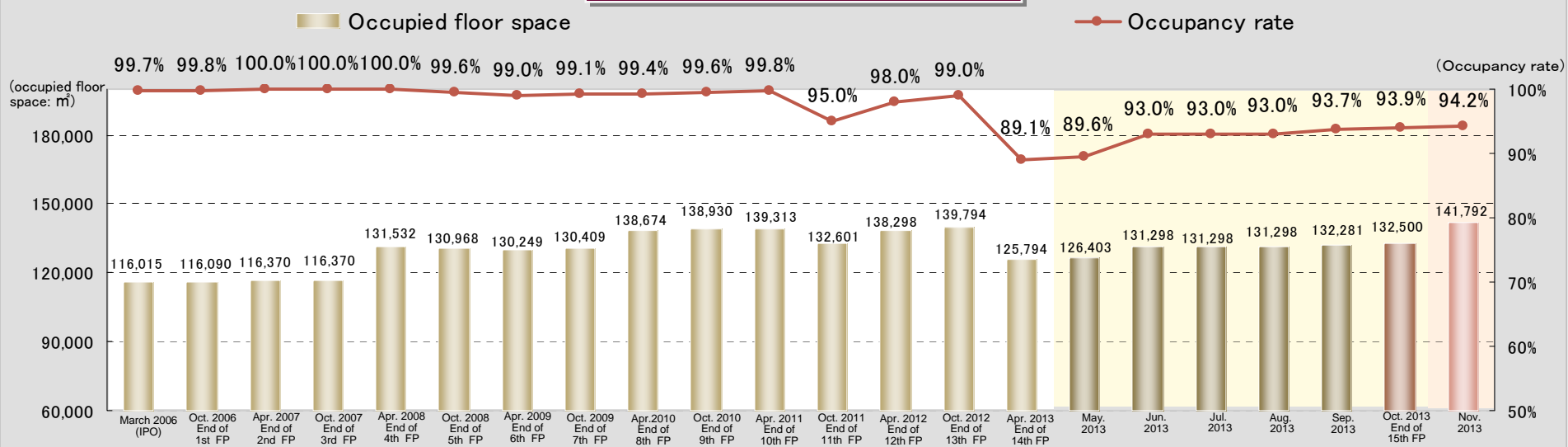
| | |
|---|--|
| Tanizawa Sogo Appraisal Co., Ltd. | NEC Head Office Building, Akasaka Oji Building |
| Japan Real Estate institute | Harumi Island Triton Square Office Towers Y & Z, Kanda Nishiki-cho 3-chome Building, Kanda Park Plaza, Faret East Building, Ito-Yokado Higashi-Narashino Store, Top Residence Nihonbashi Kayabacho, Fukasawa House Towers H&I, Ecology Toyosu Procentury, Impress Musashi-Koganei, Top Residence Yoga ,OAK PLAZA |
| DAIWA REAL ESTATE APPRAISAL Corporation | Shiba-Koen Building, Shinkawa Chuo Building, Sagamihara Shopping Center, Musashiurawa Shopping Square, MEL Building |

V - 4. History of Occupancy Rate

Occupancy Rate (Portfolio)

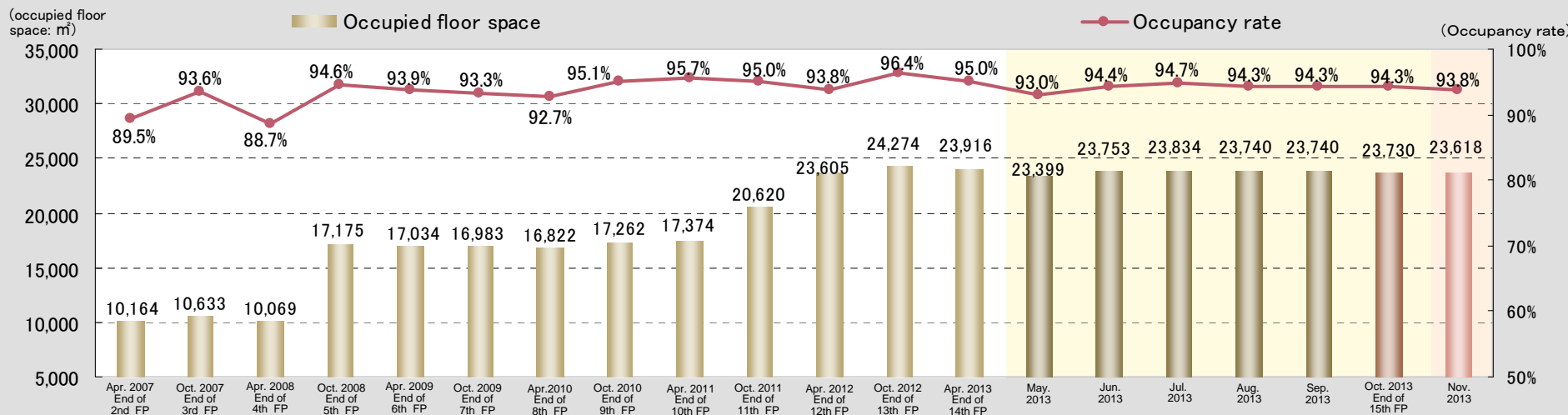


Occupancy Rate (Office)

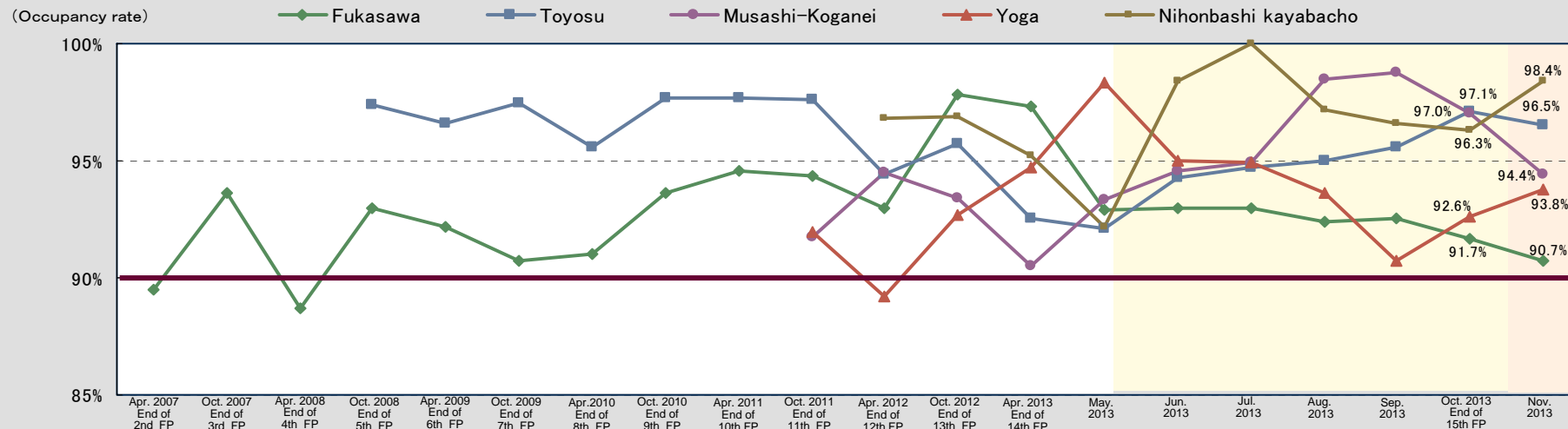


V - 4. History of Occupancy Rate

Occupancy Rate (Residence)



Occupancy Rate (Individual Residential properties)



V - 5. Issuer Ratings and Loans at end of 15th FP

Issuer Rating

Baa1 (Negative)

Moody's Japan K.K

A+ (Stable)

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

| Category | Lender | Balance | Interest Rate (Oct. 31, 2013) | Execution Date | Repayment Date | Remaining Period | Note | Category | Lender | Balance | Interest Rate (Oct. 31, 2013) | Execution Date | Repayment Date | Remaining Period | Note | | | | |
|------------------------------------|--|-----------------|-------------------------------|----------------|--------------------|---------------------|----------------------------|--|----------------------------|------------------|-------------------------------|----------------|---|----------------------------|-------------------------------|---------------|---------------|--------------------|----------------------------|
| Current Portion of Long-Term Loans | Development Bank of Japan | ¥135mn | 2.42% (fixed) | Jan. 13, 2010 | Nov. 30, 2016 | Scheduled repayment | Unsecured and unguaranteed | Long-Term Loans | Development Bank of Japan | ¥2,092mn | 2.42% (fixed) | Jan. 13, 2010 | Nov. 30, 2016 | 2 years & 11 months | Unsecured and unguaranteed | | | | |
| | | ¥135mn | | | | 5 months (Average) | | | | ¥2,092mn | | | | | | | | | |
| | Sumitomo Mitsui Trust Bank | ¥2,000mn | 2.27% (fixed) | Jun. 29, 2007 | Jun. 30, 2014 | 8 months | Unsecured and unguaranteed | | Sumitomo Mitsui Trust Bank | ¥19,040mn | 0.53% (floating) | Nov. 30, 2011 | Nov. 30, 2016 | 3 years & 1 month | Unsecured and unguaranteed | | | | |
| | Development Bank of Japan | ¥1,000mn | 2.40% (fixed) | | | | | | | | | | Sumitomo Mitsui Banking Corporation | ¥9,000mn | 0.63% (floating) | Jun. 29, 2012 | Jun. 30, 2017 | 3 years & 8 months | Unsecured and unguaranteed |
| | Dai-ichi Life Insurance | ¥1,000mn | 2.40% (fixed) | | | | | | | | | | The Bank of Tokyo Mitsubishi UFJ Mitsubishi UFJ Trust and Banking | ¥8,500mn | 0.79% (fixed) | | | | |
| | ¥4,000mn | | | | 8 months | | | Sumitomo Mitsui Trust Bank Mizuho Bank | ¥4,670mn | 0.75% (floating) | Mar. 27, 2013 | Mar. 27, 2018 | 4 years & 5 months | Unsecured and unguaranteed | | | | | |
| Subtotal | ¥4,135mn | 2.34% (Average) | | | 8 months (Average) | | | Development Bank of Japan | ¥2,355mn | 1.08% (fixed) | | | | | | | | | |
| Long-Term Loans | Sumitomo Mitsui Trust Bank Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ Resona Bank | ¥7,000mn | 0.63% (floating) | Nov. 30, 2012 | Sep. 30, 2015 | 1 year & 11 months | Unsecured and unguaranteed | | | ¥7,025mn | | | | | | | | | |
| | | ¥7,000mn | | | | | | Sumitomo Mitsui Trust Bank Mizuho Bank Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ Mitsubishi UFJ Trust and Banking | ¥1,230mn | 0.75% (floating) | Apr. 30, 2013 | Apr. 30, 2018 | 4 years & 6 months | Unsecured and unguaranteed | | | | | |
| | Mizuho Bank Mitsubishi UFJ Trust and Banking | ¥3,075mn | 0.63% (floating) | Mar. 27, 2013 | Sep. 30, 2015 | 1 year & 11 months | Unsecured and unguaranteed | | | ¥1,230mn | | | | | | | | | |
| | | ¥3,075mn | | | | | | | | ¥83,362mn | 0.85% (Average) | | | | 3 years (Average) | | | | |
| | Subtotal | ¥16,700mn | 1.39% (fixed) | Mar. 3, 2011 | Feb. 29, 2016 | 2 years & 4 months | Unsecured and unguaranteed | | | ¥87,497mn | 0.92% (Average) | | | | 2 years & 10 months (Average) | | | | |
| Long-Term Loans | Sumitomo Mitsui Trust Bank The Bank of Fukuoka The Hiroshima Bank The Yamaguchi Bank | ¥6,700mn | 0.73% (floating) | Mar. 31, 2011 | Feb. 29, 2016 | 2 years & 4 months | Unsecured and unguaranteed | | | | | | | | | | | | |
| | | ¥6,700mn | | | | | | | | | | | | | | | | | |
| | Sumitomo Mitsui Trust Bank Mizuho Bank Sumitomo Mitsui Banking Corporation The Bank of Tokyo Mitsubishi UFJ Mitsubishi UFJ Trust and Banking | ¥3,000mn | 0.63% (floating) | Mar. 30, 2012 | Oct. 31, 2016 | 3 years | Unsecured and unguaranteed | | | | | | | | | | | | |
| | ¥3,000mn | | | | | | | | | | | | | | | | | | |
| | | | | | | | | Total Loans | | ¥87,497mn | 0.92% (Average) | | | | | | | | |
| | | | | | | | | No 1 Unsecured Investment Corporation Bonds | | ¥8,500mn | 1.00% (fixed) | Jun. 4, 2010 | Jun. 4, 2015 | 1 year & 7 months | Unsecured and unguaranteed | | | | |
| | | | | | | | | Total Interest bearing liabilities | | ¥95,997mn | 0.93% (Average) | | | | 2 years & 9 months (Average) | | | | |

Note1 : 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.

Note2 : On November 28, 2013, Top REIT has borrowed ¥4,500mn with maturity date of April 30, 2014.

VI. Detail of 15th FP Results (Ended October 31, 2013)

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

■ Statements of Income

| Account | 14th FP From Nov. 1, 2012 To Apr. 30, 2013 (181 days) | 15th FP From May. 1, 2013 To Oct. 31, 2013 (184 days) |
|---|--|--|
| | Amount | Amount |
| I. Operating revenue and expenses | | |
| 1. Operating revenue | ¥5,844mn | ¥5,154mn |
| 2. Operating expenses | ¥3,397mn | ¥2,981mn |
| Expenses related to rent business | ¥2,848mn | ¥2,438mn |
| Asset management fees | ¥416mn | ¥406mn |
| Other | ¥131mn | ¥136mn |
| Operating income | ¥2,447mn | ¥2,172mn |
| II. Non-operating income and expenses | | |
| 1. Non-operating income | ¥3mn | ¥11mn |
| Interest income | ¥1mn | ¥0mn |
| Other | ¥2mn | ¥11mn |
| 2. Non-operating expenses | ¥627mn | ¥603mn |
| Interest expenses | ¥438mn | ¥406mn |
| Interest expenses on investment corporation bonds | ¥42mn | ¥42mn |
| Other | ¥147mn | ¥154mn |
| Ordinary income | ¥1,823mn | ¥1,580mn |
| Extraordinary loss | - | - |
| Income before income taxes | ¥1,823mn | ¥1,580mn |
| Income taxes-current | ¥0mn | ¥0mn |
| Income taxes-deferred | ¥0mn | (¥0mn) |
| Net income | ¥1,822mn | ¥1,579mn |
| Unappropriated retained earnings | ¥1,822mn | ¥1,579mn |

■ Statements of Cash Distributions

| Account | 14th FP From Nov. 1, 2012 To Apr. 30, 2013 (181 days) | 15th FP From May 1, 2013 to Oct. 31, 2013 (184 days) |
|-----------------------------------|--|---|
| | Amount | Amount |
| Unappropriated retained earnings | ¥1,822mn | ¥1,579mn |
| Total dividend amount | ¥1,822mn | ¥1,579mn |
| <Dividend per unit> | <¥11,759> | <¥10,191> |
| Voluntary retained earnings | - | - |
| Retained earnings carried forward | ¥0mn | ¥0mn |

【Expenses related to rent business】

- Depreciation and amortization: ¥ 1,115mn
- Property management expenses: ¥ 388mn
- Utilities expenses: ¥ 244mn and others

VI - 2. Balance Sheets (Summary)

| Account | 14th FP (as of Apr. 30, 2013) | 15th FP (as of Oct. 31, 2013) |
|---|----------------------------------|----------------------------------|
| | Amount | Amount |
| Assets | | |
| I. Total current assets | ¥5,047mn | ¥5,281mn |
| Cash and deposits | ¥520mn | ¥903mn |
| Cash and deposits in trust | ¥4,180mn | ¥3,939mn |
| Other | ¥346mn | ¥438mn |
| II. Total noncurrent assets | ¥181,932mn | ¥180,869mn |
| 1. Total property, plant and equipment | ¥181,002mn | ¥180,063mn |
| Buildings, etc. | ¥969mn | ¥955mn |
| Land | ¥4,888mn | ¥4,888mn |
| Buildings, etc. in trust | ¥49,457mn | ¥48,531mn |
| Land in trust | ¥125,686mn | ¥125,686mn |
| 2. Total intangible assets | ¥1mn | ¥1mn |
| Intangible assets | ¥1mn | ¥1mn |
| 3. Total investment and other assets | ¥928mn | ¥804mn |
| Lease and guarantee deposits | ¥10mn | ¥10mn |
| Long-term prepaid expenses | ¥706mn | ¥562mn |
| Other | ¥211mn | ¥231mn |
| III. Total deferred assets | ¥23mn | ¥18mn |
| Investment corporation bond issuance costs | ¥23mn | ¥18mn |
| Total assets | ¥187,003mn | ¥186,169mn |

| Account | 14th FP (as of Apr. 30, 2013) | 15th FP (as of Oct. 31, 2013) |
|--|----------------------------------|----------------------------------|
| | Amount | Amount |
| Liabilities | | |
| I. Total current liabilities | ¥1,524mn | ¥5,413mn |
| Operating accounts payable | ¥259mn | ¥136mn |
| Short-term loans payable | — | — |
| Current portion of long-term loans payable | ¥135mn | ¥4,135mn |
| Accounts payable — other | ¥247mn | ¥239mn |
| Accrued expenses | ¥130mn | ¥131mn |
| Accrued consumption taxes | ¥20mn | ¥61mn |
| Advances received | ¥726mn | ¥705mn |
| Derivative liabilities | — | — |
| Other | ¥5mn | ¥3mn |
| II. Total noncurrent liabilities | ¥101,351mn | ¥96,884mn |
| Investment Corporation Bond | ¥8,500mn | ¥8,500mn |
| Long-term loans payable | ¥87,430mn | ¥83,362mn |
| Tenant leasehold and security deposits | ¥101mn | ¥101mn |
| Tenant leasehold and security deposits in trust | ¥5,286mn | ¥4,873mn |
| Deferred tax liabilities | ¥26mn | ¥19mn |
| Derivative liabilities | ¥7mn | ¥27mn |
| Other noncurrent liabilities | ¥0mn | — |
| Total liabilities | ¥102,876mn | ¥102,297mn |
| Net assets | | |
| I. Total unitholders' equity | ¥84,132mn | ¥83,889mn |
| 1. Unitholders' capital | ¥82,260mn | ¥82,260mn |
| 2. Surplus | ¥1,872mn | ¥1,629mn |
| Reserve for reduction entry | ¥49mn | ¥49mn |
| Unappropriated retained earnings | ¥1,822mn | ¥1,579mn |
| II. Total valuation and translation adjustments | (¥5mn) | (¥18mn) |
| Deferred gains or losses on hedge | (¥5mn) | (¥18mn) |
| Total net assets | ¥84,127mn | ¥83,871mn |
| Total liabilities and net assets | ¥187,003mn | ¥186,169mn |

VI - 3. Major Financial Indicators

| Item | 13th FP From May. 1, 2012 To Oct. 31, 2012 | 14th FP From Nov. 1, 2012 to Apr. 30, 2013 | 15th FP From May. 1, 2013 To Oct. 31, 2013 | Remark |
|--|--|--|--|--|
| Number of days in each FP | 184days | 181days | 184days | |
| Ratio of interest-bearing liabilities to total assets at end of period (LTV) | 51.4% | 51.4% | 51.6% | Interest-bearing liabilities at end of period / Total assets at end of period |
| Rental NOI (Net operating income) | ¥4,368mn | ¥4,117mn | ¥3,831mn | Rent revenue – Expenses related to rent business + Depreciation and amortization |
| Rental NOI yield | 4.7% | 4.4% | 4.1% | Rental NOI x 2 / Sum total of the acquisition price of all properties in the portfolio at end of period |
| FFO (Funds from Operation) | ¥3,117mn | ¥2,944mn | ¥2,695mn | Net income + Depreciation and amortization |
| FFO per unit | ¥20,113 | ¥18,996 | ¥17,390 | FFO / Number of units issued and outstanding at end of period |
| Ratio of ordinary income to total assets (ROA) | 1.1% | 1.0% | 0.8% | Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2) |
| Annualized | 2.1% | 2.0% | 1.7% | |
| Ratio of net income to unitholders' equity (ROE) | 2.4% | 2.2% | 1.9% | Net income / ((Net assets at beginning of period + Net assets at end of period) / 2) |
| Annualized | 4.7% | 4.4% | 3.7% | |
| Implied Cap Rate | 5.6% | 4.7% | 4.5% | 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 | 0.74 | 1.07 | 0.95 | 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 | 44.7% | 45.0% | 45.1% | Net assets at end of period / Total assets at end of period |

VI - 4. Unitholders

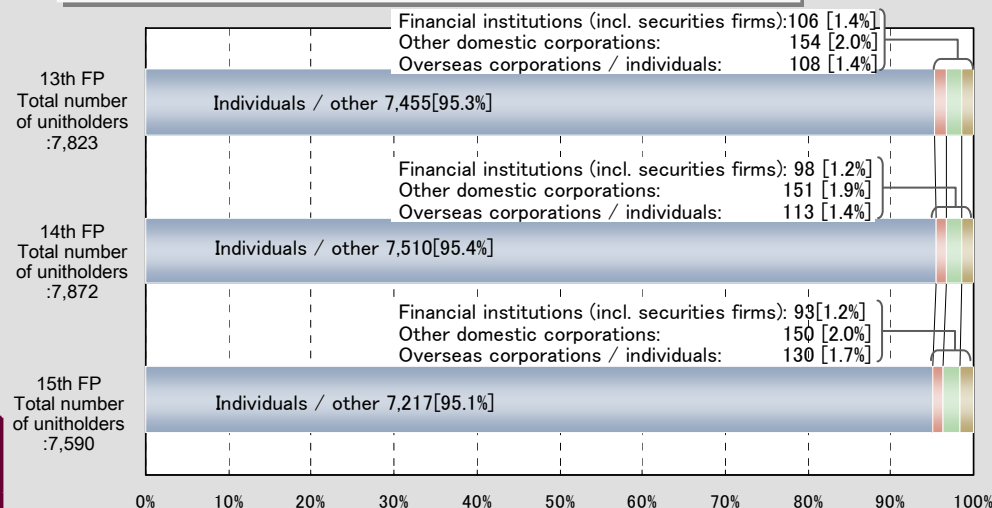
Composition of Unitholders (as of the end of 15th FP)

| Category | Number of Units Held | | Number of Unitholders | |
|---|----------------------|---------------|-----------------------|---------------|
| Individuals / other | 23,164 | 14.9% | 7,217 | 95.1% |
| Financial institutions (incl. securities firms) | 104,319 | 67.3% | 93 | 1.2% |
| Other domestic corporations | 12,143 | 7.8% | 150 | 2.0% |
| Overseas corporations / individuals | 15,374 | 9.9% | 130 | 1.7% |
| Total | 155,000 | 100.0% | 7,590 | 100.0% |

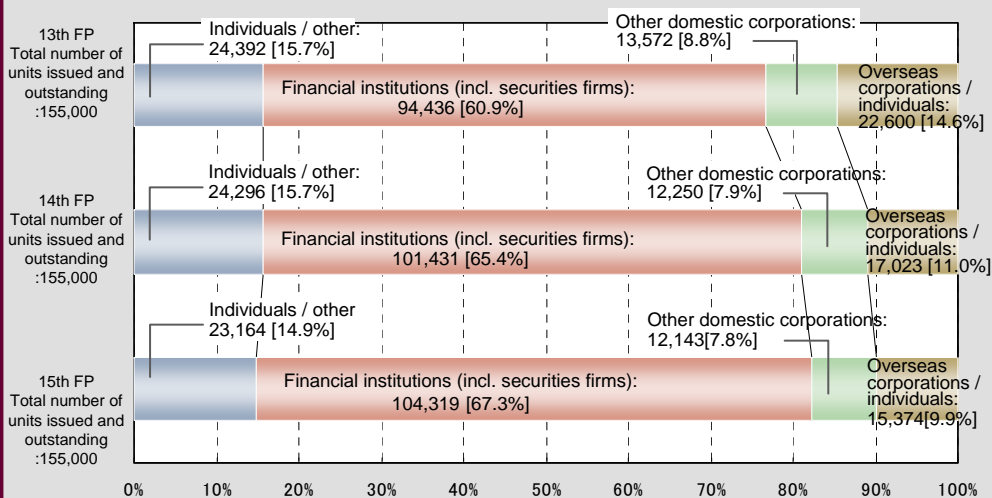
Major Unitholders (as of the end of 15th FP)

| Rank | Name | Number of Units Held | Component Ratio (%) |
|------|---|----------------------|---------------------|
| 1 | Japan Trustee Service Bank (trust account) | 45,315 | 29.2 |
| 2 | The Master Trust Bank of Japan (trust account) | 8,848 | 5.7 |
| 3 | Trust and Custody Services Bank (securities investment trust account) | 8,616 | 5.6 |
| 4 | Nomura Trust and Banking (investment trust account) | 5,246 | 3.4 |
| 5 | North Pacific Bank, LTD. | 4,024 | 2.6 |
| 6 | THE FUJI FIRE AND MARINE INSURANCE COMPANY,LIMITED | 3,465 | 2.2 |
| 7 | Sumitomo Mitsui Trust Bank, Limited | 3,176 | 2.0 |
| 8 | Oji Real Estate Co., Ltd. | 3,162 | 2.0 |
| 8 | NIPPON STEEL KOWA REAL ESTATE CO.,LTD. | 3,162 | 2.0 |
| 10 | MetLife Alico Life Insurance K.K GA Company JPY | 2,075 | 1.3 |
| 11 | The Asahi Fire & Marine Insurance Co., Ltd. | 2,010 | 1.3 |
| 12 | NOMURA BANK (LUXEMBOURG) S.A. | 1,593 | 1.0 |
| 13 | The Iyo Bank, Ltd. | 1,500 | 1.0 |
| 14 | The Gibraltar Life insurance Co., Ltd (general accounts J-REIT account) | 1,318 | 0.9 |
| 15 | The Minami Nippon Bank, Ltd. | 1,270 | 0.8 |
| | Total | 94,780 | 61.1 |

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

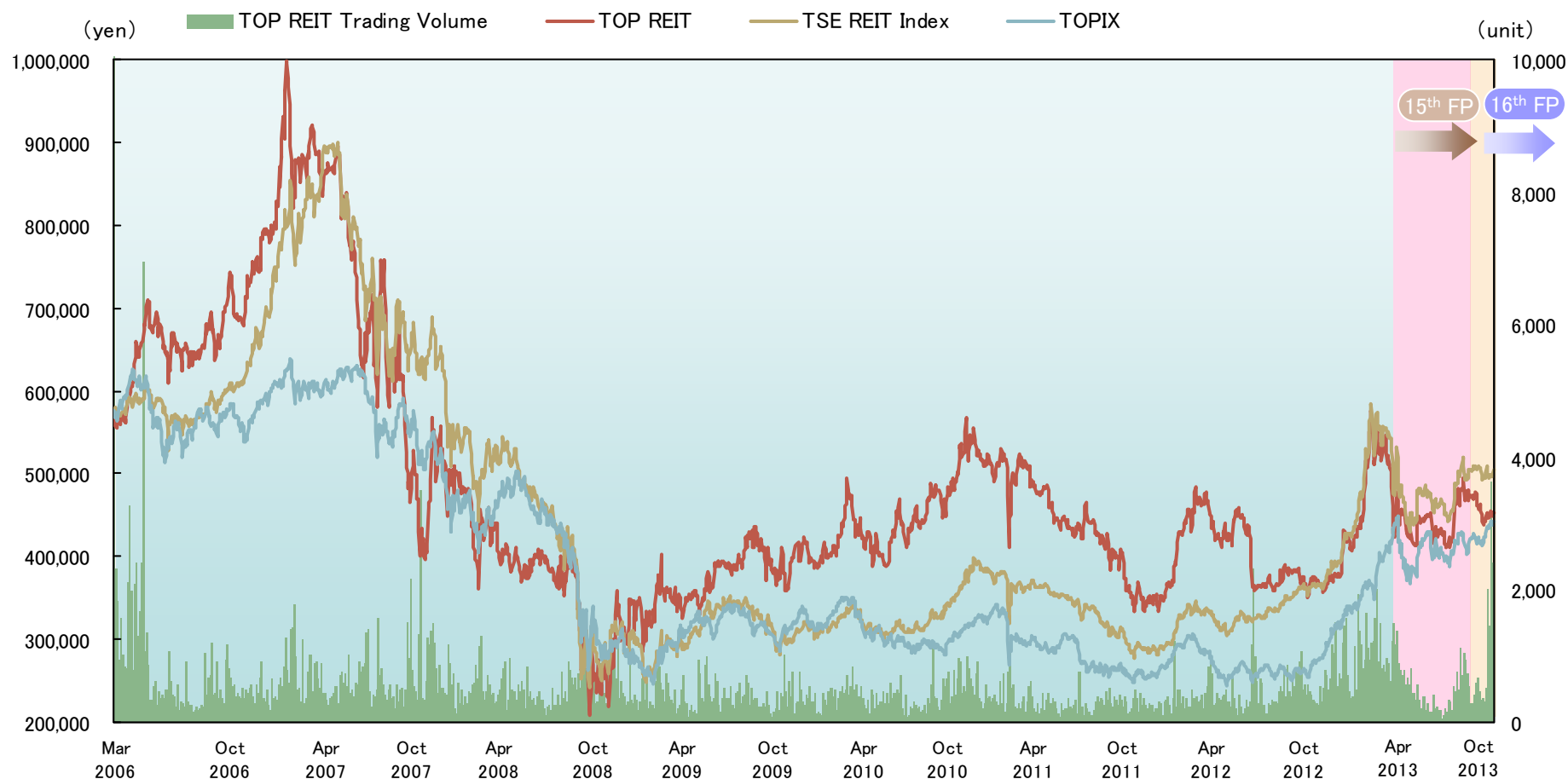


Number of Units Held by Category (as of the end of each periods)



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

VI - 5. Unit Price Performance and Trading Volume (Mar. 1, 2006 – Nov. 29, 2013)



| | | | | |
|---|-----------------------------|--|----------|---------------|
| 15th Fiscal Period End Unit Price (closing price) | ¥457,500 (Oct. 31, 2013) | IPO Price | ¥550,000 | Mar. 1, 2006 |
| | | Historical High since IPO (closing price) | ¥998,000 | Feb. 16, 2007 |
| | | Historical Low since IPO (closing price) | ¥208,000 | Oct. 28, 2008 |

VII. Appendix : Portfolio Overview

VII - 1. Portfolio Map (as of the end of November, 2013)



NEC Head Office Building



Fukasawa House Towers H&I



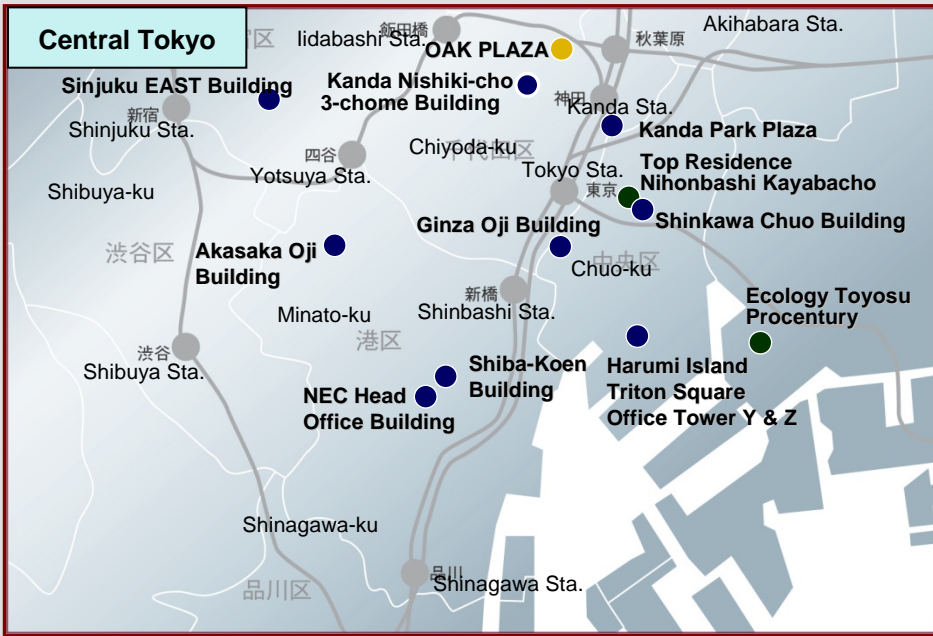
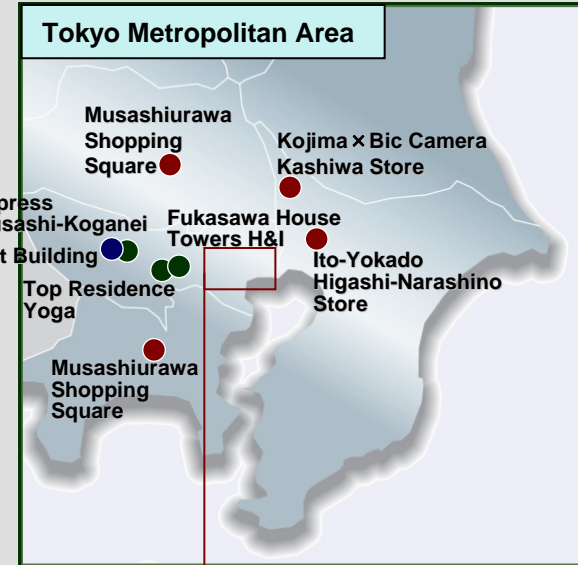
Harumi Island Triton Square Office Tower Y&Z



Ginza Oji Building



Sagamiyama Shopping Center



MEL Building (Sendai-shi, Miyagi Pref.)



VII - 2. Portfolio Summary (as of the end of November, 2013)

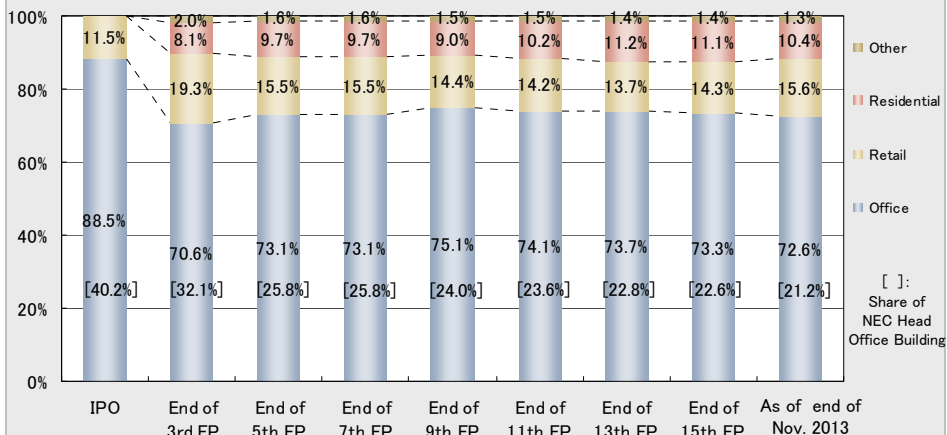
Total Acquisition Price : ¥197.855 bn

Gross Rentable Floor Area : 331,677.14 m²

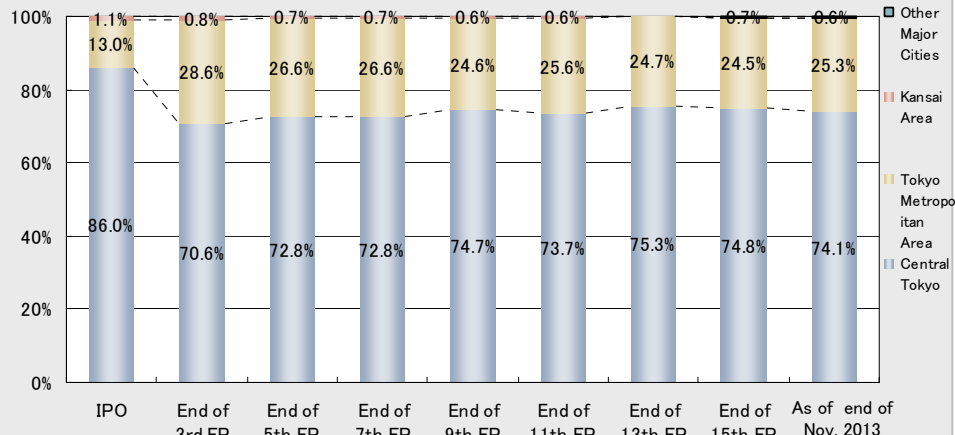
Number of Properties : 22

PML : 2.7%

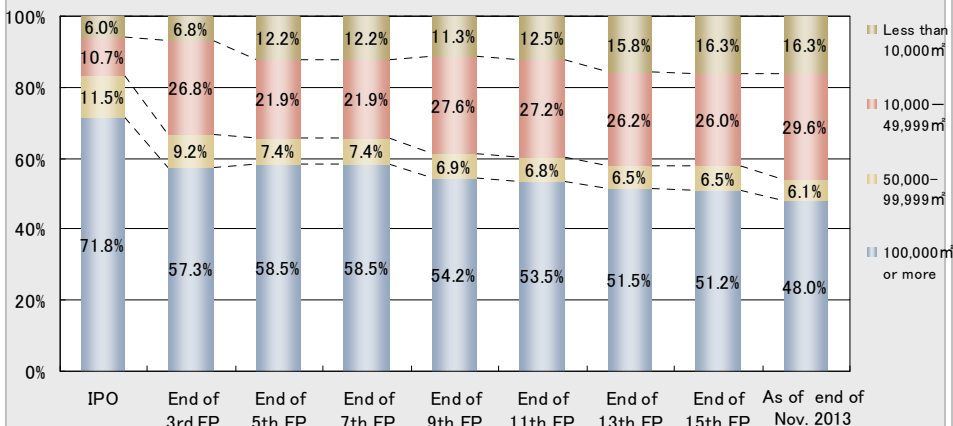
Asset Class (property type)



Area

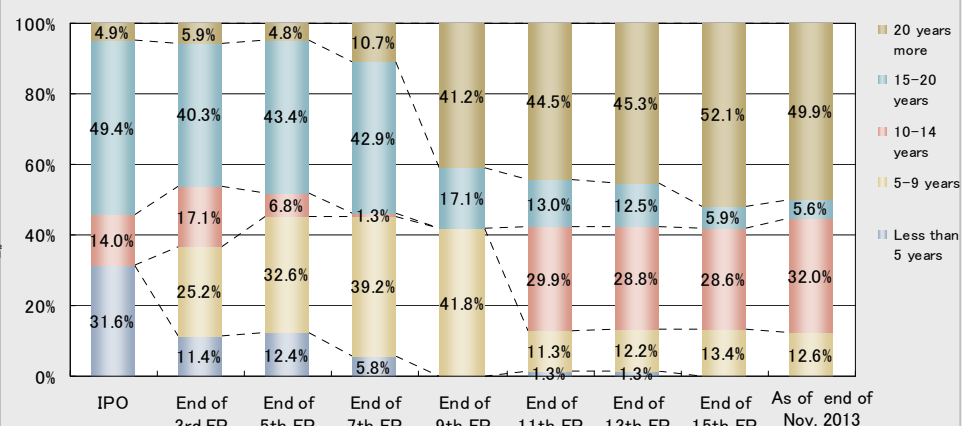


Asset size (based on total floor space)



Age of Buildings

At the announce date of 15th FP earnings: 19.³ years



VII - 3. Portfolio Overview (as of the end of November, 2013)

| Asset Class | Area | Property | Address | Acquisition Date | Total Floor Space (m ²) | Rentable Floor Space (m ²) | Completion Date | Acquisition Price (mm yen) | Portfolio Share (%) | Occupancy Rate (%) | Number of Tenants | PML (%) |
|--------------------------|-----------------------|--|--------------------------|------------------|-------------------------------------|--|-----------------|----------------------------|---------------------|--------------------|-------------------|---------|
| Office | Central Tokyo | NEC Head Office Building | Minato-ku, Tokyo | Mar 3, 2006 | 144,476.05 | 72,238.03 | Jan. 1990 | 41,950 | 21.2 | 100.0 | 1 | 1.4 |
| | | Harumi Island Triton Square Office Tower Y | Chuo-ku, Tokyo | Mar 1, 2006 | 267,132.67 | 23,170.40 | Oct. 2001 | 33,000 | 16.7 | 68.9 | 5 | 1.2 |
| | | Harumi Island Triton Square Office Tower Z | Chuo-ku, Tokyo | Mar 27, 2008 | 267,132.67 | 10,914.20 | Oct. 2001 | 20,000 | 10.1 | 100.0 | 1 (Note1) | 1.5 |
| | | Kanda Nishiki-cho 3-chome Building | Chiyoda-ku, Tokyo | Jan 13, 2010 | 12,169.78 | 8,025.65 | Mar. 1973 | 12,700 | 6.4 | 100.0 | 1 | 7.0 |
| | | Akasaka Oji Building | Minato-ku, Tokyo | Mar 1, 2006 | 10,063.05 | 7,301.15 | Apr. 1989 | 9,660 | 4.9 | 100.0 | 6 | 6.4 |
| | | Shinjuku EAST Building | Shinjuku-ku, Tokyo | Nov 28, 2013 | 10704.44 | 7,523.04 | Oct. 2002 | 5,800 | 2.9 | 99.4 | 4 | 6.4 |
| | | Shiba-Koen Building | Minato-ku, Tokyo | Mar 19, 2008 | 4,958.29 | 3,060.43 | May. 1991 | 5,770 | 2.9 | 62.4 | 2 (Note2) | 9.7 |
| | | Shinkawa Chuo Building | Chuo-ku, Tokyo | Mar 30, 2012 | 7,981.27 | 6,032.24 | Jul. 1987 | 5,610 | 2.8 | 100.0 | 1 (Note1) | 7.0 |
| | | Kanda Park Plaza | Chiyoda-ku, Tokyo | Mar 1, 2006 | 5,511.83 | 4,537.66 | Nov. 1959 | 5,156 | 2.6 | 94.2 | 9 | 14.1 |
| | Ginza Oji Building | Chuo-ku, Tokyo | Nov 28, 2013 | 3,251.03 | 1,890.87 | Jan. 1991 | 2,000 | 1.0 | 95.9 | 2 (Note2) | 4.9 | |
| Tokyo Met. Area | Faret East Building | Tachikawa-shi, Tokyo | Mar 1, 2006 | 16,206.34 | 5,850.23 | Dec. 1994 | 2,091 | 1.1 | 100.0 | 1 (Note1) | 2.8 | |
| Subtotal (11 Properties) | | | | | — | 150,543.90 | — | 143,737 | 72.6 | 94.2 | 33 | — |
| Retail | Tokyo Met. Area | Sagamihara Shopping Center | Sagamihara-shi, Kanagawa | Mar 1, 2006 | 56,351.42 | 61,763.28 | Aug. 1993 etc. | 12,000 | 6.1 | 100.0 | 2 | 3.6 |
| | | Ito-Yokado Higashi-Narashino Store | Narashino-shi, Chiba | Jun 30, 2006 | 45,338.37 | 51,098.42 | Oct. 1994 | 8,900 | 4.5 | 100.0 | 1 | 7.7 |
| | | Kojima x Bic Camera Kashiwa Store | Kashiwa-shi, Chiba | Nov 28, 2013 | 20,437.36 | 20,437.36 | Sep. 2000 | 4,500 | 2.3 | 100.0 | 1 | 5.3 |
| | | Musashiurawa Shopping Square | Saitama-shi, Saitama | Mar 19, 2007 | 28,930.36 | 14,960.69 | Oct. 2005 | 4,335 | 2.2 | 100.0 | 3 | 8.5 |
| | Other Major Cities | MEL Building | Sendai-shi, Miyagi | Apr 30, 2013 | 1,756.32 | 1,580.70 | Jan. 1980 | 1,210 | 0.6 | 100.0 | 1 (Note1) | 3.8 |
| Subtotal (5 Properties) | | | | | — | 149,840.45 | — | 30,945 | 15.6 | 100.0 | 8 | — |
| Residential | Central Tokyo | Top Residence Nihonbashi Kayabacho | Chuo-ku, Tokyo | Feb 1, 2012 | 4,540.70 | 3,455.68 | Feb. 2004 | 2,400 | 1.2 | 98.4 | 1 (Note1) | 6.6 |
| | Tokyo Met. Area | Fukasawa House Towers H&I | Setagaya-ku, Tokyo | Dec 8, 2006 | 12,135.36 | 11,357.44 | Jun. 2004 | 10,635 | 5.4 | 90.7 | 1 (Note1) | 1.6 |
| | | Ecology Toyosu Procentury | Koto-ku, Tokyo | May 30, 2008 | 9,630.96 | 6,789.03 | Jan. 2005 | 5,160 | 2.6 | 96.5 | 1 (Note1) | 10.6 |
| | | Impress Musashi-Koganei | Koganei-shi, Tokyo | Aug 12, 2011 | 2,471.30 | 2,056.41 | Jun. 2008 | 1,223 | 0.6 | 94.4 | 1 (Note1) | 6.4 |
| | | Top Residence Yoga | Setagaya-ku, Tokyo | Oct 14, 2011 | 1,894.35 | 1,512.38 | Feb. 2008 | 1,165 | 0.6 | 93.8 | 1 (Note1) | 8.6 |
| Subtotal (5 Properties) | | | | | — | 25,170.94 | — | 20,583 | 10.4 | 93.8 | 5 | — |
| Other | Central Tokyo | OAK PLAZA | Chiyoda-ku, Tokyo | Mar 20, 2007 | 6,121.85 | 6,121.85 | Apr. 1985 | 2,590 | 1.3 | 100.0 | 1 (Note1) | 7.7 |
| | Subtotal (1 Property) | | | | | — | 6,121.85 | — | 2,590 | 1.3 | 100.0 | 1 |
| Total (22 Properties) | | | | | — | 331,677.14 | — | 197,855 | 100.0 | 96.9 | 47 | 2.7 |

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

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

VII - 4. Operating Income by Property (15th FP)

(million yen)

| | NEC Head Office Building | Harumi Island Triton Square Office Tower Y | Harumi Island Triton Square Office Tower Z (Note) | Kanda Nishiki-cho 3-chome Building (Note) | Akasaka Oji Building | Shiba-Koen Building | Shinkawa Chuo Building | Kanda Park Plaza | Faret East Building | Sagamihara Shopping Center | Ito-Yokado Higashi-Narashino Store | Musashirawa Shopping Square | MEL Building | Top Residence Nihonbashi Kayabacho | Fukasawa House Towers H&I | Ecology Toyosu Procentury | Impress Musashi-Koganei | Top Residence Yoga | OAK PLAZA |
|--------------------------------------|--------------------------|--|---|---|----------------------|---------------------|------------------------|------------------|---------------------|----------------------------|------------------------------------|-----------------------------|--------------|------------------------------------|---------------------------|---------------------------|-------------------------|--------------------|--------------|
| Operating period (days) | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 |
| Total revenue from property leasing | 1,370 | 659 | | | 268 | 78 | 201 | 177 | 144 | 374 | 236 | 129 | 58 | 89 | 234 | 162 | 43 | 37 | 94 |
| Rent revenue — real estate | 1,370 | 659 | | | 268 | 78 | 201 | 172 | 144 | 374 | 236 | 129 | 58 | 85 | 226 | 153 | 42 | 36 | 94 |
| Total expenses from property leasing | 216 | 339 | | | 83 | 29 | 48 | 43 | 73 | 62 | 35 | 17 | 9 | 20 | 58 | 36 | 11 | 8 | 28 |
| Property management expenses | 1 | 151 | | | 22 | 7 | 13 | 8 | 36 | 2 | 1 | 1 | 3 | 10 | 34 | 19 | 6 | 4 | 0 |
| Taxes and dues | 205 | 89 | | | 38 | 9 | 13 | 13 | 11 | 52 | 27 | 14 | - | 4 | 15 | 8 | 2 | 1 | 13 |
| Utilities expenses | - | 91 | | | 17 | 8 | 16 | 14 | 23 | - | - | - | 4 | 1 | 0 | 1 | 0 | 0 | - |
| Repair expenses | 5 | 3 | | | 1 | 4 | 4 | 6 | 0 | 6 | 4 | 0 | 0 | 3 | 6 | 6 | 1 | 1 | 13 |
| Non-life insurance expenses | 1 | 2 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 1 | 2 | | | 2 | - | 0 | 0 | 1 | 1 | 0 | 1 | 0 | 0 | 2 | 0 | 0 | 0 | 1 |
| NOI (NOI yield) | 1,154 [5.5%] | 319 [1.9%] | 243 [2.4%] | 351 [5.5%] | 184 [3.8%] | 49 [1.7%] | 153 [5.5%] | 133 [5.2%] | 70 [6.8%] | 311 [5.2%] | 200 [4.5%] | 112 [5.2%] | 49 [8.2%] | 69 [5.8%] | 175 [3.3%] | 125 [4.9%] | 32 [5.3%] | 29 [5.0%] | 65 [5.1%] |
| Depreciation and amortization | 232 | 248 | 120 | 34 | 33 | 17 | 34 | 13 | 22 | 55 | 73 | 44 | 7 | 27 | 62 | 44 | 17 | 13 | 12 |
| Operating income | 922 | 71 | 122 | 316 | 151 | 32 | 118 | 119 | 47 | 256 | 126 | 67 | 41 | 41 | 113 | 81 | 15 | 15 | 53 |
| Capital expenditures | 12 | 81 | 1 | 1 | 14 | 3 | 19 | 6 | 0 | 10 | 21 | - | - | - | 2 | 0 | - | 0 | 0 |

Renewal of common spaces, renewal of drain piping in canteen ...etc

(Note) Some figures for Harumi Island Triton Square Office Tower Z and Kanda Nishiki-cho 3-chome Building are not disclosed due to request by the tenants.

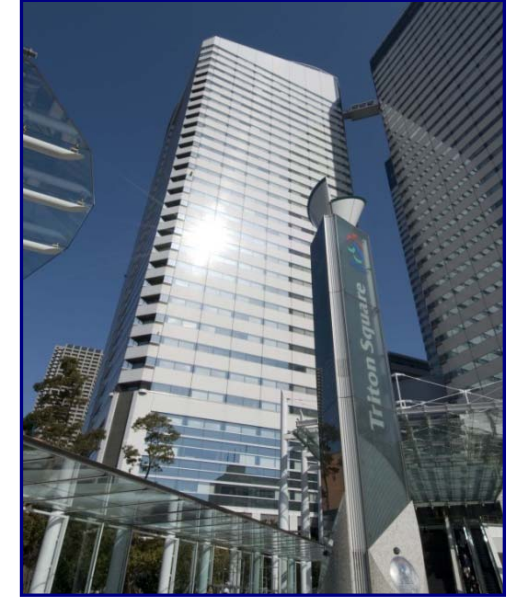
VII - 5. Property Details: Office Buildings



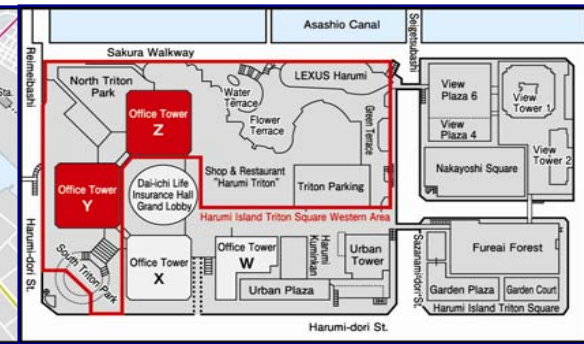
| | |
|-------------------|---------------------------|
| Property | NEC Head Office Building |
| Address | Shiba, Minato-ku, Tokyo |
| Floor Area | 144,476.05 m ² |
| Completion | January 1990 |
| Title | Co-ownership (50%) |
| Acquisition Price | 41.95 billion yen |



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



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



VII - 5. Property Details: Office Buildings



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

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

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

| | |
|-------------------|---|
| Property | Shiba-Koen Building |
| Address | Shiba, Minato-ku, Tokyo |
| Floor Area | 4,958.29 m ² |
| Completion | May 1991 |
| Title | Co-ownership (1 st – 7 th floors) |
| Acquisition Price | 5.77 billion yen |



VII - 5. Property Details: Office Buildings



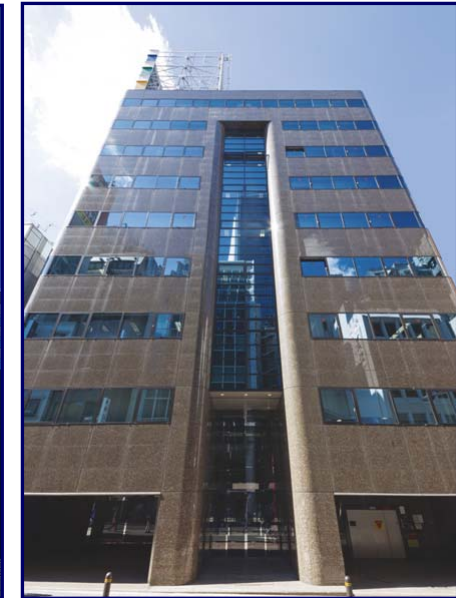
| | |
|-------------------|--------------------------|
| Property | Shinkawa Chuo Building |
| Address | Shinkawa, Chuo-ku, Tokyo |
| Floor Area | 7,981.27 m ² |
| Completion | July 1987 |
| Title | Ownership |
| Acquisition Price | 5.61 billion yen |



| | |
|-------------------|--|
| Property | Kanda Park Plaza |
| Address | Kajicho, Chiyoda-ku, Tokyo |
| Floor Area | 5,511.83 m 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-shi, Tokyo |
| Floor Area | 16,206.34 m 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 | Ginza Oji Building |
| Address | Ginza, Chuo-ku, Tokyo |
| Floor Area | 3,251.03 m ² |
| Completion | January 1991 |
| Title | Ownership (leasehold interest for part of the land) |
| Acquisition Price | 2.00 billion yen |



VII - 6. Property Details: Retail Properties



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



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



VII - 6. Property Details: Retail Properties



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



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



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



VII - 7. Property Details: Residential



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



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



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



VII - 8. Property Details: Residential and Other Properties



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



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

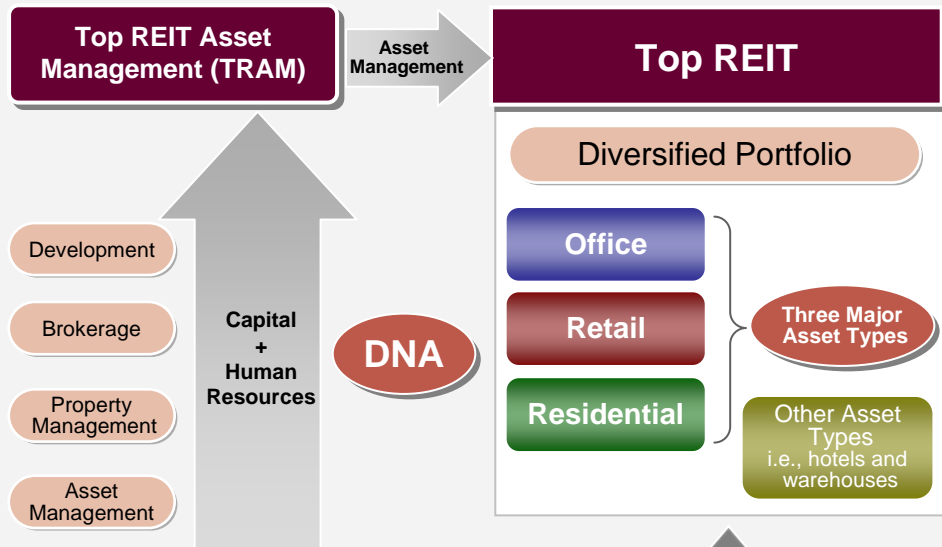


| | |
|-------------------|---|
| Property | OAK PLAZA |
| Address | Kanda Awajicho, Chiyoda-ku, Tokyo |
| Floor Area | 6,121.85 m ² |
| Completion | April 1985 (Completion of the conversion in 2007) |
| Title | Ownership |
| Acquisition Price | 2.59 billion yen |



VIII. Appendix : Structure of Related Parties

VIII - 1. Characteristics of Top REIT and Operational Strategies



| Sponsors | |
|--|-----|
| Sumitomo Mitsui Trust Bank, Limited. | 69% |
| Oji Real Estate A wholly-owned subsidiary of Oji Management Office Inc. | 31% |

Inheriting Sponsors' DNA

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

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



Maximizing Unitholders' Value

Utilizing Sponsor Strengths

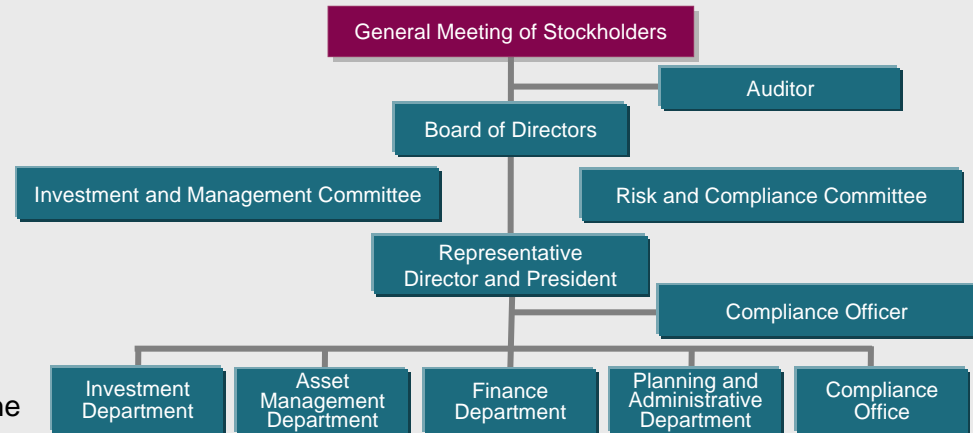
- Sponsor skills shall be utilized to achieve steady growth by applying their real estate development abilities, brokerage networks and management skills, including leasing activities that utilize the leasing demand from sponsors' groups/clients.

Number of group companies (as of March 31, 2013)

| | |
|--------------------------------------|-----|
| Sumitomo Mitsui Trust Holdings Group | 103 |
| Oji Holdings Corporation Group | 356 |

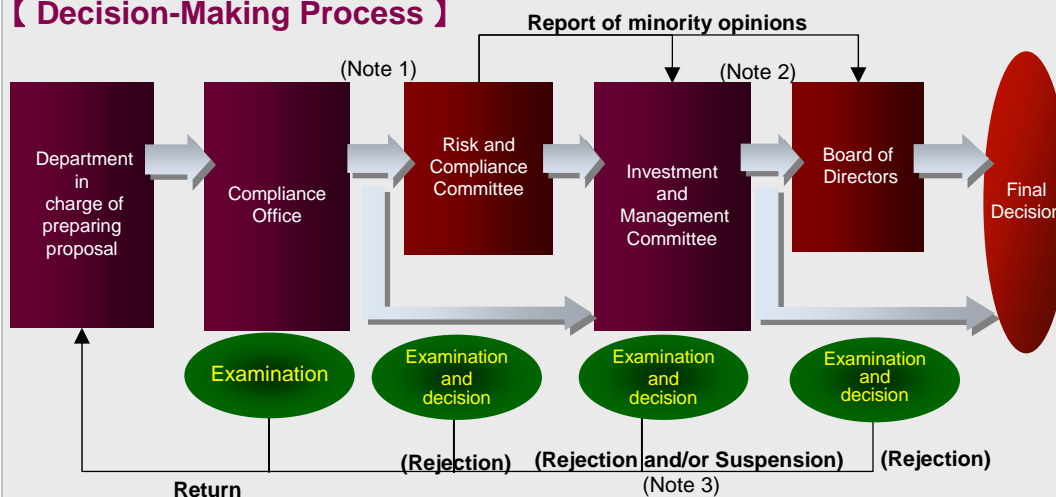
VIII - 2. Overview of Asset Manager

| | |
|-----------------------------|---|
| Name | Top REIT Asset Management Co., Ltd. |
| Address | 1-3-7 Yaesu, Chuo-ku, Tokyo |
| Established | Oct. 22, 2004 |
| Paid-in Capital | ¥300mn |
| Shareholders | Sumitomo Mitsui Trust Bank, Limited. 69% 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 |



※The head of the Compliance Office concurrently serves as the Compliance Officer

【 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.

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