

TOP REIT, Inc.



Presentation on Business Results for the Second Fiscal Period

(November 1, 2006 – April 30, 2007)

June 18, 2007

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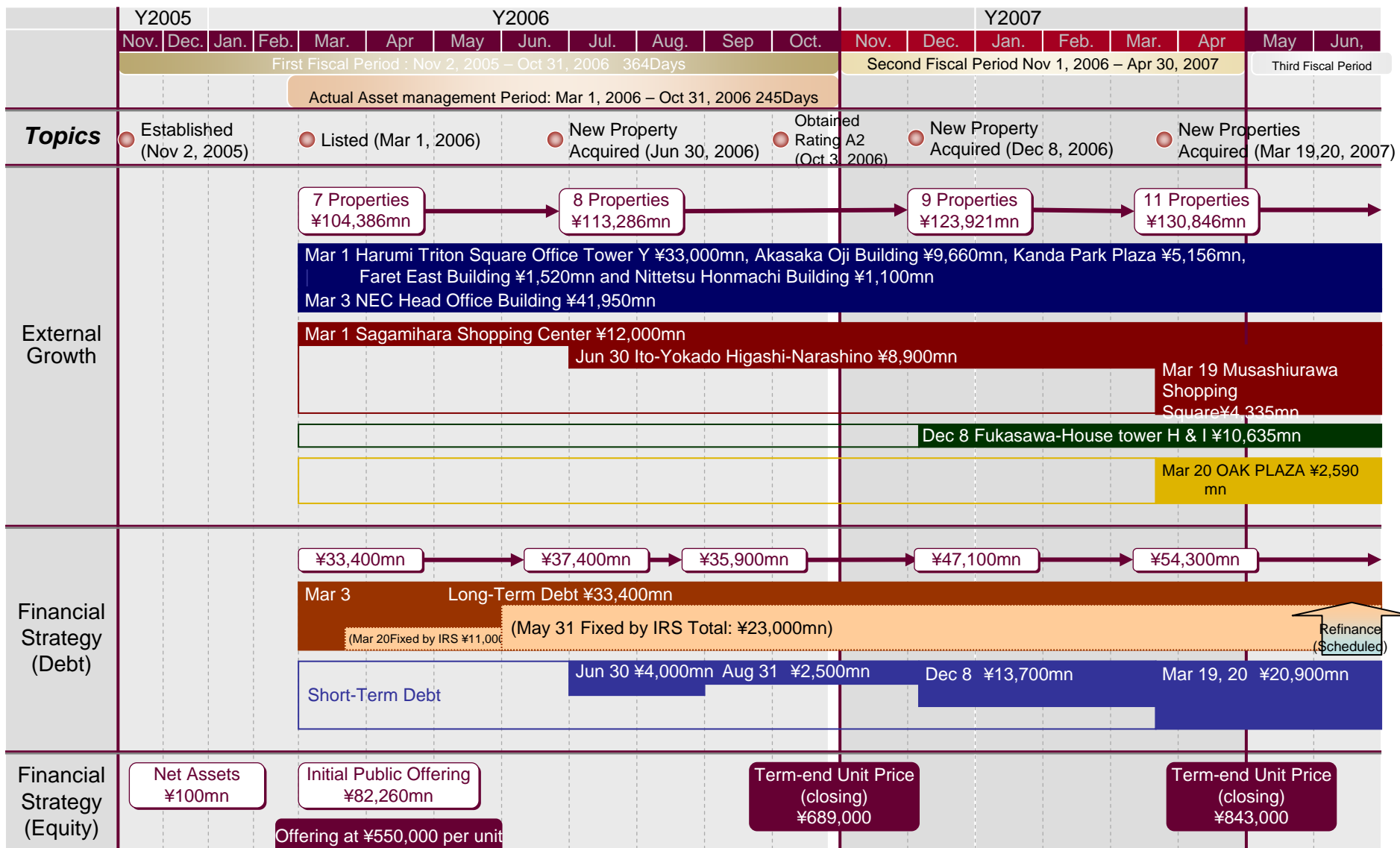
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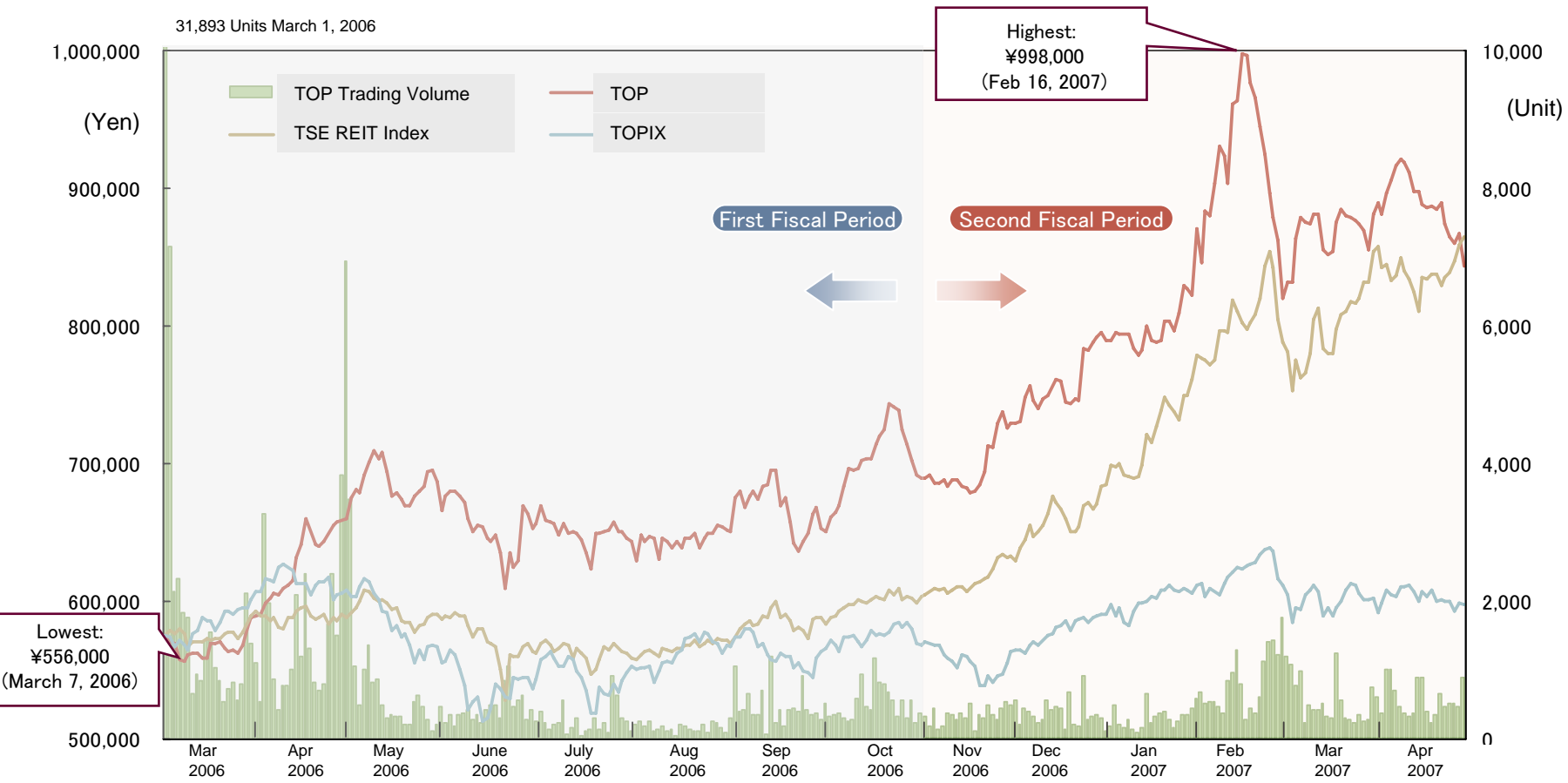
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I. Second Fiscal Period Results (Ended April 30, 2007)

I-1 Highlights of the First & Second Fiscal Period Activities



I-2 Unit Price Performance & Volume (March 1, 2006- April 30, 2007)



Term-end Unit Price (closing)	¥843,000 (April 27, 2007)	IPO Price	¥550,000	March 1, 2006
		Highest since IPO (Closing)	¥998,000	Feb 16, 2007
		Lowest since IPO (Closing)	¥556,000	March 7, 2006

I-3 Results of the Second Fiscal Period (Summary)

Item	Second Fiscal Period Results Nov 1, 2006 – Apr 30, 2007	Second Fiscal Period Forecast (Announced on December 18, 2006)	Net Change (Results vs. Forecast)		Normalized First Fiscal Period Results Reference only (First Fiscal Period Results) / 245 Days x 365 Days / 2	Net Change (Second Fiscal Period Results vs. Normalized First Fiscal Period Results)	
Length of Asset Management (days)	181	181	—	—	182.5	—	—
Operating Revenue	¥4,526mn	¥4,437mn	¥89mn	+2.0%	¥4,037mn	¥488mn	+12.1%
Ordinary Income	¥2,324mn	¥2,093mn	¥231mn	+11.0%	¥2,034mn	¥290mn	+14.3%
Net Income	¥2,323mn	¥2,092mn	¥231mn	+11.0%	¥2,033mn	¥290mn	+14.3%
Number of Units Issued	155,000	155,000	0	—	155,000	0	—
Dividend per Unit	¥14,992	¥13,500	¥1,492	+11.0%	¥13,116	¥1,876	+14.3%
Number of Properties Assumed	11	9	2	—	8	+3	—
Appraisal Value Total	¥152,468mn	—	—	—	¥127,442mn	¥25,026mn	+19.6%

Other Reference

Items	Second Fiscal Period	First Fiscal Period
Number of Tenants	39	34
Total Rentable Area	261,671.68m ²	229,231.70m ²
Occupancy Rate	99.5%	99.9%
Current Depreciation	¥873mn	¥980mn *(730mn)
Current Capital Expenditures	¥80mn	¥241mn *(179mn)
*Normalized (182.5days) basis		
Term-end Unit Price	¥843,000	¥689,000
Term-end Market Capitalization	¥130,665mn	¥106,795mn

Difference between Forecast and Actual Results

Operating Revenue: ¥ 89mn

- Acquisition of Musashiurawa Shopping Square and OAK PLAZA
- Improving occupancy of Harumi Triton Square Office Tower Y
- Ito-Yokado Higashi Narashino Store: Discharging preliminarily estimated rent reduction

Ordinary Income: ¥231mn

- Increased operating revenue
- Reduction of repairing Costs
- Reduction of "Interest Paid" and other expenses

I-4 Income Statement (Summary) / Dividend Statement

Income Statement

Accounting Item	2nd Period Nov 1, 2006 – April 30, 2007 (181days)		1st Period Nov 2, 2005 – Oct 31, 2006 (245days)	
	Value (million yen)	(%)	Value (million yen)	(%)
I. Operating Income and Expenses				
1. Operating Income	4,526	100.0	5,420	100.0
2. Operating Expenses	1,878	41.5	2,161	39.9
Rental expenses	1,388		1,632	
Asset management fees	367		414	
Other operating expenses	122		114	
Operating Income	2,647	58.5	3,258	60.1
II Non-Operating Income and Expenses				
1. Non-Operating Income	10	0.2	4	0.1
Interest received	7		2	
Other non-operating income	2		2	
2. Non-Operating Expenses	332	7.3	532	9.8
Interest paid	307		273	
Amortization of funding costs	5		11	
New investment unit issue costs	—		190	
Other non-operating expenses	19		57	
Ordinary Income	2,324	51.4	2,731	50.4
Net income before income taxes	2,324		2,731	
Corporate residents and business taxes	1		1	
Corporate tax adjustment	0		-0	
Net Income	2,323	51.3	2,729	50.4
Retained Earnings at the End of Period	2,323		2,729	

Dividend Statement

Accounting Item	2nd Period Nov 1, 2006 – April 30, 2007	1st Period Nov 2, 2005 – Oct 31, 2006
	Value (million yen)	Value (million yen)
Retained earnings at end of period	2,323	2,729
Total Dividend Amount	2,323	2,729
(Dividend per Unit)	(14,992 yen)	(17,609 yen)
Retained earnings carried forward	0	0

【External Growth】

- Acquisition of Fukasawa-House Tower H&I, Musashiurawa Shopping Square and OAK PLAZA

【Internal Growth】

- Improving Occupancy Rate (Harumi Triton Square Office Tower Y: 100%, in December 2006)

【Rental expenses】

- Depreciation: ¥873mn
- Management expenses: ¥319mn
- Utility Cost: ¥143mn and others

【New investment unit issue costs】

- Expenses related to listing on the Tokyo Stock Exchange, etc.

I-5 Balance Sheets (Summary)



Accounting Item	2nd Period As of April 30, 2007		1st Period As of Oct 31, 2006	
	Value (million yen)	(%)	Value (million yen)	(%)
Assets				
I Total Current Assets	12,571	8.6	11,979	9.4
Cash and deposits	593		2,453	
Cash and deposits held in trust account	9,840		7,622	
Tenants receivables	30		29	
Consumption tax refund receivable (refundable)	2,055		1,846	
Other current assets	50		26	
II Total Fixed Assets	133,706	91.4	116,315	90.6
1. Total Investment Properties, net	133,576	91.3	116,187	90.5
Building, etc.	44,402		38,102	
Land	89,174		78,084	
2. Total Intangible Assets	0	0.0	0	0.0
Other intangible assets	0	0.0	0	0.0
3. Total Investment and Other Assets	129	0.1	128	0.1
Leasehold and security deposits	10		10	
Long-term prepaid expenses	37		41	
Deferred tax assets	46		55	
Other investments	34		20	
III Total Deferred Assets	39	0.0	45	0.0
Organization expenses (initial expense)	39		45	
Total Assets	146,317	100.0	128,340	100.0

Tenant leasehold and security deposits, etc

Accounting Item	2nd Period As of April 30, 2007		1st Period As of Oct 31, 2006	
	Value (million yen)	(%)	Value (million yen)	(%)
Liabilities				
I Total Current Liabilities	22,103	15.1	4,088	3.1
Accounts payable	95		43	
Short-term debt	20,900		2,500	
Other account payable	283		819	
Expenses payable	88		49	
Rents received in advance	731		670	
Other current liabilities	3		5	
II Total Fixed Liabilities	39,701	27.1	39,347	30.7
Long-term debt	33,400		33,400	
Tenant Lease and security deposits in trust	6,160		5,774	
Derivative debt	141		173	
Total Liabilities	61,805	42.2	43,436	33.8
Net Assets				
I Total Unitholders' Equity	84,583	57.8	84,989	66.2
1. Unitholders' equity	82,260	56.2	82,260	64.1
2. Reserves				
Retained earnings at period end	2,323		2,729	
Total reserves	2,323	1.6	2,729	2.1
II Adjustments for valuation, conversion, etc.	-71	-0.0	-86	-0.0
Deferred hedge losses	-71		-86	
Total Net Assets	84,511	57.8	84,903	66.2
Total Liabilities and Net Assets	146,317	100.0	128,340	100.0

Total debts: : ¥54,300mn (1)

Of which, interest-bearing debt: ¥1,365mn (2)

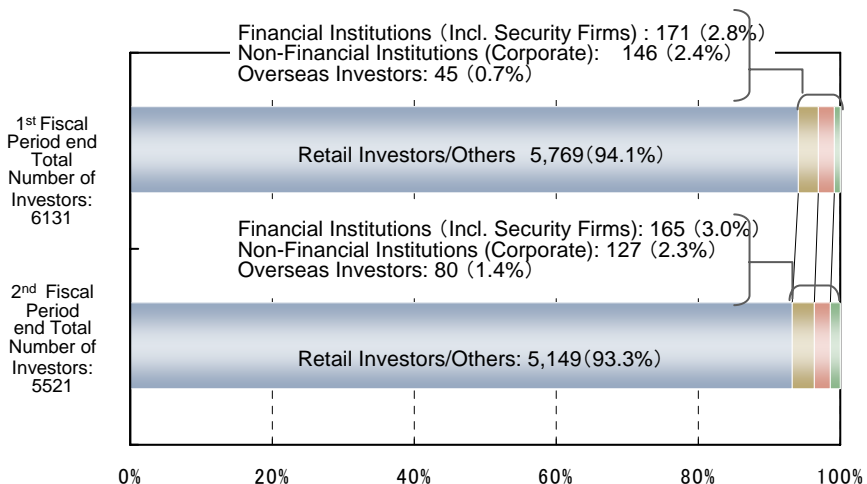
(1) + (2) Total interest-bearing debt: ¥55,665mn

I-6 Major Financial Indicators

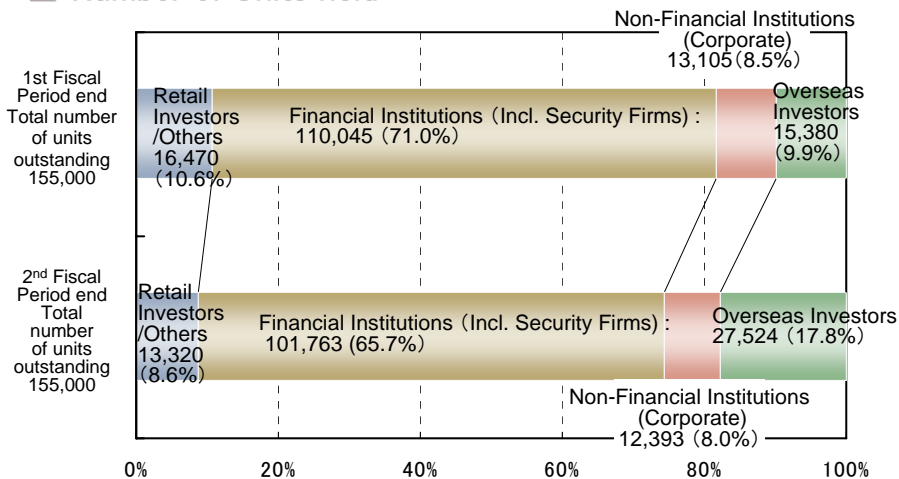
Term	2nd Fiscal Period Nov 1, 2006 – April 30, 2007	Normalized 1st Period Results Nov 2, 2005 – Oct 31, 2006	Remarks
Actual Period of Asset Management	181 Days	182.5 Days	Indicators of First Fiscal Period have been calculated as follows (First Fiscal Period Results) / 245 Days x 365 Days / 2
Ratio of interest-bearing debt to total assets at period end	38.0%	29.1%	Interest-bearing debt at period end / total assets at period end
Ratio of debt to total assets at period end (“LTV”)	37.1%	28.0%	Total debt at period end / total assets at period end
Rental NOI (Net Operating Income)	¥4,010mn	¥3,551mn	Rental income – rental expenses + depreciation for the period
Rental NOI yield	6.1%	6.3%	Rental NOI (semi-annualized) x 2 / total acquisition price of portfolio at period end
Funds from Operation (FFO)	¥3,197mn	¥2,763mn	Net income + depreciation for the period
FFO per unit	¥20,625	¥17,827	FFO/number of outstanding units issued at period end
Return on Assets (ROA)	1.7%	1.9%	Ordinary income / (total assets at beginning period (for first fiscal period, total assets as of March 1, 2006) + average total assets at period end) / 2
Annualized	(3.4%)	(3.9%)	Converted to annual return based on actual management period
Return on Equity (ROE)	2.7%	2.5%	Net income/(net assets at beginning period (for first fiscal period, net assets as of March 1, 2006) + average net assets at period end) / 2
Annualized	(5.5%)	(5.0%)	Converted to annual return based on actual management period
Unitholders’ Equity to Total Asset Ratio at period end	57.8%	66.2%	Unitholders’ equity at period end/total assets at period end

I-7 Unitholders

Number of Unitholders



Number of Units held



Ownership Share by Investor Criteria as of April 30, 2007

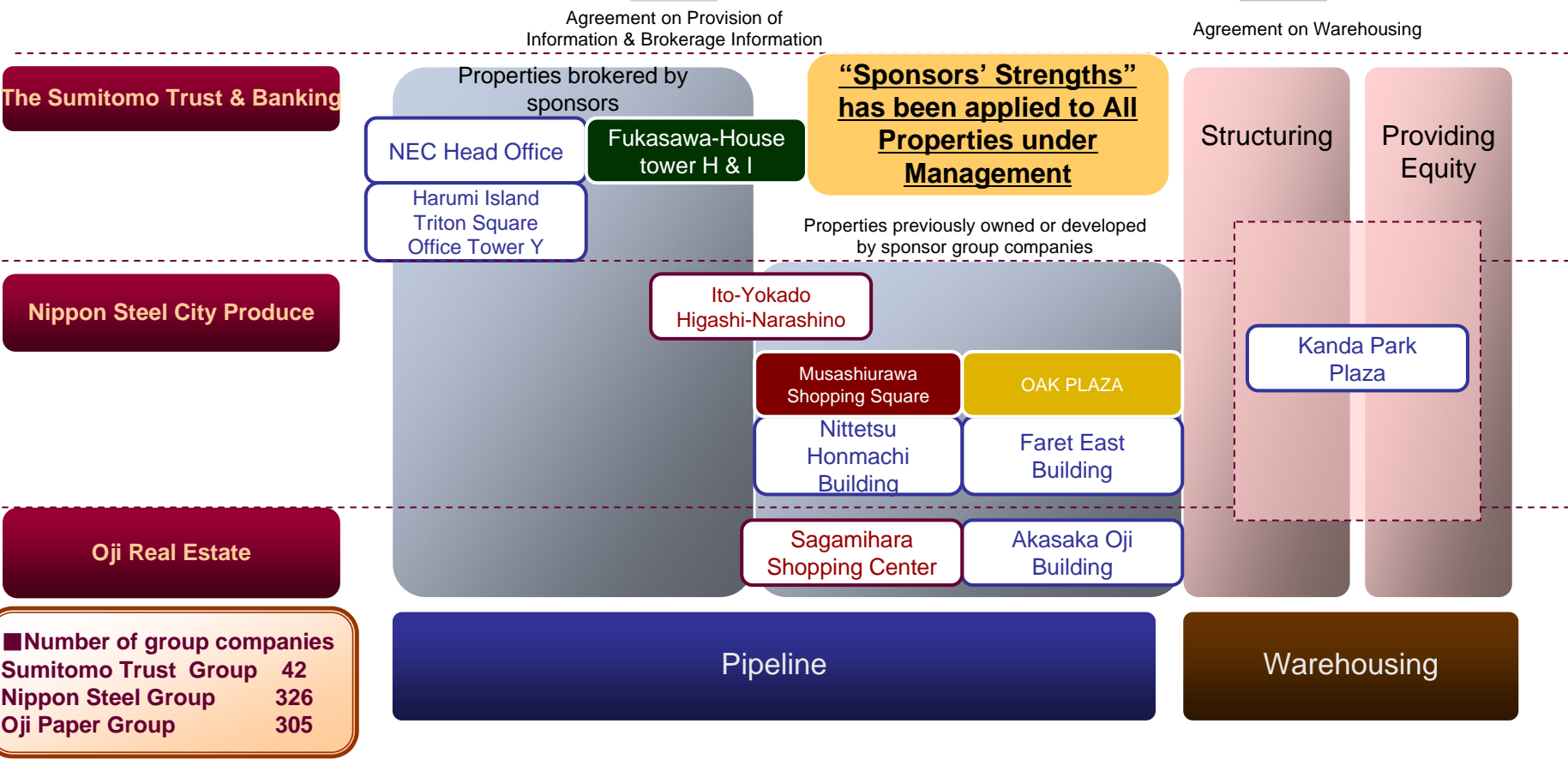
Investor Criteria	Number of Units Held	Percentage	Number of Unitholders	Percentage
Retail Investors/Others	13,320	8.6%	5,149	93.3%
Financial Institutions	101,763	65.7%	165	3.0%
Non-Financial Institutions (Corporate)	12,393	8.0%	127	2.3%
Overseas Investors	27,524	17.8%	80	1.4%
Total	155,000	100.0%	5,521	100.0%

Top 15 Unitholders as of April 30, 2007

Rank	Name	Number of Units held	Share (%)
1	Japan Trustee Service Bank, trust account	10,545	6.80
2	NikkoCiti Trust and Banking Corporation, trust account	9,763	6.30
3	The Master Trust Bank of Japan, trust account	7,090	4.57
4	The Bank of Ikeda	6,850	4.42
5	Trust and Custody Services Bank, trust account	5,853	3.78
6	The Joyo Bank	4,157	2.68
7	The Fuji Fire and Marine Insurance	4,117	2.66
8	American Life Insurance Company GAL	3,847	2.48
9	The Bank of New York, Treaty JASDEC account	3,537	2.28
10	The Sumitomo Trust & Banking	3,176	2.05
11	Nippon Steel City Produce	3,162	2.04
11	Oji Real Estate	3,162	2.04
13	North Pacific Bank	3,112	2.01
14	The Hiroshima Bank	3,060	1.97
15	The Nomura Trust and Banking, mutual fund account	2,305	1.49
	Total	73,736	47.57

II. Second Fiscal Period Operations (Ended April 30, 2007)

II-1 External Growth: Sponsors' Strengths



Oji Real Estate

■ Number of group companies

Sumitomo Trust Group	42
Nippon Steel Group	326
Oji Paper Group	305

II-2 External Growth: Musashiurawa Shopping Square (Second Fiscal Period)



Address	7-3-1, Bessho, Minami-ward, Saitama-city, Saitama
Acquisition Price	4.335 billion Yen
Area of Land/Floor Space	8,317.99m ² / 28,930.36m ²
Structure/Floors	Steel structure with flat roof / 1 basement floor, 4 floors above ground
Completion	October 2005
Type of Title	Co-ownership ("kyoyu") of trust beneficiary interests in real estate (Ratio of ownership is 50%)

- This property is situated very close to a JR station in Metropolitan Tokyo
- To avoid excessive competition for acquisition of the property, Top REIT decided to jointly acquire this property with another J-REIT (JPR).
- Acquired from SPC in which NSCP has invested. (Use of the pipeline function (sponsor strength))

II-3 External Growth: OAK PLAZA (Second Fiscal Period)



Address	2-10-6 Kanda Awajicho, Chiyoda-ward, Tokyo
Acquisition Price	2.59Billion yen
Area of Land/Floor Space	1,013.49m ² / 6,121.85m ²
Structure/Floors	SRC Structure with a Flat Roof / 1 Basement Floor, 10 Floors above Ground
Completion	Completion April 1985 (Completion of the conversion: March 2007)
Type of Title	Ownership



- This multi-use building, located in Central Tokyo, has offices (service offices and meeting rooms for rent), restaurants and retail shops, in addition to hotel spaces
- This property, formerly owned by NSCP, is being acquired by Top REIT, after NSCP carries out the conversion construction, (use of the pipeline function (sponsor strength))

II-4 External Growth: Fukasawa-House Tower H&I (Second Fiscal Period)



Address	2-1-2 Fukasawa, Setagaya Ward, Tokyo
Acquisition Price	10.635 billion yen
Area of land/Floor Space	39,840.90m ² /12,135.36m ²
Structure/Floors	RC with concrete and flat rooves/14F above ground
Completion	June 2004
Type of Title	Compartmentalized ownership interest (Fukasawa-House Tower H&I)

- First residential property acquired by Top REIT
- Rental housing block (Tower H&I) of Fukasawa-House Project, a project rich in greenery developed as an essential element of a large-scale housing project
- **Acquired through brokerage of Sumitomo Trust & Banking (use of the pipeline function (sponsor strength))**

II-5 Internal Growth: Maintaining High Occupancy Rate

“Tenants First” = Maintaining and Enhancing Customer Satisfaction

- Reflecting demand from tenants in facility management plan, thus improving assets quality and value
- Deepening relationship with major tenants will support long-term stable cash flows

■ Five Major Tenants

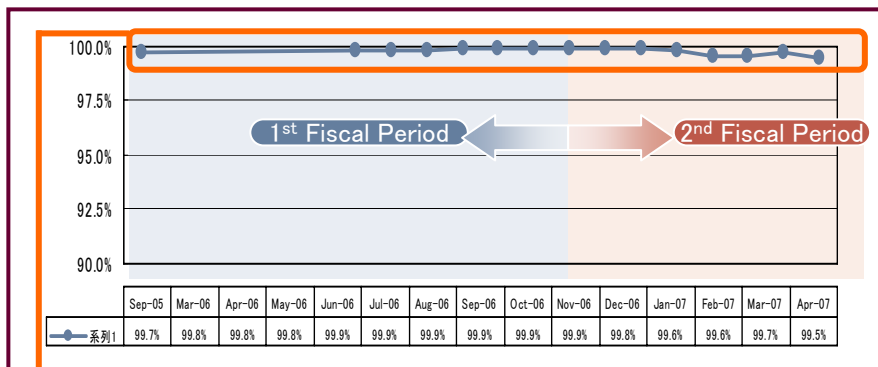
As of April 30, 2007 (2nd Fiscal Period End)

Name of Tenants	Type of Industry	Name of Properties	Rented Area (㎡)	Share (%)
Ito-Yokado Co., Ltd.	Wholesale/ Retail	Sagamihara Shopping Center/ Ito-Yokado Higashi-Narashino	112,089.54	43.0
NEC	Manufacturing	NEC Head Office Building	72,238.03	27.7
Sumitomo Metal Industries	Manufacturing	Harumi Island Triton Square Office Tower Y	11,905.47	4.6
Nippon Steel City Produce	Real Estate	Faret East / OAK PLAZA	10,785.18	4.1
R.A. Asset Management	Real Estate	Fukasawa-House Tower H&I	10,164.11	3.9

As of October 31 2006 (1st Fiscal Period End)

Name of Tenants	Type of Industry	Name of Properties	Rented Area (㎡)	Share (%)
Ito-Yokado Co., Ltd.	Wholesale/ Retail	Sagamihara Shopping Center/ Ito-Yokado Higashi-Narashino	112,089.54	49.0
NEC	Manufacturing	NEC Head Office Building	72,238.03	31.6
Sumitomo Metal Industries	Manufacturing	Harumi Island Triton Square Office Tower Y	11,905.47	5.2
Japan Trustee Services Bank	Financial/ Insurance	Harumi Island Triton Square Office Tower Y	7,753.13	3.4
Sony Computer Entertainment	Wholesale/ Retail	Akasaka Oji Building	5,080.98	2.2

■ History of Occupancy



Maintaining High and Stable Occupancy
Term-End Occupancy Rate: 99.5%

■ Leasing Agreement with Major Tenants

- **Leasing agreement with Ito-Yokado**
Long-term leasing agreement for Sagamihara is valid until Aug 10, 2013, and for Higashi-Narashino is valid until Nov 30, 2014.
- **Leasing agreement with NEC**
20-years fixed term leasing agreement that runs until Dec 2025 has been signed. A rent will be revised in Dec 2013, Dec 2017 and Dec 2021. (Cancellation option by NEC thereafter under certain conditions)

II-6 Internal Growth: Highlights of the Second Fiscal Period

Measures to Maintain and Improve Earnings in line with Characteristics of Individual Properties



Harumi Island Triton Square Office Tower Y

Improve occupancy by grasping the floor space needs of existing tenants (100% occupancy from December 2006); area 280.31m²

Smooth contract renewals with all existing tenants

Contracts were renewed with all 7 tenants at market rents (total rented area 23,239.62m²)



Akasaka Oji Building

Improved earnings by master leasing the parking lot that suffered from low occupation (executed December 2006)

Parking lot operator: PARK 24 Co., Ltd. Spaces: 35 Annual improvement in earnings of about 15 million yen

Review of maintenance and repair work unit costs and other cost reduction measures to improve earnings



Fukasawa-House tower H & I

Established rents according to a new standard based on area marketing, etc. and continued activities to solicit tenants

8 units had tenant changes for a 3.0% jump in monthly rent since Dec 2006

Office Buildings

Closely reviewing market rents and negotiating rents in a timely manner with the cooperation of the property manager

Revised rents: 11 (2 increased, 9 remained the same)
*Also, so far, 2 tenants have agreed to rent increases in the third fiscal period

A task force for promoting appropriate management costs was formed to establish and the foundation for reducing costs next fiscal period onward

II-7 Financial Strategies:

Credit Rating and Outstanding Debt as of end of Second Fiscal Period



Issuer Rating

A2(Stable)

Assigned by Moody's Investors Service.

		Lender	Execution Date	Term-end Balance	Interest Rate	Date of Maturity	Remaining Period	Payment Method	Note
Short Term Debt		Sumitomo Trust Mizuho CB	June 30, 2006	¥2,500mn	0.96% (Floating rate)	June 29, 2007	2 Months	Bullet	Unsecured
		Sumitomo Trust Mizuho CB	Dec 8, 2006	¥11,200mn	0.96% (Floating rate)	Nov. 30, 2007	7 Months	Bullet	Unsecured
		SMBC Bank of Tokyo Mitsubishi UFJ	March 19, 2007	¥4,600mn	0.96% (Floating rate)	March 19, 2008	11 Months	Bullet	Unsecured
		Chuo Mitsui Trust Mitsubishi UFJ Trust	March 20, 2007	¥2,600mn	0.96% (Floating rate)	March 19, 2008	11 Months	Bullet	Unsecured
Sub-Total				¥20,900mn	0.96%(Avg.)		8 Months (Avg.)		
Long Term Debt	Term Loan 1	Sumitomo Trust Mizuho CB SMBC Bank of Tokyo Mitsubishi UFJ Chuo Mitsui Trust Mitsubishi UFJ Trust	March 3, 2006	¥5,200mn	1.01% (Floating rate)	Mar 3, 2009	1 Year & 10 Months	Bullet	Unsecured
				¥5,500mn	1.39%(Fixed)				
				¥6,000mn	*Weighted average after interest rate swaps				
	3Years	Sub-Total	¥16,700mn	1.27%(Avg.)	-	-			
	Term Loan 2	Sumitomo Trust Mizuho CB SMBC Bank of Tokyo Mitsubishi UFJ Chuo Mitsui Trust Mitsubishi UFJ Trust	March 3, 2006	¥5,200mn	1.11%(Floating rate)	Mar 3, 2011	3 Year 10 Months	Bullet	Unsecured
				¥5,500mn	1.92%(Fixed)				
¥6,000mn				*Weighted average after interest rate swaps					
5Years	Sub-Total	¥16,700mn	1.66%(Avg.)	-					
Sub-Total				¥33,400mn	1.47%(Avg.)	-	2Year & 10Months (Avg.)		
TOTAL				¥54,300mn	1.27%(Avg.)	-	2 Year (Avg.)		

Note: Interest rates are rounded to the second decimal point, and the remaining periods are rounded to a whole number. The averages for interest rates and remaining periods are weighted average figures using period-end balance.

II-8 Financial Strategy: Hedging Against the Risk of Fluctuating Interest Rates and Diversifying Repayment Dates

Total borrowings: 54.3 billion yen (after refinancing 54.4 billion yen)

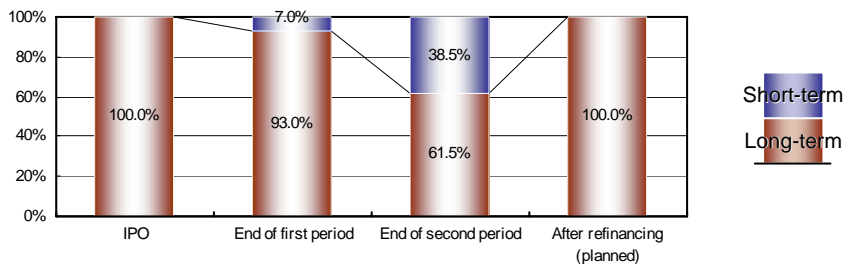
Loan to value (LTV): 37.1%

Ratio of long-term borrowings: 61.5% (after refinancing 100%)

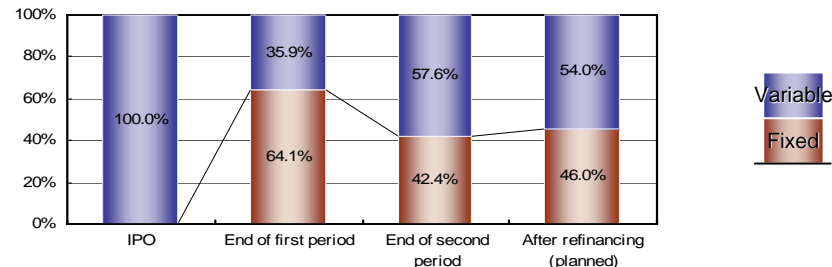
Ratio of fixed interest borrowings: 42.4% (after refinancing 46.0%)

Decided on June 8, 2007 to finance long-term debt and repay all existing short-term debt with the objective of diversifying loan repayment dates and hedging against interest rate fluctuations. (Scheduled date of refinancing: June 29, 2007)

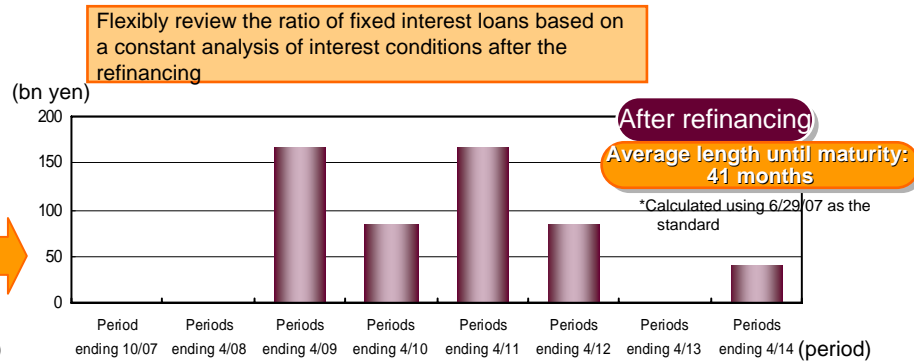
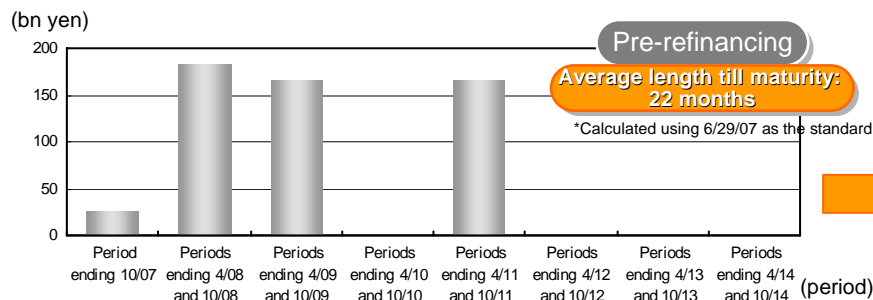
Ratio of Long-term Debt



Ratio of Fixed Interest Borrowings



Diversifying Repayment Dates



Period ending 10/07	Periods ending 4/08 and 10/08	Periods ending 4/09 and 10/09	Periods ending 4/10 and 10/10	Periods ending 4/11 and 10/11	Periods ending 4/12 and 10/12	Periods ending 4/13 and 10/13	Periods ending 4/14 and 10/14	
		3/3/2009		3/3/2011				
25	184	167	0	167	0	0	0	543

Period ending 10/07	Periods ending 4/08 and 10/08	Periods ending 4/09 and 10/09	Periods ending 4/10 and 10/10	Periods ending 4/11 and 10/11	Periods ending 4/12 and 10/12	Periods ending 4/13 and 10/13	Periods ending 4/14 and 10/14	
		3/3/2009	6/30/2010	3/3/2011	6/29/2012		6/30/2014	
0	0	167	85	167	85	0	40	544

II-9 Ito-Yokado Higashi-Narashino Store: Handling of Early Contract Termination Notice

Overview of Lease Agreement

- **Term of Lease:** December 1, 1994 to November 30, 2014 (for 20 years)
- **Rent revisions:** review every three years (most recent revision date: December 1, 2006)
- **Prohibition of early termination**
 - a. Termination is prohibited for the first thirteen years (until November 30, 2007) regardless of reasons thereof
 - b. Even after the period set forth in a., early termination is prohibited unless continuation of the agreement is impracticable for unavoidable reasons.

Key Factors in Acquiring the Property

- **Location assessment:**

A market potential assessment was conducted by an outside expert, that concluded as follows:

 - Market volume is standard for a suburban area;
 - The building is a store in a small commercial area ;
 - Located in a highly competitive area, but competitive because of sufficient parking spaces and other factors.
- **Rent/price assessment:**

The rent and return were calculated based on the results of the location assessment and the analysis of the real estate market condition

Future policy

- Continue negotiations over rental revisions with the tenant.

Negotiations with the tenant

Ito-Yokado

- ✓ Requested a substantial reduction in rent



Top REIT

- Proposed a reconsideration of the rent and continuation of negotiations



Ito-Yokado

- ✓ Submitted an early termination notice (requesting early termination as of February 29, 2008)



Top REIT

- Explained that Top REIT did not believe the requested termination fell under any reasons for early termination stipulated in the lease agreement
- Reinformed Ito-Yokado that Top REIT intended to continue negotiations to revise the rent



Negotiations still under way

- Consider and formulate possible counter measures in line with the progress in negotiations with the tenant and implement measures in an appropriate time frame

II-10 Portfolio and Operations Compliance

Update on implementation of Business Improvement Plan as of November 13, 2006

Action Plans Set Forth In The Business Improvement Plan	Follow Up
(1) Reconfirm respective responsibilities of directors and receive pledges on compliance with laws and regulations	Received pledges from directors (at the meeting of board of directors held on November 27, 2006)
(2) Reinforce supervisory function of supervising directors	Hold preliminary meetings of supervisory directors (pursuant to the rules of the board of directors revised by a resolution of the board of directors made on November 27, 2006)
(3) Prepare annual schedule for the meeting of the board of directors	Prepare an annual schedule and hold the meetings of the board of directors in accordance with the schedule
(4) Review operational rules for the meeting of the board of directors and clarify administrative procedures for holding and operating such meetings	Prepared manual for operation of the meeting of the board of directors in August 2006 Established administrative process rules in November 2006

Handling and Confirmation of Recent Property Issues

PCB

- ✓ No PCBs are found in portfolio properties
- ✓ According to expert views, it cannot be denied that there is a possibility that traces of PCBs are found in insulating oil in converters and other equipment manufactured during or before 1989. Inspections are conducted when electricity is cut for maintenance. It has been verified that there are no PCBs in portfolio properties that have been inspected.

Elevator Inspection Status

- ✓ Elevators maintained and managed by Nippon Otis Elevator: Faret East Building
=> Emergency inspection was conducted and no abnormalities were found.
- ✓ Elevators maintained and managed by Hitachi Building Systems: Kanda Park Plaza, Ito-Yokado Higashi-Narashino Store and OAK PLAZA,
- ✓ Elevators maintained and managed by Fujitec: Musashirawa Shopping Square
=> No problems were found in the legal inspections, and emergency inspections are planned

Asbestos

- ✓ Confirmed through expert reports that no asbestos that is detrimental to human bodies or their health (such as sprayed asbestos without measures to prevent dispersion) was involved in portfolio properties.

The following laws and regulations have been effective since October 2006 and stipulate "restrictions to the use of materials that can disperse asbestos (*1)" and "measures to be taken in rebuilding or expanding existing buildings (*2)".

At present, there is no specific impact from the above laws and regulations. Top REIT will confirm the use of asbestos by implementing an environmental investigation before acquiring a building and take necessary measures in accordance with the laws and regulations.

*1 Use of sprayed asbestos and rock wool that contains asbestos from more than 0.1% of its weight is prohibited.

*2 In principal, the removal of asbestos is required when rebuilding, expanding, carrying out large-scale repairs or refurbishment on existing buildings built using materials set forth in *1 above. (The sealing or enclosing of asbestos is allowed when rebuilding or expanding does not exceed half the existing floor space.)

Falsified Structure Calculation Issue

- ✓ Judgment on building before acquisition: Obtain reports of earthquake risk analysis by experts that include verification of building structure.
- ✓ Calculation of PML score: The PML score for the overall portfolio is 2.2% (as of March 2007).
- ✓ No involvement of professionals in question: TOP REIT confirmed that no professionals reported to falsify structural calculations were involved in the construction of the portfolio properties.

III. Portfolio Overview and Forecast for Third and Fourth Fiscal Periods

III-1 Appraisal Values as of End of Second Fiscal Period

Asset Class	Area	Property	Book Value (Million Yen)	Acquisition Price & CAP		Appraisal Price & CAP as of Oct 31,2006			Appraisal Price & CAP as of Apr 30,2007		
				Acquisition Price (A) (Million Yen)	Appraisal CAP	Appraisal Price (B) (Million Yen)	(B)-(A) (Million Yen)	Appraisal CAP	Appraisal Price (C) (Million Yen)	(C)-(A) (Million Yen)	Appraisal CAP
Office	Central Tokyo	NEC Head Office Building	43,273	41,950	4.5%	47,050	5,100	4.1%	51,500	9,550	4.1%
		Harumi Island Triton Square Office Tower Y	33,405	33,000	5.3%	39,100	6,100	4.6%	41,300	8,300	4.4%
		Akasaka Oji Building	9,948	9,660	4.8%	11,700	2,040	4.4%	14,200	4,540	4.2%
		Kanda Park Plaza	5,179	5,156	5.2%	5,202	46	5.2%	5,260	104	5.2%
	Tokyo Metropolitan	Faret East Building	1,482	1,520	6.3%	2,140	620	5.9%	2,450	930	5.7%
	Kansai	Nittetsu Honmachi Building	1,121	1,100	6.5%	1,140	40	6.3%	1,330	230	6.2%
Sub-Total (6 Properties)			94,411	92,386	—	106,332	13,946	4.4%	116,040	23,654	4.3%
Retail	Tokyo Metropolitan	Sagamihara Shopping Center	12,007	12,000	5.3%	12,100	100	5.3%	12,100	100	5.3%
		Ito-Yokado Higashi-Narashino	9,051	8,900	6.3%	9,010	110	6.3%	6,888	-2,012	6.1%
		Musashiurawa Shopping Square	4,499	4,335	5.1%	—	—	—	4,350	15	5.1%
Sub-Total (2 Properties)			25,559	25,235	—	21,110	210	5.7%	23,338	-1,897	5.5%
Residential	Tokyo Metropolitan	Fukasawa-House tower H&I	10,968	10,635	4.3%	—	—	—	10,500	-135	4.3%
		Sub-total (1 property)	10,968	10,635	—	—	—	—	10,500	-135	4.3%
Others	Central Tokyo	OAK PLAZA	2,637	2,590	4.8%	—	—	—	2,590	0	4.8%
		Sub-total (1 property)	2,637	2,590	—	—	—	—	2,590	0	4.8%
Total(11Properties)			133,576	130,846	—	127,442	14,156	4.6%	152,468	21,622	4.5%

Note: Appraisal CAPs are the cap rates used when calculating the capitalized value using the direct capitalization method.

CAPs indicated in the subtotal and total columns are average cap rates weighted by the acquisition price (at acquisition) or value calculated at period end (at period end).

III-2 Portfolio Data (Summary)

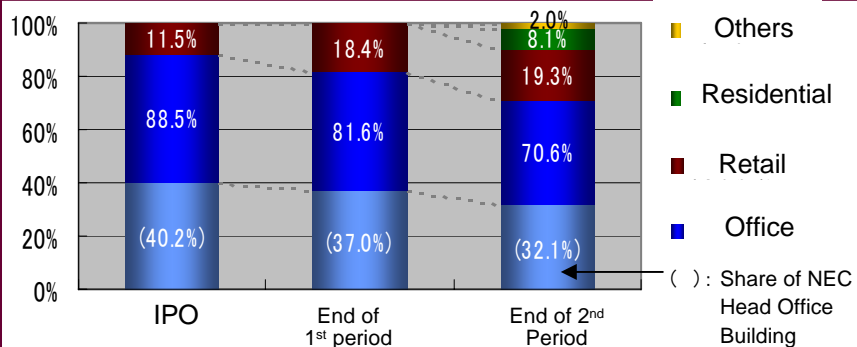
Total Acquisition Price: ¥130.846Billion

Rentable Area: 261,671.68m²

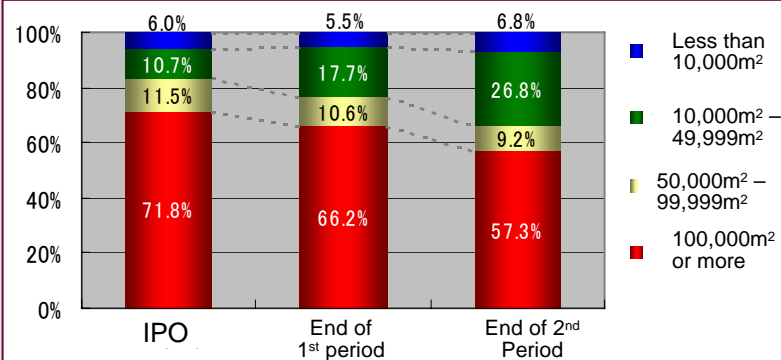
Number of Properties: 11

PML: 2.2%

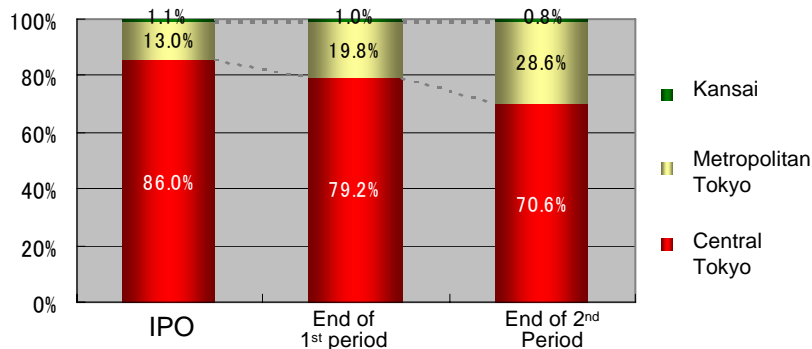
Usage



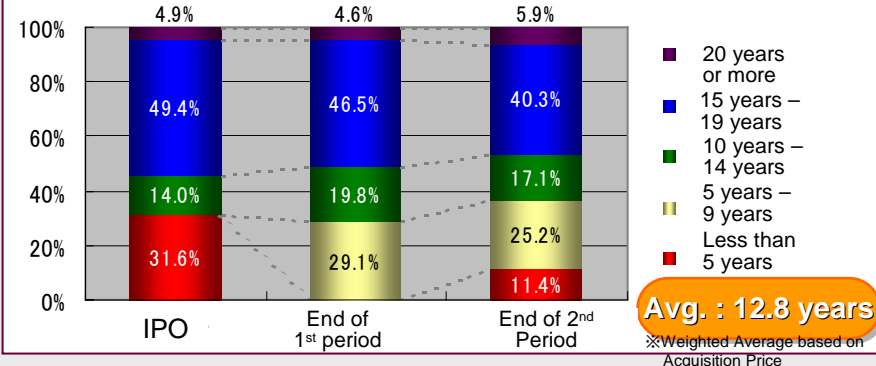
Scale (based on total floor area)



AREA



Age



※Numbers on above graphs are calculated based on Acquisition Price

III-3 Forecasts for the Third and Fourth Fiscal Periods

Item	Third Fiscal Period May 1, 2007 – Oct 31, 2007	Fourth Fiscal Period Nov 1, 2007 – Apr 30, 2008	Second Fiscal Period Results Nov 1, 2006 – Apr 30, 2007	Reference only (Normalized First Fiscal Period Results) ÷ 245 Days × 365 Days ÷ 2
Length of Asset Management (days)	184	182	181	182.5
Operating Revenue	¥4,698mn	¥4,634mn	¥4,526mn	¥4,037mn
Operating Expenses	¥2,584mn	¥2,509mn	¥1,878mn	¥1,610mn
Property expenses (Except Depreciation)	¥1,113mn (Tax & Public Due: ¥492mn)	¥1,049mn (Tax & Public Due: ¥433mn)	¥515mn (Tax & Public Due 0)	¥485mn (Tax & Public Due 0)
Depreciation	¥926mn	¥931mn	¥873mn	¥730mn
Operating Income	¥2,113mn	¥2,125mn	¥2,647mn	¥2,427mn
Ordinary Income	¥1,644mn	¥1,628mn	¥2,324mn	¥2,034mn
Net Income	¥1,643mn	¥1,627mn	¥2,323mn	¥2,033mn
Number of Units Issued	155,000	155,000	155,000	155,000
Dividend per Unit	¥10,600	¥10,500	¥14,992	¥13,116
NOI(Rental)	¥3,584mn	¥3,585mn	¥4,010mn	¥3,551mn
FFO	¥2,569mn	¥2,559mn	¥3,197mn	¥2,763mn
Assumptions	Number of Properties Assumed:11 Total number of units outstanding: 155,000 Outstanding Debt : ¥54.3Bil after Refinance June 29, 2007 ¥54.4bil Non-Operating Expenses 3 rd Fiscal Period ¥496mn (Interest Paid ¥428mn) 4 th Fiscal Period ¥497mn (Interest Paid ¥455mn)		11	8

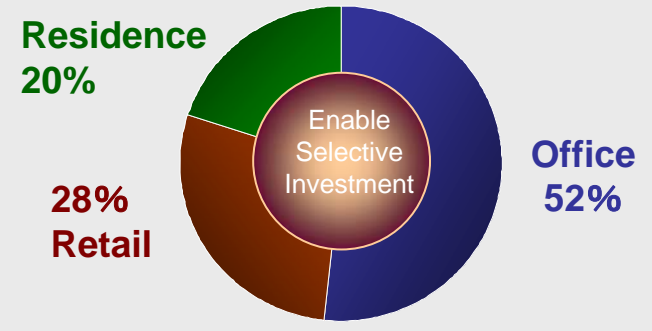
IV. Growth Strategies

IV-1 External Growth Strategies: Investment Policies

Diversified Portfolio

Asset Class	Investment Focus	Allocation
Office	<u>Mainly in Central Tokyo</u> Three major metropolitan areas and core regional cities	Less Than 80%
Retail	Three major metropolitan areas and core regional cities	Less Than 50%
Residence	<u>Mainly in Tokyo Metropolitan Area</u> Plus three major metropolitan areas and core regional cities	Less Than 50%
Others	Investment focus will be determined based on characteristics of each asset	Less Than 10%

Estimated Candidate Real Estate Market Nationally :
 Approx. JPY 54.5 Trillion
 (Aggregation of three types of properties)



Source: STB Research Institute
 “Estimated Investment Market Size by Property Type” dated Oct 31, 2005

Effectively Applying the Characteristics of Each Asset Class

To avoid a Bias on Certain Asset Classes

An array of Choices from Three Asset Class

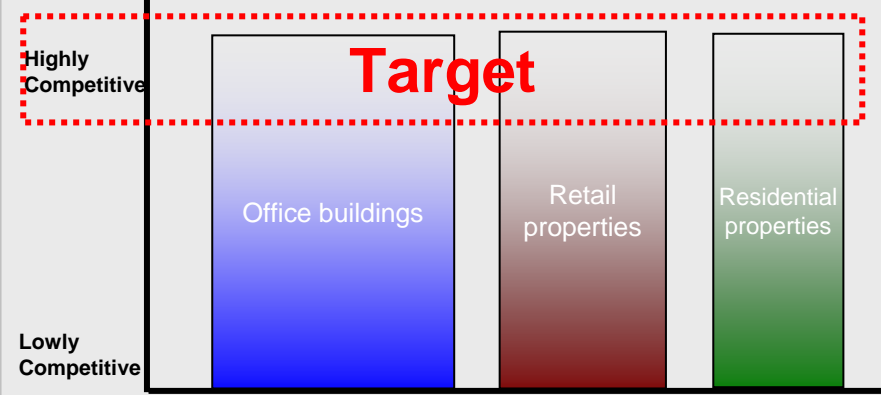
Pursuing External Growth

Enable to Screen Competitive Properties

Focusing on Blue-Chip Properties

Pursuing Both Steady Growth and Quality

Pursuing steady external growth through a blue-chip portfolio of diverse asset types

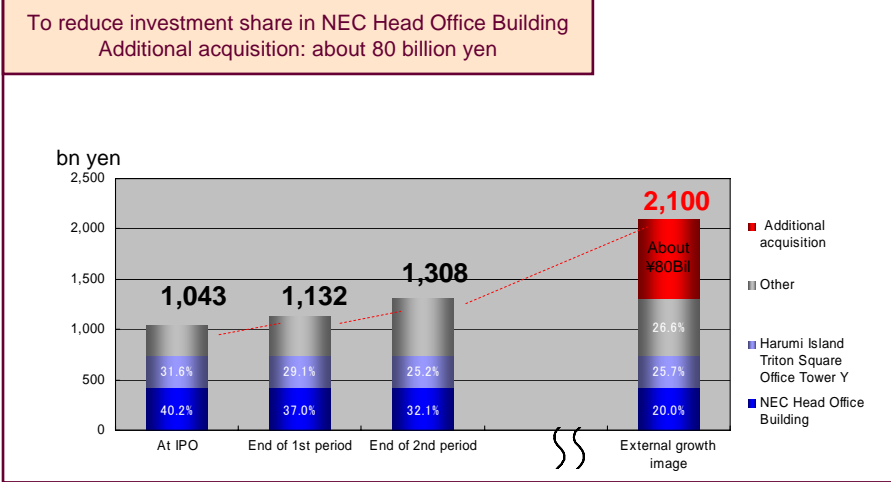


IV-1 External Growth Strategies (2)

External Growth Policy



■ Growth Image for Medium to Long-term Portfolio



■ Property Sourcing Information Conditions

Use	(May 1 – October 31, 2006)		(November 1, 2006 – April 30, 2007)	
	Information from Sponsors	Information from non-sponsors	Information from Sponsors	Information from non-sponsors
Office	24	8	51	0
Retail	12	3	14	0
Residential	24	6	69	4
Other	8	4	9	4
Total	68	21	143	4
	211		94	

*Ratio of sponsor information: About 30% (meaningful information that meets investment standards)

■ Selection of Properties by Use

Use	Policy
Office	Proactively examine properties centering on offices in central Tokyo
Retail	Examine properties including urban retail facilities that can highly utilize characteristics of each location and usage
Residential	Emphasize and study location centered on sponsor development properties

■ Impact on dividend (image) caused by new acquisitions using borrowings (10 billion yen)

Assumptions: NOI return: 4.0~5.0%
Borrowings interest: 1.5%; No. of investment units: 155,000 units

NOI 4.0-5.0% 400-500 mn p.a.	Depreciation and administrative expenses About 160 mn p.a.	Impact on dividend + about 250 yen ~ 600 yen/unit x period
	Non-operating expenses about 155 mn p.a.	
	Total dividend About 85-185 mn p.a.	

(based on cruising speed after paying real property and city taxes)

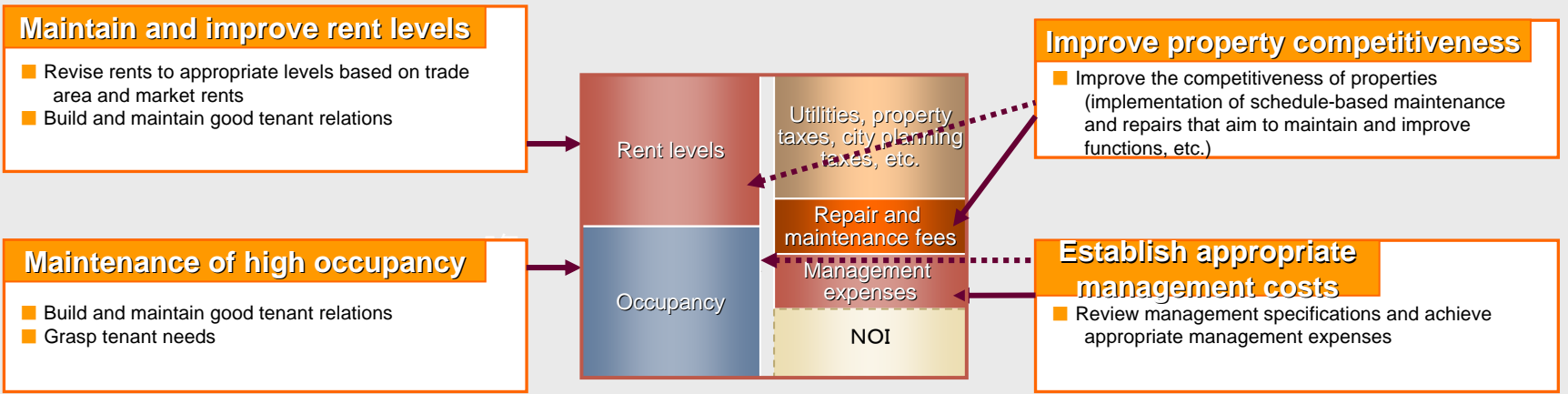
IV-2 Internal Growth Strategies

Internal Growth Policy

Striving to maintain and improve revenues over the medium to long-term by maintaining and improving tenant satisfaction (“Tenant First” Policy)

- A. The maintaining and improving of tenant relations results in good relationships with tenants and consequently the maintenance of a high occupancy
- B. The examination of detailed measures to improve earnings by sharing themes and issues with the property manager and developing measures that meet the unique criteria of each property
- C. Maintenance and securing of quality in property management and promotion of appropriate maintenance costs

Maintain and Improve Earnings Over the Medium to Long-term

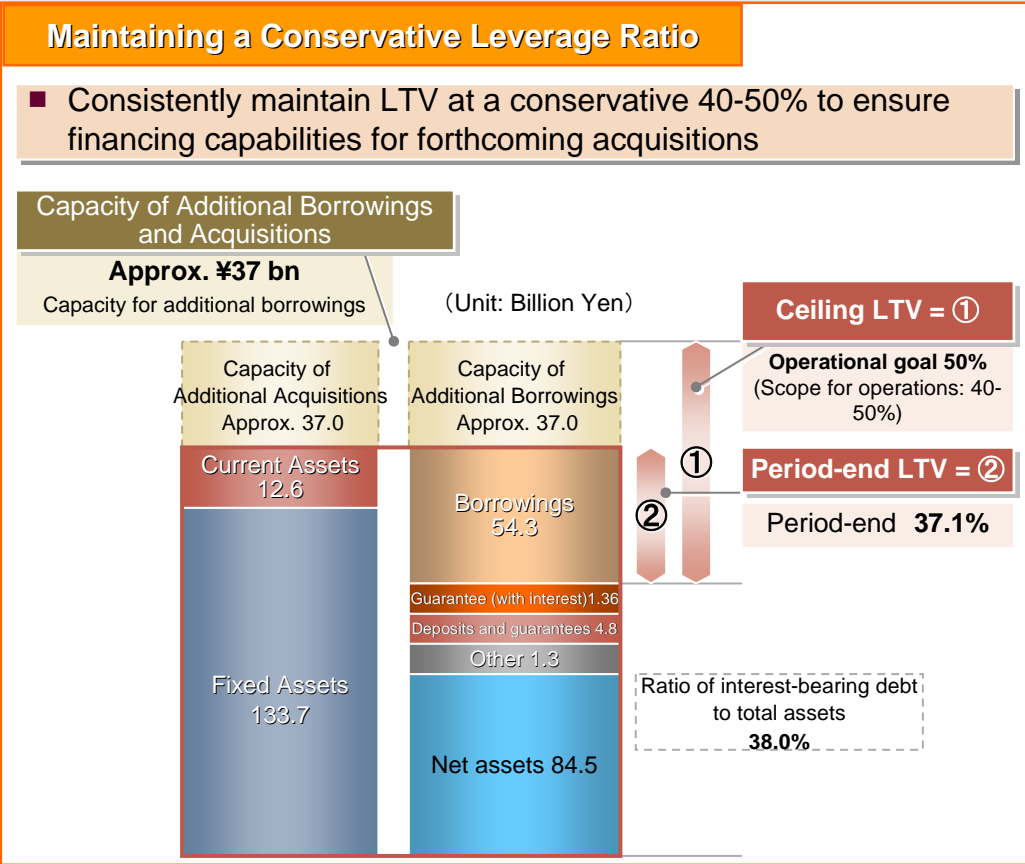


IV-3 Financial Strategies

Conservative Financial Policy

- Conservative Financial Policy
- Diversifying Debt Maturities
- Countering Future Interest Rate Fluctuation

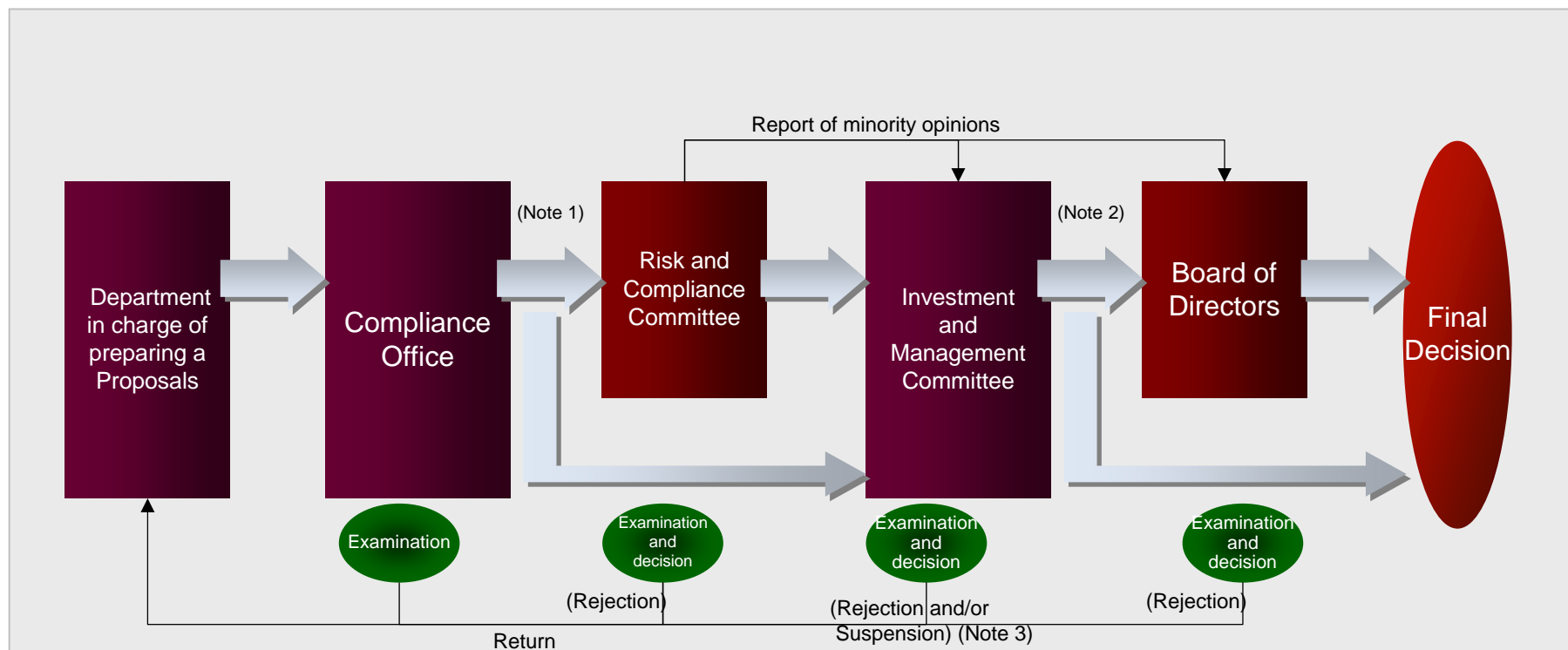
- Maintaining Multiple Financing Channels
- Maintaining Good Relationships with Prominent Lenders to Secure Stable Debt and Additional Borrowing Capability



- ### Diversification of borrowing period and repayment dates
- The refinancing to be executed on June 29, 2007 extended the borrowing periods and diversified repayment dates. This policy will continue to be followed as a means to improve the stability of financial operations.
- ### Hedging against the risk of rising interest rates
- The refinancing has raised the ratio of fixed interest borrowings to 46.0%. Top REIT will continue to hedge against interest rate fluctuation risks while analyzing conditions of market interest.
- ### Building of a stable bank formation
- #### Securing a dynamic financial policy
- All borrowings have been obtained unsecured and an issuer rating has been obtained.
 - Top REIT continues to maintain stable transactions with six banks Top REIT dealt with at the time of the IPO. **Development Bank of Japan and Dai-ichi Mutual Life Insurance** is planned to join as new lenders (7-years, at time of refinancing).

V. Asset Management

V-1 Decision Making Process for Acquisition and Disposition of Properties



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

- **Material transactions with interested parties** defined in the rules on transactions with interested parties (**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 followings:

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

(Note 3) **The head of the Compliance Office** can **suspend discussions and decisions** and return the item to the Department in charge of 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.

V-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

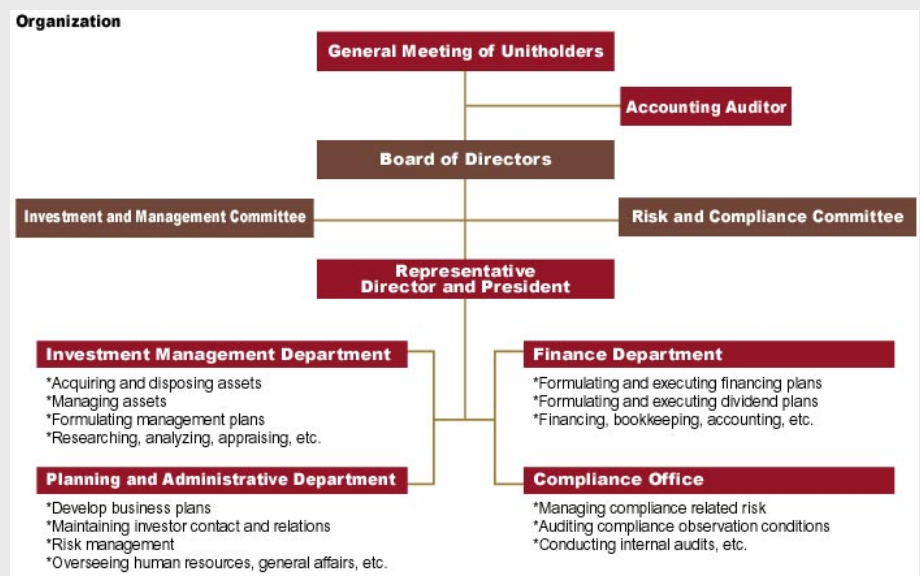
Shareholders The Sumitomo Trust & Banking Co., Ltd. 38%
Nippon Steel City Produce, Inc. 31%
Oji Real Estate Co., Ltd. 31%

Business Description Investment trust manager and asset manager of J-REIT

Directors President and Representative Director : Kyoichi TSUCHIDA (Incumbent President: Till June 30, 2006)
: Nobuhito ENDO (New President: Effective date of appointment: July 1, 2007)

Milestone

- Oct 22, 2004 : Top REIT Asset Management (“TRAM”) established
- Dec 10, 2004 : TRAM obtained a license for real estate agent (The Governor’s of Tokyo No. (1) 83904)
- May 10, 2005 : TRAM obtained an approval for discretionary agent license for real estate transaction (The Minister of Land, Infrastructure and Transport No. 35)
- Jun 28, 2005 : TRAM obtained an approval for asset manager for investment corporation (The Prime Minister No. 47)
- Nov 2, 2005 : TRAM entered into the Asset Management Agreement with Top REIT, Inc.



VI. Appendix

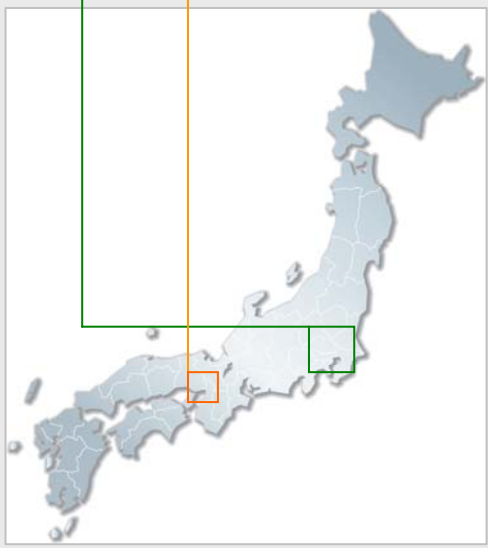
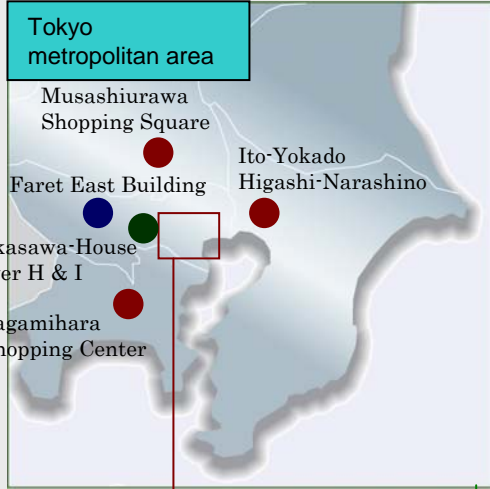
VI-1 Portfolio Map



Harumi Island Triton Square Office Tower Y



Fukasawa-House tower H & I



Musashiurawa Shopping Square



NEC Head Office Building

VI-2 Portfolio Overview

■ End of Second Fiscal Period

Asset Class	Area	Property	Address	Acquisition Date	Floor Area (m ²)	Rentable Area (m ²)	Completion Date	Acquisition Price	Share (%)	Occupancy (%)	No. of Tenants	PML (%)
Office	Central Tokyo	NEC Head Office Building	Minato Ward, Tokyo	March 3, 2006	144,476.05	72,238.03	Jan 1990	¥41,950mn	32.1	100.0	1	1.6
		Harumi Island Triton Square Office Tower Y	Chuo Ward, Tokyo	March 1, 2006	267,132.67	23,239.62	Oct 2001	¥33,000mn	25.2	100.0	7	1.4
		Akasaka Oji Building	Minato Ward, Tokyo	March 1, 2006	10,063.05	7,281.83	Apr 1989	¥9,660mn	7.4	100.0	3	6.3
		Kanda Park Plaza	Chiyoda Ward, Tokyo	March 1, 2006	5,511.83	4,537.66	Nov 1959	¥5,156mn	3.9	100.0	10	14.1
	Tokyo Metropolitan	Faret East Building	Tachikawa, Tokyo	March 1, 2006	16,206.34	4,663.33	Dec 1994	¥1,520mn	1.2	100.0	1	2.9
	Kansai	Nittetsu Honmachi Building	Osaka City, Osaka	March 1, 2006	6,714.09	4,409.53	Jun 1991	¥1,100mn	0.8	100.0	9	8.0
Sub-Total (6 Properties)					—	116,370.00	—	¥92,386mn	70.6	—	31	—
Retail	Tokyo Metropolitan	Sagamihara Shopping Center	Sagamihara, Kanagawa	March 1, 2006	56,351.42	61,763.28	Aug 1993	¥12,000mn	9.2	100.0	2	3.8
		Ito-Yokado Higashi-Narashino	Narashino, Chiba	June 30, 2006	45,338.37	51,098.42	Oct 1994	¥8,900mn	6.8	100.0	1	7.7
		Musashirawa Shopping Square	Saitama City, Saitama	March 19, 2007	28,930.36	14,960.69	Oct 2005	¥4,335mn	3.3	100.0	3	8.5
Sub-Total (3 Properties)					—	127,822.39	—	¥25,235mn	19.3	100.0	6	—
Residential	Tokyo Metropolitan	Fukasawa-House tower H & I	Setagaya Ward, Tokyo	December 8, 2006	12,135.36	11,357.44	June 2004	¥10,635mn	8.1	89.5	1	1.6
Sub-Total (1 Property)					—	11,357.44	—	¥10,635mn	8.1	89.5	1	—
Others	Central Tokyo	OAK PLAZA	Chiyoda Ward, Tokyo	March 20 2007	6,121.85	6,121.85	April 1985	¥2,590mn	2.0	100.0	1	7.7
Sub-Total (1 Property)					—	6,121.85	—	¥2,590mn	2.0	100.0	1	—
Total (11 Properties)					—	261,671.68	—	¥130,846mn	100.0	99.5	39	2.2

VI-3 Appraisal Value Comparison between First and Second Fiscal Periods

■ End of Second Fiscal Period

Properties	Appraisal Values (Million Yen)	Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method	
			Discount Rate	Terminal Capitalization Rate
NEC Head Office Building	51,500	4.1%	3.7% (For first 6yrs) 4.2% (7 yrs onward)	4.2%
Harumi Island Triton Square Office Tower Y	41,300	4.4%	4.1%	4.6%
Akasaka Oji Building	14,200	4.2%	4.4%	4.5%
Kanda Park Plaza	5,260	5.2%	4.8%	5.8%
Faret East Building	2,450	5.7%	5.8%	6.0%
Nittetsu Honmachi Building	1,330	6.2%	6.2%	6.5%
Sagamihara Shopping Center	12,100	5.3%	5.2%	5.5%
Ito-Yokado Higashi-Narashino	6,888	6.1%	5.8%	6.6%
Musashiurawa Shopping Square	4,350	5.1%	5.0%	5.3%
Fukasawa-House tower H&I	10,500	4.3%	4.0%	4.5%
OAK PLAZA	2,590	4.8%	4.3%	5.4%

■ End of First Fiscal Period

Properties	Appraisal Values (Million Yen)	Direct Capitalization Method: Cap Rate	Discounted Cash Flow Method	
			Discount Rate	Terminal Capitalization Rate
NEC Head Office Building	47,050	4.1%	3.8% (For first 7yrs) 4.3% (8 yrs onward)	4.4%
Harumi Island Triton Square Office Tower Y	39,100	4.6%	4.3%	4.8%
Akasaka Oji Building	11,700	4.4%	4.6%	4.7%
Kanda Park Plaza	5,202	5.2%	4.8%	5.8%
Faret East Building	2,140	5.9%	6.0%	6.2%
Nittetsu Honmachi Building	1,140	6.3%	6.3%	6.6%
Sagamihara Shopping Center	12,100	5.3%	5.2%	5.5%
Ito-Yokado Higashi-Narashino	9,010	6.3%	5.4%	6.8%
Musashiurawa Shopping Square	—	—	—	—
Fukasawa-House tower H&I	—	—	—	—
OAK PLAZA	—	—	—	—

Appraisers in Charge	Properties
Tanizawa Sogo Appraisal Co., Ltd.	NEC Head Office Building, Akasaka Oji Building, Faret East Building, Nittetsu Honmachi Building
Japan Real Estate Institute	Harumi Island Triton Square Office Tower Y, Fukasawa-House tower H&I
Chuo Real Estate Appraisal Co., Ltd	Kanda Park Plaza, Ito-Yokado Higashi-Narashino, OAK PLAZA
DAIWA REAL ESTATE APPRAISAL Corporation.	Sagamihara Shopping Center, Musashiurawa Shopping Square

VI-4 Performance on Property Basis

Unit: Million Yen

	NEC Head Office Building	Harumi Island Triton Square Office Tower Y	Akasaka Oji Building	Kanda Park Plaza	Faret East Building	Nittetsu Honmachi Building	Sagamihara Shopping Center	Ito-Yokado Higashi-Narashino	Musashiurawa Shopping Square	Fukasawa-House Tower H&I	OAK PLAZA
Length of Management (days)	181	181	181	181	181	181	181	181	43	144	42
Total Revenue	1,370	1,313	396	181	123	105	408	363	30	212	22
Rental Revenue	1,370	1,313	396	181	123	105	408	363	30	204	22
Property Related Expenses Total	5	275	70	27	50	31	8	11	0	33	0
Property Management Fee	1	192	41	8	24	16	2	2	0	28	0
Taxes and Public Charges	—	0	—	—	—	—	—	—	—	0	0
Utility Costs	—	77	21	11	23	9	—	—	—	0	—
Insurance Fees	1	2	0	0	0	0	1	1	0	0	0
Repair Expenses	—	0	3	4	—	2	3	4	0	2	—
Others	1	2	2	2	1	2	1	3	0	2	0
NOI	1,365	1,037	326	153	73	73	399	351	29	179	21
Depreciation & Amortization	232	266	31	12	29	23	77	123	16	55	3
Operating Income	1,133	771	295	141	43	49	321	227	12	123	18
Capital Expenditures:	30	1	15	0	—	27	4	2	—	—	—

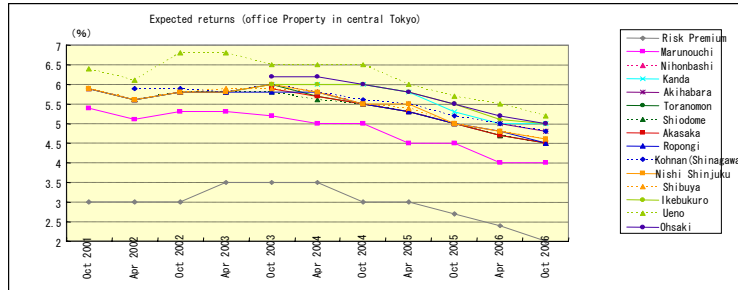
Property Tax will be charged from 3rd Fiscal Period except Musashiurawa and OAK Plaza. Property Tax for these properties will be charged from 5th fiscal period.

Repairing cost for exterior wall and others

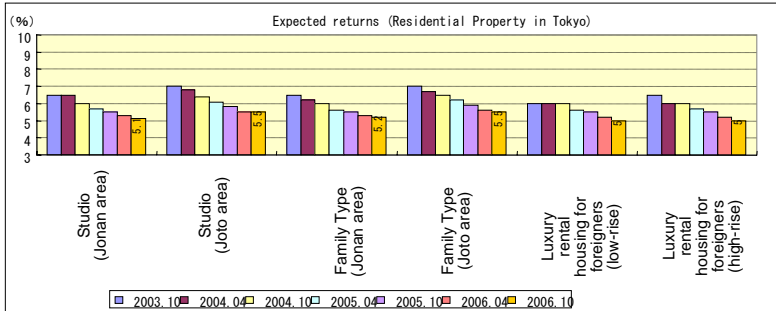
Repairing cost for exterior wall and others

Replacing air-conditioning equipments and others

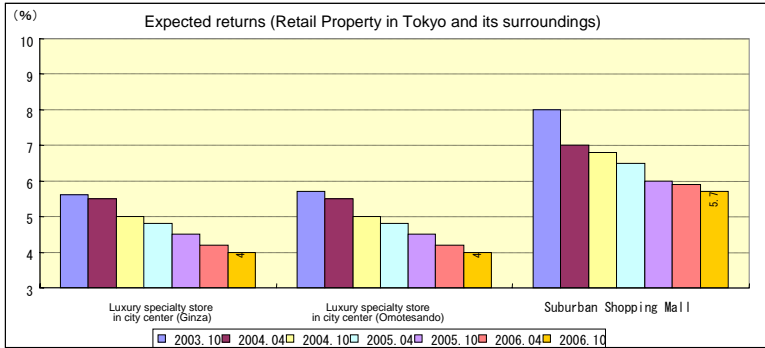
Trends in Real Estate Sales Market



Source: "The Japanese Real Estate Investor Survey" by Real Estate Institute

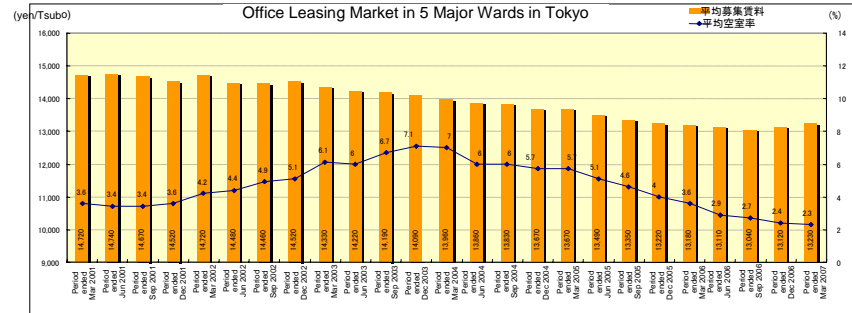


Source: "The Japanese Real Estate Investor Survey" by Real Estate Institute

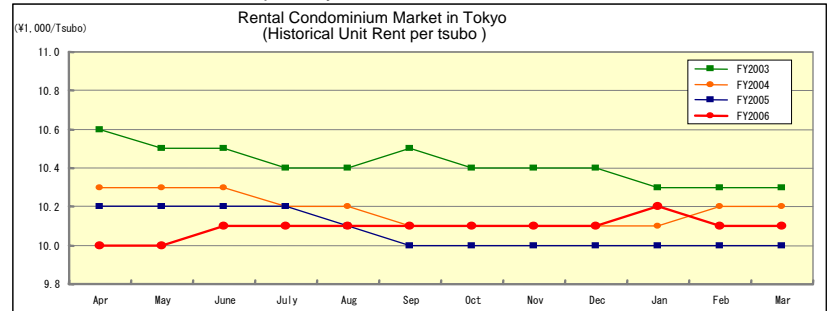


Source: "The Japanese Real Estate Investor Survey" by Real Estate Institute

Trends in Real Estate Leasing Market

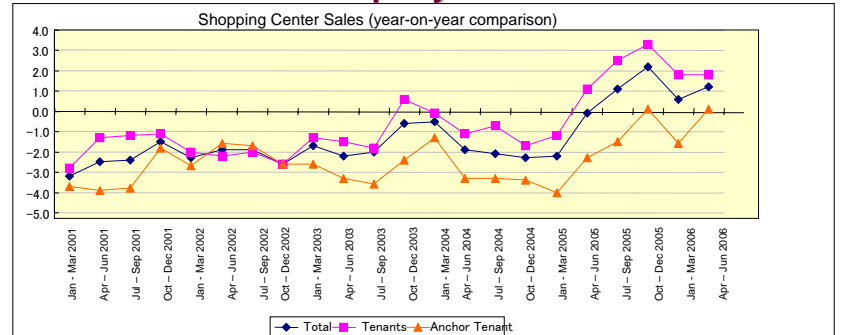


Source "Office Market Report" by CB Richard Ellis



Source: "Rental Information For Rent Edition: Monthly Report" by Recruit

Trends in Retail Property Market



Source: "Annual Sales Statistics of Shopping Centers" by the Japan Council of Shopping Centers

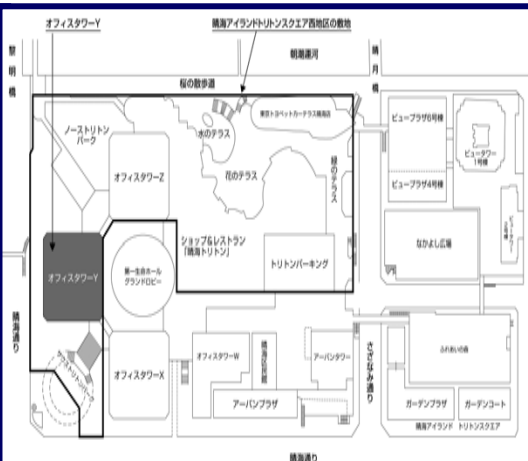
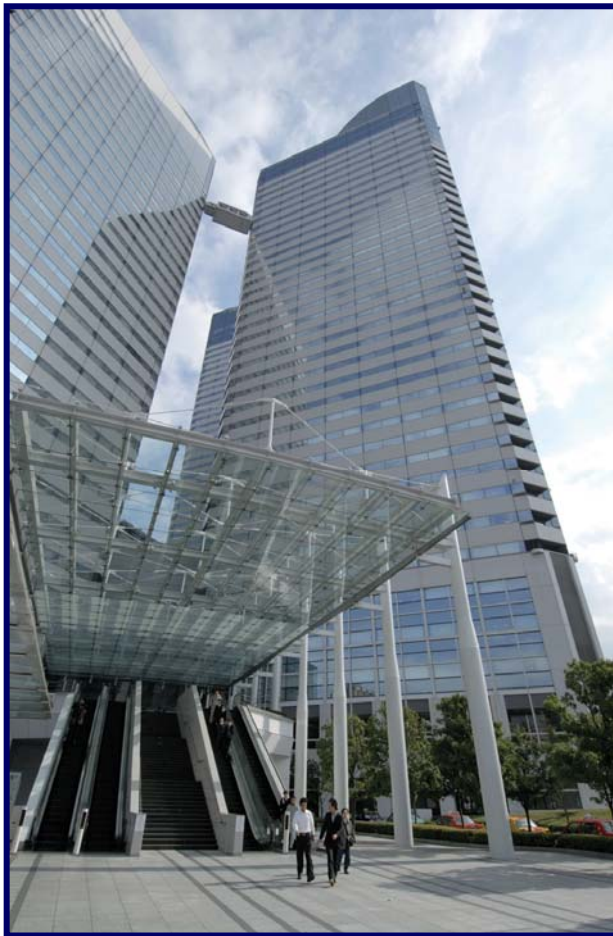
VI-6-1 NEC Head Office Building



Address	5-7-1 Shiba, Minato-ku, Tokyo
Acquisition Price	41.95 billion yen
Site Area	21,190.14m ²
Floor Space	144,476.05m ²
Floors	3 Basement Floors 39 Floors Above Ground
Completion	January 1990
Title	Land, Building: Co-Ownership (50%)

- The building enjoys great transportation convenience with four railway lines usable (JR Yamanote Line, Keihin-Tohoku Line, Toei Subway Mita Line and Toei Asakusa Line) providing good access to Haneda Airport and various places in central Tokyo.
- This property is widely referred to as the NEC Super Tower and is a landmark in Tokyo.
- NEC Corporation has its head office in this building. The area forms a base of the NEC group with affiliates concentrating nearby.

VI-6-2 Harumi Island Triton Square Office Tower Y



Address	1-8-11 Harumi, Chuo-ku, Tokyo
Acquisition Price	33 billion yen
Site Area	39,569.53m ²
Floor Space	267,132.67m ²
Floors	4 Basement Floors , 40 Floors Above Ground
Completion	October 2001
Title	Land: Co-ownership (16,884,921/100,000,000) Building: Compartmentalized ownership (3 rd – 15 th Floor)

- Harumi Island Triton Square is a large multi-use complex completed in 2001 through coordinated redevelopment of the Harumi district of Tokyo, a bayside area. The Square has three skyscraper office buildings as its landmark, retail facilities and a high-rise condominium.
- The property is a 40-story skyscraper that is an intelligent office building built in 2001 and equipped with state-of-the-art specifications.
- The Tokyo head office of Sumitomo Metal Industries and the head office of Japan Trustee Services Bank are the main tenants.

VI-6-3 Akasaka Oji Building



Address	8-1-22 Akasaka, Minato-ku, Tokyo
Acquisition Price	9.66 billion yen
Site Area and Floor Space	2,023.72m ² / 10,063.05m ²
Floors	1 Basement floor, 9 Floors Above Ground
Completion	April 1989
Title	Ownership



- This building is in an area extending from the Akasaka district of Tokyo, an area home to many hotels and embassies that is also popular among foreign firms, to the Aoyama district, home to fashion, culture and music with many luxury brand shops.
- The building faces Aoyama Dori (avenue) and enjoys great transit convenience as the closest station (Aoyama-itchome Station) has tracks for the Tokyo Metro Subway Ginza and Hanzomon Lines, and for the Toei Subway Oedo Line. Although located in the center of Tokyo, the area is rich in greenery with the Akasaka Imperial Grounds extending along the opposing side of Aoyama Dori.
- The anchor tenant is Sony Computer Entertainment.

VI-6-4 Kanda Park Plaza



Address	2-2-2 Kajimachi, Chiyoda-ku, Tokyo
Acquisition Price	5.156 billion yen
Site Area and Floor Space	632. ⁹⁸ m ² / 5,511. ⁸³ m ²
Floors	1 Basement floor, 9 Floors Above Ground
Completion	November 1959
Title	Ownership



- This building faces Chuo-Dori, which leads to Nihonbashi and Ginza, and is located a stone's throw from Kanda Station with tracks for JR Lines and the Tokyo Metro Ginza Line. This building enjoys great transit convenience and is located in a popular commercial district.
- The building was originally built in 1959 but then completely renovated and reinforced to meet anti-seismic specifications in 2003. The building is comparatively large within the area and highly competitive with its excellent location.
- The building houses a retail tenant ideal for the location on the first floor, and houses multiple tenants that value transit convenience.

VI-6-5 Faret East Building



Address	2-34-7 Akebonocho, Tachikawa, Tokyo
Acquisition Price	1.52 billion yen
Site Area and Floor Space	2,350.84m ² / 16,206.34m ²
Floors	1 Basement Floor, 12 Floors Above Ground
Completion	December 1994
Title	Land: Co-ownership (44,544,000/100,000,000) Building: Compartmentalized Ownership (2 nd – 5 th and a part of 6 th Floor)



- Tachikawa is a traditional railway hub with JR Tachikawa Station serving as a major terminal station for the Ome, Nambu and Chuo (connects to downtown Tokyo) Lines. The convenience has heightened with the establishment of the Tama Toshi Monorail that runs through the Tama district.
- The area is thriving with energy with a variety of stores centering on department stores and other large-scale commercial facilities concentrated in front of the station.
- The Faret Tachikawa area, where the property is located, is a business zone completed through the redevelopment of the former Tachikawa Air Force Base, and is a concentration of large, high-grade office buildings, hotel, etc.

VI-6-6 Nittetsu Honmachi Building



Address	1-10-24 Utsubohonmachi, Nishi-ku, Osaka
Acquisition Price	1.1 billion yen
Site Area and Floor Space	852.55m ² / 6,714.09m ²
Floors	2 Basement Floor, 12 Floors Above Ground
Completion	June 1991
Title	Ownership



- This building is located close to Yotsubashi Avenue, one of the major streets connecting the renowned Umeda and Shinsaibashi/Nanba districts of Osaka (Umeda district is a business base and Shinsaibashi/Nanba district is a commercial base in Osaka). It is also within walking distance of the thriving Yodoyabashi business district, and close to the Honmachi Station on the Yotsubashi and Chuo Lines. Located near to green-rich Utsubo Park, the property enjoys a good environment though it stands in a city center.
- This office building was designed using Design Comprehensive System Design with particular attention to harmony with its surroundings and features significant open public space.

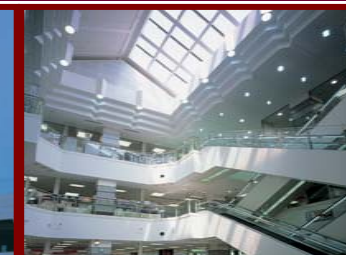
VI-6-7 Sagamihara Shopping Center



Address	3-13-33 Kobuchi, Sagamihara, Kanagawa
Acquisition Price	12 billion yen
Site Area and Floor Space	30,949.80m ² / 56,351.42m ²
Floors	1 Basement Floor, 4 Floors Above Ground
Completion	August 1993
Title	Ownership

- Located along national highway 16, a lengthy central thoroughfare in the Tokyo metropolitan area, the large shopping center is also near Kobuchi Station on the JR Yokohama Line, enjoying excellent access by road or rail. This commercial area has a population of some 620,000 within a 5km radius and about 1.86 million within a 10km radius. Many shopping centers, home centers and specialty stores are found along national highway 16, including the neighboring Jusco Sagamihara Shopping Center.
- This property has approximately 19,000m² in sales space comprised of the directly operated Ito-Yokado and specialty shops, and provides parking for over 1,300 vehicles. The site also features a family restaurant and gardening specialty store.

VI-6-8 Ito-Yokado Higashi-Narashino Store



Address	7-3-1 Higashi Narashino, Narashino, Chiba
Acquisition Price	8.9 billion yen
Site Area and Floor Space	29,854. ⁵⁷ m ² / 45,338. ³⁷ m ²
Floors	1 Basement Floor, 4 Floors Above Ground
Completion	October 1994
Title	Ownership

- Located approximately 30km east of central Tokyo, Higashi-Narashino is a typical suburban bed town neighboring Funabashi City (west), Yachiyo City (north) and the Hanamigawa Ward of Chiba City (east).
- Having a total sales floor area of about 17,000m² comprised of the directly operated Ito-Yokado store and specialty shops, the property has a size typical for Ito-Yokado's suburban stores and serves the community market. The property has parking for over 1,100 vehicles, and boasts sufficient competitiveness as a suburban store. Anchored by the Ito-Yokado store, the shopping center also secures such specialty stores as UNIQLO, Daiso and Shinseido as a convenient lifestyle facility.

VI-6-9 Musashiurawa Shopping Square (Newly Acquired Asset in the Second Fiscal Period)



Address	7-3-1, Bessho, Minami-ward, Saitama-city, Saitama
Acquisition Price	4.335 billion yen
Area of Land/Floor Space	8,317.99.m ² /28,930.36m ²
Structure/Floors	Steel structure with flat roof / 1 basement floor, 4 floors above ground
Completion	October 2005
Type of Title	Co-ownership ("kyoyu") of trust beneficiary interests in real estate (Ratio of ownership is 50%)

- This property has convenient access to various transportation networks. It is situated very close to Musashiurawa Station, the nearest station, and may therefore potentially attract customers using the JR Saikyo Line and JR Musashino Line, as well as those traveling via National Highway No. 17. This commercial area has a population of approximately 290,000 within a 3km radius area and approximately 670,000 within a 5km radius. Over the past five years, the population and the number of households have generally increased in the 5km radius, making it an attractive market as a retail property.
- The major tenants of this property are Olympic located in basement and 1st floor and Nitori located on 2nd floor. The area of space for shops is approximately 14,000 m² and the capacity for parking spaces can accommodate more than 350 cars and 500 bicycles and motorcycles. These features make this facility a competitive property as a station-front suburban type shopping mall.

VI-6-10 Fukasawa-House tower H & I (Newly Acquired Asset in the Second Fiscal Period)



Address	2-1-2 Fukasawa, Setagaya Ward, Tokyo
Acquisition Price	10.6 billion yen
Site Area and Floor Space	39,840.90m ² / 12,135.36m ²
Floors	14 Floors Above Ground
Completion	June 2004
Title	Land: Co-ownership (1,584,269/10,000,000) Building: Compartmentalized ownership

- The surrounding area has a luxurious and expansive streetscape and is one of the most prestigious housing areas in Tokyo. The property is adjacent to Komazawa Park and the site itself has rich greenery providing an excellent residential environment.
- Fukasawa-House is a large housing project that consists of 13 residential tower with 772 units and a retail building within an expansive site. All residences house underground parking. The subject property is the rental housing buildings in the project and has 124 units ranging in size from 2-4 bedroom units with areas of some 75m² to 120m². It comes with excellent disaster facilities including an anti-earthquake structure and potable water generation system for emergencies.

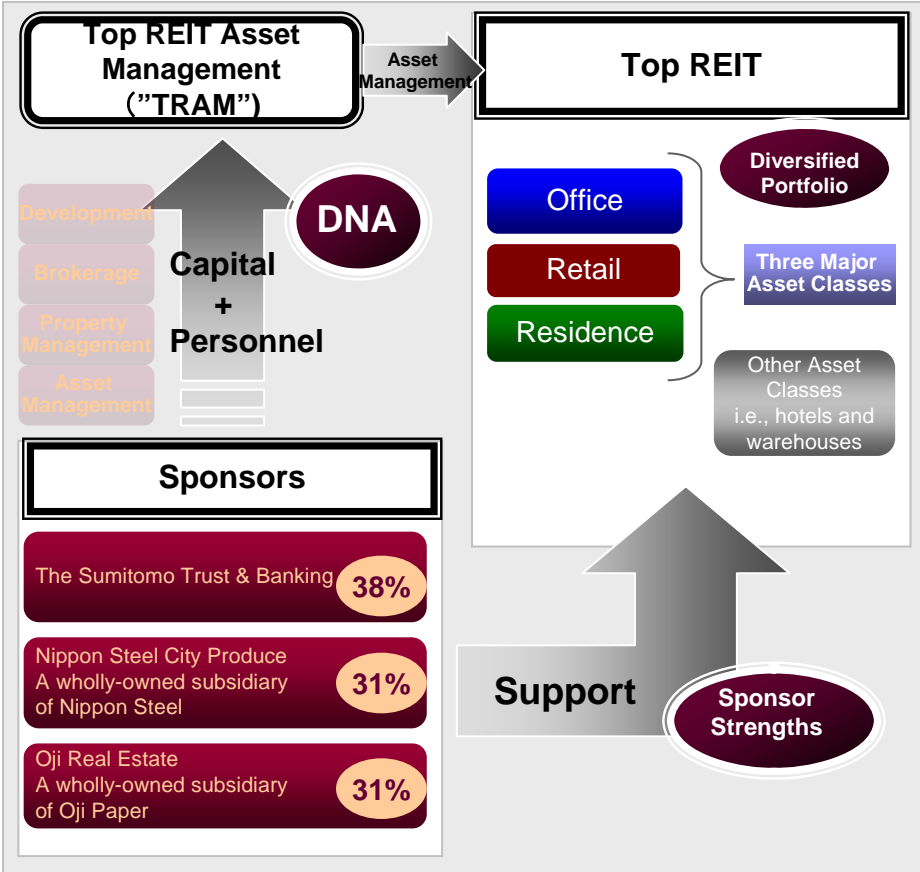
VI-6-11 OAK PLAZA (Newly Acquired Asset in the Second Fiscal Period)



Address	2-10-6 Kanda Awajicho, Chiyoda-ward, TokyoArea
Acquisition Price	2.59billion yen
Area of Land/Floor Space	1,013.49㎡ / 6,121.85㎡
Structure/Floors	SRC structure with a flat roof Floors / 1 basement floor, 10 floors above ground
Completion	Completion April 1985 (Completion Date of the conversion March 2007)
Type of Title	Ownership

- This property is highly accessible as it is only a 3 to 6 minute walk from six stations including the JR Ochanomizu Station, JR Akihabara Station, Tokyo Metro Marunouchi Line Awajicho Station. It boasts a strong location near the prime office areas of Marunouchi and Otemachi with Tokyo Station at their center and the Akihabara area and its IT base. etc.
- Since its completion in 1985, this property was used as a hotel named as Hotel New Kanda and now and has been converted to a multi-use building that has, in addition to hotels spaces, offices (service offices and meeting rooms for rent), restaurants and retail shops.

VI-7 Characteristics and Investment Strategies of Top REIT



1. Skilled Management of a Diversified Portfolio

Pursuing both steady growth and quality through a blue-chip portfolio of excellent properties and prudent management measures firmly founded in real estate expertise

Strategic application of commissioned reports from a think tank

2. Optimal Application of Sponsor Strengths

Ensuring steady growth through the pipeline and warehousing functions of sponsors

Applying unique sponsor strengths to secure growth in asset value

Ensuring Steady Income

↓

Steady Growth of Portfolio

Maximizing Investor Value

Inheriting Sponsors' DNA

- Top REIT Asset Management ("TRAM") was established in collaboration with three firms – The Sumitomo Trust & Banking, Nippon Steel City Produce and Oji Real Estate.
- Excellent personnel have been dispatched to TRAM from the three 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.

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 of our sponsor groups.
- Number of group companies (As of March 31, 2007)

Sumitomo Trust Group	42
Nippon Steel Group	326
Oji Paper Group	305

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