



Referential Translation

August 31, 2007

Top REIT, Inc.

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**Notification of Withdrawal of Early Termination Notice and
Agreement on the Rent Revision with a Major Tenant
(Ito-Yokado Higashi-Narashino Store, Ito-Yokado Co., Ltd.)**

Top REIT, Inc. ("Top REIT") has negotiated with Ito-Yokado Co., Ltd. ("Ito-Yokado") on the revision of the rate of rent for the Ito-Yokado Higashi-Narashino Store after Top REIT received a notice of early termination of the lease agreement from Ito-Yokado as set forth in our previous announcement titled "Notification of Change of Major Tenant" dated February 22, 2007.

Top REIT hereby announces that it has decided today to enter into a memorandum of understanding with Ito-Yokado as follows.

Details

1. Summary of the memorandum of understanding

(1) Withdrawal of Early Termination Notice

Ito-Yokado withdraws the notice of early termination dated February 22, 2007. Top REIT agrees to such withdrawal.

(2) Revision of Rent

1) The rent calculation method will change from the current fixed-rate rent to a combination of fixed-rate rent and sales-based rent.

The sales-based rent is the amount obtained from multiplying the excess over a specific amount of annual sales generated during a period from March to February of the next year



from the lots directly operated by Ito-Yokadato by a specific rate. The sales-based rent will not accrue before February 2008 and can accrue from March 2008.

2) The amount of fixed rent will be JPY 471,449,628 per annum (the newly contracted monthly rent multiplied by 12) (not including consumption tax) from August 1, 2008.

(Reference)

The previous amount of fixed rent before revision was JPY 725,307,120 per annum (the former contracted monthly rent multiplied by 12) (not including consumption tax).

3) Terms and conditions of the rent system including method of calculation of the fixed rent and the sales-based rent shall not change until November 30, 2014, the maturity of the lease agreement.

4). Top REIT is entitled to request Ito-Yokado to give a reasonable explanation of its business plan for the site rented by it. Ito-Yokado shall submit to Top REIT the annual results of the sales and the number of customers.

2. Summary of the Lease Agreement after entering into the memorandum of understanding

(1) Name of the Tenant	Ito-Yokado Co., Ltd.
(2) Name of the Property	Ito-Yokado Higashi-Narashino Store
(3) Leased Area	51,098.42m ²
(4) Ratio of Leased Area to Total Leased Area of the Entire Portfolio	19.6% (as of July 31, 2007)
(5) Annual Rent (not including consumption tax)	The combination of the fixed rent amount of JPY 471,449,628 (the contracted monthly rent multiplied by 12) and the sales-based rent. The sales-based rent is the amount obtained from multiplying the excess over a specific amount (Note) of annual sales generated during a period from March to February of the next year from the lots directly operated by Ito-Yokadato by a specific rate (Note).
(6) Deposit and Guarantee	Deposit: JPY1,135 million; Guarantee: JPY1,320 million (as of July 31, 2007)
(7) Maturity of the Lease	November 30, 2014

(Note) The “specific amount” and “specific rate” can not be disclosed since Ito-Yokado does not consent to it.

3. Forecast Operating Results

The forecast operating results for the fiscal period ending October 2007 remain unchanged.

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