

July 18, 2008

Referential Translation

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(Securities Code: 8982)

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Notice of Partial Prepayment of Borrowings

Top REIT, Inc. (“Top REIT”) hereby announces that it has decided today to make the following partial prepayment of short-term borrowings.

Details

1. Details of Prepayment

1) Borrowings to be prepaid	Short-term borrowings (please see “2. Details of Borrowings to be Partially Repaid”) JPY 1 billion yen out of JPY 3.6 billion yen
2) Planned repayment date	July 31, 2008
3) Source of repayment funds	Cash on hand (cash reserves)

The repayment of the above borrowings will be made due to leeway granted in the use of certain cash reserves obtained through the release of deposits held in trust from a trustee. These deposits had been made by tenants residing in real estate in trust with the Sumitomo Trust and Banking Co., Ltd. as trustee.

Furthermore, Top REIT will have to pay prepayment costs to the lenders for partial repayment of the borrowings, but after considering the amount in interest rate payments required until the loan maturity date, a decision was made to make the partial prepayment.

2. Details of Borrowings to be Partially Prepaid

1) Amount of borrowings	JPY 3.6 billion
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2) Lenders	Sumitomo Trust & Banking Mizuho Corporate Bank Sumitomo Mitsui Banking Corporation Bank of Tokyo-Mitsubishi UFJ Mitsubishi UFJ Trust and Banking
3) Interest rates	1.14333% per annum (applied from May 30, 2008 to August 29, 2008)
4) Loan execution date	March 27, 2008
5) Method of borrowing	Top REIT entered into individual loan agreements with the above lenders on March 25, 2008 based on the master agreement of revolving loan facility dated March 1, 2006.
6) Interest payment dates	The first interest payment date was May 30, 2008 (afterwards, interest payment dates will be August 29, 2008, November 28, 2008, February 27, 2009 and March 27, 2009).
7) Principal repayment method	Bullet repayment on the principal repayment date
8) Principal repayment date	March 27, 2009 (early repayment possible)
9) Collateral, etc.	Unsecured and without guarantee

* Once the undecided interest rates for the balance of the above borrowings after the aforementioned repayment are fixed for interest payments made on or after August 29, 2008, such information will be promptly made available on the Financial Information page of the website of Top REIT (<http://www.top-reit.co.jp/>).

Attachment

Status of borrowings and investment corporation bonds (after above repayment)

(Unit: million yen)

	Current borrowing balance	Borrowing balance after above repayment	Difference
Short-term borrowings	10,300	9,300	- 1,000
Long-term borrowings	72,700	72,700	-
Total borrowings	83,000	82,000	- 1,000
Investment corporation bonds	-	-	-
Total	83,000	82,000	- 1,000

* This press release was distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

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