



April 21, 2009

To All Concerned Parties

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(Securities Code: 8982)

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Notice Concerning the Change of Issuer Rating

Top REIT, Inc. (“Top REIT”) hereby announces that it received an announcement from Moody’s Investors Service (“Moody’s”) on April 21, 2009 that the issuer rating of Top REIT has been changed as follows.

1. Details of the Change

(Before the Change)

Rating Agency	Type of Rating	Rating	Outlook
Moody’s	Issuer Rating	<u>A2</u>	<u>Stable</u>

(After the Change)

Rating Agency	Type of Rating	Rating	Outlook
Moody’s	Issuer Rating	<u>A3</u>	<u>Negative</u>

2. Reason for the Change of Issuer Rating

According to the announcement by Moody’s, “The downgrade reflects Moody’s concerns that Top REIT’s conservative financial policy may be stressed, since its ratio of debt to total assets (excluding “released deposits” - tenant deposits that can be used for temporary liquidity) is roughly 47% and remains high relative to its historical level.”

3. Forecast on Business Results

The impact of this change on business results for the end of 6th fiscal period (from November 1, 2008 to April 30, 2009) is not significant and therefore no amendment has been made to the forecast on management results.

End

This English notice is a translation of the Japanese notice on April 21, 2009.
However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Rating Action: Top REIT, Inc.

Moody's downgrades TOPR's rating; outlook negative

Tokyo, April 21, 2009 -- Moody's Investors Service has downgraded to A3 from A2 the issuer rating of TOP REIT, Inc. (TOPR). The rating had been under review for possible downgrade. The rating outlook is negative. This concludes the review initiated on January 15, 2009.

The downgrade reflects Moody's concerns that TOPR's conservative financial policy may be stressed, since its ratio of debt to total assets (excluding "released deposits" -- tenant deposits that can be used for temporary liquidity) is roughly 47% and remains high relative to its historical level.

The negative rating outlook reflects Moody's view that TOPR will need some time to reduce its leverage.

TOPR intends to keep the ratio of debt to total acquisition prices in the 40%-50% range. Should it exceed 50%, TOPR will in principle take on no more interest-bearing debt for acquisitions. Moody's is concerned that TOPR's already conservative financial policy may be stressed, given a debt ratio that is currently at the upper end of the target leverage range.

Long-term debt representing approximately 84% of total debt and funding terms are long for the J-REITs sector. However, limited liquidity -- such as the lack of a commitment line -- will be an issue in the future.

The comprehensive portfolio comprises office buildings, retail properties, residential buildings, and hotels, located in central Tokyo or surrounding areas. The occupancy rate has consistently been near 100%. The portfolio's value is concentrated in a few large properties. Alleviating the asset concentration that Moody's noted when it assigned the rating -- and which remains a concern -- may take some time. However, Moody's believes that any impact on TOPR's near-term cash flows will be limited, because (1) the portfolio's properties are highly competitive in their submarket; (2) rents are fixed for long terms in accordance with the leases; and (3) rents are appropriate relative to market rate.

Moody's previous rating action on TOPR took place on January 15, 2009, when the agency initiated a review of its issuer rating of A2 for a possible downgrade.

The methodology used in rating REITs is the "Rating Methodology for REITs and Other Commercial Property Firms" (January 2006), which can be found at www.moody.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory.

Moody's Special Report, "Japan Real Estate Investment Trusts: Assessing Debt Credit Quality During Financial Turmoil" (December 2008), can be found at www.moody.com.

TOP REIT, Inc. is a J-REIT and focuses on investment in and management of office, retail and residential properties. Its operating revenue for the fiscal half-year that ended in October 2008 was approximately JPY 5.6 billion.

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