



Translation of Japanese Original

June 6, 2016

To All Concerned Parties

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**Notice Concerning the Impact of Tenant Withdrawal of Owned Property
on Forecast of Financial Results and the Merger**

As announced in “Notice Concerning Tenant Withdrawal of Owned Property (Lease Termination)” on June 3, 2016, Top REIT, Inc. (“Top REIT”) received on June 3, 2016 a notice of cancellation on a lease contract from a tenant at Ito-Yokado Higashi-Narashino Store (the “Cancellation”), a property in trust for the beneficiary interest in real estate owned by Top REIT. Top REIT hereby announces, among others, forecast of financial results for the fiscal period ended April 30, 2016 taking the Cancellation into consideration as follows.

1. Forecast of Financial Results

Top REIT may record an impairment loss retrospectively for the fiscal period ended April 30, 2016 as a result of the Cancellation. The necessity and amount of such record of an impairment loss have not been determined yet since they will require further consideration and discussion with the auditing firm. There is no impact on the forecast of dividend per unit for the fiscal period ended April 30, 2016 even in case the impairment loss is recorded and net income decreases significantly for the fiscal period ended April 30, 2016, since Top REIT anticipates to make reversal of internal reserves and distributions in excess of net income.

Top REIT will further consider the impact of the Cancellation on the financial results for the fiscal period ended April 30, 2016, and makes efforts to announce the summary of earnings results for the fiscal period ended April 30, 2016, initially scheduled on June 10, 2016, as soon as possible, setting forth during June as target.

2. Other matters

As announced in “Notice Concerning Execution of Merger Agreement by and between Nomura Real Estate Master Fund, Inc. and Top REIT, Inc.” on May 26, 2016, Top REIT entered into a merger agreement with Nomura Real Estate Master Fund, Inc. (“NMF”). The impact of the Cancellation on the merger will be determined upon the determination of the impact on the financial results of Top REIT. Top REIT has confirmed with NMF that they currently envisage not to change the merger ratio or the schedule of the merger,

and that they continue to discuss amendment to the merger agreement and others which are necessary to make distributions in excess of net income. Please also refer to “Notice Concerning Tenant Withdrawal of Top REIT’s Property and its Impact on the Merger” announced by NMF today.

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