

October 26, 2011

**Referential Translation**

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**Notice of Acquisition of Trust Beneficiary Interest in Real Estate in Japan  
 (Premier Stage Nihonbashi Kayabacho)**

Top REIT, Inc. (“Top REIT”) hereby announces that it today decided to acquire a trust beneficiary interest in real estate in Japan (hereinafter, the “Beneficiary Interest in Trust”), as described below.

**1. Overview of Acquisition**

Type of Title	Ownership of trust beneficiary interest in real estate in Japan
Name of Property	Premier Stage Nihonbashi Kayabacho
Trustee	The Chuo Mitsui Trust and Banking Company, Limited (Note 1)
Term of Trust Agreement	March 26, 2004 to March 31, 2014 (Note 1)
Anticipated Acquisition Price	2,400 million yen (Note 2)
Date of Sales Agreement	October 26, 2011
Anticipated Acquisition Date	February 1, 2012
Seller	Premier Investment Corporation
Source of Funding	Cash on hand (To be scheduled)
Method of Settlement	Lump-sum payment on the acquisition date

(Note 1) The information on the Trustee and the Term of Trust Agreement are based on the real estate trust agreement that was executed between Premier Investment Corporation, the seller, and The Chuo Mitsui Trust and Banking Company, Limited, the trustee as of today.

(Note 2) The anticipated acquisition price is the price for sale planned to be specified in the sales agreement for trust beneficiary interest in real estate (excluding consumption tax and equivalents) which does not include acquisition expenses, real property tax, city planning tax, etc. (hereinafter, the “Sales Agreement”).

## 2. Reason for Acquisition

The Beneficiary Interest in Trust is being acquired in accordance with the investment policy of Top REIT as stipulated in its Articles of Incorporation. In making the investment decision on this acquisition of trust asset concerning the Beneficiary Interest in Trust (hereinafter, the Property), great emphasis was placed on the distance from the nearest station, good access to central Tokyo, steady tenant needs and architectural plans with scarcity value involving the Property. Details are indicated in the following table.

Features of the Location	<ul style="list-style-type: none"> <li>The Property features transport convenience, as it is about a 3 minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line, about a 4 minute walk from Kayabacho Station on the Tokyo Metro Tozai Line, and it has good access to Nihonbashi Station that is within walking distance.</li> <li>The Kayabacho area, where the Property is located, has been long established as the Securities Street and the Financial Street, and its proximity to the central business districts of Otemachi and Marunouchi Areas, can expect steady demand from business persons that focus on accessibility to their work offices.</li> </ul>
Building	<ul style="list-style-type: none"> <li>The property is located in an area that is part of “cityscape induction type district planning (Shinkawa and Kayabacho districts)” based on the City Planning Act, and construction of studio apartments are limited due to the revised ordinance as of March 2003. However, as the Property acquired construction confirmations in accordance with regulations and parameters prior to the revisions, the Property mainly has 1K (studio) units. Furthermore, it will be difficult to construct buildings with similar unit types in the future, and the Property is expected to have increased scarcity value.</li> </ul>

## 3. Description of the Asset being Acquired

### Description of the Property

Address	(Registered Address) 3-12-6, Nihonbashi Kayabacho, Chuo Ward, Tokyo (Residential Building Address) 3-4-1, Nihonbashi Kayabacho, Chuo Ward, Tokyo	
Access	About a 3 minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line, about a 4 minute walk from Kayabacho Station on the Tokyo Metro Tozai Line and about a 7 minute walk from Nihonbashi Station on the Toei Subway Asakusa Line.	
Usage	Apartment building	
Structure/Floors	Steel and reinforced concrete structure with a flat roof; 14 floors above ground	
Area	Land	479.93m <sup>2</sup>
	Building	4,540.70m <sup>2</sup> (total floor area)
Type of Title	Land	Ownership
	Building	Ownership
Completion Date	February 2004	
Architect	K.K. Okada Planning	
Constructor	Matsui Kensetsu K.K.	
Structural Engineer	K.K. Okada Planning	
Construction Confirmation	eHomes Inc.	

Total Number of Units	135 units
Total Leasable Area	3,455.68m <sup>2</sup>
Total Leased Units	125 units (as the end of September, 2011)
Total Leased Area	3,203.40m <sup>2</sup> (as the end of September, 2011)
Occupancy Rate	92.7% (as the end of September, 2011)
Rent Revenue	166 million yen (Note 1)
Leasehold/Security Deposit	27 million yen (Note 2)
Number of Tenants	To be decided (Note)
Anticipated Acquisition Price	2,400 million yen
Appraisal Value	2,550 million yen (Japan Real Estate Institute; dated October 1, 2011) (Please refer to Appendix 1 for an overview of the appraisal.)
PML Value (Earthquake)	6.6% (based on the earthquake risk analysis reports dated October 17, 2011 and issued by Engineering & Risk Service Corporation and Oyo RMS Corporation)
Collateralized (Y/N)	No
Master Lessee and Property Manager	To be decided (Note 3)
Remarks	Not applicable

\*The address (excluding the residential building address), usage, structure and floors, area (total floor area) and completion date are based on the descriptions in the real estate registry.

(Note 1) The rent revenue is obtained by multiplying the monthly rent revenue of the end of September 2011 by 12, Furthermore, this does not include income from parking lots, etc.

(Note 2) The leasehold/security deposit are based on the description in the lease agreements with tenants as of the end of September 2011. Furthermore, this does not include deposit from parking lots, etc.

(Note 3) The trustee and master lessee, and property management company plan to execute a master lease and property management agreement after the acquisition of the Beneficiary Interest in Trust. However, as of today the master lessee and property management company have not yet been determined.

#### 4. Overview of the Seller

Corporate Name	Premier Investment Corporation
Address	8-4-14, Akasaka, Minato Ward, Tokyo
Representative	Executive Director Yuichi Kawamori
Principal Business	Asset management business based on Investment Trusts and Investment Corporations Law
Paid-in Capital	71,957 million yen
Establishment Date	May 2, 2002
Net Assets	73,477 million yen
Total Assets	171,586 million yen
Major Shareholders and Shareholding Ratio	Japan Trustee Services Bank, Ltd.(trust account): 19.3% The Nomura Trust and Banking Co., Ltd. (investment trust account): 8.2% Trust & Custody Service Bank, Ltd. (securities investment trust account): 6.2% NTT Urban Development Corporation: 6.2%

Relationship with Top REIT and/or Top REIT Asset Management Company Co., Ltd. (TRAM)	
Capital Relationship	There is no capital relationship between the seller and Top REIT and/or TRAM that must be disclosed. In addition, there is no special capital relationship between the related parties or affiliates of the seller and related parties or affiliates of Top REIT and/or TRAM.
Personnel Relationship	There is no personnel relationship between the seller and Top REIT and/or TRAM that must be disclosed. In addition, there is no special personnel relationship between the related parties or affiliates of the seller and related parties or affiliates of Top REIT and/or TRAM.
Business Relationship	There is no business relationship between the seller and Top REIT and/or TRAM that must be disclosed. In addition, there is no special business relationship between the related parties or affiliates of the seller and related parties or affiliates of Top REIT and/or TRAM.
Status as Related Parties	The seller does not fall under the definition of related parties of Top REIT and/or TRAM. The related parties of the seller and its affiliates also do not fall under the definition of related parties of Top REIT and/or TRAM.

(Note) The figures are as of April 30, 2011.

## 5. Status of the Seller

The Property has not been acquired from any party that has a special interest relationship with Top REIT and/or TRAM.

## 6. Transactions with Interested Parties

None

## 7. Overview of Brokerage

### 1) Overview of Broker

Broker	The Chuo Mitsui Trust and Banking Company, Limited
Address	3-33-1, Shiba, Minato Ward, Tokyo
Representative	Jun Okuno, President and Representative Director
Principal Business	Banking, trust and financial instruments transactions (restricted to those admitted as registered financial institution businesses)
Paid-in Capital	399.6 billion yen (as of March 31, 2011)
Establishment Date	May 1962
Relationship with Top REIT and TRAM	The broker does not fall under the definition of a related party of Top REIT and/or TRAM. The related parties of the broker and its affiliates also do not fall under the definition of a related party of Top REIT and/or TRAM.

### 2) Breakdown and Amount of Commission

Commission	Undisclosed since we were not able to obtain consent from the broker with respect to disclosure
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## 8. Acquisition Schedule

Date of Decision on Acquisition	October 26, 2011
Date of Sales Agreement	October 26, 2011
Date of Payment	February 1, 2012 (To be scheduled)
Date of Delivery	February 1, 2012 (To be scheduled)

## 9. Impact on Top REIT's Finance in the Event of Failure of Fulfillment of the Forward Commitment, etc.

The Sales Agreement falls under the forward commitment, etc. (referring to a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract) defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency (as amended in April 2011).

Under the Sales Agreement, if Top REIT or the seller neglects to fulfill important obligations, it is provided that the other party may cancel the Sales Agreement and also claim a penalty payment equivalent to 10% of the sale price of the property. However, under the Sales Agreement, the obligation to pay the transaction price is conditioned on that Top REIT's application for the borrowing of moneys has been accepted by existing lenders of banks for the purpose of procuring funds for the transaction price. Furthermore, if this condition is not satisfied by the date of transfer, the Sales Agreement will be cancelled. In this case, the seller and Top REIT shall not make claims for penalties or any other compensation for losses, etc. Therefore, in the case that the forward commitment, etc. cannot be carried out due to the failure to procure funds, it is unlikely that it will have a material impact on Top REIT's finance and dividends, etc.

## 10. Forecast on Business Results

Concerning the impact of the acquisition of Beneficiary Interest in Trust on the performance of Top REIT, since the anticipated acquisition date is on February 1, 2012, there will be no impact on the business results for the fiscal period ending October 2011 (the Eleventh Fiscal Period: from May 1, 2011 to October 31, 2011).

As for the forecast for the fiscal period ending April 2012 (the Twelfth Fiscal Period: from November 1, 2011 to April 30, 2012), please refer to the "Notice of Revised Dividend Forecast for the Twelfth Fiscal Period Ending April 30, 2012" announced on October 26, 2011.

### <Attachments>

Appendix 1	Overview of Property Appraisal Statement and Engineering Report
Appendix 2	Assumed Income and Expenditure of the Property
Appendix 3	Exterior Photographs and Location Map of the Property
Appendix 4	Portfolio of Top REIT after Acquisition of the Beneficiary Interest in Trust and Disposition of Nittetsu Honmachi Building

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

## Appendix 1 Overview of Property Appraisal Statement and Engineering Report

### Overview of Property Appraisal Statement

Appraisal Institution	Japan Real Estate Institute
Appraisal Date	October 1, 2011
Appraisal Value	2,550,000 thousand yen
Capitalized Value through Direct Capitalization Method	2,580,000 thousand yen
Net Operating Income (NOI)	138,557 thousand yen
Net Cash Flow (NCF)	131,448 thousand yen
Cap Rate	5.1%
Capitalized Value through Discounted Cash Flow (DCF) Method	2,520,000 thousand yen
Discount Rate	4.9%
Terminal Cap Rate	5.3%
Indicated Value by Cost Approach	2,040,000 thousand yen
Ratio of Land	52.3%
Ratio of Building	47.7%
Characteristics	
The Property features excellent transport access, as it is about a 3-minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line and Tozai Line, and is within walking distance to Nihonbashi Station on the Toei Subway Asakusa Line, Tokyo Metro Ginza Line and Tozai Line. The Property has a building grade equal to that of apartment buildings targeting singles in the neighborhood, and has a certain level of competitiveness in the rental market.	

### Overview of Engineering Report

Building Condition Investigation	
Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Date of Investigation	October 2011
Short-term Repair Expenses	2,000 thousand yen
Long-term Repair Expenses	12,259 thousand yen
Investigation of Building Earthquake Risk	
Investigator	Engineering & Risk Service Corporation Oyo RMS Corporation
Date of Investigation	October 2011
PML	6.6%
Reproduction Cost	1,011,800 thousand yen
Remarks	
With respect to the Property's land, Top REIT was informed by Tokio Marine & Nichido Risk Consulting Co., Ltd. that "it is assessed that the investigated site has a low possibility of having soil contamination."	

\*Short-term repair expenses indicate the sum of emergency repair expenses and expenses for repairs that have to be carried out within one year based on the Engineering Report.

\*Long-term repair expenses indicate the yearly average amount of the forecasted long-term repair expenses for the 20 years hereafter based on the Engineering Report, with the figure rounded to nearest one thousand yen.

Overview of Evaluation Report on Earthquake-Resistance Related Items in the Structural Engineering Data

Investigator	KK. Kozo Kikaku Kenkyujo (first-class structural architect No. 7654 Masatoshi Kawamura)
Date of Investigation	October 2011
Investigation Results	Top REIT was informed that “the design complies with the Building Standard Law and the Order for Enforcement of the Building Standard Law as of 2002 (the time that the construction confirmation was obtained) and conforms to the various standards of the Architectural Institution of Japan and Building Center of Japan.”

## Appendix 2 Assumed Income and Expenditure of the Property

Assumed rental revenue (annual)	174,232 thousand yen
Assumed rental expenses (annual)	38,188 thousand yen
Assumed NOI (annual)	136,044 thousand yen

### Pre-conditions of Assumed Income and Expenditure

For the figures in the above table, the assumed rental revenue and the assumed rental expenses respectively represent the operating revenues and the operating expenses of the Property for the initial year, calculated by the DCF method described in the real estate appraisal report prepared upon the acquisition, and the difference between the two is entered as the assumed NOI. (These figures are not forecast figures for the next fiscal period.)

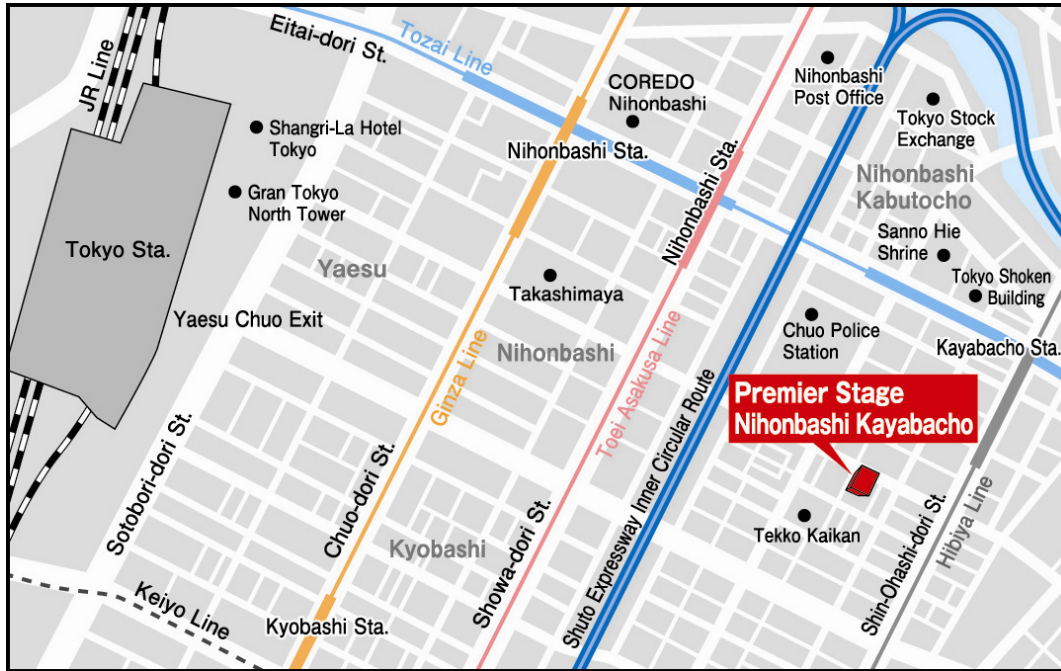


**Appendix 3 Exterior Photographs and Location Map of the Property**

**(1) Exterior Photographs**



(2) Location Map



**Appendix 4 Portfolio of Top REIT after Acquisition of the Beneficiary Interest in Trust and Disposition of Nittetsu Honmachi Building (Note 1)**

Asset Class	Area	Property Name	(Anticipated) Acquisition Price (million yen) (Note 2)	Investment Breakdown (%) (Note 3)
Office Buildings	Central Tokyo	NEC Head Office Building	41,950	23.5
		Harumi Island Triton Square Office Tower Y	33,000	18.5
		Harumi Island Triton Square Office Tower Z	20,000	11.2
		Kanda Nishiki-cho 3-chome Building	12,700	7.1
		Akasaka Oji Building	9,660	5.4
		Shiba-Koen Building	5,770	3.2
		Kanda Park Plaza	5,156	2.9
	Tokyo Metropolitan Area	Faret East Building	2,091	1.2
Subtotal (8 properties)			130,327	72.9
Retail Properties	Tokyo Metropolitan Area	Sagamihara Shopping Center	12,000	6.7
		Ito-Yokado Higashi-Narashino Store	8,900	5.0
		Musashiurawa Shopping Square	4,335	2.4
	Subtotal (3 properties)			25,235
Residential Properties	Central Tokyo	Premier Stage Nihonbashi Kayabacho	2,400	1.3
	Tokyo Metropolitan Area	Fukasawa House Tower H&I	10,635	6.0
		Ecology Toyosu Procentry	5,160	2.9
		Impress Musashi-Koganei	1,223	0.7
		TOP Residence Yoga	1,165	0.7
Subtotal (5 properties)			20,583	11.5
Others	Central Tokyo	OAK PLAZA	2,590	1.4
	Subtotal (1 property)			2,590
<b>Total</b>	17 properties		<b>178,735</b>	<b>100.0</b>

(Note 1) The above table indicates the status of the portfolio after disposition of the trust beneficiary interest in real estate in Japan (Nittetsu Honmachi Building) scheduled on November 25, 2011, as described in “Notice of Disposition of Trust Beneficiary Interest in Real Estate in Japan (Nittetsu Honmachi Building)” announced on October 26, 2011, and acquisition of the Beneficiary Interest in Trust.

(Note 2) The (anticipated) acquisition price indicates the transaction price (pre-tax price) described in the real estate sales agreement or the trust beneficiary interest transfer agreement concluded upon acquiring each of the properties, including properties planned for acquisition.

(Note 3) The investment breakdown indicates the ratio of each property and each asset class to the total (anticipated) acquisition price, and is rounded to the first decimal place.