



September 29, 2011

**Referential Translation**

Investment Corporation :  
 Top REIT Inc.  
 1-13-1 Nihonbashi, Chuo-Ward, Tokyo  
 Executive Officer: Junpei Norimatsu  
 (Securities Code: 8982)

Asset Management Company :  
 Top REIT Asset Management Co., Ltd.  
 1-13-1 Nihonbashi, Chuo-Ward, Tokyo  
 Nobuhito Endo  
 President and Representative Director

Inquiries :  
 Koji Murata  
 Director, General Manager  
 Financial Division  
 (Phone: +81-(0)3-3243-2181)

**Notice of Acquisition of Real Estate Property in Japan  
 (Pacific Residence Yoga I )**

Top REIT, Inc. (“Top REIT”) hereby announces that it today decided to acquire real estate in Japan (hereinafter, the “Property”), as described below.

1. Overview of Acquisition

Type of Title	Real estate in Japan
Name of Property	Pacific Residence Yoga I
Anticipated Acquisition Price	1,165,000,000 yen (Note)
Date of Sales Agreement	September 30, 2011
Anticipated Acquisition Date	October 14, 2011
Seller	Undisclosed since we were not able to obtain consent from the seller with respect to disclosure
Source of Funding	Cash on hand (To be scheduled)
Method of Settlement	Lump-sum payment on the acquisition date

(Note) The anticipated acquisition price is the price for sale to be specified in the sales agreement (excluding consumption tax and equivalents) which does not include acquisition expenses, real property tax, city planning tax, etc.

Furthermore, Top REIT plans to execute a trust agreement for real estate management and disposal (hereinafter, the “Trust Agreement”), in which the Property is set as a trust asset, as of the same date after acquiring the Property. The overview of the Trust Agreement is as follows.

Trustee	The Chuo Mitsui Trust and Banking Company, Limited (To be scheduled)
Term of Trust Agreement	October 14, 2011 to October 13, 2021 (To be scheduled)

## 2. Reason for Acquisition

This property 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, great emphasis was placed on the distance from the nearest station, transport convenience, excellent building quality and equipped facilities 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 2 minute walk from Yoga Station on the Tokyu Den-en-toshi Line, from which it takes only approximately 12 minutes to Shibuya Station, a major terminal station, by train. In addition, it takes about 30 minutes to Otemachi Station, located in a central business district of Japan, without transfer by Tokyo Metro Hanzomon Line.</li> <li>The area surrounding Yoga Station, where many retail facilities such as supermarkets, drugstores and restaurants, etc, are concentrated provides superior convenience for daily life, and boasts a good living environment due to the easy access to Kinuta Park from the Yoga Station through the Yoga Promenade which has fountains and avenues.</li> </ul>
Building	<ul style="list-style-type: none"> <li>The Property can meet a variety of needs, as it offers a residential unit type plan comprising primarily 1K for singles but also 1LDK for small families.</li> <li>Completed in February 2008, the property is fairly new, and has strong appeal in terms of building quality and facilities as it is equipped with state of the art facilities corresponding to the age of the building.</li> </ul>

## 3. Description of the Asset being Acquired

### Description of the Property

Address	(Registered Address) 1-223-1,2,5,8, Tamagawadai, Setagaya Ward, Tokyo (Residential Building Address) 1-14-12, Tamagawadai, Setagaya Ward, Tokyo	
Access	About a 2 minute walk from Yoga Station on the Tokyu Den-en-toshi Line	
Usage	Apartment building	
Structure/Floors	Reinforced concrete structure with a flat roof; 1floor basement and 5 floors above ground	
Area	Land	777.85m <sup>2</sup>
	Building	1,894.35m <sup>2</sup> (total floor area)
Type of Title	Land	Ownership
	Building	Ownership
Completion Date	February 2008	
Architect	Toray Construction Co., Ltd. First class authorized architect office of Tokyo	
Constructor	Toray Construction Co.,Ltd.	
Structural Engineer	Toray Construction Co., Ltd. First class authorized architect office of Tokyo	
Construction Confirmation	Tokyo Bldg-Tech Center Co.,Ltd.	
Total Number of Units	48 units	
Total Leasable Area	1,512.38m <sup>2</sup>	
Total Leased Units	46 units (as the end of August, 2011)	

Total Leased Area	1,462.26m <sup>2</sup> (as the end of August, 2011)
Occupancy Rate	96.7% (as the end of August , 2011)
Number of Tenants	One (Note)
Anticipated Acquisition Price	1,165,000 thousand yen
Appraisal Value	1,170,000 thousand yen (Japan Real Estate Institute; dated September 1, 2011) (Please refer to Appendix 1 for an overview of the appraisal.)
PML Value (Earthquake)	8.6% (based on the earthquake risk analysis reports dated September 16, 2011 and issued by Engineering & Risk Service Corporation and Oyo RMS Corporation)
Collateralized (Y/N)	No
Property Manager (To be scheduled)	Tokyu Community Corporation (Note)
Remarks	The storeroom has equipped by tenant on the roof terrace.

\*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) The trustee and Tokyu Community Corporation plan to execute a master lease and property management agreement as of October 14, 2011. The number of tenants is the figure after the master lease and property management agreement is concluded.

#### 4. Overview of the Lease Agreement (overview of the master lease and property management agreement scheduled to be concluded)

Tenant	Tokyu Community Corporation
Principal Business	Consigned management, lease, construction and others
Type of Lease Agreement	Standard lease agreement
Term of Lease	October 14, 2011 to March 31, 2013
Leased Area	1,512.38m <sup>2</sup>
Total Amount of Annual Rent	74,184,000 yen (Note 1)
Deposit and Guarantee	8,582,000 yen (Note 2)

(Note 1) The total amount of annual rent is obtained by multiplying the monthly rent based on the lease agreement with the end tenants as of the end of August 2011 by 12. Furthermore, this does not include income from parking lots, etc.

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

\*Based on the master lease and property management agreement scheduled for conclusion as of October 14, 2011, the trustee will lease the entire Property to Tokyu Community Corporation, which will sublease it to end tenants as the master lease company (i.e. “pass-through” scheme).

#### 5. Overview of the Seller

The seller is a domestic general company. Undisclosed, since we were not able to obtain consent from the seller with respect to disclosure.

## 6. 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.

## 7. Transactions with Interested Parties

None

## 8. Overview of Brokerage

### 1) Overview of Broker

Broker	Nomura Real Estate Urban Net Co., Ltd.
Address	Shinjuku Nomura Building, 1-26-2, Nishi-Shinjuku, Shinjuku Ward, Tokyo
Representative	Nagayoshi Kanehata, President
Principal Business	Residential property brokerage business, commercial real estate brokerage business, consignment sale business for newly-completed real estate, condominium renovation business, asset management business and insurance agent business
Paid-in Capital	1 billion yen
Establishment Date	November 6, 2000
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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## 9. Acquisition Schedule

Date of Decision on Acquisition	September 29, 2011
Date of Sales Agreement	September 30, 2011 (To be scheduled)
Date of Payment	October 14, 2011 (To be scheduled)
Date of Delivery	October 14, 2011 (To be scheduled)

## 10. Forecast on Business Results

Since the impact of the acquisition of the Property on the business results for the fiscal period ending October 2011 (the Eleventh Fiscal Period: from May 1, 2011 to October 31, 2011) and the fiscal period ending April 2012 (the Twelfth Fiscal Period: from November 1, 2011 to April 30, 2012) is minimal, the forecast on operating results for the said fiscal periods shall not be revised from the forecasts announced in the Summary of Earnings Results for the Tenth Fiscal Period (From November 1, 2010 to April 30, 2011) dated June 14, 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 Property

\* 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	September 1, 2011
Appraisal Value	1,170,000 thousand yen
Capitalized Value through Direct Capitalization Method	1,180,000 thousand yen
Net Operating Income (NOI)	60,017 thousand yen
Net Cash Flow (NCF)	58,878 thousand yen
Cap Rate	5.0%
Capitalized Value through Discounted Cash Flow (DCF) Method	1,160,000 thousand yen
Discount Rate	4.8%
Terminal Cap Rate	5.2%
Indicated Value by Cost Approach	994,000 thousand yen
Ratio of Land	52.7%
Ratio of Building	47.3%
Characteristics	
The property is located in a residential area in Setagaya Ward, and features good access as it is about a 2-minute walk from the nearest station and approximately 30-minutes to central Tokyo. The surrounding area is a residential area centering on medium-rise apartments with many convenient facilities around the station and enjoys a comparably better living environment and convenience for daily life.	

### Overview of Engineering Report

Building Condition Investigation	
Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Date of Investigation	September 2011
Short-term Repair Expenses	500 thousand yen
Long-term Repair Expenses	2,799 thousand yen
Investigation of Building Earthquake Risk	
Investigator	Engineering & Risk Service Corporation Oyo RMS Corporation
Date of Investigation	September 2011
PML	8.6%
Reproduction Cost	424,500 thousand yen
Remarks	
With respect to the Property's land, Top REIT was informed 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	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Date of Investigation	September 2011
Investigation Results	Top REIT was informed that “to the extent of this evaluation, there is no suspect recognized for intentional falsification of structural engineering data by the architect, and it is judged that the architectural design is in principle compliant with the provisions for earthquake resistance in the Building Standard Law, the Order for Enforcement of the Building Standard Law and other regulations.”

Appendix 2      Assumed Income and Expenditure of the Property

Assumed rental revenue (annual)	76,882 thousand yen
Assumed rental expenses (annual)	12,362 thousand yen
Assumed NOI (annual)	64,520 thousand yen

**Pre-conditions of Assumed Income and Expenditure**

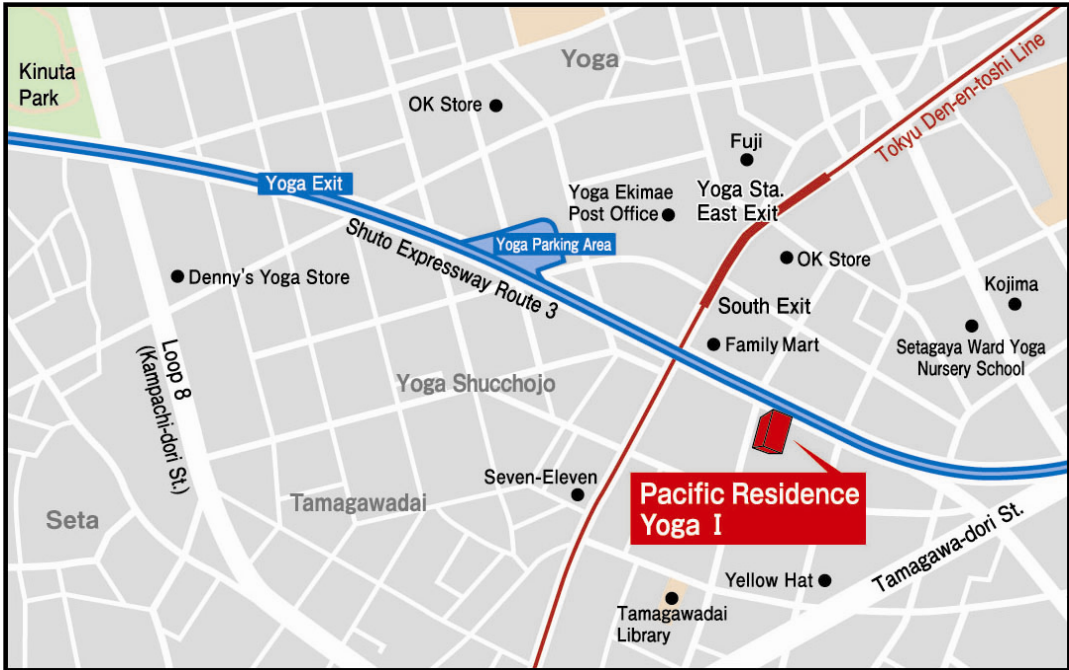
For the figures in the above table, the assumed rental revenue and the assumed rental expenses respectively represent the operating revenues and the operating expenses of the Property for the initial year, calculated by the DCF method described in the real estate appraisal report prepared upon the acquisition, 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 Property

Portfolio after Acquisition of the Property

Asset Class	Area	Property Name	(Anticipated) Acquisition Price (million yen) (Note 1)	Investment Breakdown (%) (Note 2)
Office Buildings	Central Tokyo	NEC Head Office Building	41,950	23.6
		Harumi Island Triton Square Office Tower Y	33,000	18.6
		Harumi Island Triton Square Office Tower Z	20,000	11.3
		Kanda Nishiki-cho 3-chome Building	12,700	7.2
		Akasaka Oji Building	9,660	5.4
		Shiba-Koen Building	5,770	3.3
	Kanda Park Plaza	5,156	2.9	
	Tokyo Metropolitan Area	Faret East Building	2,091	1.2
	Kansai	Nittetsu Honmachi Building	1,100	0.6
Subtotal (9 properties)			131,427	74.1
Retail Properties	Tokyo Metropolitan Area	Sagamihara Shopping Center	12,000	6.8
		Ito-Yokado Higashi-Narashino Store	8,900	5.0
		Musashiurawa Shopping Square	4,335	2.4
	Subtotal (3 properties)			25,235
Residential Properties	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
		Pacific Residence Yoga I	1,165	0.7
Subtotal (4 properties)			18,183	10.2
Others	Central Tokyo	OAK PLAZA	2,590	1.5
	Subtotal (1 property)			2,590
Total 17 properties			177,435	100.0

(Note 1) 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 2) 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.