

November 7, 2013

To All Concerned Parties

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Top REIT Inc.
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(Securities Code: 8982)

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[Delayed] Notice of Issuance of New Investment Units and Secondary Offering

Top REIT, Inc. (“Top REIT”) hereby announces that it has resolved the issuance of new investment units and secondary offering at its board of directors meeting held today. The details are as follows

1. Issuance of new investment units through public offering

(1) Total number of units to be offered

20,000 units

(2) Issue price (offer price)

To be determined

After taking into account the conditions of demand and other factors, the issue price (offer price) will be determined by multiplying the closing price (if there was no closing price on said day, then the closing price of the day immediately preceding that day) of Top REIT’s investment units (the “Investment Units”) in regular trading on the Tokyo Stock Exchange, Inc. on any of the days (the “Pricing Date”) from November 18, 2013 (Monday) to November 21, 2013 (Thursday) by between 0.90 to 1.00, and taking the resulting price (rounding all fractions down to the nearest yen) as a tentative price range, in accordance with the method stipulated in Article 25 of the Regulations Concerning Securities Underwriting, etc. by the Japan Securities Dealers Association (JSDA).

(3) Amount to be paid in (purchase price)

To be determined

The amount to be paid in (purchase price) will be determined at a board of directors meeting to be held on the Pricing Date in accordance with the method stipulated in Article 25 of the Regulations Concerning Securities Underwriting, etc. by the Japan Securities Dealers Association (JSDA). The amount to be paid in (purchase price) is the proceeds per investment unit Top REIT receives.

(4) Total amount to be paid in (total purchase price)

To be determined

(5) Offering method

Investment units shall be offered through a public offering, and all investment units shall be underwritten and purchased by an underwriting syndicate comprised of Daiwa Securities, Co. Ltd., Nomura Securities Co., Ltd., and Mizuho Securities Co., Ltd. (collectively, the “Joint Lead Managers”). In addition to the Joint Lead Managers, the other underwriters are: SMBC Nikko Securities Inc.,

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Okasan Securities Co., Ltd. and SMBC Friend Securities Co., Ltd. (together with the Joint Lead Managers, collectively called the “Underwriters”).

(6) Outline of underwriting agreement

The Underwriters shall purchase and underwrite the Investment Units at the purchase price to be determined on the Pricing Date and offer them via public offering at a price (issue price) that differs from the aforementioned corresponding purchase price. No underwriting commission will be paid by Top REIT to the Underwriters. However, the Underwriters shall pay Top REIT the total amount to be paid in (purchase price) on the payment date indicated in (9) below and the aggregate amount of the difference between the total issue price (offer price) of the public offering and the total amount to be paid in (total purchase price) shall be the proceeds for the Underwriters.

(7) Offering unit

One unit or more in multiples of one unit.

(8) Offering period

From the next business day of the Pricing Date to two days following the Pricing Date.

(9) Payment date

Any of the days between November 25, 2013 (Monday) and November 28, 2013 (Thursday), which shall be five business days after the Pricing Date.

(10) Delivery date

The business day following the payment date.

(11) The issue price (offer price), amount to be paid in (purchase price) and other necessary items concerning the issuance of new investment units shall be determined at a future board of directors meeting.

(12) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Secondary offering (over-allotment) (see <Reference 1> below)

(1) Seller and the number of units to be offered

Daiwa Securities Co., Ltd. 1,000 units

The above number of investment units to be sold is the maximum number of investment units to be sold in the secondary offering via over-allotment, and the number may decrease or the secondary offering via over-allotment itself may not take place at all depending on the conditions of demand and other factors. The number of investment units to be sold shall be determined at a board of directors meeting to be held on the Pricing Date, taking into consideration the conditions of demand and other factors.

(2) Offer price

To be determined

It will be determined at the board of directors meeting to be held on the Pricing Date, and shall be the same as the issue price (offer price) of the public offering.

(3) Total offer price

To be determined

(4) Offering method

In consideration of the demand of the public offering, Daiwa Securities Co., Ltd. shall conduct a secondary offering, separate from the public offering, up to 1,000 units that it will borrow from Top REIT’s unitholder Sumitomo Mitsui Trust Bank, Limited (“Sumitomo Mitsui Trust Bank”).

(5) Offering unit

One unit or more in multiples of one unit.

(6) Offering period

The same period as the offering period for the public offering.

(7) Delivery date

The same period as the delivery date of the public offering.

(8) This secondary offering via over-allotment shall be canceled upon the cancelation of the public offering.

(9) The number of units to be offered, offer price and other matters necessary for the secondary offering shall be determined at a future board of directors meeting.

(10) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

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3. Third-party allotment (see <Reference 1> below)

- (1) Total number of units to be offered
1,000 units
- (2) Amount to be paid in (purchase price)
To be determined
The amount to be paid in (purchase price) shall be determined at the board of directors meeting to be held on the Pricing Date and shall be the same as the amount to be paid in (purchase price) of the public offering.
- (3) Total amount to be paid in (total purchase price)
To be determined
- (4) Allottee and number of units to be issued to the Allottee
Daiwa Securities Co., Ltd. 1,000 units
- (5) Offering unit
One unit or more in multiples of one unit.
- (6) Offering period (offering date)
December 12, 2013 (Thursday)
- (7) Payment date
December 13, 2013 (Friday)
- (8) If there is no subscription for investment units to be issued by the end of the offering period (offering date) in (6) above, issuance of such investment units shall be cancelled.
- (9) This issuance of new investment units via over-allotment shall be canceled upon the cancelation of the public offering.
- (10) The amount to be paid in (purchase price) and other necessary items concerning the issuance of new investment units shall be determined at a future board of directors meeting.
- (11) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

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<Reference>

1. Details of the secondary offering (over-allotment)

In consideration of the demand of the public offering, Daiwa Securities Co., Ltd. may conduct a secondary offering (secondary offering via over-allotment), separate from the public offering, up to 1,000 units that it will borrow from Top REIT's unitholder Sumitomo Mitsui Trust Bank (the "Borrowed Investment Units"). While the scheduled number of investment units to be offered in the secondary offering via over-allotment is 1,000, this number represents the maximum number and the actual number of units to be offered may be less than indicated above or the secondary offering via over-allotment itself may be canceled entirely depending on conditions of demand and other factors. In relation to this, for the purpose of obtaining the investment units which are needed to return the Borrowed Investment Units, Top REIT has resolved at its board of directors meeting held on November 7, 2013 (Thursday) to issue 1,000 new investment units through a third-party allotment, separate from the public offering, with Daiwa Securities Co., Ltd. as the allottee and with December 13, 2013 (Friday) as the payment date.

It is possible that Daiwa Securities Co., Ltd. will conduct stabilizing transactions in accordance with the public offering or secondary offering via over-allotment and use the Investment Units purchased through such stabilizing transactions to return all or part of the Borrowed Investment Units.

Furthermore, during the period beginning on the day immediately following the offering period for the public offering and secondary offering via over-allotment and ending on December 10, 2013 (the "Syndicate Covering Transaction Period"), Daiwa Securities Co., Ltd. may purchase investment units on the Tokyo Stock Exchange up to the number of units offered in the secondary offering via over-allotment (the "Syndicate Covering Transactions") to return the Borrowed Investment Units. All investment units that Daiwa Securities Co., Ltd. may purchase through Syndicate Covering Transactions shall be applied to the return of the Borrowed Investment Units. It is also possible that during the Syndicate Covering Transaction Period, Daiwa Securities Co., Ltd. will, at its discretion, not conduct Syndicate Covering Transactions at all or end the Syndicate Covering Transactions with the actual number of units transacted less than the number of units offered in the secondary offering through over-allotment.

Regarding the investment units for the secondary offering via over-allotment remaining after subtracting the units acquired through Stabilizing Transactions and Syndicate Covering Transactions to be used to return the Borrowed Investment Units, Daiwa Securities intends to accept the Third-Party Allotment and acquire the Investment Units. Therefore, if there is no subscription for part or all of the investment units to be issued in the Third-Party Allotment, the number of the investment units with respect to the Third-Party Allotment may be reduced by the number of units not subscribed, or the issuance itself may be canceled entirely.

The transactions set forth above shall be conducted by Daiwa Securities Co., Ltd. after consultation with Nomura Securities Co., Ltd. and Mizuho Securities, Co., Ltd.

2. Total number of investment units issued after new issuance

Total investment units issued (as of November 7, 2013)	155,000
Increase in investment units by public offering	20,000
Total investment units issued after public offering	175,000
Increase in investment units by Third-Party Allotment	1,000 (Note)
Total investment units issued after Third-Party Allotment	176,000 (Note)

(Note) The number of investment units stated is for the case in which Daiwa Securities Co., Ltd. subscribes for all the investment units of the Third-Party Allotment and those investment units are subsequently issued.

3. Reason for and purpose of issuance

The issuance of the new investment units was determined for the purpose of expanding the asset size and improving the profitability of the portfolio through the new acquisition of specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same follows), after having considered factors such as market trends, financial soundness, and the level of dividend per unit, etc.

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4. Total amount to be procured, use of funds and scheduled expenditure date

(1) Amount to be procured (approximate net amount to be obtained)

9,009,000,000 yen (maximum)

(Note) The amount represents the combined amount of 8,580,000,000 yen in proceeds Top REIT will receive from the public offering and the maximum amount of 429,000,000 yen Top REIT will receive from the issuance of new investment units from the Third-Party Allotment. This sum is an estimate based on the closing price of the investment units in ordinary trading at the Tokyo Stock Exchange as of October 31, 2013 (Thursday).

(2) Particulars of use of funds and the scheduled expenditure date

Top REIT will allot 8,580,000,000 yen of proceeds from the public offering to part of the funds for the acquisition of specified assets indicated in the press release “[Delayed] Notice of Acquisition of Trust Beneficiary Interest in Real Estate in Japan” dated today which Top REIT is scheduled to acquire. The maximum of 429,000,000 yen of proceeds from the issuance of new investment units from the Third-Party Allotment resolved on the same date as the public offering shall be Top REIT’s cash on hand and be allotted to funds for the acquisition of specified assets or for the repayment of loans in the future.

(Note) The procured funds will be deposited to a bank until expenditure.

5. Designated destination of distribution

None

6. Forecast

Please see the press release “[Delayed] Notice of Revised Forecast on Business Result for the Sixteenth Fiscal Period Ending April 30, 2014 and Forecast on Business Results for the Seventeenth Fiscal Period Ending October 31, 2014” dated today.

7. Business results of past three fiscal periods and status of equity financing

(1) Operating results of past three fiscal periods

	12th Fiscal Period (Ending April 30, 2012)	13th Fiscal Period (Ending October 31, 2012)	14th Fiscal Period (Ending April 30, 2013)
Net income per unit (Note 1 & 2)	12,899 yen	12,912 yen	11,759 yen
Dividend per unit	12,577 yen	12,912 yen	11,759 yen
Actual payout ratio (Note 3)	97.5%	100.0%	100.0%
Net assets per unit (Note 2)	543,610 yen	543,900 yen	542,758 yen

(Note 1) Net income per unit is calculated by dividing the net income by the weighted average number of investment units over the number of days in the period.

(Note 2) Net income per unit and net assets per unit are rounded down to the nearest whole number.

(Note 3) The actual payout ratio is rounded to the nearest first decimal place.

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

	13th Fiscal Period (Ending October 31, 2012)	14th Fiscal Period (Ending April 30, 2013)	15th Fiscal Period (Ending October 31, 2013)
Opening price	448,500 yen	371,000 yen	522,000 yen
High	459,500 yen	580,000 yen	525,000 yen
Low	343,500 yen	350,500 yen	403,000 yen
Closing price	371,000 yen	522,000 yen	457,500 yen

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2) Status in the last six months

	June 2013	July	August	September	October	November
Opening price	443,500 yen	442,000 yen	421,500 yen	415,000 yen	492,500 yen	454,500 yen
High	453,500 yen	455,000 yen	444,000 yen	495,500 yen	494,500 yen	464,500 yen
Low	405,500 yen	415,500 yen	403,000 yen	410,000 yen	453,500 yen	450,000 yen
Closing price	444,500 yen	415,500 yen	414,500 yen	494,500 yen	457,500 yen	450,000 yen

(Note) The investment unit price for November 2013 is the figure as of November 6, 2013.

3) Investment unit price on the business day preceding the resolution day of the issuance

	November 6, 2013
Opening price	453,000 yen
High	453,000 yen
Low	450,000 yen
Closing price	450,000 yen

(3) Status of equity financing in the last three fiscal periods

None

8. Other (restrictions on sale, additional issuance, etc.)

- (1) With respect to the public offering, Sumitomo Mitsui Trust Bank and Oji Real Estate Co., Ltd., who hold the Investment Units, have agreed with the Joint Lead Managers not to sell, furnish security, lend, etc. (excluding, however, loans, etc. of the Investment Units to Daiwa Securities Co., Ltd. accompanying the secondary offering via over-allotment) Investment Units owned as of today without prior written approval from the Joint Lead Managers within the period from the Pricing Date until 180 days after the Delivery Date of the public offering.
- (2) With respect to the public offering, Top REIT has agreed with the Joint Lead Managers not to issue, etc. investment units (excluding the issuance, etc. of new investment units for the public offering and the Third-Party Allotment and issuance, etc. of new investment units by the split of the Investment Units) without prior written approval from the Joint Lead Managers within the period from the Pricing Date until the corresponding day 90 days after the Delivery Date of the public offering.
The Joint Lead Managers have the right to cancel all or part of the above restrictions in both (1) and (2) above at their own discretion.

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

DISCLAIMER:

Top REIT, Inc. makes no assurance or warranty with respect to the completeness or accuracy of this English translation. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. For complete and accurate information, please refer to the Japanese original.

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