

March 30, 2018

FOR IMMEDIATE RELEASE

Activia Properties Inc.
1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo
Nariaki Hosoi
Executive Director
(Code: 3279)

Asset Management Company
TLC REIT Management Inc.
Hiroyuki Tohmata
President & CEO

Inquiries
Kazuyuki Murayama
General Manager of Strategy Department
Activia Management Division
(Tel: +81-3-6804-5671)

Notice Concerning Change of Tenants (Commencement of Lease),
Property Management Company and Master Lease Company,
and Asset Category and Property Name
(Shinbashi Place)

In relation to Shinbashi Place (the “Property”), Activia Properties Inc. (“API”) announces that it concluded below lease agreement (the “Agreement”) with tenant.

API announces also that TLC REIT Management Inc. (“TRM”), to which API entrusts its asset management operations, decided today to change property management company (the “PM Company”) and master lease company (the “ML Company”) of the Property (the “Change”).

TRM decided to change also the name and the asset category of the Property (collectively with the Change, the “Changes”). Details are as follows:

1. Overview of the Agreement

(1) Name of the tenant	Tokyu Land Corporation
(2) Date of the contract	March 30, 2018
(3) Term of the lease	May 15, 2018-May 31, 2028 (Fixed term)
(4) Leased area	677.51 m ²
(5) Ratio of leased area to total leasable area of the Property	11.1% (Note 1)
(6) Ratio of leased area to total leasable area of API’s portfolio	0.2% (Note 2)
(7) Monthly rent	- (Note 3)
(8) Tenant leasehold and security deposits	- (Note 3)

(Note 1) Calculated based on the estimated total leasable area of the Property as of today (6,117.48 m²). Upon the conclusion of the Agreement, leasing of the Property has been completed and the total of the actual contracted area of the Property will be 6,459.24 m².

(Note 2) Calculated based on the estimated total leasable area of API’s portfolio as of today (395,557.19 m²).

(Note 3) Not disclosed because the tenant approval is not obtained.

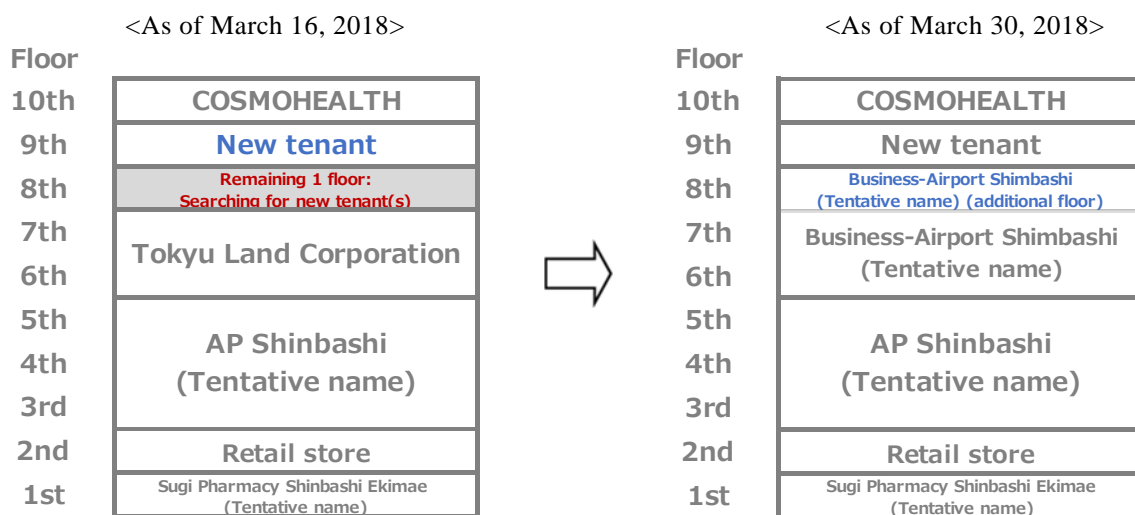
2. Background of the conclusion of the Agreement

As announced in "Notice Concerning Change of Tenants (Commencement of Lease)" released on November 17, 2017, "Notice Concerning Change of Tenants (Commencement of Lease) (Shinbashi Place)" released on February 6, 2018 and "Notice Concerning Change of Tenant (Commencement of Lease) (Shinbashi Place)" released on March 16, 2018, in relation to the Property of which the current tenant will depart as of May 14, 2018, we already concluded lease agreements with six new tenants. And today we entered into the Agreement with Tokyu Land Corporation for its additional floor.

Upon the conclusion of the Agreement, with approximately one month left before termination of the lease of the current tenant, all floors of the Property have been re-leased. We concluded lease agreements with all new tenants without generating vacant period.

API judges that the anticipated lessee of the Property satisfies the criteria for the selection of tenants stated in the "Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties" submitted by TRM on February 28, 2018.

<Reference: Floor plan>



(Note) Business-Airport is a membership satellite office operated by Tokyu Land Corporation.

3. Overview of the change of PM Company and ML Company

API plans to change the PM Company and ML Company of the Property as below as of May 15, 2018.

Property number	Property name	Before change	After change
UR-4	Shinbashi Place	Tokyu Land SC Management Corporation	Tokyu Community Corp.

4. Profile of the PM Company and ML Company

Name	Tokyu Community Corp.
Address	10-1, Yoga 4-chome, Setagaya-ku, Tokyo
Management	Katsuhide Saiga
Amount of capital	1,653 million yen
Established	April 8, 1970
Business description	<ol style="list-style-type: none"> 1. Management, lease, purchase and sale, intermediary of land and building and management of condominium 2. Design, supervision, construction and contract of building and auxiliary equipment 3. Consulting related to management of land and building 4. Any other related businesses to each item listed above
Relationships with API and TRM	
Capital relationship	None
Personnel relationship	Certain personnel have been seconded to TRM from Tokyu Community Corp.
Business relationship	The trustee has contracted building maintenance agreement, lease agreement and property management agreement with Tokyu Community Corp. on the buildings with the trust beneficiary interest held by API.
Related party or not	Tokyu Community Corp. is not a related party of API, but is an interested party of TRM. Also, Tokyu Community Corp. is an interested party under Act on Investment Trusts and Investment Corporations (“ITA”).

5. Transaction with related parties

Tokyu Land Corporation is the parent company of TRM. Tokyu Community Corp., the expected PM company and ML company after the Change is a wholly owned subsidiary of Tokyu Fudosan Holdings Corporation which is the parent company of Tokyu Land Corporation, the parent company of TRM. Both entities are interested parties as provided in Article 201 on ITA, Article 123 of the Enforcement Ordinance of ITA, and the regulations concerning transactions with interested parties in the internal regulations of TRM. Therefore, TRM carried out the appropriate procedures as provided in the regulations concerning transactions with interested parties to conclude the Agreement and implement the Change.

6. Current and new categories and names of the Property and date of the change

Current property number	Current name	New property number	New name	Date of change (planned)
UR-4	Shinbashi Place	TO-17	A-PLACE Shinbashi Ekimae	June 1, 2018

7. Reasons of the Changes

Tokyu Community Corp. has extensive experience in management of buildings and retail facilities with a track record of approximately 1,100 properties as of the end of March 2017. As of today, API entrusts master lease and property management services to the entity for 20 properties of its portfolio (including Umeda Gate Tower of which the PM company and ML company will be changed to the entity as of May 1, 2018), leveraging Tokyu Fudosan Holdings Group’s value chain.

Since the leasing of the Property of which the current tenant will leave as of May 14, 2018 have been completed, and that the Property will be operated primarily as offices under its new operation as complex

building, API decided to change PM company and ML company to the entity, comprehensively assessing and taking into account its expertise in management of office properties and high leasing ability.

In view of that the Property will be managed hereafter as office property, API decided to change its asset category to Tokyo Office properties (TO) and its name as API's office properties shall bear the "A-PLACE" brand under API's basic policy.

8. Outlook

The impact of the conclusion of the Agreement and the Changes on the management performance of API for the fiscal period ending May 2018 (the 13th fiscal period, from December 1, 2017 to May 31, 2018) and for the fiscal period ending November 2018 (the 14th period from June 1, 2018 to November 30, 2018) is not material.

*Website of API: <https://www.activia-reit.co.jp/en/>

<Reference>

PM Companies after the Changes

Property number	Property name	PM Company
UR-1	Tokyu Plaza Omotesando Harajuku	Tokyu Land Corporation
UR-2	Tokyu Plaza Akasaka	Tokyu Land Corporation
UR-3	Q plaza EBISU	Tokyu Land SC Management Corporation
UR-5	Kyoto Karasuma Parking Building	Tokyu Land SC Management Corporation
UR-6	A-FLAG AKASAKA	Tokyu Land SC Management Corporation
UR-7	Kobe Kyu Kyoryuchi 25Bankan	Tokyu Land SC Management Corporation
UR-8	A-FLAG SAPPORO	Tokyu Land SC Management Corporation
UR-9	A-FLAG SHIBUYA	Tokyu Land SC Management Corporation
UR-10	Q plaza SHINSAIBASHI	Tokyu Land SC Management Corporation
UR-11	A-FLAG KOTTO DORI	Tokyu Community Corp.
UR-12	A-FLAG BIJUTSUKAN DORI	Tokyu Land SC Management Corporation
UR-13	A-FLAG DAIKANYAMA WEST	Tokyu Land SC Management Corporation
UR-14	A-FLAG KITA SHINSAIBASHI	Tokyu Land SC Management Corporation
UR-15	DECKS Tokyo Beach	Tokyu Land SC Management Corporation
TO-1	TLC Ebisu Building	Tokyu Community Corp.
TO-2	A-PLACE Ebisu Minami	Tokyu Community Corp.
TO-3	A-PLACE Yoyogi	Tokyu Community Corp.
TO-4	A-PLACE Aoyama	Tokyu Community Corp.
TO-5	Luogo Shiodome	Tokyu Community Corp.
TO-6	TAMACHI SQUARE (Land)	-
TO-7	A-PLACE Ikebukuro	Tokyu Community Corp.
TO-8	A-PLACE Shinbashi	Tokyu Community Corp.
TO-9	A-PLACE Gotanda	Tokyu Community Corp.
TO-10	A-PLACE Shinagawa	Tokyu Community Corp.
TO-11	OSAKI WIZTOWER	Tokyu Community Corp.
TO-12	Shiodome Building	Mitsubishi Jisho Property Management Co., Ltd
TO-13	A-PLACE Ebisu Higashi	Tokyu Community Corp.
TO-14	A-PLACE Shibuya Konnoh	Tokyu Community Corp.
TO-15	A-PLACE Gotanda Ekimae	Tokyu Community Corp.
TO-16	A-PLACE Shinagawa Higashi	Tokyu Community Corp.
TO-17	A-PLACE Shinbashi Ekimae	Tokyu Community Corp.
AA-1	Amagasaki Q's MALL (Land)	-
AA-2	icot Nakamozu	Tokyu Land SC Management Corporation
AA-4	icot Mizonokuchi	Tokyu Land SC Management Corporation
AA-5	icot Tama Center	Tokyu Land SC Management Corporation
AA-6	A-PLACE Kanayama	Tokyu Community Corp.
AA-7	Osaka Nakanoshima Building	Tokyu Community Corp.
AA-8	icot Omori	Tokyu Land SC Management Corporation
AA-9	Market Square Sagamihara	Tokyu Land SC Management Corporation
AA-10	Umeda Gate Tower	Tokyu Community Corp. (as from May 1, 2018)
AA-11	A-PLACE Bashamichi	Tokyu Community Corp.
AA-12	Commercial Mall Hakata	Tokyu Community Corp.