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FOR IMMEDIATE RELEASE

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Notice of Acquisition of Asset (Hitotsugi LIP)

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces today that it decided to acquire a property. Details are as follows:

1. Overview of the acquisition

- (1) Property name: Hitotsugi LIP
- (2) Asset to be acquired: The trust beneficiary interest in a property (Hitotsugi LIP) as a trust asset (hereinafter referred to as the “property”)
- (3) Acquisition price: ¥3,000 million (excluding expenses for the acquisition and consumption taxes)
- (4) Date of sales contract: August 30, 2013 (plan)
- (5) Date of acquisition: August 30, 2013 (scheduled date of delivery and settlement)
- (6) Seller of property: Undisclosed for unavoidable reasons, as approval for disclosure is not available from the seller
- (7) Funds for acquisition: Borrowed funds (Note1) and the Investment Corporation’s own funds (plan)
- (8) Settlement method: Total amount to be paid at the time of delivery

(Note 1) For further information on the borrowed funds, please refer to the “Notice Concerning Borrowing of Funds” disclosed today.

(Note 2) In this notice, any fraction after the decimal point is rounded down, and percentage figures are rounded to the first decimal place.

2. Reason of the acquisition

In accordance with the subjects and policies of asset management stipulated in its bylaws, the Investment Corporation will acquire the property categorized to “Urban Retail Properties” which is the priority investment targets for enrichment of the portfolio. Following this acquisition, the portfolio of the Investment Corporation will consist of 21 properties with an approximate total acquisition price of 184.3 billion yen. The acquisition of the property will diversify the portfolio and stabilize profitability.

The Investment Corporation has recently decided to acquire the property on a negotiation basis from the third party, that the information is provided by the intermediary.

We have decided to acquire the property based on the following considerations:

(1) Location

Hitotsugi LIP has a high level of transport convenience by locating on a three-minute walk from “Akasaka” Station on Tokyo Metro Chiyoda Line, five-minute walk from “Akasaka-mitsuke” Station on Tokyo Metro Ginza Line and Marunouchi Line, and six-minute walk from “Tameike-sanno” Station on Tokyo Metro Ginza Line and Namboku Line.

The property is expected to attract many consumers by facing toward Hitotsugi Street which has the largest number of pedestrian in Akasaka area with various kinds of restaurants, and locating near “Akasaka Sacas”, a large complex facility, opened in 2008.

(2) Features of the property

Hitotsugi LIP is a retail property built in 2008 with 7 floors above and 1 floor underground consisted of restaurants.

The standard floor has a leasable area of 361m² (approx. 109 tsubo) which is possible to meet tenant requests with the wide range of floor sizes, from 152 m² (approx. 46 tsubo) to 361 m² (approx. 109 tsubo).

In addition, the property has competitiveness by the ceiling height of 3.0m for each floor (the first floor is 3.5m) and two see-through-typed elevators (for 11 persons / 13 persons), and a high visibility by locating on the corner of the three streets and the unique exterior with outer wall louver in red.

3. Overview of the property to be acquired

(1) Outline of the property

Property name		Hitotsugi LIP
Specified asset category		Trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		Land: October 20, 2006 Building: March 14, 2008
Trust maturity date		August 31, 2023
Transportation		3-minute walk from “Akasaka” station on the Tokyo Metro Chiyoda Line
Location (address)		3-6 Akasaka 4-chome, Minato-ku, Tokyo
Land	Location	315 Akasaka 4-chome, Minato-ku, Tokyo (Note 1)
	Building to land ratio	100.00% (Note 2)
	Plot ratio	474.62% (Note 2)
	Usage restrictions	Commercial district, near commercial district
	Land area	514.86m ² (Note 1) (Note 3)
	Ownership	Ownership and partial leasehold (Note 3)
Building	Completion date	February 18, 2008 (Note 1)
	Structure	Steel framed・SRC / 7 floors above and 1 floor underground (Note 1)
	Registered usage	Retail (Note 1)
	Gross floor area	2,429.01m ² (Note 1)
	Parking facilities	5 vehicles
	Ownership	Ownership
Property management company		Tokyu Land SC Management Corporation (plan) (Note 4)

Master lessee	Tokyu Land SC Management Corporation (plan) (Note 4)
Acquisition price	¥3,000 million
Appraisal value (Date of value estimate)	¥3,150 million (July 1, 2013)
Appraisal agency	Japan Real Estate Institute
Earthquake PML	7.2% (according to an earthquake PML report of NKSJ Risk Management, Inc.)
Hypothecation	None
Lease overview (Note 5)	
Total leasable area	2,280.22m ²
Occupancy rate	77.4%
Number of tenants	6
Annual rent (Note 6)	¥148 million
Expected NOI (Note 7)	¥135 million
Total of deposit	¥127 million
Remarks	None
<p>(Note 1) The data are based on the registry.</p> <p>(Note 2) The data are calculated under relevant laws, including the Building Standards Act (Law No. 201 of 1950, including subsequent revisions) and the City Planning Act (Law No. 100 of 1968, including subsequent revisions).</p> <p>(Note 3) The portion subject to leasehold has an area of 18.74 m² (Land registry).</p> <p>(Note 4) Tokyu Land SC Management Corporation is an interested party with respect to the Asset Manager (TLC Activia Investment Management Inc., the asset management company of the Investment Corporation, is referred to as “the Asset Manager” hereinafter) under the Asset Manager’s regulations for transactions with interested parties. Thus, under the regulations for transactions with interested parties, the board of directors of the Asset Manager resolved to outsource master lessee and property management to Tokyu Land SC Management Corporation following the deliberation and resolution at the compliance committee and the investment committee, and reported the resolution to the Board of Directors of the Investment Corporation.</p> <p>(Note 5) The figures are estimates as of the scheduled date of acquisition (August 30, 2013). The occupancy rate is estimated as 67.8% with considering of cancelation from the part of the tenant.</p> <p>(Note 6) Annual rent is equal to the figures with monthly rent, based on the lease contract with the end tenants as of the acquisition date (August 30, 2013) , including common service fees and excluding fees for warehouses, advertisement, parking and others while the free rent as of the acquisition date is not in the consideration, multiples by 12 months, which is rounded down to the million yen (excluding tax).</p> <p>(Note7) NOI is total revenues from real estate leasing less total expenses for real estate leasing (excluding depreciation and loss on retirement of fixed assets). The expected NOI is expected earnings excluding special factors for the fiscal year when the property will be acquired (and is not a forecast for the current period) based on assumptions made at the time of the calculation. The occupancy rate is expected to be 95.0%.</p>	

(2) Profile of the seller

The seller is a specific purpose company based in Japan. The details are not disclosed, as approval for disclosure is not available. The seller has no capital, personnel or business relationship to be reported with the Investment Corporation, the Asset Manager, any person involved in the Investment Corporation and/or the Asset Manager or any of their affiliated companies. None of the seller, the personnel or affiliated companies are related parties of the Investment Corporation or the Asset Manager.

4. Condition of the seller

Omitted, because the acquisition of the property is not an acquisition from a party having a special interest in the Investment Corporation or the Asset Manager.

5. Outline of intermediary

(1) Profile of the intermediary

Name	Mitsubishi UFJ Trust and Banking Corporation
Address	4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Management	Tatsuo Wakabayashi, President
Amount of Capital	324,279 million
Main Shareholder	Mitsubishi UFJ Financial Group
Business Description	1. Retail Banking Business 2. Corporate Business 3. Trust Assets Business (Asset Management, Asset Administration, Pension) 4. Real Estate Business 5. Stock Transfer Agency Business 6. Markets and Global Business
Relationships with the Investment Corporation and the Asset Manager	
Capital relationship	As of May 31, 2013, Mitsubishi UFJ Trust and Banking Corporation has 300 units (in trust) of the Investment Corporation .
Personnel relationship	None
Business relationship	Mitsubishi UFJ Trust and Banking Corporation is one of the lenders and also the trustee for some of our properties.
Related party or not	Mitsubishi UFJ Trust and Banking Corporation is not a related party of the Investment Corporation or the Asset Manager.

(2) Breakdown and amount of intermediary fees

The breakdown and the amount of intermediary fees are not disclosed, as the intermediary has not granted approval for disclosure.

6. Schedule

Determination of acquisition	August 27, 2013
Conclusion of acquisition contract	August 30, 2013 (plan)
Payment	August 30, 2013 (plan)
Acquisition of property	August 30, 2013 (plan)

7. Outlook

For the effect of the acquisition of the property on the management performance of the Investment Corporation for the fiscal period ending November 2013 (The 4th fiscal period, from June 1, 2013 to November 30, 2013) and the fiscal period ending May 2014 (The 5th fiscal period, from December 1, 2013 to May 31, 2014), please refer to the “Notice of Revision to Forecast Management Performance for the Period Ending November 30, 2013 and the Period Ending May 31, 2014” announced today.

<Exhibits>

Exhibit 1 Outline of Appraisal Report

Exhibit 2 Outline of Building Appraisal Report

Exhibit 3 Photo of the Exterior, Map of the Area

Exhibit 4 Portfolio after the Acquisition of the Property

*Distribution of this material: This material is distributed to the Kabuto Club; the press club for the Ministry of Land, Infrastructure, Transport, and Tourism; and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport, and Tourism.

*Website of the Investment Corporation: <http://www.activia-reit.co.jp/english>

Exhibit 1 Outline of Appraisal Report

Property name	Hitotsugi LIP
Appraisal value	¥3,150 million
Appraisal agency	Japan Real Estate Institute
Date of value estimate	July 1, 2013

Capitalization		
	Value by direct capitalization method (million yen)	3,170
	NOI (million yen) (Note)	135
	Capitalization rate (%)	4.3
	Value by the DCF method (million yen)	3,120
	Discount rate (%)	4.0
	Terminal capitalization rate (%)	4.4
Multiplication value by cost accounting method (million yen)		2,450
Land ratio (%)		81.3
Building ratio (%)		18.7

(Note) NOI is net operating income, that is, operating revenue less operating expense stated on the appraisal report, and income before depreciation is deducted. NOI is different from NCF (Net Cash Flow), which is NOI plus revenue from management, including a security deposit, less capital expenditure. The NOI above is NOI calculated through the direct capitalization method.

Exhibit 2 Outline of Building Appraisal Report

Appraisal company	HI International Consultant Co., LTD
Date of value estimate	August 6, 2013
Short-term renovation expense (Note1) (Note2)	¥360 thousand
Long-term renovation expense (Note1) (Note3)	¥46,760 thousand

(Note1) The short-term renovation expense and long-term renovation expense are based on the building appraisal report.

(Note2) The short-term renovation expense is the total expense for renovations needed within one year of the date of the appraisal report.

(Note3) The long-term renovation expense is the total expense for renovations needed within 12 years of the date of the appraisal report.

Exhibit 3 Photo of the Exterior, Map of the Area

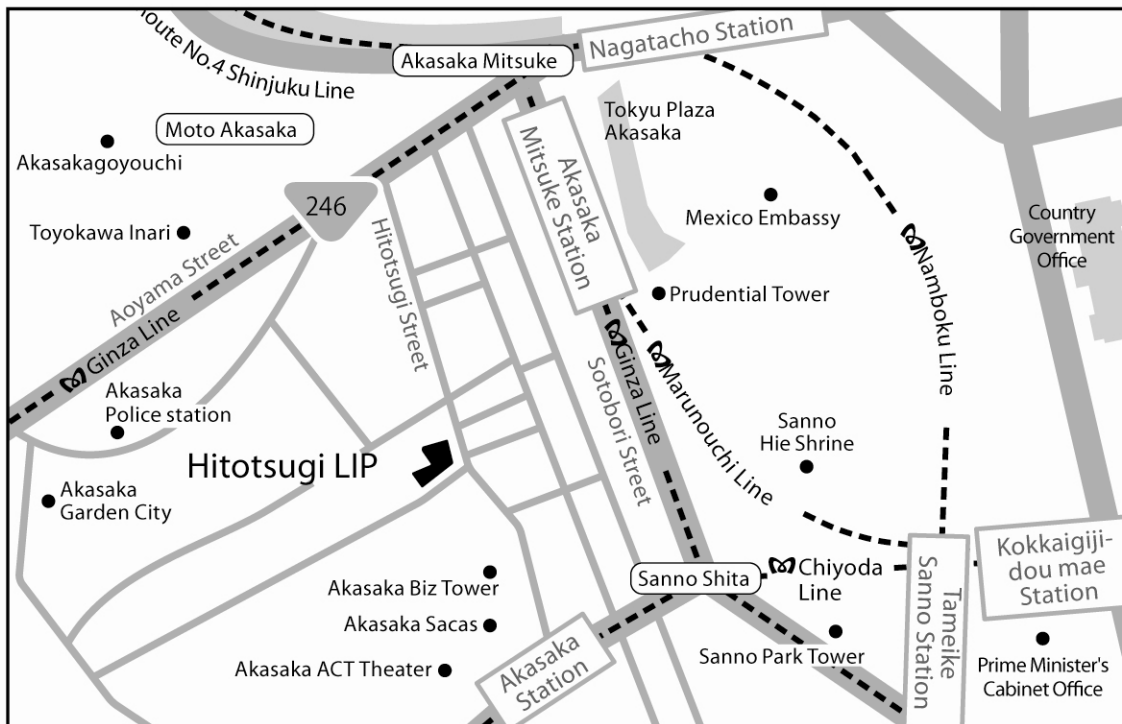


Exhibit 4 Portfolio after the Acquisition of the Property

Category	Property No. (Note1)	Property name	Location	Acquisition date	Acquisition price (Millions of yen)	Investment ratio (Note2)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	Shibuya, Tokyo	June 13, 2012	45,000 (Note3)	24.4
	UR-2	Tokyu Plaza Akasaka	Chiyoda, Tokyo	June 13, 2012	11,450 (Note3)	6.2
	UR-3	Ebisu Q Plaza	Shibuya, Tokyo	June 13, 2012	8,430	4.6
	UR-4	Shinbashi Place	Minato, Tokyo	June 13, 2012	20,500	11.1
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	June 13, 2012	8,860	4.8
	UR-6	Hitotsugi LIP	Minato, Tokyo	August 30, 2013 (plan)	3,000	1.6
	Subtotal				97,240	52.8
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	June 13, 2012	7,400	4.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	June 13, 2012	9,640	5.2
	TO-3	Yoyogi Place	Shibuya, Tokyo	June 13, 2012	4,070	2.2
	TO-4	Aoyama Plaza Building	Minato, Tokyo	June 13, 2012	8,790	4.8
	TO-5	Luogo Shiodome	Minato, Tokyo	June 13, 2012	4,540	2.5
	TO-6	Tokyo Kikai Honsha Building	Minato, Tokyo	June 13, 2012	3,070	1.7
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	June 13, 2012	3,990	2.2
	TO-8	TK Shinbashi Building	Minato, Tokyo	April 19, 2013	5,650	3.1
	Subtotal				47,150	25.6
Subtotal of UR and TO					144,390	78.4
Other Properties	O-1	COCOE Amagasaki (Land) (ownership of land with land lease rights) (Note4)	Amagasaki, Hyogo	June 13, 2012	12,000	6.5
	O-2	icot Nakamozu	Sakai, Osaka	June 13, 2012	8,500	4.6
	O-3	icot Kongo	Osakasayama, Osaka	June 13, 2012	1,600	0.9
	O-4	icot Mizonokuchi	Kawasaki, Kanagawa	June 13, 2012	2,710	1.5
	O-5	icot Tama Center	Tama, Tokyo	June 13, 2012	2,840	1.5
	O-6	Kanayama Center Place	Nagoya, Aichi	June 13, 2012	6,980	3.8
	O-7	Osaka Nakanoshima Building	Osaka, Osaka	January 25, 2013	5,250 (Note3)	2.8
	Subtotal				39,880	21.6
Total					184,270	100.0

(Note 1) "Property No." is numbered by categorizing properties of the Investment Corporation into UR (Urban Retail Properties), TO (Tokyo Office Properties) and O (Other Properties).

(Note 2) "Investment ratio" is ratio of acquisition price for each property to total acquisition price rounded to first decimal place.

(Note 3) Acquisition prices of "Tokyu Plaza Omotesando Harajuku", "Tokyu Plaza Akasaka", and "Osaka Nakanoshima Building" are described based on the pro rata share (75%, 50% and 50% respectively).

(Note 4) Property name of COCOE Amagasaki (Land) will be changed to Amagasaki Q's MALL (Land) on Oct. 9, 2013.