

June 29, 2015

FOR IMMEDIATE RELEASE

Activia Properties Inc.
16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Nariaki Hosoi
Executive Director
(Code: 3279)

Asset Management Company
TLC Activia Investment Management Inc.
Michie Kawai
Representative Director, President and Chief Executive Officer

Inquiries
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Notice Concerning Changes to Articles of Incorporation and Appointment of Directors

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces that it decided at the Board of Directors Meeting on June 29, 2015 to submit the following proposals regarding changes to the Articles of Incorporation and the appointment of directors to the 3rd Unitholders’ Meeting, which is scheduled to be held on August 11, 2015.

The items described below will go into effect upon receiving approval at the Unitholders’ Meeting.

1. Details of and reasons for changes to the Articles of Incorporation (Part 1)

- (1) The address of the head office of the Investment Corporation will be changed from Shibuya-ku, Tokyo to Minato-ku, Tokyo as of the date of relocation of the head office of the Investment Corporation, which is to be decided at a Board of Directors meeting of the Investment Corporation that will be held by December 31, 2015 (related to Article 3 of the Articles of Incorporation and Article 1 of the Supplementary Provisions).
- (2) In response to the amendment of the Act on Investment Trusts and Investment Corporations that went into effect on December 1, 2014 (hereinafter referred to as the “Act”), the Articles of Incorporation will be revised as follows.
 - (i) The Act stipulates that an investment corporation may specify in its Articles of Incorporation that it may convene a unitholders’ meeting on or after a certain date without delay in order to enable the omission of a public notice from the procedures for the convocation of the Unitholders’ Meeting. In accordance with the stipulation of the Act, the Investment Corporation has specified August 15 as the date. However, the Investment Corporation will change the date to July 25, taking into account preparations for holding the Unitholders’ Meeting, the time of convocation, and other matters (related to Article 9, Section 2 of the Articles of Incorporation).
 - (ii) In light of newly established Article 99, Paragraph 2 of the Act and the amendment of Article 101, Paragraph 2 of the Act, a new article will be established (related to Article 17, Section 2 of the Articles of Incorporation) that makes it possible to extend or shorten the term of office of

executive directors and supervisory directors within the limit specified by laws and regulations by a resolution at the unitholders' meeting.

- (3) In response to the amendment of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Ordinance for Enforcement of the Act"), the relevant articles will be revised to clarify that the purpose of the Investment Corporation is to manage its assets by investing them mainly in real estate and other assets (meaning real estate, rights of lease of real estate, superficies rights, and beneficial interests of trusts in which only these assets are entrusted out of those assets specified by the Ordinance for Enforcement of the Act). Also, in association with this revision, the related words and phrases will be revised (related to Article 27, Article 28, Section 1, and Article 29, Section 1 of the Articles of Incorporation).
- (4) In association with the addition of assets that fall under specified assets as a result of the amendment of the Ordinance for Enforcement of the Act, the necessary provisions will be organized and the related words and phrases will be revised (related to Article 29, Section 2 and Section 3 of the Articles of Incorporation).
- (5) In association with the amendment of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation, provisions that are no longer necessary will be revised (related to Article 28, Section 4 of the Articles of Incorporation).
- (6) In association with the amendment of the Act and the Act on Special Measures Concerning Taxation, etc. in relation to the problem of differences between the handling of accounting and taxes at investment corporations, some articles will be revised so that money in excess of the profits can be distributed for the purpose of reducing the burden of taxation at the Investment Corporation, (related to Article 35 of the Articles of Incorporation).
- (7) To clarify that expenses for issuing subscription rights to investment units will be incurred by the Investment Corporation, the corresponding provisions will be revised (related to Article 39, Section 2 of the Articles of Incorporation).
- (8) In addition to the subjects above, to stipulate the chair of the board of directors meeting at the board of directors meeting, to simplify the by laws, and to clarify the details of provisions and delete provisions that are no longer necessary because a certain business period has come to an end or for some other reason, the necessary expressions will be changed and clarified, the words and phrases will be revised, and the provisions will be organized (related to Article 5, Article 20, Section 1, Article 23, Article 34, and Article 41, Section 3 of the Articles of Incorporation).

(Please refer to the separate "Notice of Convocation of the 3rd Unitholders' Meeting" for details about the changes to the Articles of Incorporation (Part 1).)

2. Details of and reasons for changes to the Articles of Incorporation (Part 2)

- (1) In the calculation of the asset management fee II, the number of own investment units will be excluded from the total number of investment units outstanding to clarify the handling of own investment units which the Investment Corporation acquired and owns. Adjustment regulations will be added to clarify the handling of own investment units in the event investment units are consolidated or split (related to Article 37, Section 1 (1) of the Articles of Incorporation).
- (2) In the calculation of the acquisition fee, words and phrases will be added to clarify that there is a case in which the Investment Corporation will inherit assets from an investment corporation that will become the other party of a merger with some other investment corporation (related to Article 37, Section 1 (2) of the Articles of Incorporation).

- (3) To avoid making an adjustment to the time of payment of the acquisition fee and the disposition fee according to the business period, words and phrases will be deleted (related to Article 37, Section 1 (2) and (3) of the Articles of Incorporation).
- (4) In addition to the items above, to clarify the details of provisions and delete provisions that are no longer needed because a certain business period has ended, necessary revisions and changes will be made to expressions, words and phrases etc. (related to Article 37, Section 1 (1) and of the Articles of Incorporation).

(Please refer to the separate “Notice of Convocation of the 3rd Unitholders’ Meeting” for details about the changes to the Articles of Incorporation (Part 2).)

3. Details regarding the appointment of directors

The respective terms of office of the executive director Nariaki Hosoi and the supervisory directors Yonosuke Yamada and Yoshinori Ariga will expire on September 7, 2015. The proposal of the appointment of one director and two supervisory directors will be submitted to the unitholders’ meeting on August 11, 2015.

A proposal to appoint one alternate executive director who will serve in the absence of the executive director or when the number of directors as prescribed by law is insufficient will be also submitted.

(1) Candidate for executive director and candidates for supervisory directors (Note 1)

Executive Director	Michie Kawai (New)
Supervisory Director	Yonosuke Yamada (Reappointment)
Supervisory Director	Yoshinori Ariga (Reappointment)

(Note1) The aforementioned candidate for executive director is the President & CEO of TLC Activia Investment Management Inc., the company to which the Investment Corporation currently entrusts its asset management operations.

(2) Candidate for alternate executive director (Note 2)

Nariaki Hosoi (New)

(Note2) The aforementioned candidate for executive director is the Director of TLC Activia Investment Management Inc., the company to which the Investment Corporation currently entrusts its asset management operations.

(Please refer to the separate “Notice of Convocation of the 3rd Unitholders’ Meeting” for details about the appointment of directors.)

4. Schedule

June 29, 2015	Resolution to approve proposals to be submitted to the 3rd Unitholders’ Meeting by the Board of Directors Meeting
July 21, 2015	Issue Notice of Convocation of the 3rd Unitholders’ Meeting (tentative date)
August 11, 2015	The 3rd Unitholders’ Meeting (tentative date)

Attachment: Notice of Convocation of the 3rd Unitholders' Meeting

- * 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>

July 21, 2015

To our unitholders

16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo

Activia Properties Inc.

Executive Director: Nariaki Hosoi

Notice of Convocation of the 3rd Unitholders' Meeting

We hereby announce and request your attendance at the 3rd Unitholders' Meeting of Activia Properties Inc. (hereinafter referred to as the "Investment Corporation"), which will be held as follows.

Unitholders who are unable to attend on the day of the meeting may exercise their voting rights in writing. Unitholders who wish to exercise their voting rights in writing should refer to the Reference Documents for the Unitholders' Meeting at the end of this notice. After reading the Reference Documents, please fill out your vote on the enclosed Voting Rights Exercise Form and return it by Monday, August 10, 2015 at 6:00PM.

In accordance with the provision of Article 93 Section 1 of the Act on Investment Trusts and Investment Corporations, "Deemed Approval" has been set forth in Article 14 Section 1 of the current Articles of Incorporation.

Therefore, unitholders who do not attend the meeting and do not exercise their voting rights through the use of the Voting Rights Exercise Form shall be deemed to have approved the proposals for resolution submitted at the Unitholders' Meeting. We ask that you give due consideration to this point.

Article 14, Section 1: Deemed Approval

Unitholders who do not attend the Unitholders' Meeting and who do not exercise their voting rights are deemed to have approved the proposals (excluding any proposals with conflicting purposes when multiple proposals are submitted) that are submitted at the unitholders' meeting.

Details

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|------------------|--|
| 1. Time and Date | August 11, 2015 (Tuesday) at 10:00 AM |
| 2. Venue | 7-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo
JP Tower Hall & Conference (KITTE 4th Floor)
Hall 1 and Hall 2
(Please refer to the Access Information at the end of this notice) |

3. Objectives of the Unitholders' Meeting

Matters for Resolution

- Resolution proposal 1** Changes to Part of the Articles of Incorporation (Part 1)
- Resolution proposal 2** Changes to Part of the Articles of Incorporation (Part 2)
- Resolution proposal 3** Appointment of One Executive Director
- Resolution proposal 4** Appointment of One Alternate Executive Director
- Resolution proposal 5** Appointment of Two Supervisory Directors

- ◎When you attend the meeting, please submit the enclosed Voting Rights Exercise Form to the reception at the venue.
- ◎Following the conclusion of the Unitholders' Meeting, TLC Activia Investment Management Inc., the Asset Management Company of the Investment Corporation, will hold a briefing session on the status of the managed assets. The briefing will be held at the same venue.
- ◎Because it is possible for a unitholder who holds voting rights to attend the Unitholders' Meeting as a proxy, when attending the meeting as a proxy, the unitholder shall submit the proxy form together with the Voting Rights Exercise Form to the reception at the venue.
- ◎Please note that if there are any matters in the Reference Documents for the Unitholders' Meeting that need to be revised between the time the notice of the meeting is issued and the day prior to the meeting, the revised information will be posted on our website (<http://www.activia-reit.co.jp/english>).

Reference Documents for Unitholders' Meeting

Resolutions and Other Items

Resolution proposal 1 Changes to Part of the Articles of Incorporation (Part 1)

1. Reasons for the changes

- (1) The address of the head office of the Investment Corporation will be changed from Shibuya-ku, Tokyo to Minato-ku, Tokyo as of the date of relocation of the head office of the Investment Corporation, which is to be decided at a Board of Directors meeting of the Investment Corporation that will be held by December 31, 2015 (related to Article 3 of the Articles of Incorporation and Article 1 of the Supplementary Provisions).
- (2) In response to the amendment of the Act on Investment Trusts and Investment Corporations that went into effect on December 1, 2014 (hereinafter referred to as the "Act"), the Articles of Incorporation will be revised as follows.
 - (i) The Act stipulates that an investment corporation may specify in its Articles of Incorporation that it may convene a unitholders' meeting on or after a certain date without delay in order to enable the omission of a public notice from the procedures for the convocation of the Unitholders' Meeting. In accordance with the stipulation of the Act, the Investment Corporation has specified August 15 as the date. However, the Investment Corporation will change the date to July 25, taking into account preparations for holding the Unitholders' Meeting, the time of convocation, and other matters (related to Article 9, Section 2 of the Articles of Incorporation).
 - (ii) In light of newly established Article 99, Paragraph 2 of the Act and the amendment of Article 101, Paragraph 2 of the Act, a new article will be established (related to Article 17, Section 2 of the Articles of Incorporation) that makes it possible to extend or shorten the term of office of executive directors and supervisory directors within the limit specified by laws and regulations by a resolution at the unitholders' meeting.
- (3) In response to the amendment of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Ordinance for Enforcement of the Act"), the relevant articles will be revised to clarify that the purpose of the Investment Corporation is to manage its assets by investing them mainly in real estate and other assets (meaning real estate, rights of lease of real estate, superficies rights, and beneficial interests of trusts in which only these assets are entrusted out of those assets specified by the Ordinance for Enforcement of the Act). Also, in association with this revision, the related words and phrases will be revised (related to Article 27, Article 28, Section 1, and Article 29, Section 1 of the Articles of Incorporation).
- (4) In association with the addition of assets that fall under specified assets as a result of the amendment of the Ordinance for Enforcement of the Act, the necessary provisions will be organized and the related words and phrases will be revised (related to Article 29, Section 2 and Section 3 of the Articles of Incorporation).
- (5) In association with the amendment of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation, provisions that are no longer necessary will be revised (related to Article 28, Section 4 of the Articles of Incorporation).
- (6) In association with the amendment of the Act and the Act on Special Measures Concerning Taxation, etc. in relation to the problem of differences between the handling of accounting and taxes at investment corporations, some articles will be revised so that money in excess of the profits can be distributed for the purpose of reducing the burden of taxation at the Investment Corporation, (related to Article 35 of the Articles of Incorporation).
- (7) To clarify that expenses for issuing subscription rights to investment units will be incurred by the Investment Corporation, the corresponding provisions will be revised (related to Article 39, Section 2 of the Articles of Incorporation).
- (8) In addition to the subjects above, to stipulate the chair of the board of directors meeting at the board of directors meeting, to simplify the by laws, and to clarify the details of provisions and delete provisions that are no longer necessary because a certain business period has come to an end or for some other reason, the necessary expressions will be changed and clarified, the words and phrases will be revised, and the provisions will be organized (related to Article 5, Article 20, Section 1, Article 23, Article 34,

and Article 41, Section 3 of the Articles of Incorporation).

2. Details of changes

Details of changes are described below.

(The changed parts are underlined)

Before change	After change (proposal)
Article 3 (Place where the Head Office is Located) The Investment Corporation shall have its head office at <u>Shibuya</u> -ku, Tokyo.	Article 3 (Place where the Head Office is Located) The Investment Corporation shall have its head office at <u>Minato</u> -ku, Tokyo.
Article 5 (Redemption of Investment Units upon the Request of Unitholders and the Acquisition of Own Units Based on the Consent) 1.-2. (Omission)	Article 5 (Redemption of Investment Units upon the Request of Unitholders and the Acquisition of Own Investment Units Based on the Consent of Unitholders) 1.-2. (Not changed)
Article 9 (Meeting and Convocation) 1. (Omission) 2. The Investment Corporation's unitholders' meeting shall be convened on or after <u>August 15, 2015</u> without delay, and on or after <u>August 15</u> every two years without delay. The Investment Corporation shall also convene a unitholders' meeting when necessary. 3.-4. (Omission)	Article 9 (Meeting and Convocation) 1. (Not changed) 2. The Investment Corporation's unitholders' meeting shall be convened on or after <u>July 25, 2017</u> without delay, and on or after <u>July 25</u> every two years without delay. The Investment Corporation shall also convene a unitholders' meeting when necessary 3.-4. (Not changed)
Article 17 (Appointment and Term of Office of Executive Directors and Supervisory Directors) 1. (Omission) 2. The term of office of executive directors and supervisory directors shall be two years after taking office; provided, however, the term of office of an executive director or a supervisory director who was appointed as a substitute or an addition shall be the same as the remaining period of the predecessor or the incumbent. 3. (Omission)	Article 17 (Appointment and Term of Office of Executive Directors and Supervisory Directors) 1. (Not changed) 2. The term of office of executive directors and supervisory directors shall be two years after taking office; provided, however, that <u>this shall not preclude executive directors and supervisory directors from extending or shortening their term of office within the limit specified by laws and regulations by a resolution at the unitholders' meeting. In addition,</u> the term of office of an executive director or a supervisory director who was appointed as a substitute or an addition shall be the same as the remaining period of the predecessor or the incumbent. 3. (Not changed)

Before change	After change (proposal)
<p>Article 20 (Convocation)</p> <p>1. Unless otherwise stipulated by laws and regulations, when there is one executive director, that executive director shall convene a meeting of the Board of Directors <u>and act as the chairman of the meeting</u>. When there are two or more executive directors, one of the executive directors shall convene a meeting of the Board of Directors <u>and act as the chairman of the meeting</u> in accordance with the order previously determined by the Board of Directors.</p> <p>2. (Omission)</p> <p>3. (Omission)</p>	<p>Article 20 (Convocation)</p> <p>1. Unless otherwise stipulated by laws and regulations, when there is one executive director, that executive director shall convene a meeting of the Board of Directors. When there are two or more executive directors, one of the executive directors shall convene a meeting of the Board of Directors in accordance with the order previously determined by the Board of Directors.</p> <p>2. (Not changed)</p> <p>3. (Not changed)</p>
<p>Article 23 (Appointment of Independent Auditor)</p> <p>An independent auditor shall be appointed by a unitholders' meeting; <u>provided, however, that in accordance with the provisions stipulated in laws and ordinances, this shall not apply to independent auditors who are deemed to have been appointed at the time the Investment Corporation was established.</u></p>	<p>Article 23 (Appointment of Independent Auditor)</p> <p>An independent auditor shall be appointed by <u>a resolution</u> at a unitholders' meeting, <u>unless otherwise provided for by laws and regulations.</u></p>
<p>Article 27 (Basic Asset Management Policy)</p> <p>The basic asset management policy of the Investment Corporation shall be to maximize the value of unitholders by securing stable revenue and steadily growing assets under management over the medium and long term through continuous investment in <u>real estate, etc. (as defined in Article 29, Section 1 (2)) and real estate-backed securities (as defined in Article 29, Section 1 (3)) (real estate, etc. and real estate-backed securities shall hereinafter be collectively referred to as "Real Estate-related Assets).</u></p>	<p>Article 27 (Basic Asset Management Policy)</p> <p>The basic asset management policy of the Investment Corporation shall be to maximize the value of unitholders by securing stable revenue and steadily growing assets under management over the medium and long term through continuous investment, <u>with the aim of investing assets primarily in real estate and other assets (meaning real estate, rights of lease of real estate, superficies rights, and beneficial interests of trusts in which only these assets out of those assets specified by the Ordinance for Enforcement of the Act (Prime Minister's Office Ordinance No. 129 of 2000, and including the subsequent amendments) are entrusted. The same shall apply hereinafter).</u></p>
<p>Article 28 (Investment Stance)</p> <p><u>1. The Investment Corporation shall invest primarily in Real Estate-related Assets.</u></p> <p><u>2.</u> (Omission)</p> <p><u>3.</u> (Omission)</p>	<p>Article 28 (Investment Stance)</p> <p>(Deleted)</p> <p><u>1.</u> (Not changed)</p> <p><u>2.</u> (Not changed)</p>

Before change	After change (proposal)
<p>4. <u>The allocation rate of assets acquired by the Investment Corporation shall be based on the policies described in (1) and (2) below.</u></p> <p>(1) <u>The Investment Corporation shall set the percentage of the sum of values of the specified assets owned by the Investment Corporation made up by the sum of the values of specified real estate (meaning real estate, superficies or rights of lease, rights of real estate, ownership of real estate, or beneficial interests of trusts in which superficies, rights of lease, or rights of land are entrusted) at 75 hundredth or more.</u></p> <p>(2) <u>The Investment Corporation shall set the percentage of the total value of the assets it owns made up by the value of real estate, etc. specified by Article 22-19 of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation (the Finance Ministry Ordinance No. 15 of 1957, and including the subsequent amendments) at 70 hundredth or more.</u></p>	<p>3. <u>The allocation rate of assets acquired by the Investment Corporation shall be set at 75 hundredths or more of the sum of the values of the specified assets owned by the Investment Corporation made up by the sum of values of specified real estate (meaning real estate, superficies or rights of lease, rights of real estate, ownership of real estate, or beneficial interests of trusts in which superficies, rights of lease, or rights of land are entrusted).</u></p> <p>(Deleted)</p>
<p>Article 29 (Investment Types, Objectives, and Scope of Assets)</p> <p>1. The Investment Corporation shall invest <u>mainly</u> in the specified assets described below in accordance with the basic policies set forth in Article 27. If securities that must indicate rights are not issued with respect to the rights that must be indicated on securities provided for in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including the subsequent amendments, and hereinafter referred to as the “Financial Instruments and Exchange Act), the provision of this paragraph shall be applied by regarding the rights as the securities (the same shall apply hereinafter in Paragraph 2 and Paragraph 3 of this article).</p> <p>(1)-(2) (Omission)</p>	<p>Article 29 (Investment Types, Objectives, and Scope of Assets)</p> <p>1. The Investment Corporation shall invest in the specified assets described below in accordance with the basic policies set forth in Article 27. If securities that must indicate rights are not issued with respect to the rights that must be indicated on securities provided for in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including the subsequent amendments, and hereinafter referred to as the “Financial Instruments and Exchange Act), the provision of this paragraph shall be applied by regarding the rights as the securities (the same shall apply hereinafter in Paragraph 2 and Paragraph 3 of this article).</p> <p>(1)-(2) (Not changed)</p>

Before change	After change (proposal)
<p>(3) Securities described below whose purpose is to invest the amount of more than half of the underlying assets in real estate, etc. (hereinafter collectively referred to as “Real Estate-backed Securities”).</p> <p>①-⑥ (Omission)</p> <p>2. (Omission)</p> <p>(1)-(15) (Omission)</p> <p>(Newly established)</p> <p>3. (Omission)</p> <p>(1)-(3) (Omission)</p> <p>(4) Movable (meaning those specified in the Civil Code (Act No. 89 of 1896, and including the subsequent amendments)).</p> <p>(5)-(10) (Omission)</p> <p>4. (Omission)</p>	<p>(3) Securities described below whose purpose is to invest the amount of more than half of the underlying assets in real estate, etc. (hereinafter collectively referred to as “Real Estate-backed Securities,” and <u>real estate, etc. and Real Estate-backed Securities shall hereinafter be collectively referred to as “Real Estate-related Assets”</u>).</p> <p>①-⑥ (Not changed)</p> <p>2. (Not changed)</p> <p>(1)-(15) (Not changed)</p> <p><u>(16) Renewable energy power generation facilities (meaning those specified in the Ordinance for Enforcement of the Act).</u></p> <p>3. (Not changed)</p> <p>(1)-(3) (Not changed)</p> <p>(4) Movable (meaning those specified in the Civil Code (Act No. 89 of 1896, and including the subsequent amendments) and <u>excluding those that are classified as renewable energy power generation facilities</u>).</p> <p>(5)-(10) (Not changed)</p> <p>4. (Not changed)</p>
<p>Article 34 (Fiscal Period End)</p> <p>The business periods of the Investment Corporation shall be from June 1 to the last day of November every year, and from December 1 to the last day of May in the following year (the last day of each business period shall hereinafter be referred to as the “Fiscal Period End”); <u>provided, however, that the first business period of the Investment Corporation shall be from the date on which the Investment Corporation was established to the last day of May 2012.</u></p>	<p>Article 34 (Fiscal Period End)</p> <p>The business periods of the Investment Corporation shall be from June 1 to the last day of November every year, and from December 1 to the last day of May in the following year (the last day of each business period shall hereinafter be referred to as the “Fiscal Period End”).</p>

Before change	After change (proposal)
<p>Article 35 (Distribution Policy)</p> <p>1. (Omission)</p> <p>(1) The distributable amount that is generated from the investment, etc. of assets under management of the Investment Corporation (hereinafter referred to as the “Distributable Amount) shall mean the amount of profit that is calculated at each Fiscal Period End in accordance with the Act and corporate accounting standards that are generally accepted as fair and appropriate (<u>meaning the amount that is obtained by subtracting the sum of the total amount of investment, investment surplus, and valuation and translation adjustments, etc. from the amount of net assets on balance sheets</u>).</p> <p>(2) The amount distributed shall be determined by the Investment Corporation as the amount to be distributed in excess of the amount equal to 90 hundredths of the Distributable Amount of the Investment Corporation that is provided for in Article 67-15 paragraph 1 (<u>hereinafter referred to as the “Special Provision of Taxation on Investment Corporations”</u>) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, and including the subsequent amendments) (however, the Distributable Amount shall be the limit). From the Distributable Amount, the Investment Corporation may accumulate a long-term reserve for repairs, a reserve for payment, a Distributable Amount that was not distributed, and other similar reserves and allowances, etc. that are deemed necessary to maintain assets under management or improve their value.</p> <p>(3) (Omission)</p>	<p>Article 35 (Distribution Policy)</p> <p>1. (Not changed)</p> <p>(1) The distributable amount that is generated from the investment, etc. of assets under management of the Investment Corporation (hereinafter referred to as the “Distributable Amount) shall mean the amount of profit that is calculated at each Fiscal Period End in accordance with the Act and corporate accounting standards that are generally accepted as fair and appropriate.</p> <p>(2) The amount distributed shall be determined by the Investment Corporation as the amount to be distributed in excess of the amount equal to 90 hundredths of the Distributable Amount of the Investment Corporation that is provided for in Article 67-15 paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, and including the subsequent amendments) (however, the Distributable Amount shall be the limit). The Investment Corporation may accumulate, <u>reserve, or otherwise take</u> from the Distributable Amount a long-term reserve for repair, a reserve for payment, a Distributable Amount that was not distributed, and other similar reserves and allowances, etc. that are deemed necessary to maintain assets under management or improve their value, <u>as well as other necessary amounts</u>.</p> <p>(3) (Not changed)</p>

Before change	After change (proposal)
<p>2. Optimal Payable Distribution</p> <p>If the Investment Corporation deems it appropriate in light of the economic circumstances, trends in the real-estate market, trends in the rental market, or other factors, it may make a cash distribution in excess of the distributable amount by adding the amount stipulated in the rules prescribed by The Investment Trusts Association, Japan (general incorporated association) to the distribution amount described in (2) of the preceding section. <u>In addition, in the case above, if the amount of the cash distribution does not satisfy the requirements for the special taxation rules related to investment corporations as stipulated in laws and regulations, the Investment Corporation may make a cash distribution for the amount determined by the Investment Corporation with the aim of satisfying the relevant requirements.</u></p> <p>3.-4. (Omission)</p>	<p>2. Optimal Payable Distribution</p> <p>If the Investment Corporation deems it appropriate in light of the economic circumstances, trends in the real estate market and rental market, etc., <u>the status of assets owned, and the financial situation, etc., or if it is possible to curb the generation of corporate taxes, etc. at the Investment Corporation,</u> it may make a cash distribution in excess of the Distributable Amount by adding the amount stipulated in the rules prescribed by The Investment Trusts Association, Japan (general incorporated association) to the Distribution Amount described in (2) of the preceding section.</p> <p>3.-4. (Not changed)</p>
<p>Article 39 (Burden of Expenses)</p> <p>1. (Omission)</p> <p>2. (Omission)</p> <p>(1) Expenses for the issue, listing, and the maintenance of listing investment units (including expenses for the preparation, printing, and delivery of certificates)</p> <p>(2)-(12) (Omission)</p>	<p>Article 39 (Burden of Expenses)</p> <p>1. (Not changed)</p> <p>2. (Not changed)</p> <p>(1) Expenses for the issue, listing, and the maintenance of listing investment units <u>and subscription rights to investment units</u> (including expenses for the preparation, printing, and delivery of certificates)</p> <p>(2)-(12) (Not changed)</p>
<p>Article 41 (Entrustment of the Management, Custody, and Other Asset-Related Operations and Office Work)</p> <p>1. (Omission)</p> <p>2. (Omission)</p>	<p>Article 41 (Entrustment of the Management, Custody, and Other Asset-Related Operations and Office Work)</p> <p>1. (Not changed)</p> <p>2. (Not changed)</p>

Before change	After change (proposal)
<p><u>3. Of the office work to be entrusted after the Investment Corporation is established, for office work related to the offering of investment units and investment corporation bonds issued by the Investment Corporation, office work related to entering a name change of investment corporation bonds issued, office work related to the issue of investment securities and investment corporation bonds, and office work related to investment corporation bondholders (meaning the office work described in the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Prime Minister's Office Ordinance No. 129 of 2000, and including the subsequent amendments), a trustee of general office work shall be determined at a Board of Directors meeting when necessary each time such work is offered, and a general office work service agreement shall be concluded.</u></p>	<p>(Deleted)</p>
<p>Chapter 9 Supplementary Provisions Article 1 (Effective Date)</p> <p><u>1. The amendment related to the newly established Article 5, Section 2 shall go into effect on the day the amended Act on Investment Trusts and Investment Corporations, which permits investment corporations to acquire its units with compensation through an agreement with unitholders, is implemented.</u></p> <p><u>2. The amendment related to the newly established Article 9, Section 3 shall go into effect on the day the amended Act on Investment Trusts and Investment Corporations, which permits the omission of a public announcement in the procedures for convening a unitholders' meeting, is implemented.</u></p>	<p>Chapter 9 Supplementary Provisions Article 1 (Effective Date)</p> <p><u>The change in Article 3 of the Articles of Incorporation (place where the head office is located) shall go into effect on the day the head office of the Investment Corporation is relocated. This date is to be decided at a Board of Directors meeting of the Investment Corporation to be held by December 31, 2015.</u></p>

Resolution proposal 2 Changes to Part the of Articles of Incorporation (Part 2)

1. Reasons for the changes

- (1) In the calculation of the asset management fee II, the number of own investment units will be excluded from the total number of investment units outstanding to clarify the handling of own investment units which the Investment Corporation acquired and owns. Adjustment regulations will be added to clarify the handling of own investment units in the event investment units are consolidated or split (related to Article 37, Section 1 (1) ② of the Articles of Incorporation).
- (2) In the calculation of the acquisition fee, words and phrases will be added to clarify that there is a case in which the Investment Corporation will inherit assets from an investment corporation that will become the other party of a merger with some other investment corporation (related to Article 37, Section 1 (2) of the Articles of Incorporation).
- (3) To avoid making an adjustment to the time of payment of the acquisition fee and the disposition fee according to the business period, words and phrases will be deleted (related to Article 37, Section 1 (2) and (3) of the Articles of Incorporation).
- (4) In addition to the items above, to clarify the details of provisions and delete provisions that are no longer needed because a certain business period has ended, necessary revisions and changes will be made to expressions, words and phrases etc. (related to Article 37, Section 1 (1) ① and ② of the Articles of Incorporation).

2. Details of changes

Details of changes are described below.

(The changed parts are underlined)

Before change	After change (proposal)
<p>Article 37 (Standards for the Payment of Asset Management Fee to the Asset Manager)</p> <p>1. (Omission)</p> <p>(1) (Omission)</p> <p>① Asset Management Fee I</p> <p><u>Asset Management Fee I does not apply to the first fiscal period. For the second fiscal period and thereafter,</u> the Investment Corporation shall set the amount that is obtained by multiplying the amount of total assets stated on the balance sheet at the Fiscal Period End of the immediately preceding fiscal period of the Investment Corporation <u>(however, the fiscal period shall be the fiscal period to which the date of listing belongs) (the date of listing shall mean the date when investment units of the Investment Corporation were listed on the Tokyo Stock Exchange, and the same shall apply hereinafter)</u> by the rate separately agreed to with the asset management company, with a maximum of 0.4% (annual rate) (the amount shall be calculated based on the actual number of days in each fiscal period on a pro-rate basis, with one year being 365 days, and rounded off to the nearest one yen) as Asset Management Fee I.</p> <p>The Investment Corporation shall pay the asset management company Asset Management Fee I for each fiscal period by the Fiscal Period End <u>(however, for the fiscal period to which the date of listing of the Investment Corporation belongs, Asset Management Fee I shall be paid without delay after the amount of total assets on the balance sheet at the Fiscal Period End of the fiscal period is fixed).</u></p>	<p>Article 37 (Standards for the Payment of Asset Management Fee to the Asset Manager)</p> <p>1. (Not changed)</p> <p>(1) (Not changed)</p> <p>① Asset Management Fee I</p> <p>The Investment Corporation shall set the amount that is obtained by multiplying the amount of total assets stated on the balance sheet at the Fiscal Period End of the immediately preceding fiscal period of the Investment Corporation by the rate separately agreed to with the asset management company, with a maximum of 0.4% (annual rate) (the amount shall be calculated based on the actual number of days in each fiscal period on a pro-rate basis, with one year being 365 days, and rounded off to the nearest one yen) as Asset Management Fee I.</p> <p>The Investment Corporation shall pay the asset management company Asset Management Fee I for each fiscal period by the Fiscal Period End.</p>

Before change	After change (proposal)
<p>② Asset Management Fee II</p> <p><u>Asset Management Fee II for the first fiscal period shall be zero. From the second fiscal period and onward</u>, Asset Management Fee II shall be the amount (disregarding any amount below one yen) that is calculated by multiplying the amount, which is obtained by dividing the distributable amount before the deduction of Asset Management Fee II for the relevant fiscal period of the Investment Corporation (as defined below) by the total number of investment units issued in the relevant fiscal period (hereinafter referred to as Dividends per Unit before the Deduction of Management Fee II), by the amount obtained by deducting real estate lease expenses (excluding depreciation and loss on retirement of noncurrent assets) from the total real estate lease income and loss for the relevant fiscal period (hereinafter referred to as “NOI”), and then multiplying this by the rate separately agreed to with asset management companies, with a maximum of 0.0002%. This amount is calculated in accordance with the following formula:</p> <p>Management fee II = Dividends per Unit before the Deduction of Management Fee II x NOI x 0.0002% (in the case of the maximum rate) (any amount below one yen is disregarded)</p>	<p>② Asset Management Fee II</p> <p>For fiscal periods, Asset Management Fee II shall be the amount (disregarding any amount below one yen) that is calculated by multiplying the amount, which is obtained by dividing the distributable amount before the deduction of Asset Management Fee II for the relevant fiscal period of the Investment Corporation (as defined below) by the total number of investment units issued in the relevant fiscal period (hereinafter referred to as Dividends per Unit before the Deduction of Management Fee II), by the amount calculated by deducting real estate lease expenses (excluding depreciation and loss on retirement of noncurrent assets) from the total real estate lease income and loss for the relevant fiscal period (hereinafter referred to as “NOI”), and then multiplying this by the rate separately agreed to with asset management companies, with a maximum of 0.0002%. This amount is calculated in accordance with the following formula:</p> <p>Management fee II = Dividends per Unit before the Deduction of Management Fee II x NOI x 0.0002% (in the case of the maximum rate) (any amount below one yen is disregarded)</p>

Before change	After change (proposal)
<p>The Investment Corporation shall pay Asset Management Fee II for each fiscal period to the asset management companies within three months after the completion of accounting for the corresponding fiscal period.</p> <p>The distributable amount before the deduction of Asset Management Fee II shall mean net income before income taxes, (before the deduction of Asset Management Fee II, consumption taxes that are excluded from the deduction and other items) calculated in accordance with the generally accepted corporate accounting principles in Japan, after compensating for losses carried forward, if any.</p>	<p><u>If the Investment Corporation has investment units of its own that are not disposed or redeemed at the Fiscal Period End, the total number of investment units outstanding shall be the number that is obtained by subtracting the number of own investment units owned from the total number of investment units outstanding at the Fiscal Period End. Also, if the investment units of the Investment Corporation are consolidated or split, the total number of investment units outstanding at Fiscal Period End after the fiscal period when the consolidation or the split was conducted shall be the number that is obtained by making an adjustment to the number before the consolidation or split through the use of the consolidation ratio or the split ratio.</u></p> <p>The Investment Corporation shall pay Asset Management Fee II for each fiscal period to the asset management companies within three months after the completion of accounting for the corresponding fiscal period.</p> <p>The “distributable amount before the deduction of Asset Management Fee II” shall mean net income before income taxes, (before the deduction of Asset Management Fee II, consumption taxes that are excluded from the deduction and other items) calculated in accordance with the generally accepted corporate accounting principles in Japan, after compensating for losses carried forward, if any.</p>

Before change	After change (proposal)
<p>(2) Acquisition Fee</p> <p>If the Investment Corporation acquired a Real Estate-related Asset, it shall pay the asset management company the amount that is obtained by multiplying the acquisition price (meaning the sales price in the case of a sale, the estimated value of the Real Estate-related Asset that was acquired by exchange in the case of an exchange, the money invested in the case of an investment, but excluding consumption tax, local consumption tax, and expenses (if any) required to acquire the asset) by the rate separately agreed to with the asset management company, with a maximum of 0.7% (0.5% in the case of a transaction with an interested party designated by the Investment Corporation) (rounded off to nearest one yen) as the acquisition fee.</p> <p>The Investment Corporation shall pay the asset management company the acquisition fee by the last day of the month following the month (<u>however, by the last day of the month to which the acquisition date belongs if the next month is the next fiscal period of the Investment Corporation</u>) to which the date the asset was acquired belongs.</p>	<p>(2) Acquisition Fee</p> <p>If the Investment Corporation acquired a Real Estate-related Asset (<u>or inherited a Real Estate-related Asset in a merger conducted by the Investment Corporation</u>), it shall pay the asset management company the amount that is obtained by multiplying the acquisition price (meaning the sales price in the case of a sale, the estimated value of the Real Estate-related Asset that was acquired by exchange in the case of an exchange, the money invested in the case of an investment, and <u>the estimated value of the Real Estate-related Asset that is inherited in the case it is inherited through a merger</u>, but excluding consumption tax, local consumption tax, and expenses (if any) required to acquire <u>or inherit</u> the asset) by the rate separately agreed to with the asset management company, with a maximum of 0.7% (0.5% in the case of a transaction with an interested party designated by the Investment Corporation) (rounded off to nearest one yen) as the acquisition fee.</p> <p>The Investment Corporation shall pay the asset management company the acquisition fee by the last day of the month following the month to which the date the asset was acquired belongs (<u>the effective date of the merger in the case of a merger</u>).</p>

Before change	After change (proposal)
<p>(3) Disposition Fee</p> <p>If the Investment Corporation disposes of a Real Estate-related Asset, and a gain on transfer arises as a result of disposing of the asset, the Investment Corporation shall pay the asset management company the amount that is obtained by multiplying the disposition price (meaning the sales price in the case of a sale and the estimated value of the Real Estate-related Asset that was disposed of by exchange in the case of an exchange, but excluding consumption tax, local consumption tax, and expenses (if any) required to dispose of the asset) by the rate separately agreed to with the asset management company, with a maximum of 0.5% (rounded off to nearest one yen) as the disposition fee; provided, however, that if the transaction is conducted with an interested party designated by the Investment Corporation, no disposition fee shall be paid.</p> <p>The Investment Corporation shall pay the asset management company the disposition fee by the last day of the month following the month to which the date the asset was disposed of belongs (<u>however, by the last day of the month to which the date the asset was disposed of belongs if the next month is the next fiscal period of the Investment Corporation</u>).</p> <p>2. (Omission)</p>	<p>(3) Disposition Fee</p> <p>If the Investment Corporation disposes of a Real Estate-related Asset, and a gain on transfer arises as a result of disposing of the asset, the Investment Corporation shall pay the asset management company the amount that is obtained by multiplying the disposition price (meaning the sales price in the case of a sale and the estimated value of the Real Estate-related Asset that was disposed of by exchange in the case of an exchange, but excluding consumption tax, local consumption tax, and expenses (if any) required to dispose of the asset) by the rate separately agreed to with the asset management company, with a maximum of 0.5% (rounded off to nearest one yen) as the disposition fee; provided, however, that if the transaction is conducted with an interested party designated by the Investment Corporation, no disposition fee shall be paid.</p> <p>The Investment Corporation shall pay the asset management company the disposition fee by the last day of the month following the month to which the date the asset was disposed of belongs.</p> <p>2. (Not changed)</p>

Resolution proposal 3 Appointment of One Executive Director

The term of office of executive director Nariaki Hosoi will expire on September 7, 2015. Accordingly, we would like to ask you to select one executive director. The term of office of the executive director will be two years, starting from September 8, 2015.

The proposal regarding the appointment of one executive director was submitted with approval by all the Supervisory Directors at the Board of Directors meeting held on June 29, 2015.

The personal information and brief biography of the candidate for executive director are as follows.

Name (Date of birth)	Career summary	# of investment units owned
Michie Kawai (Ishimoda) (December 13, 1963)	<p>April 1987 Tokyu Land Corporation</p> <p>April 2007 Manager of Office Building Development Department, Urban Business Division</p> <p>April 2009 Executive Director of Tokyu Land Capital Management Inc. Executive Manager of Asset Development Department, Asset Management Division</p> <p>October 2009 Executive Manager of Investment Planning Department, Office Building Division, Tokyu Land Corporation</p> <p>April 2010 Executive Officer and Executive Manager of Office Building Development Department No. 1, Urban Business Division</p> <p>April 2012 Executive Officer and Executive Manager of Commercial Facilities Development Department, Commercial Facilities Division</p> <p>April 2014 Operating Officer and Deputy Manager of Urban Business Unit, Urban Development Division</p> <p>April 2014 Director (Part-time) of Tokyu Land Capital Management Inc.</p> <p>April 2014 Director (Part-time) of Tokyu Land SC Management.</p> <p>April 2014 Director (Part-time) of TLC Activia Investment Management Inc.</p> <p>April 2015 Representative Director, President and Chief Executive Officer of TLC Activia Investment Management Inc.</p>	0 units

- The aforementioned candidate for executive director is an Executive Director as well as the President and CEO of the Asset Management Company. There is no particular conflict of interests between the candidate for executive director and the Investment Corporation.
- The family name of Michie Ishimoda before marriage was Kawai. Her name will be written using her maiden name in the future.

Resolution proposal 4 Appointment of One Alternate Executive Director

This proposal asks that you select one alternate executive director for cases in which the executive director is absent or the number of directors prescribed by law is insufficient. The period in which the resolution on the appointment of one alternative executive director in this proposal will be effective will be two years from September 8, 2015 when the executive officer in resolution proposal 3 will take office, as stipulated by the Articles of Incorporation of the Investment Corporation.

The proposal regarding the appointment of one alternate executive director was submitted with approval by all the Supervisory Directors at the Board of Directors meeting held on June 29, 2015.

The personal information and brief biography of the candidate for alternate executive director are as follows.

Name (Date of birth)	Career summary	# of investment units owned
Nariaki Hosoi (January 15, 1964)	<p>April 1987 General Administration Department, Tokyu Land Corporation</p> <p>April 1987 Office Building Planning Division</p> <p>April 1988 Office Building Division</p> <p>July 1992 Urban Business Division</p> <p>October 1994 Seconded to Tokyu Research Institute, Inc.</p> <p>October 1997 Planning Department, Tokyu Land Corporation</p> <p>April 1998 Urban Business Division</p> <p>April 1999 Office Building Division</p> <p>July 2000 Manager of the Urban Business Division</p> <p>April 2010 Executive Manager of the Commercial Facilities Development Department, Commercial Facilities Division</p> <p>Executive Manager of the Commercial Facilities Development</p> <p>April 2011 Seconded to TLC Activia Investment Management Inc. (formerly TLC Township Inc.). Served as Director, Managing Executive Officer, and Executive Officer of the Asset Management Department</p> <p>April 2013 Executive Managing Director (currently held post)</p> <p>March 2015 Executive Director of Activia Properties Inc. (currently held post)</p>	0 units

- The aforementioned candidate for alternate executive director is the Executive Managing Director of the Asset Management Company. There is no particular conflict of interests between candidate for alternate executive director and the Investment Corporation.
- The aforementioned candidate for alternate executive director currently handles the overall operations of the Investment Corporation as its executive director.
- The aforementioned proposal shall be withdrawn by resolution at the board of directors meeting before the candidate assumes the post.

Resolution proposal 5 Appointment of Two Supervisory Directors

The respective terms of office of the supervisory directors Yonosuke Yamada and Yoshinori Ariga will expire on September 7, 2015. Thus, this proposal asks you to select two supervisory directors. The term of office of each supervisory director will be two years, as described in the Articles of Incorporation, and start from September 8, 2015

The personal information and brief biographies of the candidates for supervisory directors are as follows.

No.	Name (Date of birth)	Career summary	# of investment units owned
1	Yonosuke Yamada (May 2, 1959)	<p>April 1989 Registered as an attorney (Dai-ichi Tokyo Bar Association), Nagashima & Ohno Law Firm (currently Nagashima, Ohno & Tsunematsu)</p> <p>October 1989 Partner in the Yamada Law Firm</p> <p>December 1994 Began serving as an outside corporate auditor of Sanyo Trading Co., Ltd.</p> <p>January 1996 Began serving as a director of Denenchofutaba Gakuen (currently held post)</p> <p>March 2004 Began serving as a corporate auditor of Higeta Shoyu, Inc. (currently held post)</p> <p>June 2004 Began serving as an outside corporate auditor of Mitsubishi Logistics Corporation (currently held post)</p> <p>January 2005 Instructor (defense in criminal cases) at the Judicial Research and Training Institute of the Supreme Court of Japan</p> <p>May 2005 Began serving as the managing partner of Yamada, Goya, and Suzuki law offices (currently held post)</p> <p>May 2006 Began serving as an independent committee member of Inabata & Co., Ltd. (currently held post)</p> <p>Jun. 2006 Began serving as an outside corporate auditor of Kanematsu Corporation (currently held post)</p> <p>September 2011 Began serving as a supervisory director of Activia Properties Inc. (currently held post)</p> <p>October 2014 Began serving as a trustee of the school corporation Morimura Gakuen (currently held post)</p> <p>December 2014 Began serving as an outside director of Sanyo Trading Co., Ltd. (currently held post)</p>	0 units
2	Yoshinori Ariga (July 19, 1964)	<p>October 1989 Chuo Shinko Audit Corporation</p> <p>March 1994 Registered as an accountant</p> <p>October 1995 Seconded to the Amsterdam office of PricewaterhouseCoopers</p> <p>September 2000 ChuoAoyama Audit Corporation</p> <p>September 2004 Ariga Yoshinori accounting office (currently held post)</p> <p>September 2004 Sakamaki Keiji tax advisor office</p> <p>January 2005 Registered as a tax advisor</p> <p>September 2011 Began serving as a supervisory director of Activia Properties Inc. (currently held post)</p> <p>January 2013 Ariga Yoshinori Tax Advisor Office (currently held post)</p>	0 units

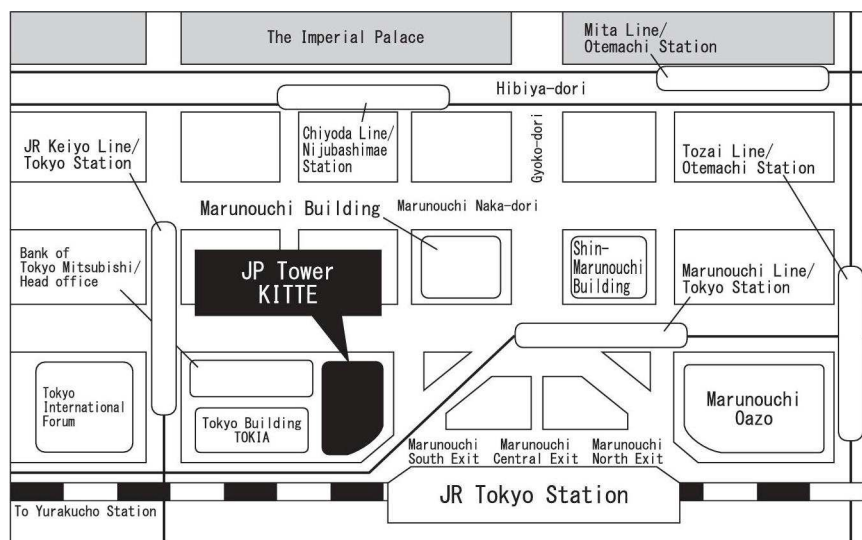
- There are no particular conflicts of interests between aforementioned candidates for supervisory directors and the Investment Corporation.
- The aforementioned candidates for supervisory directors currently supervise the overall operations of the Investent Corporation as its superisory directors.

Other

When they are proposals submitted which conflict with the purposes of other proposals submitted to the unitholders' meeting, "Deemed Approval" prescribed in Article 93, Section 1 of the Act and Article 14 of the Articles of Incorporation shall be not applied. Resolution proposals 1, 2, 3, 4, and 5 described here are not considered to be conflicting proposals.

Access Information for the 3rd Unitholders' Meeting

Venue 7-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo
 JP Tower Hall & Conference (KITTE 4th Floor)
 Hall 1 and Hall 2
 TEL 03-5222-1800



Access Information

JR Approximately 1-minute walk from Tokyo Station (Marunouchi South Exit)

Approximately 3-minute walk from Tokyo Station (Keiyo Line Underground Marunouchi Exit 11)

Subway Directly connected to the underground passage of Tokyo Metro Marunouchi Line Tokyo Station

Approximately 2-minute walk from Tokyo Metro Chiyoda Line Nijubashimae Station Exit 4

Approximately 4-minute walk from Toei Subway Mita Line Otemachi Station Exit D1

Approximately 6-minute walk from Tokyo Metro Tozai Line Otemachi Station Exit B1

Please use the public transportations since we do not arrange the car parking space.

Please hand in the enclosed Voting Rights Exercise Form to the reception at the venue (4F).