

May 31, 2017

FOR IMMEDIATE RELEASE

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### Notice Concerning Change in Tenant (Cancellation of Lease Contract)

Activia Properties Inc. (“API”) hereby announces a receipt of cancellation notice of lease contract from a tenant of Shinbashi Place (“Property”). Details are as follows.

#### 1. Summary of the lease contract to be cancelled

(1) Name of the tenant	Yamada Denki Co., Ltd.
(2) Leased area	9,156.01m <sup>2</sup>
(3) Percentage of leased area to total leasable area of the Property	100.0%
(4) Percentage of leased area to total leasable area of API’s portfolio	2.5% (Note 1)
(5) Monthly rent	-(Note 2)
(6) Security deposit	-(Note 2)
(7) Scheduled date of cancellation	May 14, 2018

(Note 1) Percentage of leased area to total leasable area of API’s portfolio is calculated based on the total leasable area as of November 30, 2016, with taking account of additionally acquired properties from December 1, 2016 to March 31, 2017, which is 370,261.09 m<sup>2</sup> (39 properties).

(Note 2) Not disclosed because the tenant approval was not obtained.

#### 2. Background of the lease cancellation

As the lease contract with the tenant will be terminated on May 14, 2018, API received a cancellation notice according to the prescribed procedures.

#### 3. Outlook

As the scheduled date of the lease cancellation is May 14, 2018 (the 13th period, from December 1, 2017 to May 31, 2018), there will be no impact on the API’s management performance for the fiscal period ending May 31, 2017 (the 11th period, from December 1, 2016 to May 31, 2017) and for the fiscal period ending November 30, 2017 (the 12th period, from June 1, 2017 to November 30, 2017). The management performance for the fiscal period ending May 31, 2018 (the 13th period, from December 1, 2017 to May 31, 2018) will be announced in Financial Report for the Fiscal Period Ending May 31, 2017 which will be

scheduled to be released on July 12, 2017.

#### 4. Operating Policy

This Property is located a one-minute walk from Shinbashi Station, which is used by many office workers and customers of commercial properties in the Ginza area. As both a commercial facility and office property, the Property has strong competitiveness.

Regarding this matter, API has been considering its management plan with various options including ongoing leasing to the tenant and other possible cases. Upon the receipt of one-year prior notice of cancellation, API will strengthen leasing activities and simultaneously analyze details of multiple options to maintain and improve the stability and profitability of the portfolio.

\*Website of API: <http://www.activia-reit.co.jp/english>