

June 26, 2017

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

Activia Properties Inc. (“API”) announces that it decided at the Board of Directors Meeting on June 26, 2017 to submit the following proposals regarding changes to the Articles of Incorporation and the appointment of Directors to the 4th Unitholders’ Meeting, which is scheduled to be held on August 10, 2017.

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

(1) In connection with the payment of the remuneration for the independent auditor, a necessary change will be made to reflect that the term in respect of the deadline for the said payment shall be commenced upon the request of the independent auditor, and a formal revision will be made to the wording (related to Article 26 of the current Articles of Incorporation).

(2) In addition to the above, a revision will be made to clarify the provision and the Supplementary Provision that is no longer necessary will be deleted (related to Article 24 of the current Articles of Incorporation and Article 1 of the current Supplementary Provision).

(Please refer to the attachment “Notice of Convocation of the 4th Unitholders’ Meeting” for details about the changes to the Articles of Incorporation.)

#### 2. 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, 2017. The proposal of the appointment of one Executive Director and two Supervisory Directors will be submitted to the Unitholders’ Meeting on August 10, 2017.

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	Nariaki Hosoi (Reappointment)
Supervisory Director	Yonosuke Yamada (Reappointment)
Supervisory Director	Yoshinori Ariga (Reappointment)

(Note1) The aforementioned candidate for Executive Director is the Managing Director, Chief Division Officer of Activia Management Division of TLC REIT Management Inc., the asset management company of API.

(2) Candidate for Alternate Executive Director (Note 2)

Kazuyuki Murayama (New)

(Note2) The aforementioned candidate for Alternate Executive Director is the General Manager of Strategy Department, Activia Management Division of TLC REIT Management Inc., the asset management company of API.

(Please refer to the attachment “Notice of Convocation of the 4th Unitholders’ Meeting” for details about the appointment of Directors.)

### 3. Schedule

June 26, 2017	Resolution to approve proposals to be submitted to the 4th Unitholders’ Meeting by the Board of Directors Meeting
July 25, 2017	Issue Notice of Convocation of the 4th Unitholders’ Meeting (scheduled)
August 10, 2017	The 4th Unitholders’ Meeting (scheduled)

Attachment: Notice of Convocation of the 4th Unitholders’ Meeting

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

July 25, 2017

To unitholders

Activia Properties Inc.  
1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo  
Nariaki Hosoi  
Executive Director

## Notice of Convocation of the 4th Unitholders' Meeting

We hereby announce and request your attendance at the 4th Unitholders' Meeting of Activia Properties Inc. ("API"), 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 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 Wednesday, August 9, 2017 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 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 included in the number of voting rights of unitholder present and deemed to have approved the proposals for resolution submitted at the Unitholders' Meeting. We ask that you give due consideration to this point.**

(Excerpt of the current Articles of Incorporation)

Article 14: Deemed Approval

1. 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.
2. The number of voting rights held by the unitholders deemed to have voted affirmatively for the proposal pursuant to the preceding paragraph shall be included in the number of voting rights of unitholder present.

### Details

1. Time and Date August 10, 2017 (Thursday) at 1:30 PM
2. Venue Shibuya Mark City Building, 12-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo  
Shibuya Excel Hotel Tokyu 6th Floor, Planets Room  
(Please note that the venue is different from that of the previous meeting place.  
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
  - Resolution proposal 2 Appointment of One Executive Director
  - Resolution proposal 3 Appointment of One Alternate Executive Director
  - Resolution proposal 4 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 REIT Management Inc., the asset management company of API, 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 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

##### 1. Reasons for the changes

- (1) In connection with the payment of the remuneration for the independent auditor, a necessary change will be made to reflect that the term in respect of the deadline for the said payment shall be commenced upon the request of the independent auditor, and a formal revision will be made to the wording (related to Article 26 of the current Articles of Incorporation).
- (2) In addition to the above, a revision will be made to clarify the provision and the Supplementary Provision that is no longer necessary will be deleted (related to Article 24 of the current Articles of Incorporation and Article 1 of the current Supplementary Provision).

##### 2. Details of changes

Details of changes are described below.

(The changed parts are underlined)

Before change	After change (proposal)
<p>Article 24 (Independent Auditor's Term of Office)</p> <p>1. The term of office of the independent auditor shall continue until the conclusion of the first unitholders' meeting to be held after the first Fiscal Period End following the elapse of one year from the time of the assumption of office.</p> <p>2. (Omission)</p>	<p>Article 24 (Independent Auditor's Term of Office)</p> <p>1. The term of office of the independent auditor shall continue until the conclusion of the first unitholders' meeting to be held after the first Fiscal Period End <u>(as defined below)</u> following the elapse of one year from the time of the assumption of office.</p> <p>2. (Not changed)</p>
<p>Article 26 (Standards for Payment of Remuneration of Independent Auditor)</p> <p>The amount of remuneration of the independent auditor shall be the amount to be determined by the Board of Directors, with a maximum of fifteen million (15,000,000) yen per business period. Such amount shall be paid by remittance, within three months from <u>the Fiscal Period End (as defined below) of the relevant business period</u>, to the account which is designated by the independent auditor.</p>	<p>Article 26 (Standards for Payment of Remuneration of Independent Auditor)</p> <p>The amount of remuneration of the independent auditor shall be the amount to be determined by the Board of Directors, with a maximum of fifteen million (15,000,000) yen per business period. Such amount shall be paid by remittance, within three months from <u>the receipt of the request from the independent auditor</u>, to the account which is designated by the independent auditor.</p>
<p><u>Chapter 9 Supplementary Provision</u></p> <p><u>Article 1 (Effective Date)</u></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>	<p>(Deleted)</p>

**Resolution proposal 2** Appointment of One Executive Director

The term of office of Executive Director Nariaki Hosoi will expire on September 7, 2017. 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, 2017.

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 26, 2017.

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
Nariaki Hosoi (January 15, 1964)	<p>April 1987 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>April 2011 Seconded to TLC Township Inc. (Currently TLC REIT Management Inc.)</p> <p>Director, Managing Executive Officer and Executive Officer of the Asset Management Department</p> <p>April 2013 Director, Managing Executive Officer of TLC Activia Investment Management Inc. (Currently TLC REIT Management Inc.)</p> <p>March 2015 Executive Director of Activia Properties Inc.</p> <p>April 2017 Seconded to TLC REIT Management Inc.</p> <p>Currently serves as Managing Director, Chief Division Officer of Activia Management Division</p> <p>April 2017 Currently serves as Executive Director, API</p>	0 units

- The aforementioned candidate for Executive Director is the Managing Director, Chief Division Officer of Activia Management Division of TLC REIT Management Inc., the asset management company of API. There is no particular conflict of interests between the candidate for Executive Director and API.
- The aforementioned candidate for Executive Director currently supervises the overall operations of API as an Executive Director.

**Resolution proposal 3** 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, starting from September 8, 2017 when the Executive Director in resolution proposal 2 will take office, as stipulated by the Articles of Incorporation.

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 26, 2017.

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
Kazuyuki Murayama (April 17, 1969)	April 1992 September 2004 August 2005 March 2012 March 2012  April 2015  July 2016 April 2017	The Daiwa Bank, Limited. Sei Crest Co., Ltd. Ernst & Young Tax Co. Tokyu Land Capital Management Inc. Seconded to Fund Management Department of TLC Activia Investment Management Inc. (Currently TLC REIT Management Inc.) Deputy Executive Officer of Fund Management Department Executive Officer of Fund Management Department Currently serves as General Manager of Strategy Department, Activia Management Division, TLC REIT Management Inc.	0 units

- The aforementioned candidate for Alternate Executive Director is the General Manager of Strategy Department, Activia Management Division of TLC REIT Management Inc., the asset management company of API. There is no particular conflict of interests between candidate for Alternate Executive Director and API.
- The aforementioned proposal shall be withdrawn by resolution at the Board of Directors Meeting before the candidate assumes the post.

**Resolution proposal 4** Appointment of Two Supervisory Directors

The respective terms of office of the Supervisory Directors Yonosuke Yamada and Yoshinori Ariga will expire on September 7, 2017. Thus, this proposal asks you to select two Supervisory Directors. The term of office of each Supervisory Director will be two years, starting from September 8, 2017, as stipulated in the Articles of Incorporation.

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 &amp; Ohno Law Firm (currently Nagashima, Ohno &amp; Tsunematsu)</p> <p>October 1989 Partner in the Yamada Law Firm</p> <p>December 1994 Outside corporate auditor of Sanyo Trading Co., Ltd.</p> <p>January 1996 Director of Denenchofufutaba Gakuen</p> <p>March 2004 Currently serves as corporate auditor of Higeta Shoyu, Inc.</p> <p>June 2004 Currently serves as outside corporate auditor of Mitsubishi Logistics Corporation</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 Currently serves as managing partner of Yamada, Goya, and Suzuki law offices</p> <p>May 2006 Independent committee member of Inabata &amp; Co., Ltd.</p> <p>June 2006 Currently serves as outside corporate auditor of Kanematsu Corporation</p> <p>September 2011 Currently serves as Supervisory Director of Activia Properties Inc.</p> <p>October 2014 Trustee of the school corporation Morimura Gakuen</p> <p>December 2014 Currently serves as outside director of Sanyo Trading Co., Ltd.</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 Chuo Aoyama Audit Corporation</p> <p>September 2004 Currently serves as accountant of Ariga Yoshinori accounting office</p> <p>September 2004 Sakamaki Keiji tax advisor office</p> <p>January 2005 Registered as a tax advisor</p> <p>September 2011 Currently serves as Supervisory Director of Activia Properties Inc.</p> <p>January 2013 Currently serves as tax advisor of Ariga Yoshinori Tax Advisor Office</p> <p>June 2016 Currently serves as outside corporate auditor of Achilles Corporation</p>	0 units

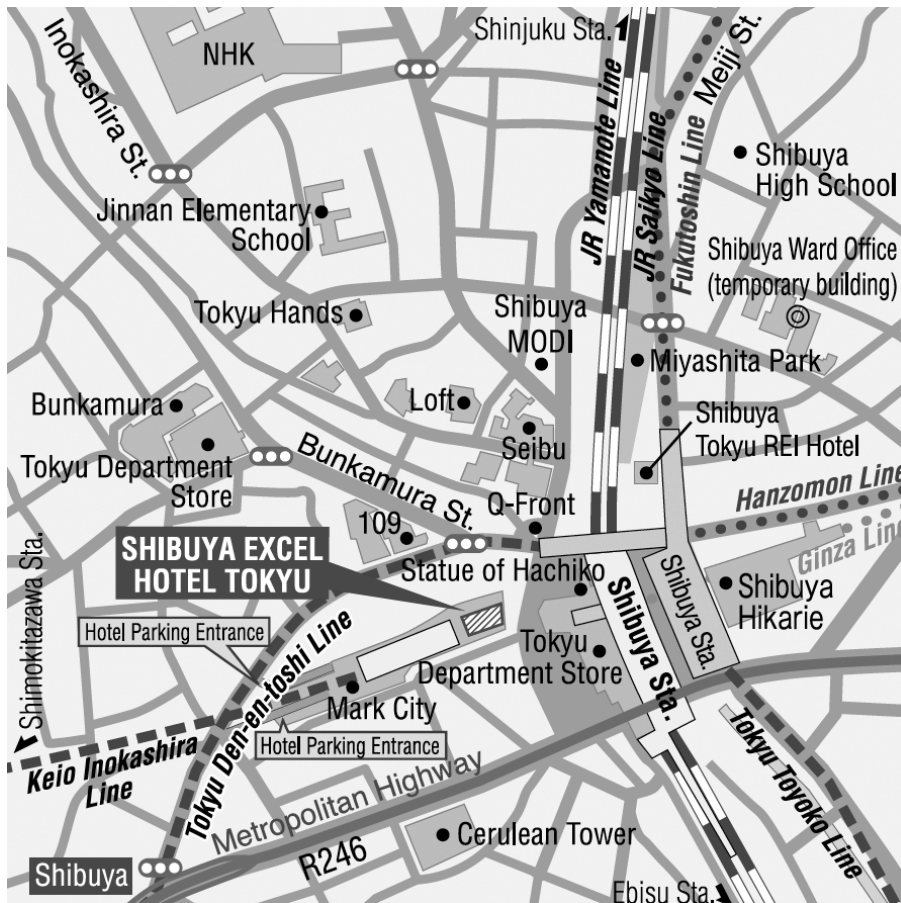
- There are no particular conflicts of interests between aforementioned candidates for Supervisory Directors and API.
- The aforementioned candidates for Supervisory Directors currently supervise the overall operations of API as its Supervisory Directors.

**Other Reference Matter**

Where there are conflicting proposals among the proposals submitted to the Unitholders' Meeting, "Deemed Approval" prescribed in Article 93, Section 1 of the Act on Investment Trusts and Investment Corporations and Article 14 of the Articles of Incorporation shall be not applied. Resolution proposals 1, 2, 3 and 4 described here are not considered to be conflicting proposals.

## Access Information for the 4th Unitholders' Meeting

Venue Shibuya Mark City Building, 12-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo  
 Shibuya Excel Hotel Tokyu 6th Floor, Planets Room  
 TEL +81-3-5457-0109



### Access Information

JR Yamanote Line and Saikyo Line	Shibuya Station	Directly connected
Tokyo Metro Ginza Line, Hanzomon Line and Fukutoshin Line		
Tokyu Toyoko Line and Tokyu Den-en-toshi Line		
Keio Inokashira Line		

- Please take a private elevator at Shibuya Excel Hotel Tokyu to the 6th Floor from the 1st or 3rd Floor.
- 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 (6F).