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FOR IMMEDIATE RELEASE

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

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

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

Notice Concerning the Change of Tenants (Commencement of Lease)

In relation to Shinbashi Place (the “Property”), Activia Properties Inc. (“API”) announces that we have concluded below lease agreements (the “Agreements”) with tenants.

Details are as follows:

1. Overview of the Agreements

Agreement 1

(1) Name of the tenant	TC-forum CO., LTD.
(2) Date of the contract	November 17, 2017
(3) Term of the lease	May 15, 2018-May 31, 2028 (Fixed term)
(4) Leased area	2,032.53 m ²
(5) Ratio of leased area to total leasable area of the Property	33.2% (Note 1)
(6) Ratio of leased area to total leasable area of API's portfolio	0.6% (Note 2)
(7) Monthly rent	- (Note 3)
(8) Tenant leasehold and security deposits	- (Note 3)

Agreement 2

(1) Name of the tenant	Tokyu Land Corporation
(2) Date of the contract	November 17, 2017
(3) Term of the lease	May 15, 2018-May 31, 2028 (Fixed term)
(4) Leased area	1,355.02 m ²
(5) Ratio of leased area to total leasable area of the Property	22.1% (Note 1)
(6) Ratio of leased area to total leasable area of API's portfolio	0.4% (Note 2)
(7) Monthly rent	- (Note 3)
(8) Tenant leasehold and security deposits	- (Note 3)

Agreement 3

(1) Name of the tenant	Sugi Holdings Co., Ltd.
(2) Date of the contract	November 17, 2017
(3) Term of the lease	May 15, 2018-May 31, 2023 (Fixed term)
(4) Leased area	361.65 m ²
(5) Ratio of leased area to total leasable area of the Property	5.9% (Note 1)
(6) Ratio of leased area to total leasable area of API's portfolio	0.1% (Note 2)
(7) Monthly rent	- (Note 3)
(8) Tenant leasehold and security deposits	- (Note 3)

(Note 1) Calculated based on the estimated total leasable area of the Property as of today (6,117.48 m²).

(Note 2) Calculated based on the estimated total leasable area of API's portfolio as of today (367,156.24 m²).

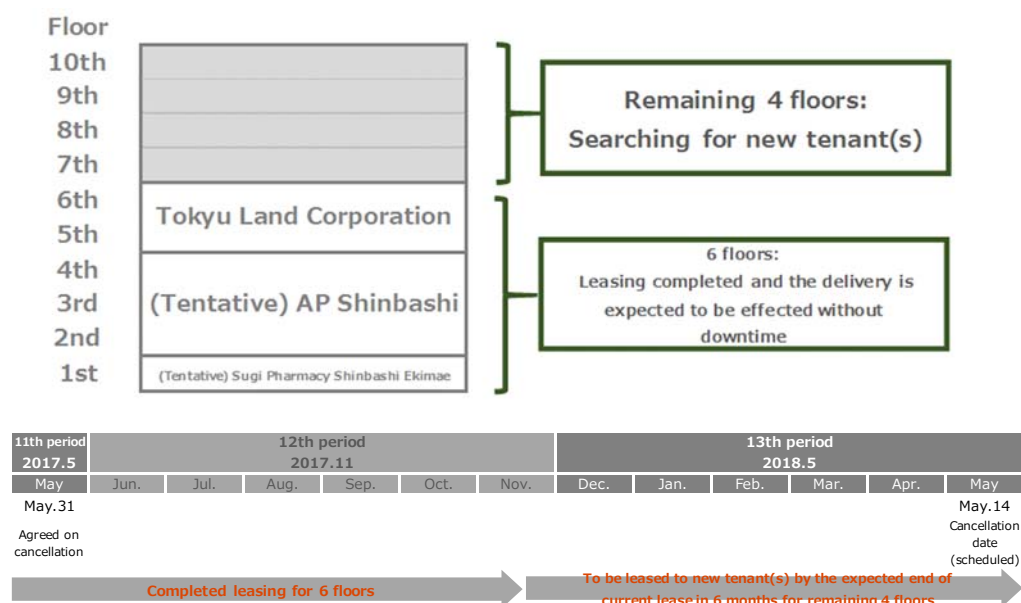
(Note 3) Not disclosed because the tenant approval was not obtained.

2. Background of the Change

With regard to the Property, which the current tenant will vacate as of May 14, 2018 as announced in “Notice Concerning Change in Tenant (Cancellation of Lease Contract)” on May 31, 2017, we have received applications for moving in from above three tenants who appreciated the building's favorable location which is a one-minute walk from the Shinbashi Station and its high visibility. Six floors out of ten of the Property will be leased out to the above prospective tenants, which we consider that it would contribute to (i) spread risks by diversifying tenants of the Property, (ii) enhance the stability and profitability of API's portfolio, and (iii) leverage Tokyu Fudosan Holding's value chain. Upon consideration of various factors including those mentioned above, API decided to enter into the lease agreements with them. As per the Agreements, approximately 60% of the total area is leased out, and we will continue diligently searching for tenant(s) for the remaining area of the Property.

API judges that the anticipated lessees of the Property satisfy the criteria for the selection of tenants stated in the “Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties” submitted by TLC REIT Management Inc. (“TRM”), the Asset Manager, to which API entrusts its asset management, on August 25, 2017.

<Reference: floor plan and leasing schedule>



3. Transaction with related parties

TC-forum CO., LTD., one of the contracting parties of the Agreements, is a wholly-owned subsidiary of Tokyu Community Corp., which is a wholly-owned subsidiary of Tokyu Fudosan Holdings Corporation, which is the parent company of Tokyu Land Corporation, a parent company of TRM. Also Tokyu Land Corporation is a parent company of TRM.

These entities fall into interested parties as defined by Article 201 of Act on Investment Trusts and Investment Corporations (“ITA”) and Article 123 of Order for Enforcement of ITA as well as “Rules Regarding Related-party Transactions”, the internal rules of TRM. Therefore, TRM has completed procedures based on “Rules Regarding Related-party Transactions” to enter into the contracts.

4. Outlook

There will be no impact from the conclusion of the Agreements on API’s management performance for the fiscal period ending November 30, 2017 (the 12th fiscal period, from June 1, 2017 to November 30, 2017) and the impact for the fiscal period ending May 31, 2018 (the 13th fiscal period, from December 1, 2017 to May 31, 2018) is not material.

*Website of API: [http:// https://www.activia-reit.co.jp/en/](http://https://www.activia-reit.co.jp/en/)