

January 5, 2018

FOR IMMEDIATE RELEASE

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Notice Concerning the Change of Tenants (Commencement of Lease) (icot Mizonokuchi)

In relation to icot Mizonokuchi (the “Property”), Activia Properties Inc. (“API”) announces that it has concluded the below lease agreement (the “Agreement”) with a tenant.

Details are as follows:

1. Overview of the Agreement

(1) Name of the tenant	Kaguno Taishodo Co., Ltd.
(2) Date of the contract	January 5, 2018
(3) Term of the lease	July 25, 2018-July 24, 2023 (Fixed term)
(4) Leased area	14,032.05 m ²
(5) Ratio of leased area to total leasable area of the Property	100.0% (Note 1)
(6) Ratio of leased area to total leasable area of API's portfolio	3.5% (Note 2)
(7) Monthly rent	- (Note 3)
(8) Tenant leasehold and security deposits	- (Note 3)

(Note 1) Calculated based on the total leasable area of the Property as of the end of November, 2017 (14,032.05 m²).

(Note 2) Calculated based on the total leasable area of API's portfolio as of the end of November, 2017 adding properties acquired since December, 2017 (398,583.36m²).

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

2. Background of the conclusion of the Agreement

The current lease agreement with Kaguno Taishodo Co., Ltd. will expire on July 24, 2018, though, API and the tenant expected to continue the lease and were under negotiation. Recently API has decided to enter into a new lease contract with the tenant for a fixed term of five years as described above.

API judges that the anticipated lessee of the Property satisfies 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.

3. Outlook

There will be no material impact from the conclusion of the Agreement on API’s management performance for the fiscal period ending May 31, 2018 (the 13th fiscal period, from December 1, 2017 to May 31, 2018) and for the fiscal period ending November 30, 2018 (the 14th fiscal period, from June 1, 2018 to November 30, 2018).

*Website of API: <https://www.activia-reit.co.jp/en/>