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FOR IMMEDIATE RELEASE

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Notice Concerning Changes in Organizational Structure,  
Directors and Key Employees of the Asset Management Company

Activia Properties Inc. (“API”) announces that TLC REIT Management Inc.(“TRM”), to which API entrusts its asset management operations, decided the matters below today.

Details are as follows:

1. Change in the organizational structure of TRM

(1) Establishment of Environmental Engineering Department (scheduled to be effective on April 1, 2018)

For the purpose of enhancing the organization to maintain and improve the value of API’s assets, TRM newly establishes the Environmental Engineering Department which supervises environmental responsiveness of properties, repairs and other works of assets of API. Upon this establishment, part of matters concerning repairs and other works which is currently managed by the Asset Management Department and the Asset Investment Department will be transferred to the Environmental Engineering Department.

(2) Transfer of other businesses (scheduled to be effective on April 1, 2018)

The matters concerning financing (investment corporation bonds) will be transferred from the Strategy Department to the Finance & Accounting Department. Also, the matters concerning supervision of risk management will be transferred from the Corporate Planning & Administration Department to the Compliance Department.

(3) Organizational chart and business overview of TRM

The organizational chart (before and after the changes) of TRM is shown below in Attachment 1. Please refer also to the Business overview of each department after the organizational structure change in Attachment 2.

## 2. Change of Directors of TRM

It was decided at the Board of Directors of TRM held today to submit a proposal to the shareholders of TRM to pass an extraordinary resolution in written form to elect a new Director and a new Corporate Auditor as provided in Paragraph 1 of Article 319 in the Companies Act.

### (1) Newly appointed Director (scheduled to be effective on April 1, 2018)

Kazushi Sato, Director

(Note 1) Appointment to Director will be formally decided following the extraordinary written resolution of shareholders of TRM.

(Note 2) The profile of the newly appointed Director is in the attachment 3.

### (2) Resigning Director (scheduled to be effective on March 31, 2018)

Nariaki Hosoi, Director

### (3) Newly appointed Corporate Auditor (scheduled to be effective on April 1, 2018)

Kazunari Takura, Corporate Auditor (Part-time)

(Note 1) Appointment to Corporate Auditor will be formally decided following the extraordinary written resolution of shareholders of TRM.

(Note 2) The profile of the newly appointed Corporate Auditor is in the attachment 3.

### (4) Resigning Corporate Auditor (scheduled to be effective on March 31, 2018)

Akira Yamaguchi, Corporate Auditor (Part-time)

## 3. Change of Key Employees (scheduled to be effective on April 1, 2018)

Position	New	Former
Managing Director, Chief Division Officer of Activia Management Division	Kazushi Sato	Nariaki Hosoi
Compliance Officer	Akira Yamaguchi	Toshiaki Shinohara (Note 1)

(Note 1) Toshiaki Shinohara also serves as the General Manager of Internal Audit Department.

(Note 2) The profiles of the newly appointed Key Employees are in the attachment 4.

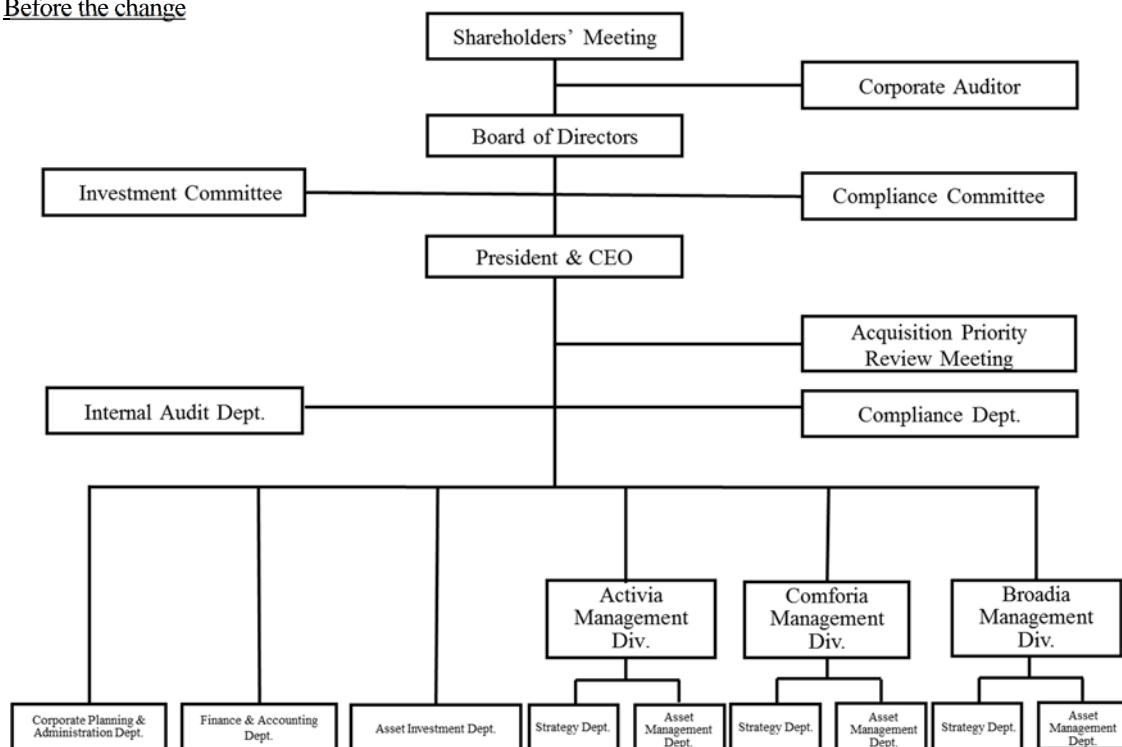
TRM makes necessary reports and other arrangements pursuant to the provisions of the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Law and other applicable laws and regulations.

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

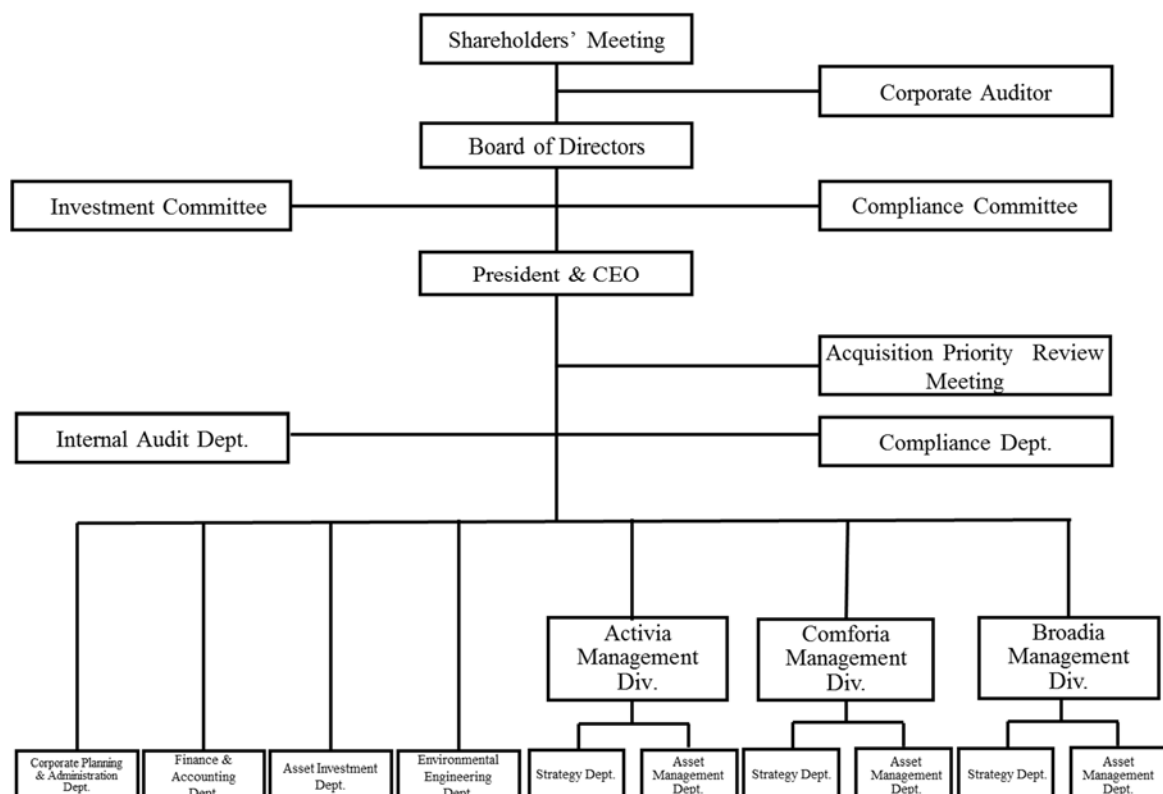
(Attachment 1)

TRM organizational chart

Before the change



After the change



(Attachment 2)

Business overview of each department after the organizational structure change (Changes are underlined)

Department	Summary of business
Asset Management Department, Activia Management Division	<p>Matters concerning:</p> <ul style="list-style-type: none"> <li>• establishment of income and expenditure plan by property (including property management plan) for API</li> <li>• establishment of asset management plan for API</li> <li>• repairs and other works of assets of API</li> </ul>
Strategy Department, Activia Management Division	<p>Matters concerning:</p> <ul style="list-style-type: none"> <li>• establishment of investment policies such as asset management guideline, etc. for API</li> <li>• establishment of management policy of assets of API</li> <li>• establishment of basic policies of overall portfolio and asset management plans, etc. for API</li> <li>• establishment of dividend distribution policy for API</li> <li>• financing (investment units) of API</li> <li>• IR and disclosure of API</li> </ul>
<u>Environmental Engineering Department</u> (Newly established)	<p><u>Matters concerning:</u></p> <ul style="list-style-type: none"> <li>• <u>repairs and other works of assets of the entrusted investment corporation</u></li> <li>• <u>environmental responsiveness of properties of the entrusted investment corporation</u></li> <li>• <u>due diligence and engineering support for real estate</u></li> </ul>
Asset Investment Department	<p>Matters concerning:</p> <ul style="list-style-type: none"> <li>• collection of information related to real estate, etc. that having the potential to be incorporated by the entrusted investment corporation</li> <li>• acquisition and disposition of real estate, etc. for and of the entrusted investment corporation</li> <li>• due diligence of real estate, etc.</li> <li>• operation of Acquisition Priority Review Meeting</li> </ul>
Finance & Accounting Department	<p>Matters concerning:</p> <ul style="list-style-type: none"> <li>• establishment of financial plan for the entrusted investment corporation</li> <li>• financing (borrowings <u>and investment corporation bonds</u>) for the entrusted investment corporation</li> <li>• accounting and financial settlement for the entrusted investment corporation</li> <li>• calculation of dividend and distribution, etc. for the entrusted investment corporation</li> </ul>
Compliance Department	<p>Matters concerning:</p> <ul style="list-style-type: none"> <li>• supervision of establishment and implementation of basic policies related to compliance</li> <li>• management of compliance with laws and ordinances</li> <li>• establishment of compliance program</li> <li>• follow-up of the law system and structure of investment trust</li> <li>• confirmation and management of important legal documents such as contracts</li> </ul>

	<ul style="list-style-type: none"> <li>• response and management concerning incidents and complaints</li> <li>• response and management concerning legal disputes such as lawsuits and mediation</li> <li>• <u>supervision of risk management</u></li> </ul>
Corporate Planning & Administration Department	<p>Matters concerning:</p> <ul style="list-style-type: none"> <li>• operation of unitholders' meeting and board of directors of the entrusted investment corporation</li> <li>• overall corporate planning and administration</li> <li>• establishment and abolishment of internal rules and other various rules</li> <li>• HR &amp; labor, general affairs and administrative affairs</li> <li>• response to supervisory authorities</li> <li>• operation of the Shareholders' Meeting, Board Meeting, Compliance Committee and Investment Committee</li> <li>• management and storage of important documents, seal, etc.</li> <li>• information security and IT related business</li> <li>• in-house education and training</li> <li>• financial and accounting business</li> </ul>

(Attachment 3)

Profile of the newly appointed Director and Corporate Auditor

Position	Name	Brief biography	
Managing Director	Kazushi Sato	Apr. 1987	Tokyu Land Corporation
		Apr. 2000	Manager of Office Building Division
		Apr. 2009	Executive Manager of Planning and Development Department, Asset Planning and Development Division
		Apr. 2010	Executive Manager of Planning and Development Department, Investment Management Division
		Apr. 2011	Executive Manager of Investment Planning Department, Investment Management Division
		Apr. 2011	Director (Part-time) of Tokyu Land Capital Management Inc.
		Apr. 2011	Director (Part-time) of TLC Realty Management Inc. (current TLC REIT Management Inc.)
		Apr. 2014	Executive Manager of Business Strategy Department, Urban Business Unit
		Apr. 2015	Director, Tokyu Land SC Management Corporation
		Apr. 2016	President (to present)
Corporate Auditor (Part-time)	Kazunari Takura	Apr. 2018	Seconded to TLC REIT Management Inc. Managing Director, Chief Division Officer of Activia Management Division (scheduled to be effective on April 1, 2018)
		Apr. 1997	Tokyu Land Corporation
		Apr. 2012	Manager of Internal Audit Department (to present)
		Oct. 2013	Manager of Internal Audit Department, Tokyu Fudosan Holdings Corporation
		Apr. 2016	Manager of Group Internal Audit Department, Tokyu Fudosan Holdings Corporation (to present)
		Apr. 2016	Corporate Auditor (Part-time) of Tokyu Resort Corporation (to present)
		Apr. 2016	Corporate Auditor (Part-time) of Life & Work Design Co., Ltd. (to present)
		Apr. 2016	Supervisory (Part-time) of Tokyu Land Corporation (Shanghai) Ltd. (to present)
		Jun. 2016	Corporate Auditor (Part-time) of IZUKANKOKAIHATSU co, Ltd. (to present)
		Apr. 2018	Corporate Auditor (Part-time) of TLC REIT Management Inc. (scheduled to be effective on April 1, 2018)
		Apr. 2018	Corporate Auditor (Part-time) of Tokyu Land Capital Management Inc. (scheduled to be effective on April 1, 2018)

(Attachment 4)

Profile of the newly appointed Key Employees

Position	Name	Brief biography	
Managing Director, Chief Division Officer of Activia Management Division	Kazushi Sato	Please refer to the above “Profile of the newly appointed Director and Corporate Auditor”.	
Compliance Officer	Akira Yamaguchi (Note)	Apr. 1982	Tokyu Land Corporation
		Apr. 1997	Manager of Urban Business Division
		Oct. 1999	Seconded to Urban Renaissance Agency
		Apr. 2003	Manager of Compliance Department, Tokyu Land Corporation
		Apr. 2008	Head of Internal Audit Office
		Apr. 2008	Corporate Auditor (Part-time) of Tokyu Land Capital Management Inc. (to present)
		Oct. 2009	Corporate Auditor (Part-time) of TLC Realty Management Inc. (current TLC REIT Management Inc.) (to present)
		Nov. 2010	Corporate Auditor (Part-time) of TLC Township Inc.
		Apr. 2011	Executive Manager of Internal Audit Department, Tokyu Land Corporation
		Oct. 2013	General Manager of Internal Audit Department, Tokyu Land Corporation
		Oct. 2013	General Manager of Internal Audit Department, Tokyu Fudosan Holdings Corporation
		Apr. 2014	Executive Manager of Internal Audit Department, Tokyu Land Corporation
		Apr. 2014	Executive Manager of Internal Audit Department, Tokyu Fudosan Holdings Corporation
		Apr. 2016	Executive Manager of Group Internal Audit Department, Tokyu Fudosan Holdings Corporation
		Apr. 2016	Director (Part-time) of Pacific Islands Development Corporation
		Apr. 2017	General Manager of Internal Audit Department, Tokyu Land Corporation (to present)
		Apr. 2017	General Manager of Group Internal Audit Department, Tokyu Fudosan Holdings Corporation (to present)
		Apr. 2018	Seconded to TLC REIT Management Inc. Compliance Officer (scheduled to be effective on April 1, 2018)

(Note) In addition to the above, Akira Yamaguchi concurrently serves as the corporate auditor (part-time) of National Students Information Center, Hokuwa-Corporation, Homic Co., Ltd., Nasic I support Co., Ltd., Nasic Educational Solution Co., Ltd., and Sigma Japan Co., Ltd.