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FOR IMMEDIATE RELEASE

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Notice Concerning of Transfer of Asset (Tokyo Kikai Honsha Building (Building))

Activia Properties Inc. (hereinafter referred to as the "Investment Corporation") announces today that it decided to transfer an asset. Details are as follows.

1. Overview of the Anticipated Transfer

(1)	Property name	: Tokyo Kikai Honsha Building (Building)
(2)	Asset to be transferred	: The trust beneficiary interest in a property (Tokyo Kikai Honsha Building) of the building as a trust asset (hereinafter referred to as the "building")
(3)	Transfer price	: ¥695 million
(4)	Book value	: ¥693 million (equivalent to the building) (Note 1)
(5)	Difference between transfer price and book value	: ¥2 million
(6)	Date of transfer contract	: March 28, 2014 (plan)
(7)	Date of transfer	: May 30, 2014 (plan)
(8)	Transferee	: Tokyu Land Corporation
(9)	Settlement method	: Total amount to be received on the transfer date

(Note 1) The estimated amount as of the transfer date is rounded to million.
(Note 2) In this notice, numbers are rounded down except percentage figures rounding to the first decimal place.

2. Reason of the transfer

The Investment Corporation acquired the trust beneficiary interest in a property as a trust asset of Tokyo Kikai Honsha Building (building and land) at the listing of June 2012, and kept stable management. The property built in 1985 has been used as the head quarter of Tokyo Kikai Seisakusho, LTD., the main tenant. Although the property has building-age deterioration of equipment and decreased the competitiveness as the rent office, the Investment Corporation continues management of the property under the policy of conducting the renewal construction after the next year.

However, the only tenant who had the Japanese-styled lease contract (*futsu-shakuya keiyaku*) in the property moved out at the end of this year and since the property is comprised of tenants with fixed-term lease contract (until March 2015), the Investment Corporation has obtained other management options including reconstruction of the building (hereinafter referred to as the "new building").

Under these circumstances, the Investment Corporation reconsidered several options to operate for the property in the future, as below. After verifying the pros and cons of each option, the Investment Corporation decided to transfer the trust beneficiary interest in the building to Tokyu Land Corporation to maximize the unitholder's value, and continue to hold the land of its property (hereinafter referred to as the "land") due to minimize business risks, secure stable land rent and also the probability of acquiring the new building.

As a result, the portfolio will be approximately ¥2,310 billion based on acquisition price by decreasing approximately ¥7 billion through this transfer.

Options that the Investment Corporation has considered.

	Option 1	Option 2	Option 3
Detail	Continue to hold the building and the land (carry out the renewal construction)	Transfer the building and the land	Transfer the building and continue to hold the land
Advantage	-Receiving the rent revenue from the building until March next year -Continuing to have the potential for receiving a certain rent revenue through the renewal construction	-Minimizing the business risks such as increase in expenses for the renewal construction, leasing, and other	-Minimizing the business risks such as increase in expenses for the renewal construction, leasing, and other -Receiving the stable rent revenue through the land rent -Securing the opportunity to acquire the new building when a lessee rebuild the new building in the future
Disadvantage	-Losing the opportunity of receiving rent revenue from the building during the renewal construction, and having the risk of increase in expenses for the renewal construction -Lowering the level of competitiveness by property age although a certain level of competitiveness shall be kept through the renewal construction	-Losing the lease business income from the building and the land -Losing the opportunity of receiving revenue related to the building or the land in the future	-Decreasing in the lease business income related to the building
Evaluation	-	-	Adopted

3. Overview of the property to be transferred

(1) Outline of the property

Property name		Tokyo Kikai Honsha Building (Building)
Category		Tokyo Office Properties
Specified asset category		Trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Trust establish date		May 30, 2014 (the effective date of trust establish related to the trust in the building by trust splits)
Expiry date of the trust period		June 30, 2022 (the expiry date of the trust period related to the trust in the building by trust splits)
Transportation		2-minute walk from “Mita” station on the Municipal Subway Asakusa Line 4-minute walk from “Tamachi” station on JR Yamanote Line and Keihin-Tohoku Line
Location (address)		26-24 Shiba 5-chome, Minato-ku, Tokyo
Land (Not for transfer)	Location	9-1 Shiba 5-chome, Minato-ku, Tokyo
	Building to land ratio	100.00% (Note)
	Plot ratio	500.00%
	Usage restrictions	Commercial district
	Land area	1,287.96 m^2
	Ownership	The land will not be transferred, and Japanese-styled lease contract will be signed.
Building	Completion date	June 1985
	Structure	Steel framed reinforced concrete /6 floors above and 1 floor underground
	Registered usage	Office, garage
	Gross floor area	6,992.31 m^2
	Parking facilities	39 vehicles
	Ownership	Ownership
Property management company		Tokyu Land Corporation
Master lessee		Tokyu Land Corporation
Acquisition price		¥695 million
Appraisal value (Date of value estimate)		¥693 million (March 1, 2014)
Appraisal agency		Tanizawa Sogo Appraisal Co., Ltd.
Lease overview		
	Total leasable area	4,389.20 m^2
	Occupancy rate	80.9%
	Main tenant	Tokyo Kikai Seisakusho, LTD.
	Number of tenants	2
	Annual rent	¥225 million
	Total of deposit	¥178 million
Remarks		-The Investment Corporation will have a priority right for negotiation between the transferee to acquire new building for one year from the completion date when the transferee rebuild the new building after demolishing the building. -The Investment Corporation and transferee will have a priority right for negotiation to purchase and sell the land for four years from the next day after the expiry date of abovementioned priority right for negotiation. -The trustee related to the land will agree Japanese-styled leasehold contract with Tokyu Land Corporation, the transferee of the trust beneficiary interest in the building, upon a transfer of the trust beneficiary interest in the building as the condition precedent (the Investment Corporation will approve such Japanese-styled leasehold contract simultaneously with the agreement for the transfer of the building).

	Lessor : Sumitomo Mitsui Trust Bank, Limited. Lessee : Tokyu Land Corporation Object : 9-1 Shiba 5-chome, Minato-ku, Tokyo (land) Purpose of leasehold : Holding and demolishing of the building and new building. Lease term : May 30, 2014 (plan) to the end of May 2074 Rent : ¥10,417,000/month Deposit : None Other : None
(Note) The figure includes the margin since the building receives the margin due to the fire-resistant building on fire prevention districts.	

(2) Outline of the transferee

Name		Tokyu Land Corporation
Address		21-2 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Management		Kiyoshi Kanazashi
Amount of capital		¥57,551 million
Established on		December 17, 1953
Net asset		¥334,711 million (as of December 31, 2013)
Total asset		¥1,726,526 million (as of December 31, 2013)
Business Description		1. Management, lease, purchase and sale, intermediary, consulting, and appraising of land and building 2. Financing, purchase and sale of interest to TMK, SPC, and REIT 3. Any others related businesses to each item listed above
Relationships with the Investment Corporation and the Asset Manager		
	Capital relationship	Parent company of the Asset Manager and holds 26,080 units issued by the Investment Corporation (as of December 17, 2013).
	Personnel relationship	Most employees of the Asset Manager are seconded from Tokyu Land Corporation.
	Business relationship	Lease and PM agreements are contracted between Tokyu Land Corporation and the trustees on trust beneficiary interest held by the Investment Corporation.
	Related party or not	Tokyu Land Corporation is not a related party of the Investment Corporation, but of the Asset Manager. Also, Tokyu Land Corporation is a related party under ITA.

4. Transactions with related parties

The Transferee is Tokyu Land Corporation, the parent company of the Asset Manager. The party is the interested party as provided for in Article 201 on ITA and Article 123 of the Enforcement Ordinance of ITA, and as provided for in the regulations concerning transactions with interested parties in the internal regulations of the Asset Manager. Therefore, the Asset Manager carried out the appropriate procedures as provided for in the regulations concerning transactions with interested parties in connection with outsourcing property management services for the asset to be transferred between the transferee.

5. Outline of intermediary

Not applicable

6. Schedule

Determination date	March 27, 2014
Agreement date	March 28, 2014 (plan)
Settlement date	May 30, 2014 (plan)
Transfer of building and establish leasehold	May 30, 2014 (plan)

7. Matters regarding forward commitment contracts, etc.

In case there are any violations by the Investment Corporation or a transferee concerning the provisions which have a material adverse effect on the achievement of the purpose of the agreement, the Investment Corporation or the transferee can urge the transferee or the Investment Corporation to fulfill the obligation in a fixed period of time. When the transferee or the Investment Corporation does not correct the violations within that time frame, the Investment Corporation or the transferee may cancel the agreement and make a claim to the transferee or the Investment Corporation for the penalty equivalent to 5% of the transfer price to the transferee or the Investment Corporation.

However, the Investment Corporation expects the negative impact on its financing and others is low since the Investment Corporation is the seller, and the transferee does not have the risk for financing to fund for the transferring.

8. Outlook

The management performance of the Investment Corporation for the fiscal period ending May 2014 (The 5th fiscal period, from December 1, 2013 to May 31, 2014) and the fiscal period ending November 2014 (The 6th fiscal period, from June 1, 2014 to November 30, 2014) will not be changed.

<Exhibit>

Portfolio after the Transfer of the Asset

*Distribution of this material: This material is distributed to the Kabuto Club; the press club for the Ministry of Land, Infrastructure, Transport, and Tourism; and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport, and Tourism.
*Website of the Investment Corporation: http://www.activia-reit.co.jp/english

Activia Properties Inc.

Portfolio after the Transfer of the Asset

Category	Property No. (Note1)	Property name	Location	Acquisition date	Acquisition price (Millions of yen)	Investment ratio (Note 2)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	Shibuya, Tokyo	June 13, 2012	45,000 (Note 3)	19.5
	UR-2	Tokyu Plaza Akasaka	Chiyoda, Tokyo	June 13, 2012	11,450 (Note 3)	5.0
	UR-3	Ebisu Q Plaza	Shibuya, Tokyo	June 13, 2012	8,430	3.6
	UR-4	Shinbashi Place	Minato, Tokyo	June 13, 2012	20,500	8.9
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	June 13, 2012	8,860	3.8
	UR-6	Hitotsugi LIP	Minato, Tokyo	August 30, 2013	3,000	1.3
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	December 19, 2013	21,330	9.2
	UR-8	Tokyu Plaza Sapporo	Sapporo, Hokkaido	December 19, 2013	4,410	1.9
	UR-9	Kamata Kosan Building	Shibuya, Tokyo	December 19, 2013	6,370	2.8
	Subtotal				129,350	56.0
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	June 13, 2012	7,400	3.2
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	June 13, 2012	9,640	4.2
	TO-3	Yoyogi Place	Shibuya, Tokyo	June 13, 2012	4,070	1.8
	TO-4	Aoyama Plaza Building	Minato, Tokyo	June 13, 2012	8,790	3.8
	TO-5	Luogo Shiodome	Minato, Tokyo	June 13, 2012	4,540	2.0
	TO-6	Tokyo Kikai Honsha Building (Land)	Minato, Tokyo	June 13, 2012	2,338 (Note 4)	1.0
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	June 13, 2012	3,990	1.7
	TO-8	TK Shinbashi Building	Minato, Tokyo	April 19, 2013	5,650	2.4
	TO-9	Gotanda Front	Shinagawa, Tokyo	January 10, 2014	5,730	2.5
	TO-10	Shinagawa Place	Minato, Tokyo	January 10, 2014	3,800	1.6
	Subtotal				55,948	24.2
Subtotal of UR and TO					185,298	80.2
Other Properties	O-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	June 13, 2012	12,000	5.2
	O-2	icot Nakamozu	Sakai, Osaka	June 13, 2012	8,500	3.7
	O-3	icot Kongo	Osakasayama, Osaka	June 13, 2012	1,600	0.7
	O-4	icot Mizonokuchi	Kawasaki, Kanagawa	June 13, 2012	2,710	1.2
	O-5	icot Tama Center	Tama, Tokyo	June 13, 2012	2,840	1.2
	O-6	Kanayama Center Place	Nagoya, Aichi	June 13, 2012	6,980	3.0
	O-7	Osaka Nakanoshima Building	Osaka, Osaka	January 25, 2013	5,250 (Note 3)	2.3
	O-8	J-CORE Omori	Ota, Tokyo	December 19, 2013	5,790	2.5
	Subtotal				45,670	19.8
Total					230,968	100.0

(Note 1) “Property No.” is numbered by categorizing properties of the Investment Corporation into UR (Urban Retail Properties), TO (Tokyo Office Properties) and O (Other Properties).

(Note 2) “Investment ratio” is ratio of acquisition price for each property to total acquisition price rounded to first decimal place.

(Note 3) Acquisition prices of “Tokyu Plaza Omotesando Harajuku”, “Tokyu Plaza Akasaka”, and “Osaka Nakanoshima Building” are described based on the pro rata share (75%, 50% and 50% respectively).

(Note 4) Acquisition price of “Tokyo Kikai Honsha Building” is based on the acquisition price of the land as of acquisition date (June 13, 2012), excluding the acquisition price of the building of ¥732 million.