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FOR IMMEDIATE RELEASE

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Notice of Acquisition of Assets and Lease Contract with New Tenants

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces that TLC Activia Investment Management Inc. (hereinafter referred to as the “Asset Manager”), to which Investment Corporation entrusts its asset management operations, decided at the board of directors meeting today that it decided to acquire and lease 3 properties (hereinafter referred to as the “the anticipated properties”).

In addition, in accordance with the regulations concerning transactions with related parties in the internal regulations of the Asset Manager, the above transactions were resolved at the Investment Corporation’s board of directors meeting. Details are as follows:

1. Overview of the anticipated acquisition and lease

Category	Property No. (Note1)	Property name	Location	Anticipated acquisition price (Millions of yen)	Seller
Tokyo Office Properties	T0-12	Shiodome Building (acquisition of 15% co-ownership interest)	Minato, Tokyo	30,300	Classer LLC
	Subtotal		-	30,300	-
Other Properties	0-7	Osaka Nakanoshima Building (additional acquisition of the remaining 50% co-ownership interest)	Osaka, Osaka	5,850	Godo Kaisha Bellflower
	0-9	Market Square Sagamihara	Sagamihara, Kanagawa	4,820	Tokyu Land Corporation
	Subtotal		-	10,670	-
Total				40,970	-

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- (1) Date of sales contract: November 27, 2014 (anticipated)
- (2) Date of anticipated acquisition: December 19, 2014 (Osaka Nakanoshima Building) (Note 2)
January 9, 2015 (Shiodome Building and Market Square Sagamihara)
- (3) Seller of property: Refer to “4. Profile of the sellers”
- (4) Funds for acquisition: Net proceeds (Note3) from the issuance of new investment units through a public offering and related third-party allotment as resolved at the Investment Corporation’s board of directors meeting held on November 27, 2014, (anticipated) borrowings and the Investment Corporation’s own funds. Details are as follows:
Osaka Nakanoshima Building : A part of net proceeds from the issuance of new investment units through the Domestic Primary Offering and the International Offering
Shiodome Building and Market Square Sagamihara : A part of net proceeds from the issuance of new investment units through the Domestic Primary Offering, the International Offering and related third-party allotment, borrowings and the Investment Corporation’s own funds
- (5) Settlement method: Total amount to be paid at the time of delivery

(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) Date of acquisition may be changed depending on the payment date of a public offering.

(Note 3) For further information, please refer to the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced as of today. An announcement regarding borrowing of funds will be made as soon as the decision has been concluded.

(Note 4) In this notice, any fraction after the decimal point is rounded down, and percentage figures are rounded to the first decimal place.

2. Reason of the anticipated acquisition and lease

In accordance with the subjects and policies of asset management stipulated in its bylaws, the Investment Corporation will acquire the anticipated properties for enrichment of the portfolio. Following this acquisition, the portfolio of the Investment Corporation will consist of 30 properties with an approximate total acquisition price of 282.6 billion yen. The acquisition of the anticipated properties will diversify the portfolio and stabilize profitability.

Furthermore, the Investment Corporation judges that the lessees of the anticipated properties satisfy the criteria for the selection tenants stated in the “Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties” set by the Asset Management Company on August 27, 2014.

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3. Overview of the anticipated properties

(1) T0-12 Shiodome Building

Property name		Shiodome Building
Specified asset category		Trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		Land: March 22, 2004, March 30, 2004, March 17, 2005 Building: December 28, 2007
Trust maturity date		March 31, 2022
Transportation		3-minute walk from Hamamatsucho station on JR Yamanote Line, and Keihin Tohoku Line 3-minute walk from Daimon station on Municipal Subway Asakusa Line, and Oedo Line
Location (address)		2-20, Kaigan 1-chome, Minato-ku, Tokyo
Land	Location	7-1, Kaigan 1-chome, Minato-ku, Tokyo and others (Note 1)
	Building to land ratio	100.0% (Note 2)
	Plot ratio	900.0%
	Usage restrictions	Commercial district
	Land area	16,875.61 m ² (Note 1)
	Ownership	Owned (15% co-ownership of the trust beneficiary interest)
Building	Completion date	December 14, 2007 (Note 1)
	Structure	Steel framed, partially SRC/ 24 floors above and 2 floors underground (Note 1)
	Registered usage	Office, Retail, Parking (Note 1)
	Gross floor area	115,930.83 m ² (Note 1)
	Parking facilities	259 vehicles
	Ownership	Owned (15% co-ownership of the trust beneficiary interest)
Property management company		Mitsubishi Jisho Property Management
Master lessee		-
Acquisition price		¥30,300 million
Appraisal value (Date of value estimate)		¥30,450 million (Note 3) (September 1, 2014)
Appraisal agency		Morii Appraisal & Investment Consulting, Inc.
Earthquake PML		2.6% (according to an earthquake PML report of NKSJ Risk Management, Inc.)
Hypothecation		None
Lease overview (Note 4)		
	Total leasable area	12,058.31 m ² (Note 3)
	Occupancy rate	98.2%
	Number of tenants	36
	Annual rent (Note 5)	¥1,388 million (Note 3)
	Expected NOI (Note 6)	¥1,228 million (Note 3)
	Security deposit (Note 7)	¥1,130 million (Note 3)
Remarks		- This land is the designated provisional replotting within an area designated for execution of the Shiodome Land Readjustment Project under Tokyo Metropolitan Urban Land Development Business Plan. - The beneficiary interests are held in the form of

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	co-ownership, and the agreement on beneficiary interest among beneficiaries sets forth matters on preferential negotiating rights of beneficiaries concerning transferring of beneficiary interests by other parties. A part of the land has a compartmentalized surface right created to protect railroad structures and to build a subway.
(Note 1) The data is based on information from the property registry. “Land area” is the one shown in the land registry for the relevant land, as stated for the ancient land. The total area of designated provisional replotting is approximately 12,046m². (Note 2) The figure includes the margin since the building receives the margin due to the fire-resistant building on fire prevention districts. (Note 3) The figures provided reflect the 15% co-ownership interest. (Note 4) The figures are as of September 30, 2014. (Note 5) Annual rent is equal to monthly rent, based on the lease contract with the end tenants as of September 30, 2014, including common service fees and excluding fees for warehouses, advertisement, parking, revenue-based rent and others, multiplied by 12, and is rounded to the million yen (excluding consumption tax). Free rent as of September 30, 2014 is not considered. (Note 6) NOI is total revenues from real estate leasing less total expenses for real estate leasing (excluding depreciation and loss on retirement of fixed assets). The expected NOI is expected earnings excluding special factors for the fiscal year when the property will be acquired (and is not a forecast for the current period) based on assumptions made at the time of the calculation. The occupancy rate is expected to be 95.0%. (Note 7) The security deposit is calculated as the total amount on the each lease agreement for the property as of September 30, 2014 that was occupied by the tenant as of such date, rounded to the nearest million yen.	
Investment criteria	Shiodome Building, completed in December 2007, has 24 floors above ground and two floors underground and has a gross floor area of over 35,000 <i>tsubo</i>. In addition, it is one of the few properties in Tokyo with more than 1,000 <i>tsubo</i> leasable area on standard office floors and, coupled with high ceilings and pillar-less structure, provides flexible layout options to address various tenant needs. It is a three-minute walk from JR Hamamatsucho station and Toei Oedo Line and Toei Asakusa Line Daimon station, providing direct access to Haneda Airport and bullet train terminals such as Tokyo station and Shinagawa station. The property is located at the south entrance of Shiodome Sio-site, a vast redevelopment zone with major businesses, hotels and restaurants, and highly visible due to its proximity to JR Hamamatsucho station. The area is also expected to benefit from the Urban Redevelopment Step Up Project (Takeshiba District), which covers 1.5 hectares and is scheduled to commence construction in 2015. Located between Hama-rikyu Gardens and Kyu Shiba Rikyu Garden, the building is surrounded by a rich natural environment, a rarity in central Tokyo.

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(2) 0-7 Osaka Nakanoshima Building

Property name		Osaka Nakanoshima Building
Specified asset category		Trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		March 29, 2002
Trust maturity date		January 31, 2023
Transportation		1-minute walk from Oebashi station on the Keihan Nakanoshima Line 5-minute walk from Yodoyabashi station on the Osaka Municipal Subway Midotsuji Line
Location (address)		2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka
Land	Location	13-Otsu, Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka and others (Note 1)
	Building to land ratio	100.0% (Note 2)
	Plot ratio	1,068.78%
	Usage restrictions	Commercial district
	Land area	3,038.20 m ² (Note 1)
	Ownership	Owned (50% co-ownership of the trust beneficiary interest) (Note3)
Building	Completion date	March 5, 1984 (Note 1)
	Structure	SRC/ 15 floors above and 3 floors underground (Note 1)
	Registered usage	Office, Parking (Note 1)
	Gross floor area	34,248.71 m ² (Note 1)
	Parking facilities	100 vehicles
	Ownership	Owned (50% co-ownership of the trust beneficiary interest) (Note3)
Property management company		Tokyu Community Corporation (Note 4)
Master lessee		Tokyu Community Corporation (Note 4)
Acquisition price		¥5,850 million
Appraisal value (Date of value estimate)		¥5,900 million (Note 5) (September 1, 2014)
Appraisal agency		Japan Real Estate Institute
Earthquake PML		7.9% (according to an earthquake PML report of NKSJ Risk Management, Inc.)
Hypothecation		None
Lease overview (Note 6)		
	Total leasable area	10,176.06 m ² (Note 5)
	Occupancy rate	96.6%
	Number of tenants	40
	Annual rent (Note 7)	¥454 million (Note 5)
	Expected NOI (Note 8)	¥330 million (Note 5)
	Security deposit (Note 9)	¥321 million (Note 5)
Remarks		None

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- (Note 1) The data is based on information from the property registry. According to the registry, the structure is “steel construction, reinforced concrete structure.” In fact, the structure of the part above ground is steel construction, and the structure of the underground part is steel construction, reinforced concrete structure.
- (Note 2) The figure includes the margin since the building receives the margin due to the fire-resistant building on fire prevention districts.
- (Note 3) The Investment Corporation acquired 50% co-ownership interest of the ownership on January 25, 2013. This acquisition will bring ownership to 100% and the Investment Corporation will own the entire building. For details, please see the press release announced on January 18, 2013 titled “Notice of Acquisition of Asset (Osaka Nakanoshima Building)”.
- (Note 4) Tokyu Community Corporation is a related party of the Asset Manager under the Asset Manager’s regulations for transactions with related parties. Thus, under the regulations for transactions with related parties, the Board of Directors of the Asset Manager resolved to outsource master lessee and property management to Tokyu Community Corporation following the deliberation and resolution at the compliance committee and the investment committee. Then, it was approved by the Board of Directors of the Investment Corporation.
- (Note 5) The figures provided reflect the 50% co-ownership interest.
- (Note 6) The figures are as of September 30, 2014.
- (Note 7) Annual rent is equal to monthly rent, based on the lease contract with the end tenants as of September 30, 2014, including common service fees and excluding fees for warehouses, advertisement, parking, revenue-based rent and others, multiplied by 12, and is rounded to the million yen (excluding consumption tax). Free rent as of September 30, 2014 is not considered.
- (Note 8) NOI is total revenues from real estate leasing less total expenses for real estate leasing (excluding depreciation and loss on retirement of fixed assets). The expected NOI is expected earnings excluding special factors for the fiscal year when the property will be acquired (and is not a forecast for the current period) based on assumptions made at the time of the calculation. The occupancy rate is expected to be 95.0%.
- (Note 9) The security deposit is calculated as the total amount on the each lease agreement for the property as of September 30, 2014 that was occupied by the tenant as of such date, rounded to the nearest million yen.

Investment
criteria

Osaka Nakanoshima Building has 15 floors above ground and three floors underground and has a standard office floor area of 421 *tsubo*, and the entrance hall and common areas on all floors have undergone major renovations. It is a one-minute walk from Oebashi station and a five-minute walk from Yodoyabashi station. Nakanoshima, where the property is located, has been one of the key financial, administrative and cultural districts in Osaka since the Meiji period, and the area features many office buildings, including the Bank of Japan Osaka Branch, Osaka City Hall, and offices of major companies such as The Asahi Shimbun Company and Kansai Electric Power. It is leased to multiple tenants, enabling us to diversify risks.

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(3) 0-9 Market Square Sagamihara

Property name		Market Square Sagamihara
Specified asset category		Trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		January 9, 2015
Trust maturity date		January 31, 2025
Transportation		15-minute walk from Minami Hashimoto Station on JR Sagamihara Line
Location (address)		777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa
Land	Location	782-1 Shimokuzawa Aza Yamasaki, Chuo-ku, Sagamihara City, Kanagawa and others (Note1)
	Building to land ratio	70.0% (Note2)
	Plot ratio	200.0%
	Usage restrictions	Category 1 medium-to-high-rise exclusive residential district, Category 2 residential district
	Land area	17,327.30 m ² (Note1)
	Ownership	Owned
Building	Completion date	June 13, 2014 (Note1)
	Structure	Steel framed/ 2 floors above ground (Note1)
	Registered usage	Retail (Note1)
	Gross floor area	9,719.38 m ² (Note1)
	Parking facilities	408 vehicles
	Ownership	Owned
Property management company		Tokyu Land SC Management Corporation (Note3)
Master lessee		Tokyu Land SC Management Corporation (Note3)
Acquisition price		¥4,820 million
Appraisal value (Date of value estimate)		¥4,820 million (September 1, 2014)
Appraisal agency		Japan Valuers Co., Ltd.
Earthquake PML		7.7% (according to an earthquake PML report of NKSJ Risk Management, Inc.)
Hypothecation		None
Lease overview (Note 4)		
	Total leasable area	15,152.42 m ² (Note5)
	Occupancy rate	100.0%
	Number of tenants	3
	Annual rent	- (Note 6)
	Expected NOI (Note 7)	¥269 million
	Security deposit	- (Note 6)
Remarks		None

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(Note 1) The data is based on information from the property registry. The total of each floor area of this property's three buildings is stated as gross floor area.

(Note 2) The figure includes the margin since the building receives the margin due to corner lot.

(Note 3) Tokyu Land SC Management Corporation is a related party of the Asset Manager under the Asset Manager's regulations for transactions with related parties. Thus, under the regulations for transactions with related parties, the Board of Directors of the Asset Manager resolved to outsource master lessee and property management to Tokyu Land SC Management Corporation following the deliberation and resolution at the compliance committee and the investment committee. Then, it was approved by the Board of Directors of the Investment Corporation.

(Note 4) The figures are as of September 30, 2014.

(Note 5) The figure includes the piloti as parking space of the first floor (approx. 5,156m²).

(Note 6) Not disclosed because the tenant approval was not obtained.

(Note 7) NOI is total revenues from real estate leasing less total expenses for real estate leasing (excluding depreciation and loss on retirement of fixed assets). The expected NOI is expected earnings excluding special factors for the fiscal year when the property will be acquired (and is not a forecast for the current period) based on assumptions made at the time of the calculation. The occupancy rate is expected to be 100.0%.

Investment criteria	Market Square Sagamihara is a 15-minute walk from JR Minami-Hashimoto station and is highly visible as it faces Highway 129. The area is expected to develop further in the future as the station for the new Linear Chuo Shinkansen (bullet train) line is expected to open nearby. Market Square Sagamihara's tenants, all of which have long-term leases of 10 years or longer, include a major home electronics retailer K's Denki, a large supermarket chain OK Store and a well-known revolving sushi chain Hamazushi. The area is densely populated, with a population of approximately 20,000 within one kilometer of the property, approximately 200,000 within three kilometers and approximately 440,000 within five kilometers, and Market Square Sagamihara caters to the needs of such local residents.
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4. Profile of the sellers

(TO-12) Shiodome Building

Name	Classer LLC
Address	4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
Management	Akira Sugai
Amount of capital	¥1 million
Establishment	- (Note)
Net Assets	- (Note)
Total Assets	- (Note)
Business Description	1. Acquisition, possession and disposal of real estate trust beneficiary interest 2. Acquisition, development, possession, disposal, leasing and management of real estate 3. Acquisition, possession and disposal of company shares, equity stake, specified equity of companies with its objectives as provided by all or above items 4. Any other related businesses to each item listed above
Relationships with the Investment Corporation and the Asset Manager	
Capital relationship	SPC that Tokyu Land Corporation, the parent company of the Asset Manager, holds anonymous association (<i>tokumei kumiai</i>) interests.

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Personnel relationship	None
Business relationship	None
Related party or not	Classer LLC is not a related party of the Investment Corporation, but of the Asset Manager. Also, Classer LLC is a related party under Act on the Investment Trusts and Investment Corporations (hereinafter referred to as “ITA”).

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

(O-7) Osaka Nakanoshima Building

Name	Godo Kaisha Bellflower
Address	4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
Management	Akira Sugai
Amount of capital	¥1 million
Establishment	- (Note)
Net Assets	- (Note)
Total Assets	- (Note)
Business Description	1. Acquisition, disposal and management of real estate trust beneficiaries 2. Acquisition, disposal and management of real estate 3. Any other related businesses to each item listed above
Relationships with the Investment Corporation and the Asset Manager	
Capital relationship	SPC that Tokyu Land Corporation, the parent company of the Asset Manager, holds anonymous association (<i>tokumei kumiai</i>) interests.
Personnel relationship	None
Business relationship	None
Related party or not	Godo Kaisha Bellflower is not a related party of the Investment Corporation, but of the Asset Manager. Also, Godo Kaisha Bellflower is a related party under ITA.

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

(O-9) Market Square Sagamihara

Name	Tokyu Land Corporation
Address	21-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo
Management	Toshiyuki Saegusa
Amount of capital	¥57,551 million
Founded on	December 17, 1953
Nets assets	¥285,758 million (as of March 31, 2014)
Total assets	¥984,632 million yen (as of March 31, 2014)
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, and intermediary and management 3. Any other 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 May 31, 2014)
Personnel relationship	Most employees of the Asset Manager are secondees from Tokyu Land Corporation
Business relationship	Lease and PM agreements are contracted between Tokyu Land

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		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.

5. Status of the sellers

Acquisition of properties from related parties, including special purpose companies (subsidiary companies) managed by related parties are described below. The following table indicates (1) company name, (2) relationship with the specially related parties, and (3) transaction history, reasons for acquisition.

Property name (Location)	Previous owner/ Trust beneficiary	Second Previous owner/ Trust beneficiary	Third Previous owner/ Trust beneficiary
	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)	(1), (2), (3) Acquisition (transfer) price Timing of acquisition (transfer)
(TO-12) Shiodome Building (2-20, Kaigan 1-chome, Minato -ku, Tokyo)	(1) Classer LLC (2) Classer LLC is the company owned by Tokyu Land Corporation, the parent company of the Asset Manager, and provides asset management services (3) Acquired for the purpose of investment	(1) Godo Kaisha Jade (2) Godo Kaisha Jade is the company owned by Tokyu Land Corporation, the parent company of the Asset Manager, and TLC Capital Management Inc., a related party of the Asset Manager and provides asset management services (3) Acquired for the purpose of investment	(1) MARE. Y. K. (2) MARE. Y. K. is the company owned by Tokyu Land Corporation, the parent company of the Asset Manager, and TLC Capital Management Inc., a related party of the Asset Manager and provides asset management services (3) Acquired for the purpose of development (Land)
	¥29,300 million (Note1)	Omitted as the holding period was longer than one year	Omitted as the holding period was longer than one year
	April 2014	August 2009	March 2004
(O-7) Osaka Nakanoshima Building (2-2 Nakanoshima 2-chome, Kita- ku, Osaka City, Osaka)	(1) Godo Kaisha Bellflower (2) Godo Kaisha Bellflower is the company owned by Tokyu Land Corporation, the parent company of the Asset Manager, and provides asset management services (3) Acquired for the purpose of investment	Persons other than specially related parties	—
	Omitted as the holding	—	—

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Property name (Location)	Previous owner/ Trust beneficiary	Second Previous owner/ Trust beneficiary	Third Previous owner/ Trust beneficiary
	period was longer than one year		
	January 2013	—	—
(O-9) Market Square Sagamihara (777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa)	(1) Tokyu Land Corporation (2) The parent company of the Asset Manager (3) Acquired for the purpose of development (Land)	Persons other than specially related parties	—
	Omitted as the holding period was longer than one year	—	—
	November 2012	—	—

(Note1) The figures provided reflect the 15% co-ownership interest.

(Note2) Location indicates the residential address. The third previous owner and trust beneficiary are omitted when the second previous owner acquired for the purpose of development.

6. Outline of intermediary

Not applicable

7. Schedule (plan)

Property No.	Property name	Determination of acquisition	Conclusion of acquisition contract	Payment date	Scheduled acquisition date
TO-12	Shiodome Building	November 27, 2014	November 27, 2014	January 9, 2015	January 9, 2015
O-7	Osaka Nakanoshima Building (Note)			December 19, 2014	December 19, 2014
O-9	Market Square Sagamihara			January 9, 2015	January 9, 2015

(Note) Payment date and scheduled acquisition date may be subject to change, depending on the issuance of new investment units through a public offering.

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8. Transaction with related parties

(1) Change in procedure on acquiring assets from related parties

One of our basic policies is to pursue governance structure to maximize unitholder value. In line with such policy, the Asset Manager has, since our initial public offering, adopted various measures to counteract conflicts of interest, such as requiring the approval of an outside expert on the Compliance Committee and unanimous approval of the Investment Committee which includes an outside expert when we enter into a related-party acquisition.

Moreover, as of November 1, 2014, the internal rules of the Asset Manager provide that approval of our board of directors must be obtained with respect to transactions between us and a related party of the Asset Manager involving any property or securities acquisition or transfer as well as property leases (excluding immaterial leases). In order to strengthen our corporate governance further, we have set up a governance structure in which any and all related-party acquisition or transfer of properties or securities are subject to the approval of our board of directors.

(2) Acquisition of assets

The previous owners and trust beneficiaries of the assets to be acquired are Tokyu Land Corporation, the parent company of the Asset Manager or subsidiaries of Tokyu Land Corporation, and others. Such parties are related parties as provided for in Article 201 on ITA and Article 123 of the Enforcement Ordinance of ITA, and every seller is a related party as provided for in the regulations concerning transactions with related 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 related parties in connection with outsourcing property management services for each asset to be acquired from these parties.

(3) Conclusion of lease agreement and property management agreement

For Osaka Nakanoshima Building, an asset to be acquired, the Investment Corporation will continue Lease Agreement and Property Management Agreement, currently in force, entered into between trust beneficiaries and Tokyu Community Corporation. For Market Square Sagamihara, the Investment Corporation will conclude Lease Agreement and Property Management Agreement with Tokyu Land SC Management Corporation.

Tokyu Community Corporation is a 100% subsidiary of Tokyu Fudosan Holdings Corporation, a parent company of Tokyu Land Corporation. Tokyu Land SC Management Corporation is a subsidiary of Tokyu Land Corporation, a parent of the Asset Manager. Such entities fall into interested parties as defined by Article 201 of ITA and Article 123 of Order for Enforcement of ITA as well as “Rules Regarding Related-party Transactions”, the internal rules of the Asset Manager. Therefore, the Asset Manager has completed procedures based on “Rules Regarding Related-party Transactions” for outsourcing the property management and master lease services to these parties.

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Overview of outsourcing contractor

Name	Tokyu Community Corporation
Address	10-1, Yoga 4-chome, Setagaya-ku, Tokyo
Management	President, Ushio Okamoto
Amount of Capital	¥ 1,653 million
Established	April 8, 1970
Business Description	1. Building management 2. Lease 3. Repair 4. Others

Relationships with the Investment Corporation and the Asset Manager

Capital relationship	None
Personnel relationship	Certain personnel have been seconded to the Asset Manager from Tokyu Community Corporation.
Business relationship	The trustee has contracted the lease agreement and property management agreement, and the building maintenance agreement with Tokyu Community Corporation on the buildings with the trust beneficiary interest held by the Investment Corporation.
Related party or not	Tokyu Community Corporation is not a related party of the Investment Corporation, but is a related party of the Asset Manager. Also, Tokyu Community Corporation is a related party under ITA.

Name	Tokyu Land SC Management Corporation
Address	2-2 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Management	President, Mitsuo Tsuchiya
Amount of Capital	¥ 100 million
Established	January 19, 2009
Business Description	1. Management and operation of complex facilities and retail facilities 2. Planning and consulting of complex facilities and retail facilities 3. Planning of retail stores

Relationships with the Investment Corporation and the Asset Manager

Capital relationship	None
Personnel relationship	One of the directors has dual positions between the Asset Manager and Tokyu Land SC Management Corporation.
Business relationship	The trustee has contracted the lease agreement and property management agreement with Tokyu Land SC Management Corporation on the buildings with the trust beneficiary interest held by the Investment Corporation.
Related party or not	Tokyu Land SC Management Corporation is not a related party of the Investment Corporation, but is a related party of the Asset Manager. Also, Tokyu Land SC Management Corporation is a related party under ITA.

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9. Item regarding forward commitment contracts, etc.

(1) Assets correspond to forward commitment contracts, etc. (Note)

Property name		Sales contract conclusion date	Scheduled acquisition date
TO-12	Shiodome Building	November 27, 2014	January 9, 2015
O-9	Market Square Sagamihara		

(Note) A forward commitment contract is defined as “a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto”.

(2) Impact on the Investment Corporation’s finance when forward commitment contracts cannot be executed

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

However, the forward commitment contracts into which the Investment Corporation has entered contain certain clauses stating that the Investment Corporation, as the purchaser, will be able to acquire the anticipated properties by paying the total acquisition price, only when the financing to fund for the anticipated acquisition has been completed. If such financing is not completed as of March 31, 2015, the agreement will be invalidated, which would render the above penalty clause invalid. Thus, we do not anticipate that failure to execute of the agreement due to a lack of financing will have a material negative impact on our results.

10. Outlook

For the effect of the acquisition of the anticipated properties on the management performance of the Investment Corporation for the fiscal period ending May 2015 (The 7th fiscal period, from December 1, 2014 to May 31, 2015) and the fiscal period ending November 2015 (The 8th fiscal period, from June 1, 2015 to November 30, 2015), please refer to the “Notice of Revision to Forecast Management Performance for the Period Ending May 31, 2015 and Notice of Forecast Management Performance for the Period Ending November 30, 2015” announced as of today.

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<Exhibits>

Exhibit 1 Outline of Appraisal Report

Exhibit 2 Outline of Building Appraisal Report

Exhibit 3 Photographs of the Exterior, Maps of the Area

Exhibit 4 Portfolio after the Acquisition of the Anticipated Properties

*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>

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Exhibit 1 Outline of Appraisal Report

Property name	Shiodome Building (Note1)	Osaka Nakanoshima Building (Note1)	Market Square Sagamihara
Appraisal value	¥30,450 million	¥5,900 million	¥4,820 million
Appraisal agency	Morii Appraisal & Investment Consulting, Inc.	Japan Real Estate Institute	Japan Valuers Co., Ltd.
Date of value estimate	September 1, 2014		
Capitalization			
Value by direct capitalization method(million yen)	32,550	5,950	4,820
	NOI(million yen) (Note2)	320	264
	Capitalization rate(%)	4.8	5.6
Value by the DCF method(million yen)	29,550	5,850	4,820
	Discount rate(%)	4.6	5.4
	Terminal capitalization rate (%)	5.0	5.8
Multiplication value by cost accounting method(million yen)	21,150	5,850	4,890
Land ratio(%)	81.5	72.9	63.2
Building ratio(%)	18.5	27.1	36.8

(Note1) Figures of “Shiodome Building” and “Osaka Nakanoshima Building” are described based on a quasi co-ownership (15% and 50% respectively).

(Note2) “NOI” is net operating income, that is, operating revenue less operating expense stated on the appraisal report, and income before depreciation is deducted. NOI is different from NCF (Net Cash Flow), which is NOI plus revenue from management, including a security deposit, less capital expenditure. The NOI above is NOI calculated through the direct capitalization method.

Exhibit 2 Outline of Building Appraisal Report

Property name	Shiodome Building (Note1)	Osaka Nakanoshima Building	Market Square Sagamihara
Appraisal company	HI International Consultant Co., LTD		Tokio Marine & Nichido Risk Consulting Co., Ltd.
Date of value estimate	August 19, 2014	October 21, 2014	August 19, 2014
Short-term renovation expense (thousand yen) (Note2) (Note3)	298	133,730	-
Long-term renovation expense (thousand yen) (Note2) (Note4)	164,931	1,287,820	30,035

(Note1) The figures provided reflect the 15% co-ownership interest.

(Note2) The short-term renovation expense and long-term renovation expense are based on the building appraisal report.

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(Note3) The short-term renovation expense is the total expense for renovations needed within one year of the date of the appraisal report.

(Note4) The long-term renovation expense is the total expense for renovations needed within 12 years of the date of the appraisal report.

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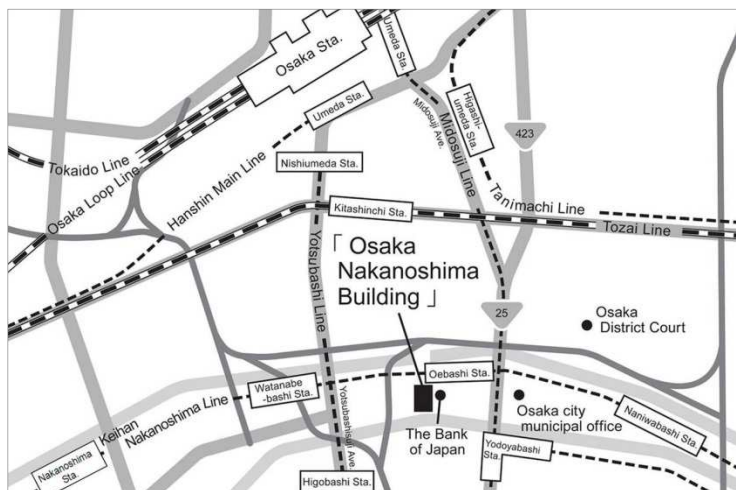
Exhibit 3 Photographs of the Exterior, Maps of the Area

(TO-12) Shiodome Building



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(O-7) Osaka Nakanoshima Building



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(O-9) Market Square Sagamihara



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Exhibit 4 Portfolio after the Acquisition of the Anticipated Properties

Exhibit 4-1 Portfolios after the Acquisition of the Anticipated Properties						
Category	Property No.	Property name	Location	Acquisition date	Acquisition price (Millions of yen)	Investment ratio (Note1)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	Shibuya, Tokyo	June 13, 2012	45,000 (Note2)	15.9
	UR-2	Tokyu Plaza Akasaka	Chiyoda, Tokyo	June 13, 2012	11,450 (Note2)	4.1
	UR-3	Ebisu Q Plaza	Shibuya, Tokyo	June 13, 2012	8,430	3.0
	UR-4	Shinbashi Place	Minato, Tokyo	June 13, 2012	20,500	7.3
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	June 13, 2012	8,860	3.1
	UR-6	Hitotsugi LIP	Minato, Tokyo	August 30, 2013	3,000	1.1
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	December 19, 2013	21,330	7.5
	UR-8	Tokyu Plaza Sapporo	Sapporo, Hokkaido	December 19, 2013	4,410	1.6
	UR-9	Kamata Kosan Building	Shibuya, Tokyo	December 19, 2013	6,370	2.3
	Subtotal					129,350
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	June 13, 2012	7,400	2.6
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	June 13, 2012	9,640	3.4
	TO-3	A-PLACE Yoyogi (Note3)	Shibuya, Tokyo	June 13, 2012	4,070	1.4
	TO-4	A-PLACE Aoyama (Note3)	Minato, Tokyo	June 13, 2012	8,790	3.1
	TO-5	Luogo Shiodome	Minato, Tokyo	June 13, 2012	4,540	1.6
	TO-6	Tokyo Kikai Honsha Building (Land)	Minato, Tokyo	June 13, 2012	2,338 (Note4)	0.8
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	June 13, 2012	3,990	1.4
	TO-8	A-PLACE Shinbashi (Note3)	Minato, Tokyo	April 19, 2013	5,650	2.0
	TO-9	A-PLACE Gotanda (Note3)	Shinagawa, Tokyo	January 10, 2014	5,730	2.0
	TO-10	A-PLACE Shinagawa (Note3)	Minato, Tokyo	January 10, 2014	3,800	1.3
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	June 24, 2014	10,690	3.8
	TO-12	Shiodome Building	Minato, Tokyo	January 9, 2015 (plan)	30,300 (Note2)	10.7
	Subtotal					96,938
Subtotal of UR and TO					226,288	80.1

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Other Properties	O-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	June 13, 2012	12,000	4.2
	O-2	icot Nakamozu	Sakai, Osaka	June 13, 2012	8,500	3.0
	O-3	icot Kongo	Osakasayama, Osaka	June 13, 2012	1,600	0.6
	O-4	icot Mizonokuchi	Kawasaki, Kanagawa	June 13, 2012	2,710	1.0
	O-5	icot Tama Center	Tama, Tokyo	June 13, 2012	2,840	1.0
	O-6	A-PLACE Kanayama (Note3)	Nagoya, Aichi	June 13, 2012	6,980	2.5
	O-7	Osaka Nakanoshima Building (Note5)	Osaka, Osaka	January 25, 2013	5,250	1.9
				December 19, 2014 (plan)	5,850	2.1
					Subtotal 11,100	Subtotal 3.9
	O-8	icot Omori (Note3)	Ota, Tokyo	December 19, 2013	5,790	2.5
O-9	Market Square Sagamihara	Sagamihara, Kanagawa	January 9, 2015 (plan)	4,820	1.7	
Subtotal					56,340	19.9
Total of the Portfolio					282,628	100.0

(Note 1) "Investment ratio" is ratio of (anticipated) acquisition price for each property to total acquisition price rounded to first decimal place.

(Note 2) Acquisition prices of "Tokyu Plaza Omotesando Harajuku", "Tokyu Plaza Akasaka", and "Shiodome Building" are described based on the pro rata share (75%, 50% and 15% respectively).

(Note 3) Property name of "J-CORE Omori" was changed to "icot Omori" on October 1, 2014, and property names of "Yoyogi Place", "Aoyama Plaza Building", "TK Shinbashi Building", "Gotanda Front", "Shinagawa Place", and "Kanayama Center Place" were changed to "A-PLACE Yoyogi", "A-PLACE Aoyama", "A-PLACE Shinbashi", "A-PLACE Gotanda", "A-PLACE Shinagawa", "A-PLACE Kanayama", respectively, on November 1, 2014.

(Note 4) Acquisition price of "Tokyo Kikai Honsha Building (Land)" 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.

(Note 5) The Investment Corporation acquired 50% co-ownership of "Osaka Nakanoshima Building" on January 25, 2013, and we intend to acquire the remaining 50% co-ownership on December 9, 2014. The top row relates to the asset we already acquired, the middle row relates to the asset we intend to acquire, and the bottom row indicates the total acquisition price and the investment ratio based on such total acquisition price.

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