November 14, 2016

FOR IMMEDIATE RELEASE

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Notice Concerning Revision to Forecast of Management Performance for the Period Ending May 31, 2017 and Forecast of Management Performance for the Period Ending November 30, 2017

Activia Properties Inc. ("API") announces that it has revised the forecast of the management performance for the period ending May 31, 2017 (December 1, 2016 - May 31, 2017), which was announced on July 13, 2016 in the "Financial Report for the Fiscal Period Ended May 31, 2016 (December 1, 2015 - May 31, 2016)".

In addition, it announces the forecast of the management performance for the period ending November 30, 2017 (June 1, 2017 - November 30, 2017). Details are as follows.

1. Reason for the revision to the forecast

Considering the effect of the acquisition of assets as described in the "Notice of Acquisition of Assets and Lease Contract with New Tenants, etc." and the issuance of new investment units as described in the "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units", which were both announced today, API has revised the forecast of the management performance for the period ending May 31, 2017 (December 1, 2016 - May 31, 2017), which was announced on July 13, 2016.

In addition, API forecasts for the period ending November 30, 2017 (June 1, 2017 - November 30, 2017) based on the aforementioned effect by the acquisition of assets and issuance of new investment units.

The forecast of cash distribution per unit for the period ending November 30, 2016 (June 1, 2016 - November 30, 2016) announced on July 13, 2016 has not changed as of today.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the forecasts for the period ending May 31, 2017 and for the period ending November 30, 2017, and has not been prepared for the purpose of solicitation for investment. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as any amendments thereto (if any), prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

2. The revision of the forecast for the period ending May 31, 2017 (The 11th period)

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Cash distributions per unit (yen)	Optimal payable distributions per unit (yen)
Previous Forecast (A)	10,632	6,059	5,290	5,289	8,820	-
Revised Forecast (B)	11,905	6,895	6,065	6,064	9,116	-
Changes (B-A)	1,272	836	775	775	296	-
Changes (%)	12.0	13.8	14.7	14.7	3.4	-

(Reference) Expected number of investment units at the end of the period: 665,214 units

3. The forecast for the period ending November 30, 2017 (The 12th period)

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Cash distributions per unit (yen)	Optimal payable distributions per unit (yen)
Forecast	12,242	6,925	6,099	6,098	9,167	―

(Reference) Expected number of investment units at the end of the period: 665,214 units

(Notes)

1. The forecasts in this material are valid as of today and are calculated based on the assumptions written in the exhibit "Assumptions for Forecasts of Management Performance for the Period Ending May 31, 2017 (December 1, 2016 - May 31, 2017) and for the Period Ending November 30, 2017 (June 1, 2017 - November 30, 2017)". Actual operating revenues, operating income, ordinary income, net income, and cash distributions per unit may change due to factors in the future such as the acquisition and sale of assets, trends in the real estate market, the issuance of additional investment units, and other changes in circumstances surrounding API. The forecasts do not guarantee the amount of cash distributions.
2. The forecasts may be revised if a substantial difference from the forecast above is anticipated.
3. Amounts less than the stated units are rounded down and the percentage is rounded to the first decimal place. The same applies hereinafter.

*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 API: http://www.activia-reit.co.jp/english

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【Exhibit】

Assumptions for Forecasts of Management Performance for the Period Ending May 31, 2017 (December 1, 2016 - May 31, 2017) and for the Period Ending November 30, 2017 (June 1, 2017 - November 30, 2017)

Item	Assumptions
Accounting period	• The 11th period (December 1, 2016 to May 31, 2017) (182 days) • The 12th period (June 1, 2017 to November 30, 2017) (183 days)
Assets under management	• For the forecast of management performance, it is assumed that there will be no changes in assets under management (such as the acquisition of new properties or the sale of existing properties) in relation to the real estate trust beneficiary rights to 38 properties comprising 35 properties that API holds as of today (the "currently held assets") and Shiodome Building (additional acquisition of a 10% co-ownership interest) and A-FLAG BIJUTSUKAN DORI, both to be acquired on December 2, 2016, A-FLAG KOTTO DORI, to be acquired on December 20, 2016 and A-FLAG DAIKANYAMA WEST, to be acquired on January 6, 2017 (hereafter collectively referred to as the "anticipated properties") until the end of the period ending November 30, 2017 (the 12th period). (Note: Shiodome Building is calculated as one property by combining existing co-ownership interest and additional co-ownership interest to be acquired) • Actual management performance may change due to changes in the assets under management.
Operating revenues	• Revenues from the leasing of the currently held assets are calculated based on effective lease contracts as of today and market movements, etc. Revenues from the leasing of the anticipated properties are calculated based on the lease contract from the scheduled date of acquisition expected as of today and other factors. • Operating revenues are based on the assumption that there will be no arrears of rent or nonpayments by tenants.
Operating expenses	• With regard to the expenses in the leasing business that are principal operating expenses, expenses other than depreciation are calculated reflecting variable expense factors based on past history. Expenses for the anticipated properties excluding Shiodome Building are calculated by reflecting variable expense factors and others based on the information provided by the current owner. • Although property taxes and city planning taxes on the anticipated properties are generally calculated on a pro-rata basis with the current owners and settled at the time of acquisition, the amount equivalent to the settlement money is not expensed in the period when the assets are acquired, as it is included in the acquisition cost. The total amount of property taxes, city planning taxes and other taxes on the anticipated properties that are included in the acquisition cost is assumed to be 30 million yen. Property taxes, city planning taxes, and other taxes on the currently held assets to be expensed in the period ending May 31, 2017 (the 11th period) and the period ending November 30, 2017 (the 12th period) will be 772 million yen and 888 million yen, respectively. For the anticipated properties, property taxes, city planning taxes, and other taxes for fiscal year 2016 will be expensed starting from the period ending November 30, 2017 (the 12th period) for Shiodome Building (additional acquisition of a

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	10% co-ownership interest) , A-FLAG BIJUTSUKAN DORI and A-FLAG KOTTO DORI, and property taxes, city planning taxes, and other taxes for fiscal year 2017 will be expensed starting from the period ending November 30, 2018 (the 14th period) for A-FLAG DAIKANYAMA WEST. • With respect to building repair expenses, the amount assumed to be necessary for each business period is estimated based on a medium- and long-term repair and maintenance plan formulated by the Asset Management Company. However, repair expenses in each business period may differ largely from the expected amount for various reasons, including that repair and maintenance expenses could suddenly arise due to damage to buildings from certain unexpected factors; that the amount of repair expenses generally varies considerably from year to year; and that repair expenses do not occur regularly. • Depreciation expenses including ancillary costs are calculated by the straight-line method. The forecast assumes 1,157 million yen in depreciation expenses in the period ending May 31, 2017 (the 11th period) and 1,158 million yen in the period ending November 30, 2017 (the 12th period).
Non-operating expenses	• For interest expenses and other borrowing costs, 769 million yen and 817 million yen are anticipated in the period ending May 31, 2017 (the 11th period) and in the period ending November 30, 2017 (the 12th period), respectively. • For the temporary expense, 53 million yen for the issuance of new investment units, as described in the "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today, is assumed for the period ending May 31, 2017 (the 11th period).
Interest bearing debt	• API has a total outstanding balance of 177,150 million yen as of today (167,150 million yen as borrowings and 10,000 million yen as investment corporation bonds). • It is assumed that the borrowings (1,500 million yen of the short-term borrowings and 14,400 million yen of the long-term borrowings for the 11th period, 3,900 million yen of the short-term borrowings and 12,000 million yen of the long-term borrowings for the 12th period) which shall be repaid by the period ending May 31, 2017 (the 11th period) or the period ending November 30, 2017 (the 12th period), respectively, will be refinanced. • LTV at the end of the period ending May 31, 2017 and the period ending November 30, 2017 is anticipated to be approximately 44 %. • LTV is calculated based on the following formula: LTV = Balance of interest bearing debt / Total assets × 100
Investment units	• It is assumed that in addition to 599,654 units currently outstanding as of today, the new investment units in the amount of 61,040 units and the third-party allotment in the amount of 4,520 units will be issued as resolved at the board of directors meeting held today. • It is assumed that no additional units will be issued by November 30, 2017 (the end of the 12th period). • Distributions per unit for the period ending May 31, 2017 (the 11th period) and the period ending November 30, 2017 (the 12th period) are calculated based on the expected number of investment units issued at the end of the respective period, which is 665,214 units, including the number of investment

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	units to be offered this time.
Cash distributions per unit	• Distributions (cash distributions per unit) are calculated on the fund distribution policy that is provided in the Articles of Incorporation. • Distributions per unit may fluctuate due to various factors including changes in rent revenues attributable to changes in the assets under management and changes in tenants, as well as the occurrence of unexpected repairs and maintenance.
Optimal payable distributions per unit	• API does not intend to pay optimal payable distributions per unit at this time.
Other	• It is based on the assumption that there will be no amendments to the laws, tax system, accounting standards, listing rules, or the rules of the Investment Trusts Association, Japan, etc. that may affect the forecast values. • It is based on the assumption that there will be no unexpected significant changes in general economic trends, real estate market conditions and other conditions.

Supplemental Information Regarding Prior Distributions, including the Impact of the Disposal of icot Kongo

API's actual distributions per unit for the fiscal period ended November 30, 2015 were ¥8,642. ¥310 of such amount was attributable to the disposal of icot Kongo during such fiscal period. Excluding such portion, API's actual distributions per unit for the fiscal period ended November 30, 2015 were ¥8,332.

	Nov 30, 2013 (Actual)	May 31, 2014 (Actual)	Nov 30, 2014 (Actual)	May 31, 2015 (Actual)	Nov 30, 2015 (Actual)	May 31, 2016 (Actual)	Nov 30, 2016 (Forecast)	May 31, 2017 (Forecast)	Nov 30, 2017 (Forecast)
Distributions per unit (yen)	7,761	7,961	8,028	8,267	8,332(2) 310(3) 8,642	8,666	8,810	9,116(4)	9,167

(Notes)

1. The amounts of Distributions per unit (yen) between November 30, 2013 and May 31, 2015 reflect the 2-for-1 unit split effected as of October 1, 2015.
2. Actual distributions per unit excluding the portion of the amount attributable to the disposal of a property.
3. The portion of amount attributable to the disposal of icot Kongo.
4. With respect to the previous forecast please refer to "2. The revision of the forecast for the period ending May 31, 2017 (The 11th Period)" above.

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