November 30, 2018

FOR IMMEDIATE RELEASE

Activia Properties Inc.
1-1, Minami-Aoyama 1-chome, Minato-ku, Tokyo
Kazuyuki Murayama
Executive Director
(Code: 3279)

Asset Management Company
TLC REIT Management Inc.
Hiroyuki Tohmata
President & CEO

Inquiries
Kazuyuki Murayama
General Manager of Strategy Department
Activia Management Division
(Tel: +81-3-6804-5671)

Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Activia Properties Inc. ("API") announces that a resolution was passed concerning the issuance of new investment units and secondary offering of investment units at the board of directors meeting held on November 30, 2018. Details are as follows.

1. Issuance of new investment units through public offering

(1)	Number of investment units to be offered	67,320 units
(2)	Amount to be paid in per unit (issue price per unit)	To be determined The issue price per unit shall be determined at API's board of directors meeting to be held on a day (the "Pricing Date") between December 12, 2018 (Wednesday) and December 18, 2018 (Tuesday) and based on the calculation method provided in Article 25 of the Regulations Concerning Underwriting, etc. of Securities as set forth by the Japan Securities Dealers Association.
(3)	Total amount to be paid in (total issue price)	To be determined

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(4)	Amount to be offered per unit (offer price per unit)	To be determined The offer price per unit shall be determined on the Pricing Date by considering demand and other factors and arriving at a provisional price by multiplying 0.90-1.00 by the closing price of the investment units of API (the "Investment Units") on the Pricing Date (or if there is no closing price on the Pricing Date, the closing price immediately preceding the Pricing Date) as listed on the Tokyo Stock Exchange, Inc. based on the method provided in Article 25 of the Regulations Concerning Underwriting, etc. of Securities as set forth by the Japan Securities Dealers Association. (Fractional amounts of less than one yen are rounded down.)
(5)	Total amount to be offered (total offer price)	To be determined
(6)	Offering method	The offering will be a simultaneous offering in Japan and outside of Japan. a. Domestic primary offering The offering in Japan (the "Domestic Primary Offering") shall comprise a public offering in which all investment units subject to the Domestic Primary Offering shall be purchased and underwritten by domestic underwriters (the "Domestic Underwriters"). b. International offering The international offering (the "International Offering") shall be an offering in markets outside of Japan, mainly in the United States, Europe and Asia. However, within the United States the investment units will be sold only to qualified institutional investors in reliance on Rule 144A under United States Securities Act of 1933. All investment units subject to the International Offering shall be purchased and underwritten severally and not jointly in the total amount by international managers (the "International Managers," and collectively with the Domestic Underwriters, the "Underwriters"). Furthermore, concerning the number of investment units pertaining to the respective offerings under a. and b. above, the offering is expected to comprise 41,940 units in the Domestic Primary Offering and 25,380 units in the International Offering. The final allocations will be determined on the Pricing Date, taking into consideration the demand and other factors. Certain underwriters of the Domestic Primary Offering and the International Offering, as well as the secondary offering described below under 2. (the "Secondary Offering"), shall serve as the joint global coordinators (the "Joint Global Coordinators").
(7)	Content of underwriting agreement	The Underwriters shall pay to API the total amount to be paid in (issue price) for the Domestic Primary Offering and the International Offering on the payment date stated below under (10), and the difference from the total amount to be offered (total offer price) shall be the proceeds of the underwriters. API shall not pay an underwriting fee to the underwriters.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(8)	Subscription unit	One Investment Unit or more in multiples of one Investment Unit
(9)	Subscription period (Domestic Primary Offering)	From the business day immediately following the Pricing Date to two business days following the Pricing Date.
(10)	Payment date	A business day between December 19, 2018 (Wednesday) and December 26, 2018 (Wednesday) which shall be five business days after the Pricing Date.
(11)	Delivery date	The business day immediately following the payment date stated above under (10).

(12) The amount to be paid in per unit (issue price per unit), the amount to be offered per unit (offer price per unit) and other matters necessary for this issuance of new Investment Units shall be determined at a future board of directors meeting of API.

(13) Of the items above, those matters pertaining to the Domestic Primary Offering shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

2. Secondary Offering (Please refer to "Reference 1" below.)

(1)	Number of investment units to be distributed	5,200 units The number of Investment Units to be distributed above is shown as the maximum number of Investment Units to be distributed in the Secondary Offering by the bookrunner of the Domestic Primary Offering upon the Domestic Primary Offering, taking into consideration demand and other factors in the Domestic Primary Offering. It is possible that the number may decrease or the Secondary Offering may not take place at all depending on demand and other factors in the Domestic Primary Offering. The number of Investment Units to be distributed shall be determined at API's board of directors meeting to be held on the Pricing Date, taking into consideration the demand and other factors in the Domestic Primary Offering.
(2)	Seller	A Domestic Underwriter
(3)	Distribution price per unit	To be determined The distribution price per unit shall be determined on the Pricing Date. Furthermore, the distribution price per unit shall be the same price as the offer price per unit for the Domestic Primary Offering.
(4)	Total amount of distribution price	To be determined
(5)	Distribution method	The bookrunner of the Domestic Primary Offering shall conduct the Secondary Offering in Japan of the Investment Units, which it shall borrow from Tokyu Land Corporation (the "Designated Purchaser") in a number not to exceed 5,200 units, upon the Domestic Primary Offering, by considering the demand and other factors in the Domestic Primary Offering.
(6)	Subscription unit	One Investment Unit or more in multiples of one Investment Unit
(7)	Subscription period	The subscription period shall be the same as the subscription period for the Domestic Primary Offering.
(8)	Delivery date	The delivery date shall be the same as the delivery date for the Domestic Primary Offering.

(9) The distribution price per unit and other matters necessary for this Secondary Offering of investment units shall be determined at a future board of directors meeting of API.

(10) The items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

3. Issuance of new investment units by way of third-party allotment (Please refer to "Reference 1." below.)

(1)	Number of investment units to be offered	5,200 units
(2)	Amount to be paid in per unit (issue price per unit)	To be determined The amount to be paid in per unit (issue price per unit) shall be determined at API's board of directors meeting held on the Pricing Date. Furthermore, the amount to be paid in per unit (issue price per unit) shall be the same price as the amount to be paid in per unit (issue price per unit) for the Domestic Primary Offering.
(3)	Total amount to be paid in (total issue price)	To be determined
(4)	Allottee	A Domestic Underwriter
(5)	Subscription unit	One Investment Unit or more in multiples of one Investment Unit
(6)	Subscription period (subscription date)	A business day between January 4, 2019 (Friday) and January 10, 2019 (Thursday) which shall be seven business days after the payment date of the Domestic Primary Offering.
(7)	Payment date	A business day between January 7, 2019 (Monday) and January 11, 2019 (Friday) which shall be eight business days after the payment date of the Domestic Primary Offering.

(8) Investment units for which no subscriptions have been filed during the subscription period (subscription date) stated above under (6) shall not be issued.

(9) The amount to be paid in per unit (issue price per unit) and other matters necessary for this issuance of new investment units shall be determined at a future board of directors meeting of API.

(10) The items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

Reference

1. About the Secondary Offering

The Secondary Offering shall be a domestic secondary offering in Japan by the bookrunner of the Domestic Primary Offering (the "Bookrunner") of Investment Units, which it shall borrow from the Designated Purchaser in a number not to exceed 5,200 units. The number of Investment Units to be distributed in the Secondary Offering is scheduled to be 5,200 units. Such number of Investment Units to be distributed is the maximum number of Investment Units to be distributed, and it is possible that the number may decrease or the Secondary Offering itself may not take place at all depending on the demand and other factors in the Domestic Primary Offering.

Furthermore, in connection with the Secondary Offering, at API's board of directors meeting held on November 30, 2018 (Friday), API passed a resolution to issue new Investment Units by way of a third-party allotment for 5,200 units of API to an allottee (the "Third-party Allotment") with a business day between January 7, 2019 (Monday) and January 11, 2019 (Friday) which shall be eight business days after the payment date of the Domestic Primary Offering as the payment date (the "Payment Date of the Third-party Allotment"), in order for the Bookrunner to acquire the Investment Units necessary for the Bookrunner to return the Investment Units borrowed from the Designated Purchaser (the "Borrowed Investment Units").

In addition, during the period starting from one day following the end of the subscription period for the Domestic Primary Offering and the Secondary Offering and ending on a business day which shall be

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

five business days before the Payment Date of the Third-party Allotment, (the "Syndicate Covering Transaction Period"), the Bookrunner may purchase the Investment Units on the Tokyo Stock Exchange, which shall be in a number not to exceed the number of Investment Units pertaining to the Secondary Offering, for the purpose of returning the Borrowed Investment Units (the "Syndicate Covering Transaction"). All of the Investment Units acquired in the Syndicate Covering Transaction by the Bookrunner shall be used toward returning the Borrowed Investment Units. Furthermore, during the Syndicate Covering Transaction period, there are cases where the Bookrunner may decide not to engage in the Syndicate Covering Transaction at all or end the Syndicate Covering Transaction in a number not reaching the maximum number of Investment Units pertaining to the Secondary Offering.

Furthermore, there are cases where the Bookrunner may engage in stabilizing transactions in connection with the Domestic Primary Offering and the Secondary Offering and may allocate all or part of the Investment Units purchased through stabilization transactions to repay the borrowed Investment Units.

Regarding the number of Investment Units that results from reducing the number of units purchased through stabilizing transactions as well as the Syndicate Covering Transaction and then used to return Borrowed Investment Units from the number of units that were offered through the Secondary Offering, the Bookrunner is scheduled to acquire the Investment Units in the Third-party Allotment. For this reason, it is possible that subscriptions may not be filed for the number of Investment Units to be issued in the Third-party Allotment in whole or in part and, as a result, the final number of Investment Units issued in the Third-party Allotment may decrease or the issuance itself may not take place at all due to forfeiture.

Furthermore, any of the above transactions shall be conducted by the Bookrunner in consultation with the Domestic Underwriters.

2. Change in total number of Investment Units issued and outstanding as a result of the offerings

Total number of Investment Units issued and outstanding at present	698,704 units
Increase in number of Investment Units due to the issuance of new Investment Units through the public offering	67,320 units
Total number of Investment Units issued and outstanding after the issuance of new Investment Units through the public offering	766,024 units
Increase in number of Investment Units due to an exercise of the over-allotment options	5,200 units (Note)
Total number of Investment Units issued and outstanding after an exercise of the over-allotment options	771,224 units (Note)

(Note) Assumes the over-allotment options are exercised in full.

3. Objective and reason for the offerings

API is determined to expand its asset scale and strengthen its portfolio through investing carefully upon consideration of location and quality, and aims to increase the unitholder value with a growth in both cash distributions per unit and NAV per unit.

Issuance of new Investment Units has been decided by considering market trends in addition to the above factors.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

4. Amount, use and schedule of expenditure of funds to be procured

(1) Amount of funds to be procured (estimated net proceeds)

31,826,272,240 yen (maximum)

(Note) This is the total amount of 18,405,872,280 yen in proceeds from the Domestic Primary Offering, 11,138,317,560 yen in proceeds from the International Offering and up to 2,282,082,400 in proceeds from the issuance of new investment units by way of the Third-party Allotment. In addition, the amount noted above is the estimated amount calculated on the basis of the closing price as of November 19, 2018 (Monday) on the Tokyo Stock Exchange.

(2) Specific use and schedule of expenditure of funds to be procured

The net proceeds from the offerings and the over-allotment options will be used to pay part of the purchase price (the total acquisition price of ¥70,500 million) of the anticipated properties announced in "Notice of Acquisition and Disposition of Assets and Lease Contract with New Tenants" released as of today. Furthermore, any remaining proceeds will be held as cash on hand, deposited at a financial institution until used for partial repayment of borrowings or for partial funding of property acquisitions in the future.

5. Sale to Designated Purchaser

Of the API investment units of the Primary Offering, Domestic Underwriters are scheduled to sell 7,252 units to the Designated Purchaser, a shareholder of API's asset manager, as a purchaser designated by API.

6. Outlook

Please refer to the "Notice Concerning Revision to Forecast of Management Performance for the Fiscal Period Ending May 31, 2019 and Forecast of Management Performance for the Fiscal Period Ending November 30, 2019" announced as of today.

7. Lock-up

(1) In connection with the Domestic Primary Offering and International Offering, the Designated Purchaser will reach an agreement with the Joint Global Coordinators and the domestic joint lead managers to the effect that, without the prior written consent of the Joint Global Coordinators and the domestic joint lead managers, no sale of the Investment Units (excluding investment units lended in connection with the Secondary Offering, etc.) shall be conducted during the period beginning on the Pricing Date and ending on the date that is 180 days after the delivery date of the units.

The Joint Global Coordinators and the domestic joint lead managers will have the authority to cancel the agreement, in whole or in part, at their discretion, including during the 180-day lock-up period described above.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2) In connection with the Domestic Primary Offering and International Offering, API has reached an agreement with the Joint Global Coordinators to the effect that, without the prior written consent of the Joint Global Coordinators, no issuance of the Investment Units, excluding investment units issued in connection with the offering, the over-allotment options, split of investment units etc., shall be conducted during the period beginning on the Pricing Date and ending on the date that is 90 days after the delivery date of the units.

The Joint Global Coordinators have the authority to cancel the agreement, in whole or in part, at its discretion, including during the 90-day lock-up period described above.

*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: https://www.activia-reit.co.jp/en/

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the issuance of new investment units and secondary offering of investment units, 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, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.