

FOR IMMEDIATE RELEASE

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Notice of Acquisition of Asset (TK Shinbashi Building)

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces today that it decided to acquire a property. Details are as follows:

1. Overview of the acquisition

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|-----------------------------|---|
| (1) Property name: | TK Shinbashi Building (hereinafter referred to as “TK Shinbashi Building”) |
| (2) Asset to be acquired: | The trust beneficiary interest in a property (TK Shinbashi Building) as a trust asset (hereinafter referred to as the “property”) |
| (3) Acquisition price: | ¥5,650 million (excluding expenses for the acquisition and consumption taxes) |
| (4) Date of sales contract: | April 19, 2013 (plan) |
| (5) Date of acquisition: | April 19, 2013 (scheduled date of delivery and settlement) |
| (6) Seller of property: | Undisclosed for unavoidable reasons, as approval for disclosure is not available from the seller |
| (7) Funds for acquisition: | Borrowed funds (Note1) and the Investment Corporation’s own funds (plan) |
| (8) Settlement method: | Total amount to be paid at the time of delivery |

(Note1) For further information on the borrowed funds, please refer to the “Notice Concerning Borrowing of Funds” disclosed today.

(Note2) 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 acquisition

In accordance with the subjects and policies of asset management stipulated in its bylaws, the Investment Corporation will acquire the property categorized to “Tokyo Office” which is defined as the priority investment targets for enrichment of the portfolio. Following this acquisition, the portfolio of the Investment Corporation will consist of 20 properties with an approximate total acquisition cost of 181.3 billion yen. The acquisition of the property will diversify the portfolio and stabilize profitability.

As part of the value chain of the Tokyu Land Group, the Investment Corporation has recently decided to acquire the property on a negotiation basis from the third party, that the information is provided by the sponsor based on the sponsor support agreement.

We have decided to acquire the property based on the following considerations:

(1) Location

TK Shinbashi Building is a three-minute walk from “Shinbashi” Station on JR Lines and Tokyo Metro Subway Line. With a high level of transport convenience, this station is a major station in Tokyo, as it is served by JR Yamanote, Keihin-Tohoku, Tokaido and Yokosuka Lines, Tokyo Metro Ginza Line, Municipal Subway Asakusa Line and the Tokyo Waterfront New Transit Waterfront Line (Yurikamome).

The Shinbashi district lies within the three central wards of Tokyo and features a large concentration of offices and commercial facilities. This area is expected to demand from prospective tenants running various styles of business in different categories. On the northern side of the property, Sakurada Park is located, and in a block on the southern side, Loop Road No. 2 is under construction. The district has the potential for further development in the future.

(2) Features of the property

TK Shinbashi Building is a nine-story structure constructed in 1999. The first and first basement floors are for retailers, the second to eighth floors are for business offices, and the ninth floor is for residential units for lease. The building chiefly comprises the offices.

The property offers substantial office space. The standard floor for offices has an area of 531 m² (approx. 161 tsubo), the ceiling height of 2,700 mm, and the free access floor of 60 mm. In a side core layout, spaces for lease are L-shaped, which is close to a regular shape.

As the second to fifth floors were renovated from 2012 to 2013, the property has equipped with a certain quality such as the individual air-conditioning units, automated security systems and other.

3. Overview of the property to be acquired

(1) Outline of the property

Property name		TK Shinbashi Building
Specified asset category		Trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust establishment date		April 19, 2013
Trust maturity date		April 30, 2023
Transportation		3-minute walk from “Shinbashi” station on the Yamanote Line, etc.
Location (address)		11-1 Shinbashi 4-chome, Minato-ku, Tokyo
Land	Location	32-10 Shinbashi 4-chome, Minato-ku, Tokyo (Note1)
	Building to land ratio	100.00% (Note2)
	Plot ratio	700.00% (Note2)
	Usage restrictions	Commercial district
	Land area	1,035.45m ² (Note1)
	Ownership	Ownership and partial leasehold (Note3)
Building	Completion date	March 4, 1999 (Note1)
	Structure	Reinforce concrete, SRC / 9 floors above and 2 floors underground (Note1)
	Registered usage	Retail, Office, Apartment, Parking, Warehouse (Note1)
	Gross floor area	7,143.97 m ² (Note1)
	Parking facilities	24 vehicles
	Ownership	Ownership
Property management company		Tokyu Land Corporation (Plan) (Note4)
Master lessee		Tokyu Land Corporation (Plan) (Note5)
Acquisition price		5,650 million
Appraisal value		5,780 million

(Date of value estimate)	(March 1, 2013)
Appraisal agency	Japan Real Estate Institute
Earthquake PML	6.8% (according to an earthquake PML report of NKSJ Risk Management, Inc.)
Hypothecation	Applied (to be removed upon acquisition)
Lease overview (Note6)	
Total leasable area	5,052.14 m ²
Occupancy rate	84.6%
Number of tenants	5
Annual rent	308 million
Expected NOI (Note7)	292 million
Total of deposit	274 million
Remarks	None
<p>(Note1) The data are based on the registry. However, the completion date is based on the certificate of inspection.</p> <p>(Note2) The data are calculated under relevant laws, including the Building Standards Act (Law No. 201 of 1950, including subsequent revisions) and the City Planning Act (Law No. 100 of 1968, including subsequent revisions).</p> <p>(Note3) The portion subject to leasehold has an area of 66.84 m² (Land registry).</p> <p>(Note4) Tokyu Land Corporation is an interested party with respect to the Asset Manager (TLC Activia Investment Management Inc., the asset management company of the Investment Corporation, is referred to as “the Asset Manager” hereinafter) under the Asset Manager’s regulations for transactions with interested parties. Thus, under the regulations for transactions with interested parties, the board of directors of the Asset Manager resolved to outsource property management to Tokyu Land Corporation following the deliberation and resolution at the compliance committee and the investment committee, and reported the resolution to the Board of Directors of the Investment Corporation.</p> <p>(Note5) Tokyu Community Corp. will be a sub-master lease company (sublessee) for the space for lease on the ninth floor.</p> <p>(Note6) The figures are estimates as of the scheduled date of acquisition (April 19, 2013).</p> <p>(Note7) 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%.</p>	

(2) Profile of the seller

The seller is a specific purpose company based in Japan. The details are not disclosed, as approval for disclosure is not available. The seller has no capital, personnel or business relationship to be reported with the Investment Corporation, the Asset Manager, any person involved in the Investment Corporation and/or the Asset Manager or any of their affiliated companies. None of the seller, the personnel or affiliated companies are related parties of the Investment Corporation or the Asset Manager.

4. Condition of the seller

Omitted, because the acquisition of the property is not an acquisition from a party having a special interest in the Investment Corporation or the Asset Manager.

5. Outline of intermediary

(1) Profile of the intermediary

The intermediary is a general business operator based in Japan. The details are not disclosed, as approval for disclosure is not available. The intermediary has no capital, personnel or business relationship to be reported with the Investment Corporation, the Asset Manager, any person involved in the Investment Corporation and/or the Asset Manager or any of their affiliated companies. None of the intermediary, the personnel or affiliated companies are related parties of the Investment Corporation or the Asset Manager.

(2) Breakdown and amount of intermediary fees

The breakdown and the amount of intermediary fees are not disclosed, as the intermediary has not granted approval for disclosure.

6. Schedule

Determination of acquisition	April 16, 2013
Conclusion of acquisition contract	April 19, 2013 (plan)
Payment	April 19, 2013 (plan)
Acquisition of property	April 19, 2013 (plan)

7. Outlook

For the effect of the acquisition of the property on the management performance of the Investment Corporation for the fiscal period ending May 2013 (The 3rd fiscal period, from December 1, 2012 to May 31, 2013) and the fiscal period ending November 2013 (The 4th fiscal period, from June 1, 2013 to November 30, 2013), please refer to the “Notice of Revision to Forecast Management Performance for the Period Ending May 2013 and the Period Ending November 2013” announced today.

<Exhibits>

Exhibit 1 Outline of Appraisal Report

Exhibit 2 Outline of Building Appraisal Report

Exhibit 3 Photo of the Exterior, Map of the Area

Exhibit 4 Portfolio after the Acquisition of the Property

*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>

Exhibit 1 Outline of Appraisal Report

Property name	TK Shinbashi Building
Appraisal value	¥5,780 million
Appraisal agency	Japan Real Estate Institute
Date of value estimate	March 1, 2013

Capitalization		
Value by direct capitalization method (million yen)		5,880
NOI (million yen) (Note)		287
Capitalization rate (%)		4.7
Value by the DCF method (million yen)		5,670
Discount rate (%)		4.5
Terminal capitalization rate (%)		4.9
Multiplication value by cost accounting method (million yen)		5,140
Land ratio (%)		76.1
Building ratio (%)		23.9

(Note) 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

Appraisal company	HI International Consultant Co., LTD.
Date of value estimate	March 29, 2013
Short-term renovation expense (thousand yen) (Note1) (Note2)	3,230
Long-term renovation expense (thousand yen) (Note1) (Note3)	235,210

(Note1) The short-term renovation expense and long-term renovation expense are based on the building appraisal report.

(Note2) The short-term renovation expense is the total expense for renovations needed within one year of the date of the appraisal report.

(Note3) The long-term renovation expense is the total expense for renovations needed within 12 years of the date of the appraisal report.

Exhibit 3 Photo of the Exterior, Map of the Area

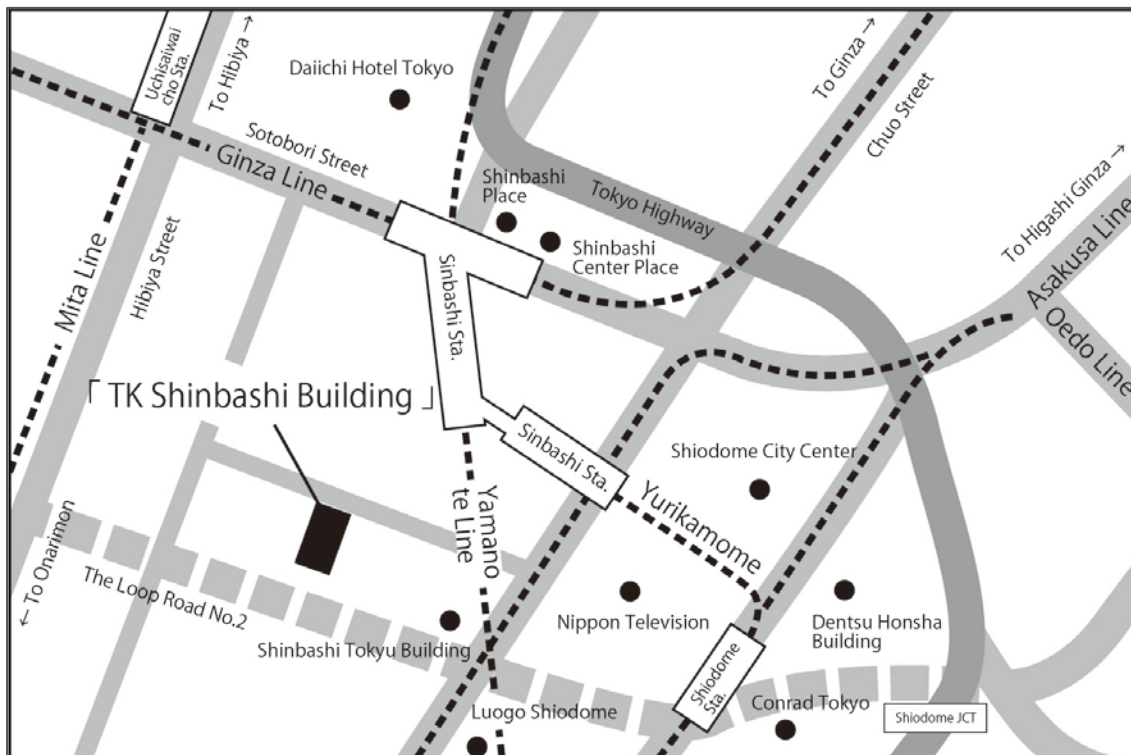


Exhibit 4 Portfolio after the Acquisition of the Property

Category	Property No. (Note1)	Property name	Location	Acquisition date	Acquisition price (Millions of yen)	Investment ratio (Note2)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	Shibuya, Tokyo	June 13, 2012	45,000 (Note3)	24.8
	UR-2	Tokyu Plaza Akasaka	Chiyoda, Tokyo	June 13, 2012	11,450 (Note3)	6.3
	UR-3	Ebisu Q Plaza	Shibuya, Tokyo	June 13, 2012	8,430	4.7
	UR-4	Shinbashi Place	Minato, Tokyo	June 13, 2012	20,500	11.3
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	June 13, 2012	8,860	4.9
	Subtotal				94,240	52.0
Tokyo Office Properties	TO-1	TLC Ebisu Building (Note4)	Shibuya, Tokyo	June 13, 2012	7,400	4.1
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	June 13, 2012	9,640	5.3
	TO-3	Yoyogi Place	Shibuya, Tokyo	June 13, 2012	4,070	2.2
	TO-4	Aoyama Plaza Building	Minato, Tokyo	June 13, 2012	8,790	4.8
	TO-5	Luogo Shiodome	Minato, Tokyo	June 13, 2012	4,540	2.5
	TO-6	Tokyo Kikai Honsha Building	Minato, Tokyo	June 13, 2012	3,070	1.7
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	June 13, 2012	3,990	2.2
	TO-8	TK Shinbashi Building	Minato, Tokyo	April 19, 2013 (plan)	5,650	3.1
	Subtotal				47,150	26.0
Subtotal of UR and TO					141,390	78.0
Other Properties	O-1	COCOE Amagasaki (ownership of land with land lease rights)	Amagasaki, Hyogo	June 13, 2012	12,000	6.6
	O-2	icot Nakamozu	Sakai, Osaka	June 13, 2012	8,500	4.7
	O-3	icot Kongo	Osakasayama, Osaka	June 13, 2012	1,600	0.9
	O-4	icot Mizonokuchi	Kawasaki, Kanagawa	June 13, 2012	2,710	1.5
	O-5	icot Tama Center	Tama, Tokyo	June 13, 2012	2,840	1.6
	O-6	Kanayama Center Place	Nagoya, Aichi	June 13, 2012	6,980	3.9
	O-7	Osaka Nakanoshima Building	Osaka, Osaka	January 25, 2013	5,250 (Note3)	2.9
	Subtotal				39,880	22.0
Total					181,270	100.0

(Note1) "Property No." is numbered by categorizing properties of the Investment Corporation into UR (Urban Retail Properties), TO (Tokyo Office Properties) and O (Other Properties).

(Note2) "Investment ratio" is ratio of acquisition price for each property to total acquisition price rounded to first decimal place.

(Note3) 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).

(Note4) The name of property was changed from "Ebisu Tokyu Building" to "TLC Ebisu Building" on October 1, 2012.