Activia Properties Inc.

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FOR IMMEDIATE RELEASE

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Notice of Revision to Forecast Management Performance for the Period Ending November 30, 2013 and the Period Ending May 31, 2014

Activia Properties Inc. (hereinafter referred to as the "Investment Corporation") announces that it has revised the forecasts to management performance (forecast values) as announced on July 12, 2013 in the "Financial Report for the Fiscal Period Ended May 31, 2013 (December 1, 2012 - May 31, 2013)". Details are as follows.

1. Reason for the revision to forecast management performance

Considering the effect of the acquisition of assets as described in the "Notice of Acquisition of Asset (Hitotsugi LIP)" announced today on revenues, the Investment Corporation revised its forecast management performance as described in section 2 below.

2. Details of the revision

(1) Period ending November 30, 2013 (The 4th 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
Previous Forecast (A)	6,044	3,547	3,110	3,109	15,150	—
Revised Forecast (B)	6,089	3,569	3,124	3,123	15,218	—
Changes (B-A)	44	21	13	13	68	—
Changes (%)	0.7%	0.6%	0.4%	0.4%	0.4%	—

(Reference) Expected number of investment units at the end of the period: 205,262

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(2) Period ending May 31, 2014 (The 5th 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
Previous Forecast (A)	6,034	3,566	3,111	3,110	15,151	—
Revised Forecast (B)	6,115	3,603	3,132	3,131	15,255	—
Changes (B-A)	80	37	21	21	104	—
Changes (%)	1.3%	1.0%	0.7%	0.7%	0.7%	—

(Reference) Expected number of investment units at the end of the period: 205,262

(Notes)

1. The forecast values in this material are as of today, and are calculated based on the assumptions written in the exhibit "Assumptions for Forecasts of Investment Performance for the Fiscal Period from June 1, 2013 to November 30, 2013 and the Fiscal Period from December 1, 2013 to May 31, 2014". Therefore, actual operating revenues, operating income, ordinary income, net income, and distributions per unit may change due to factors such as the acquisition and sale of real estate in the future, developments in the real estate market, the issuing of additional investment units in the future, etc., and other changes in circumstances surrounding the Investment Corporation. Also, the forecast values do not guarantee the amount of distributions.
2. The forecasts of the Investment Corporation may be revised if a substantial difference from the forecast values above is anticipated.
3. The values are rounded down to the unit, and the percentage is rounded to first decimal place. The same applies below.

*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]

Assumptions for Forecasts of Investment Performance for the Fiscal Period from June 1, 2013 to November 30, 2013 and the Fiscal Period from December 1, 2013 to May 31, 2014

Item	Assumptions
Accounting period	• The 4th period (June 1, 2013 to November 30, 2013) (183 days) • The 5th period (December 1, 2013 to May 31, 2014) (182 days)
Assets under management	• For the forecast management performance, it is assumed that there will be no changes in assets under management (the acquisition of new properties and the sale of existing properties, etc.) in relation to the real estate trust beneficiary rights to 21 properties, that is, 20 properties that the Investment Corporation holds as of today (hereinafter referred to as the “Currently Held Assets”) and the Hitotsugi LIP to be acquired on August 30, 2013 (hereinafter referred to as the “Asset to Be Acquired”) until the end of the period ending May 2014 (the 5th period). • The 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 Asset to Be Acquired are calculated based on a lease contract from the scheduled date of acquisition expected as of today etc. • Operating revenue is forecast on the assumption that tenants will pay rent without delinquency.
Operating expenses	• Of 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 Asset to Be Acquired are calculated reflecting variable expense factors etc. based on the information provided by the former owner. • Although property taxes and city planning taxes on the assets to be acquired are generally calculated on a pro-rata basis with the former 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 Asset to Be Acquired that are included in the acquisition cost is assumed to be 4 million yen. Property taxes, city planning taxes, and other taxes on the Currently Held Assets to be expensed in the period ending November 30, 2013 (the 4th period) and the period ending May 31, 2014 (the 5th period) will be 430 million yen and 430 million yen, respectively. For the Asset to Be Acquired, property taxes, city planning taxes, and other taxes for fiscal 2014 will be expensed starting from the period ending November 30, 2014 (the 6th period). • With respect to building repair expenses, the amount assumed to be necessary for each business period is expected based on a medium- and long-term repair plan formulated by the asset management company. However, repair expenses in each business period may be largely different from the expected amount for reasons including that repair expenses could suddenly arise due to damage to buildings, etc. 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, etc. are calculated by the straight-line method. They are assumed to be 518 million yen in the period ending November 30, 2013 (the 4th period) and 524 million yen in the period ending May 31, 2014 (the 5th period).
Non-operating expenses	• For interest expenses and other borrowing costs, 445 million yen and 472 million yen are anticipated in the period ending November 30, 2013 (the 4th period) and the period ending May 31, 2014 (the 5th period), respectively
Borrowings	• The Investment Corporation has a total outstanding balance of 85,000 million yen in borrowings as of today, and will borrow 3,000 million yen to acquire the Asset to Be Acquired on August 30, 2013, making the total outstanding balance 88,000 million yen. It is assumed that there will be no changes in the balance of borrowings until the end of the period ending May 31, 2014 (the 5th period). • LTV at the end of the period ending November 30, 2013 and May 31, 2014 is anticipated to be approximately 46%. • LTV is calculated based on the following formula: LTV = Balance of borrowings / Total assets × 100
Investment units	• The number is based on our assumption of 205,262 units issued as of today. We assume that there will be no additional issuance of new units before the end of the 5th fiscal period (May 31, 2014). • Distributions per unit for the period ending November 30, 2013 (the 4th period) and the period ending May 31, 2014 (the 5th period) are calculated based on the expected number of investment units issued at the end of the respective period, which is 205,262.
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 change due to various factors including changes in rent revenues attributable to changes in the assets under management and changes in tenants, etc., as well as the occurrence of unexpected repairs, etc.
Optimal payable distributions per unit	• The Investment Corporation does not intend to pay optimal payable distributions per unit at this time.
Other	• It is assumed that a revision that will have an impact on the forecast values above will not be made in the laws, tax system, accounting standards, listing rules, or the rules of the Investment Trusts Association, Japan, etc. • It is assumed that an unexpected significant change will not arise in general economic behavior and real estate market conditions, etc.