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FOR IMMEDIATE RELEASE

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

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces that a resolution was passed concerning the issuance of new investment units and secondary offering of investment units at a meeting of the board of directors held on November 22, 2013. Details are as follows.

1. Issuance of new investment units through public offering

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| (1) | Number of investment units to be offered | 43,100 units |
| (2) | Amount to be paid in per unit (issue price per unit) | To be determined
The issue amount per unit shall be determined at a meeting of the board of directors of the Investment Corporation to be held on a day (the “Pricing Date”) between December 9, 2013 (Monday) and December 11, 2013 (Wednesday) 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 |

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| (4) Amount to be offered per unit (offer price per unit) | <p>To be determined</p> <p>The offer price shall be determined on the Pricing Date by considering demand conditions and arriving at a provisional price by multiplying 0.90-1.00 by the closing price of the investment units of the Investment Corporation (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.)</p> |
| (5) Total amount to be offered (total offer price) | To be determined |
| (6) Offering method | <p>The offering will be a simultaneous offering in Japan and an international offering.</p> <p>a. Domestic primary offering</p> <p>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”).</p> <p>b. International offering</p> <p>The international offering (the “International Offering”) shall be an offering in markets outside of Japan, mainly in the United States and Europe. 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, as the “Underwriters”).</p> <p>Furthermore, concerning the number of investment units pertaining to the respective offerings under a. and b. above, the offering is expected to comprise 27,070 units in the Domestic Primary Offering and 16,030 units in the International Offering. The final allocations will be determined on the Pricing Date, taking into consideration the demand on that date and other factors.</p> <p>Certain underwriter of the Domestic Primary Offering and International Offering, as well as the secondary offering described below under 2. (the “Secondary Offering”) shall serve as the global coordinator (the “Global Coordinator”).</p> |
| (7) Content of underwriting agreement | <p>The Underwriters shall pay to the Investment Corporation the amount to be paid in per unit (issue price) for the Domestic Primary Offering and International Offering by the payment deadline stated below under (10), and the difference from the amount to be offered per unit (offer price per unit) shall be the proceeds of the underwriters. The</p> |

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- Investment Corporation shall not pay an underwriting fee to the underwriters.
- (8) Subscription unit 1 Investment Unit or more in multiples of 1 Investment Unit
 - (9) Subscription period From the business day immediately following the Pricing Date to two business days following the Pricing Date.
 - (10) Payment deadline The day between December 16, 2013 (Monday) to December 18, 2013 (Wednesday) that is five business days after the Pricing Date.
 - (11) Delivery deadline The business day immediately following the payment deadline 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 meeting of the board of directors of the Investment Corporation.
 - (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 2,700 units
Furthermore, the number of Investment Units to be distributed as shown above 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 a meeting of the board of directors 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 shall be determined on the Pricing Date. Furthermore, the distribution price shall be the same price as the offer price 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 domestic secondary offering in Japan of the Investment Units, which it shall borrow from an investor in Tokyu Land Corporation (the “Designated Purchaser”) in a number not to exceed 2,700 units, upon the Domestic Primary Offering, by considering the demand and other factors in the Domestic Primary Offering.
 - (6) Unit of application 1 Investment Unit or more in multiples of 1 Investment Unit
 - (7) Application period The application period shall be the same as the application period for the Domestic Primary Offering.
 - (8) Delivery deadline The delivery deadline shall be the same as the delivery due date for the Domestic Primary Offering.
 - (9) The distribution price and other matters necessary for this secondary offering of investment units shall be determined at a future meeting of the board of directors of the Investment Corporation.

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

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

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| (1) | Number of investment units to be offered | 2,700 units |
| (2) | Amount to be paid in per unit (issue amount per unit) | To be determined
The amount to be paid in (issue amount) shall be determined at a meeting of the board of directors of the Investment Corporation held on the Pricing Date. Furthermore, the amount to be paid in (issue amount) shall be the same price as the amount to be paid in (issue amount) for the Domestic Primary Offering. |
| (3) | Total amount of amount to be paid in (issue amount) | To be determined |
| (4) | Allottee | A Domestic Underwriter |
| (5) | Subscription Unit | 1 Investment Unit or more in multiples of 1 Investment Unit |
| (6) | Subscription period (application deadline) | January 14, 2014 (Tuesday) |
| (7) | Payment deadline | January 15, 2014 (Wednesday) |
| (8) | Investment units for which no applications have been filed during the subscription period (application deadline) stated above under (6) shall not be issued. | |
| (9) | The amount to be paid in (issue amount) and other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors of the Investment Corporation. | |
| (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 2,700 units. The number of Investment Units to be distributed in the secondary offering is scheduled to be 2,700 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 a meeting of the board of directors of the Investment Corporation held on November 22, 2013 (Friday), the Investment Corporation passed a resolution to issue new Investment Units by way of a third-party allotment for 2,700 units of the Investment Corporation to an allottee (the “Third-party Allotment”) with January 15, 2014 (Wednesday) as the payment deadline, 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 secondary offering and ending on January 7, 2014 (Tuesday), (the “Syndicate Covering Transaction Period”), the Bookrunner may purchase the Investment Units on the Tokyo Stock

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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 to not 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.

Further, there are cases where the Bookrunner may engage in stabilizing transactions in connection with the Domestic Primary Offering and 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 syndicate cover transactions and then used to return Borrowed Investment Units from the number of units that were offered through secondary offering, the Bookrunner is scheduled to acquire the Investment Units in the Third-party Allotment. For this reason, it is possible that applications 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 transactions above shall be conducted by the Bookrunner in consultation with the Domestic Underwriter.

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

Total number of Investment Units issued and outstanding at present	205,262 units
Increase in number of Investment Units due to the issuance of new Investment Units through the public offering	43,100 units
Total number of Investment Units issued and outstanding after the issuance of new Investment Units through the public offering	248,362 units
Increase in number of Investment Units due to the over-allotment options	2,700 units (Note)
Total number of Investment Units issued and outstanding after the over-allotment options	251,062 units (Note)

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

3. Objective and reason for the offerings

The Investment Corporation aims to build an external growth cycle with the combination of equity and debt financing through investing carefully upon consideration of quality and profitability for enrichment and development of its portfolio as well as lowering LTV to secure capacity for flexible property acquisition. Issuance of new Investment Units are resulted through considering market trends and DPU in addition to the above factors.

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

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

34,064,116,400 yen (maximum)

(Note) This is the total amount of 20,133,529,060 yen in proceeds from the Domestic Primary Offering, 11,922,440,740 yen in proceeds from the international offering and up to 2,008,146,600 yen 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 14, 2013 (Thursday) on the Tokyo Stock Exchange.

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

The net proceeds from the offering, excluding any proceeds from the over-allotment option in Japan, will be used to pay part of the acquisition price of the anticipated properties (the total acquisition price of ¥47,430) to be acquired announced in “Notice of Acquisition of Assets” today. Furthermore, any additional net proceeds received upon the exercise of the over-allotment option as cash on hand will be held as cash on hand for other acquisitions, repayment of borrowings and the other general corporate uses in the future.

5. Designation of party to receive allocation

A domestic underwriter will sell 4,580 units of the investment units in the domestic offering to Tokyu Land Corporation, the designated purchaser.

6. Outlook

Please refer to the “Notice of Revision to Forecast Management Performance for the Period Ending May 31, 2014 and Notice of Forecast Management Performance for the Period Ending November 30, 2014”

7. Past status of operation and equity finance

(1) Status of operation (past 3 fiscal periods)

	Fiscal period ended May 31, 2012	Fiscal period ended November 30, 2012	Fiscal period ended May 31, 2013
Net income (loss) per unit (Note)	(¥152,542)	¥15,153 (¥14,244)	¥16,946
Cash distribution per unit	-	¥13,938	¥16,946
(Profit distributions per unit)	-	(¥13,938)	(¥16,946)
(Distributions per unit in excess of profit)	-	-	-
Distribution payout ratio	-	97.9%	100.0%
Net asset per unit	¥347,457	¥459,095	¥462,103

(Note) Net income (loss) per unit is calculated by dividing net income (loss) by the day-weighted average number of investment units for the period (400 units, 192,831 units and 205,262 units for the fiscal periods ended May 31, 2012, November 30, 2012 and May 31, 2013, respectively). For the fiscal period ended November 30, 2012, net income per unit calculated based on day-weighted average number of investment units (205,141 units) assuming that the fiscal period started on June 13, 2012, the actual start date of asset management, is also provided in parenthesis.

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(2) Status of investment unit price

(i) Past 3 fiscal periods

	Fiscal period ended November 30, 2012	Fiscal period ended May 31, 2013
Opening price	¥445,000	¥511,000
Highest price	¥557,000	¥976,000
Lowest price	¥440,500	¥501,000
Closing price	¥511,000	¥772,000

(Note) Not applicable before the listing on June 13, 2012.

(ii) Past 6 months

	June 2013	July	August	September	October	November (Note)
Opening price	¥767,000	¥776,000	¥702,000	¥687,000	¥839,000	¥858,000
Highest price	¥787,000	¥785,000	¥740,000	¥854,000	¥860,000	¥858,000
Lowest price	¥655,000	¥701,000	¥660,000	¥673,000	¥773,000	¥781,000
Closing price	¥781,000	¥701,000	¥677,000	¥851,000	¥855,000	¥791,000

(Note) The investment unit price for November 2013 is as of November 21, 2013.

(iii) Investment unit the day before the launch

	November 21, 2013
Opening price	¥786,000
Highest price	¥797,000
Lowest price	¥783,000
Closing price	¥791,000

(3) Status of equity finance (past 3 fiscal periods)

Private placement

Date of issue	September 7, 2011
Amount of equity	¥200,000,000
Amount to be paid in (issue amount)	¥500,000
Number of issued investment units	0 units
Number of investment units issued at the offering	400 units
Number of investment units issued after the offering	400 units
Allottee	Tokyu Land Corporation
Use of the proceeds at the time of issue	Establishment
Scheduled timing of disbursement at the time of issue	After September 2011
Current status	Disbursement completed on the above scheduled date

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Capital increase through initial public offering

Date of issue	June 12, 2012
Amount of equity	¥90,834,705,000
Amount to be paid in (issue amount)	¥445,050
Number of issued investment units	400 units
Number of investment units issued at the offering	204,100 units
Number of investment units issued after the offering	204,500 units
Use of the proceeds at the time of issue	Acquisition of properties and repayment of borrowing
Scheduled timing of disbursement at the time of issue	After June 2012
Current status	Disbursement completed on the above scheduled date

Capital increase through third-party allotment

Date of issue	July 10, 2012
Amount of equity	¥339,128,100
Amount to be paid in (issue amount)	¥445,050
Number of issued investment units	204,500 units
Number of investment units issued at the offering	762 units
Number of investment units issued after the offering	205,262 units
Allottee	Nomura Securities Co., Ltd.
Use of the proceeds at the time of issue	Acquisition of properties and repayment of borrowing
Scheduled timing of disbursement at the time of issue	After July 2012
Current status	Disbursement completed on the above scheduled date

8. Lock-up

- (1) In connection with the Domestic Primary Offering and International Offering, the Designated Purchaser has agreed to enter into an agreement with the Global Coordinator and the Domestic Underwriters to the effect that, without the prior written consent of the Global Coordinator and the Domestic Underwriters, no sale of the Investment Units (excluding investment units issued in connection with the secondary offering) 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 Global Coordinator and the Domestic Underwriters are scheduled to 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.

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

The Global Coordinator has 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 the Investment Corporation: <http://www.activia-reit.co.jp/english>

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