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FOR IMMEDIATE RELEASE

Activia Properties Inc.
16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Haruki Sakane
Executive Director
(Code: 3279)

Asset Management Company
TLC Activia Investment Management Inc.
Haruki Sakane
Representative Director, President and Chief Executive Officer

Inquiries
Hiroshi Kimoto
Executive Officer of Fund Management Department
(Tel: +81-3-6415-3120)

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

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 August 27, 2013 in the "Notice of Revision to Forecast Management Performance for the Period Ending November 30, 2013 and the Period Ending May 31, 2014". Details are as follows.

In addition, it announces the forecasts of the management performance (forecast values) for the period ending November 30, 2014 (June 1, 2014 - November 30, 2014). 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 Assets" and issuance of new investment units as described in the "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today, the Investment Corporation revised its forecast management performance of the Period Ending May 31, 2014 (December 1, 2013 - May 31, 2014).

Also, it forecasts the period ending November 30, 2014 (June 1, 2014 - November 30, 2014) based on giving the effect of the acquisition of assets and issuance of new investment units.

The forecast for cash distribution per unit of the period ending November 30, 2013 (June 1, 2013 - November 30, 2013) announced on August 27, 2013, has not changed as of today.

Activia Properties Inc.

2. The revision of the 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)	6,115	3,603	3,132	3,131	15,255	-
Revised Forecast (B)	7,753	4,526	3,893	3,892	15,504	-
Changes (B-A)	1,638	922	761	761	249	-
Changes (%)	26.8	25.6	24.3	24.3	1.6	-

(Reference) Expected number of investment units at the end of the period: 251,062

3. The forecast of the period ending November 30, 2014 (The 6th 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
Forecast	7,993	4,447	3,895	3,894	15,511	-

(Reference) Expected number of investment units at the end of the period: 251,062

(Notes)

1. The forecast values in this material are valid as of today, and are calculated based on the assumptions written in the exhibit "Assumptions for Forecasts of Investment Performance for the Period from December 1, 2013 to May 31, 2014 and the Period from June 1, 2014 to November 30, 2014". Actual operating revenues, operating income, ordinary income, net income, and cash 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, and other changes in circumstances surrounding the Investment Corporation. 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 truncated 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 Period from December 1, 2013 to May 31, 2014 and the Period from June 1, 2014 to November 30, 2014

Item	Assumptions
Accounting period	• The 5th period (December 1, 2013 to May 31, 2014) (182 days) • The 6th period (June 1, 2014 to November 30, 2014) (183 days)
Assets under management	• For the forecast 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 27 properties comprising 21 properties that the Investment Corporation holds as of today (the "Currently Held Assets") and Kobe Kyu Kyoryuchi 25Bankan, Tokyu Plaza Sapporo, Kamata Kosan Building, and J-CORE Omori to be acquired on December 19, 2013 (the "Four Assets to Be Acquired") and Gotanda Front and Shinagawa Place to be acquired on January 10, 2014 (the "Two Assets to Be Acquired". The Four Assets to Be Acquired and Two Assets to Be Acquired are collectively referred to as the "Assets to Be Acquired") until the end of the period ending November 30, 2014 (the 6th period). • 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. Revenues from the leasing of the Assets to Be Acquired are calculated based on the lease contract from the scheduled date of acquisition expected as of today as well as other factors. • Operating revenue is based 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 Assets to Be Acquired 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 Assets to Be Acquired 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 Assets to Be Acquired that are included in the acquisition cost is assumed to be 77 million yen. Property taxes, city planning taxes, and other taxes on the Currently Held Assets to be expensed in the period ending May 31, 2014 (the 5th period) and the period ending November 30, 2014 (the

	6th period) will be 448 million yen and 584 million yen, respectively. For the Four Assets 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) excluding Tokyu Plaza Sapporo starting from the period ending May 31, 2014 (the 5th period), and for the Two Assets to Be Acquired, property taxes, city planning taxes, and other taxes for fiscal 2014 will be expensed starting from the period ending November 30, 2015 (the 8th 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 and maintenance plan formulated by the asset management company. However, repair and maintenance expenses in each business period may differ largely from the expected amount for 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 741 million yen in depreciation expenses in the period ending May 31, 2014 (the 5th period) and 750 million yen in the period ending November 30, 2014 (the 6th period).
Non-operating expenses	• For interest expenses and other borrowing costs, 506 million yen and 545 million yen are anticipated in the period ending May 31, 2014 (the 5th period) and the period ending November 30, 2014 (the 6th period), respectively. • As the temporary expense, 119 million yen for the issuance new investment units as described in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today is assumed.
Borrowings	• The Investment Corporation has a total outstanding balance of 88,000 million yen in borrowings as of today, and will borrow 5,900 million yen to acquire the 4 Assets to Be Acquired on December 19, 2013, and 7,500 million yen to acquire the Two Assets to Be Acquired on January 10, 2014, making the total outstanding balance 101,400 million yen. • It is assumed that the borrowings (4,000 million yen of the long-term borrowing for the 5th period, 3,000 million yen of the short-term borrowing, and 6,000 million yen of the long-term borrowing for the 6th period) which shall be repaid by the period ending May 31, 2014 (the 5th period) and the period ending November 30, 2014 (the 6th period) will be refinanced. • LTV at the end of the period ending May 31, 2014 and November 30, 2013 is anticipated to be approximately 42%. • LTV is calculated based on the following formula: LTV = Balance of borrowings / Total assets × 100
Investment units	• It is assumed that the new investment units in the amount of 43,100 units

	decided in board of directors today, and the third-party allotment in the amount of 2,700 units will be issued in addition to 205,262 units currently outstanding as of today. • It is assumed that no additional units will be issued by the period ending November 30, 2014 (the 6th period). • Distributions per unit for the period ending May 31, 2014 (the 5th period) and the period ending November 30, 2014 (the 6th period) are calculated based on the expected number of investment units issued at the end of the respective period, which is 251,062.
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, as well as the occurrence of unexpected repairs and maintenance.
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, and others. • It is assumed that an unexpected significant change will not arise in general economic behavior and real estate market conditions, and others.