

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  
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### Notice Concerning Changes to Articles of Incorporation and Appointment of Directors

Activia Properties Inc. (“API”) announces that it decided at the board of directors meeting on June 26, 2019 to submit the following proposals regarding changes to the Articles of Incorporation and the appointment of Directors to the 5th unitholders’ meeting (the “Unitholders’ Meeting”), which is scheduled to be held on August 9, 2019.

The items (1) and (2) in the below Section 1 will go into effect on the day determined in the proposed Supplementary Provision and the items (3) and (4) in the below Section 1 will go into effect upon receiving approval at the Unitholders’ Meeting.

#### 1. Details of and reasons for changes to the Articles of Incorporation

- (1) The head office of API will be relocated from Minato-ku to Shibuya-ku of Tokyo on the date of relocation which is to be determined at a meeting of board of directors of API scheduled to be held by December 31, 2019 (related to Article 3 of the proposed Articles of Incorporation and Article 1, Section 1 of the proposed Supplementary Provision).
- (2) In connection with the structure of the asset management fee to the asset management company, in order to align the asset management fee more closely with the unitholders’ interest, the balance of the type I management fee calculated based on the amounts of the total assets of API and the type II management fee based on DPU and NOI will be revised, by lowering the upper limit of the type I management fee from 0.4% to 0.3% and increasing the upper limit of the type II management fee from 0.0002% to 0.00021% (related to Article 37, Section 1 (1) of the proposed Articles of Incorporation)
- (3) In association with the new calculation method of the new asset management fee mentioned in above (2), in order that it will be applied from December 1, 2019, the first day of the 17th fiscal period of API, a supplementary provision stipulating an effective date of the change mentioned in above (2) will be established (related to Article 1, Section 2 of the proposed Supplementary Provision).
- (4) In order to avoid any influence in documentation from the change of era, a year in the Articles of Incorporation will be written in western calendar (related to Article 9, Section 2 and Article 15, Section 1 of the proposed Articles of Incorporation). The notational method of laws and regulations numbered in Japanese calendar will not change in accordance with common practice.

(Please refer to the attachment “Notice of Convocation of the 5th Unitholders’ Meeting” for details about the changes to the Articles of Incorporation.)

## 2. Details regarding the appointment of Directors

The respective terms of office of the Executive Director Kazuyuki Murayama and the Supervisory Directors Yonosuke Yamada and Yoshinori Ariga will expire on September 7, 2019. The proposal of the appointment of one Executive Director and two Supervisory Directors will be submitted to the Unitholders' Meeting on August 9, 2019.

A proposal to appoint one Alternate Executive Director who will serve in the absence of the Executive Director or when the number of Directors as prescribed by law is insufficient will be also submitted.

### (1) Candidate for Executive Director and candidates for Supervisory Directors (Note 1)

Executive Director	Kazushi Sato (New)
Supervisory Director	Yonosuke Yamada (Reappointment)
Supervisory Director	Yoshinori Ariga (Reappointment)

(Note1) The aforementioned candidate for Executive Director is the Managing Director, Chief Division Officer of Activia Management Division of TLC REIT Management Inc., the asset management company of API.

### (2) Candidate for Alternate Executive Director (Note 2)

Kazuyuki Murayama (New)

(Note2) The aforementioned candidate for Alternate Executive Director is the General Manager of Strategy Department, Activia Management Division of TLC REIT Management Inc., the asset management company of API.

(Please refer to the attachment "Notice of Convocation of the 5th Unitholders' Meeting" for details about the appointment of Directors.)

## 3. Schedule

June 26, 2019	Resolution to approve proposals to be submitted to the 5th Unitholders' Meeting by the board of directors meeting
July 25, 2019	Issue Notice of Convocation of the 5th Unitholders' Meeting (scheduled)
August 9, 2019	The 5th Unitholders' Meeting (scheduled)

Attachment: Notice of Convocation of the 5th Unitholders' Meeting

\*Website of API: <https://www.activia-reit.co.jp/en/>

July 25, 2019

To unitholders

Activia Properties Inc.  
1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo  
Kazuyuki Murayama  
Executive Director

## Notice of Convocation of the 5th Unitholders' Meeting

We hereby announce and request your attendance at the 5th unitholders' meeting (the "Unitholders' Meeting") of Activia Properties Inc. ("API"), which will be held as follows.

**Unitholders who are unable to attend on the day of the Unitholders' Meeting may exercise their voting rights in writing. Unitholders who wish to exercise their voting rights in writing should refer to the Reference Documents for Unitholders' Meeting at the end of this notice. After reading the Reference Documents, please fill out your vote on the enclosed Voting Rights Exercise Form and return it by Thursday, August 8, 2019 at 6:00PM (business closing time of the day immediately preceding the day of the Unitholders' Meeting).**

In accordance with the provision of Article 93, Section 1 of the Act on Investment Trusts and Investment Corporations, "Deemed Approval" has been set forth in Article 14 of the current Articles of Incorporation.

**Therefore, unitholders who do not attend the Unitholders' Meeting and do not exercise their voting rights through the use of the Voting Rights Exercise Form shall be included in the number of voting rights of unitholder present and deemed to have approved the proposals for resolution submitted at the Unitholders' Meeting. We ask that you give due consideration to this point.**

(Excerpt of the current Articles of Incorporation)

Article 14: Deemed Approval

1. Unitholders who do not attend a unitholders' meeting and who do not exercise their voting rights are deemed to have approved the proposals (excluding any proposals with conflicting purposes when multiple proposals are submitted) that are submitted at such unitholders' meeting.
2. The number of voting rights held by the unitholders deemed to have voted affirmatively for the proposal pursuant to the preceding paragraph shall be included in the number of voting rights of unitholder present.

### Details

1. Time and Date August 9, 2019 (Friday) at 1:30 PM (Reception opens at 1:00PM)
2. Venue 12-9 Shinbashi 1-chome, Minato-ku, Tokyo  
A-PLACE Shinbashi Ekimae 4th floor, AP Shinbashi  
(Please note that the venue is different from that of the previous meeting place.  
Please refer to the Access Information for the 5th Unitholders' Meeting at the end of this notice.)
3. Objectives of the Unitholders' Meeting
  - Matters for resolution
  - Resolution proposal 1 Changes to Part of the Articles of Incorporation
  - Resolution proposal 2 Appointment of One Executive Director
  - Resolution proposal 3 Appointment of One Alternate Executive Director
  - Resolution proposal 4 Appointment of Two Supervisory Directors

- ◎When you attend the Unitholders' Meeting, please submit the enclosed Voting Rights Exercise Form to the reception at the venue.
- ◎Following the conclusion of the Unitholders' Meeting, TLC REIT Management Inc., the asset management company of API, will hold a briefing session on the status of the managed assets. The briefing will be held at the same venue.
- ◎In the case where a unitholder exercises its voting rights through a proxy, it is possible for a unitholder who holds voting rights to attend the Unitholders' Meeting as a proxy. When attending the Unitholders' Meeting as a proxy, the unitholder shall submit the proxy form together with the Voting Rights Exercise Form to the reception at the venue.
- ◎Please note that if there are any matters in the Reference Documents for Unitholders' Meeting that need to be revised between the time the notice of the Unitholders' Meeting is issued and the day prior to the Unitholders' Meeting, the revised information will be posted on our website (<https://www.activia-reit.co.jp/en/>).

## Reference Documents for Unitholders' Meeting

### Resolutions and Other Items

#### Resolution proposal 1 Changes to Part of the Articles of Incorporation

##### 1. Reasons for the changes

- (1) The head office of API will be relocated from Minato-ku to Shibuya-ku of Tokyo on the date of relocation which is to be determined at a meeting of the board of directors of API scheduled to be held by December 31, 2019 (related to Article 3 of the proposed Articles of Incorporation and Article 1, Section 1 of the proposed Supplementary Provision).
- (2) In connection with the structure of the asset management fee to the asset management company, in order to align the management fee more closely with the unitholders' interest, the balance of the type I management fee calculated based on the total assets of API and the type II management fee calculated based on the amounts of DPU and NOI of API will be revised, by lowering the upper limit of the type I management fee from 0.4% to 0.3% and increasing the upper limit of the type II management fee from 0.0002% to 0.00021% (related to Article 37, Section 1 (1) of the proposed Articles of Incorporation)
- (3) In association with the new calculation method of the asset management fee mentioned in above (2), in order that it will be applied from December 1, 2019, the first day of the 17th fiscal period of API, a supplementary provision stipulating an effective date of the change mentioned in above (2) will be established (related to Article 1, Section 2 of the proposed Supplementary Provision).
- (4) In order to avoid any influence in documentation from the change of era, a year in the Articles of Incorporation will be written in western calendar (related to Article 9, Section 2 and Article 15, Section 1 of the proposed Articles of Incorporation). The notational method of laws and regulations numbered in Japanese calendar will not change in accordance with common practice.

##### 2. Details of changes

Details of changes are described below.

(The changed parts are underlined)

Before change (current)	After change (proposal)
<p>Article 3 (Place where the Head Office is Located)</p> <p>1. The Investment Corporation shall have its head office at <u>Minato</u>-ku, Tokyo.</p>	<p>Article 3 (Place where the Head Office is Located)</p> <p>1. The Investment Corporation shall have its head office at <u>Shibuya</u>-ku, Tokyo.</p>
<p>Article 9 (Meeting and Convocation)</p> <p>1. (Omission)</p> <p>2. The Investment Corporation's unitholders' meeting shall be convened on or after July 25, <u>Heisei 29</u> without delay, and on or after July 25 of every second year thereafter without delay. The Investment Corporation shall also convene a unitholders' meeting when necessary.</p> <p>3.-4. (Omission)</p>	<p>Article 9 (Meeting and Convocation)</p> <p>1. (Not changed)</p> <p>2. The Investment Corporation's unitholders' meeting shall be convened on or after July 25, <u>2017</u> without delay, and on or after July 25 of every second year thereafter without delay. The Investment Corporation shall also convene a unitholders' meeting when necessary.</p> <p>3.-4. (Not changed)</p>

<p>Article 15 (Record Date, etc.)</p> <p>1. When the Investment Corporation convenes a unitholders' meeting pursuant to the first clause of Article 9, Section 2, unitholders whose names appear in the latest register of unitholders on May 31, <u>Heisei 27</u> and May 31 of every second year thereafter are entitled to vote at the relevant unitholders' meeting. When the Investment Corporation convenes a unitholders' meeting pursuant to the second clause of Article 9, Section 2, unitholders whose names appear in the latest register of unitholders on the record date that the Investment Corporation determines by resolution at a meeting of the board of directors and notifies in advance by public notice in accordance with laws and regulations are entitled to vote at the relevant unitholders' meeting.</p> <p>2. (Omission)</p>	<p>Article 15 (Record Date, etc.)</p> <p>1. When the Investment Corporation convenes a unitholders' meeting pursuant to the first clause of Article 9, Section 2, unitholders whose names appear in the latest register of unitholders on May 31, <u>2015</u> and May 31 of every second year thereafter are entitled to vote at the relevant unitholders' meeting. When the Investment Corporation convenes a unitholders' meeting pursuant to the second clause of Article 9, Section 2, unitholders whose names appear in the latest register of unitholders on the record date that the Investment Corporation determines by resolution at a meeting of the board of directors and notifies in advance by public notice in accordance with laws and regulations are entitled to vote at the relevant unitholders' meeting.</p> <p>2. (Not changed)</p>
<p>Article 37 (Standards for Payment of Asset Management Fee to the Asset Management Company)</p> <p>1. (Omission)</p> <p>(1) (Omission)</p> <p>① Type I management fee</p> <p>Type I management fee for each fiscal period shall be the amount equal to the total assets of the Investment Corporation as stated in its balance sheet at the end of the immediately preceding fiscal period multiplied by the rate separately agreed to with the asset management company of up to <u>0.4%</u> per year (calculated based on the actual number of days in each fiscal period on pro-rata basis, with one year being 365 days and any amount less than one yen shall be discarded). The type I management fee shall be payable by the Investment Corporation by the end of the relevant fiscal period.</p>	<p>Article 37 (Standards for Payment of Asset Management Fee to the Asset Management Company)</p> <p>1. (Not changed)</p> <p>(1) (Not changed)</p> <p>① Type I management fee</p> <p>Type I management fee for each fiscal period shall be the amount equal to the total assets of the Investment Corporation as stated in its balance sheet at the end of the immediately preceding fiscal period multiplied by the rate separately agreed to with the asset management company of up to <u>0.3%</u> per year (calculated based on the actual number of days in each fiscal period on pro-rata basis, with one year being 365 days and any amount less than one yen shall be discarded). The type I management fee shall be payable by the Investment Corporation by the end of the relevant fiscal period.</p>

<p>② Type II management fee</p> <p>Type II management fee for each fiscal period shall be the amount equal to (i) the distributable profit before deduction of the type II asset management fee (as defined below) at the end of each fiscal period, divided by the number of units outstanding as of the end of such fiscal period (“Distribution Per Unit Before Deduction of Type II Management Fee”) multiplied by (ii) the total amount of operating revenue earned during the fiscal period less expenses related to rent business incurred during such fiscal period (excluding depreciation expenses and loss on retirement of fixed assets) (“NOI”), and by (iii) the rate separately agreed to with the asset management company up to 0.0002% (any amount less than one yen shall be discarded).</p> <p>Or, this amount is calculated in accordance with the following formula:</p> <p>Type II management fee = Distribution Per Unit Before Deduction of Type II Management Fee x NOI x 0.0002% (in the case of the maximum rate) (any amount less than one yen is disregarded)</p> <p>With respect to the number of the outstanding units, in the event that the Investment Corporation owns its own units which have not been disposed of or canceled at the end of such fiscal period, the number of the outstanding units shall mean the number of outstanding units less such own units held by the Investment Corporation at the end of such fiscal period. In the event that units were consolidated or split, the number of outstanding units as of the end of each fiscal period after such consolidation or split shall be adjusted to the number of units before such consolidation or split using the relevant consolidation or split ratio.</p> <p>The type II management fee shall be payable by the Investment Corporation within three months after the financial statements for the relevant fiscal period are approved.</p> <p>The distributable profit before deduction of the type II asset management fee shall mean the amount of the Investment Corporation’s profit before income tax (before deduction of the type II management fee and consumption taxes unqualified for deduction, etc.) calculated in accordance with Japanese GAAP, after compensating for losses carried forward, if any.</p> <p>(2)-(3) (Omission)</p>	<p>② Type II management fee</p> <p>Type II management fee for each fiscal period shall be the amount equal to (i) the distributable profit before deduction of the type II asset management fee (as defined below) at the end of each fiscal period, divided by the number of units outstanding as of the end of such fiscal period (“Distribution Per Unit Before Deduction of Type II Management Fee”) multiplied by (ii) the total amount of operating revenue earned during the fiscal period less expenses related to rent business incurred during such fiscal period (excluding depreciation expenses and loss on retirement of fixed assets) (“NOI”), and by (iii) the rate separately agreed to with the asset management company up to 0.00021% (any amount less than one yen shall be discarded).</p> <p>Or, this amount is calculated in accordance with the following formula:</p> <p>Type II management fee = Distribution Per Unit Before Deduction of Type II Management Fee x NOI x 0.00021% (in the case of the maximum rate) (any amount less than one yen is disregarded)</p> <p>With respect to the number of the outstanding units, in the event that the Investment Corporation owns its own units which have not been disposed of or canceled at the end of such fiscal period, the number of the outstanding units shall mean the number of outstanding units less such own units held by the Investment Corporation at the end of such fiscal period. In the event that units were consolidated or split, the number of outstanding units as of the end of each fiscal period after such consolidation or split shall be adjusted to the number of units before such consolidation or split using the relevant consolidation or split ratio.</p> <p>The type II management fee shall be payable by the Investment Corporation within three months after the financial statements for the relevant fiscal period are approved.</p> <p>The distributable profit before deduction of the type II asset management fee shall mean the amount of the Investment Corporation’s profit before income tax (before deduction of the type II management fee and consumption taxes unqualified for deduction, etc.) calculated in accordance with Japanese GAAP, after compensating for losses carried forward, if any.</p> <p>(2)-(3) (Not changed)</p>
<p>(Newly established)</p>	<p><u>Chapter 9 Supplementary Provision</u>  <u>Article 1 (Effective Date)</u>  <u>1. The change in Article 3 of the Articles of Incorporation (Place where the Head Office is Located) shall take effect on the day the head office of the Investment Corporation is relocated that is to be determined at a meeting of the board of directors of the Investment Corporation to be held by December 31, 2019.</u></p>

2. The change in Article 37, Section 1 (1) (Standards for payment of Asset Management Fee to the Asset Management Company) shall take effect on December 1, 2019.

**Resolution proposal 2** Appointment of One Executive Director

The term of office of Executive Director Kazuyuki Murayama will expire on September 7, 2019. Accordingly, we would like to ask you to appoint one Executive Director. The term of office of the Executive Director to be appointed will be two years, starting from September 8, 2019.

The proposal regarding the appointment of one Executive Director was submitted with approval by all the Supervisory Directors at the board of directors meeting held on June 26, 2019.

The personal information and brief biography of the candidate for Executive Director are as follows.

Name (Date of birth)	Career summary	# of investment units owned	
Kazushi Sato (August 12, 1962)	April 1987 April 2000 April 2009	Tokyu Land Corporation Manager of Office Building Division Executive Manager of Planning and Development Department, Asset Planning and Development Division	0 units
	April 2010	Executive Manager of Planning and Development Department, Investment Management Division	
	April 2011	Executive Manager of Investment Planning Department, Investment Management Division	
	April 2011	Director (Part-time) of Tokyu Land Capital Management Inc.	
	April 2011	Director (Part-time) of TLC Realty Management Inc. (current TLC REIT Management Inc.)	
	April 2014	Executive Manager of Business Strategy Department, Urban Business Unit	
	April 2015	Seconded to Tokyu Land SC Management Corporation Director	
	April 2016 April 2018	President Seconded to TLC REIT Management Inc. Managing Director, Chief Division Officer of Activia Management Division (to present)	

- The aforementioned candidate for Executive Director is the Managing Director, Chief Division Officer of Activia Management Division of TLC REIT Management Inc., the asset management company of API. Other than that, there is no particular conflict of interests between the candidate for Executive Director and API.

**Resolution proposal 3** Appointment of One Alternate Executive Director

We would like to ask you to appoint one Alternate Executive Director for cases in which the Executive Director is absent or the number of Directors prescribed by law is insufficient. The period in which the resolution on the appointment of one Alternative Executive Director in this proposal will be effective will be two years, starting from September 8, 2019 when the Executive Director in resolution proposal 2 will take office, as stipulated by the Articles of Incorporation of API.

The proposal regarding the appointment of one Alternate Executive Director was submitted with approval by all the Supervisory Directors at the board of directors meeting held on June 26, 2019.

The personal information and brief biography of the candidate for Alternate Executive Director are as follows.

Name (Date of birth)	Career summary		# of investment units owned
Kazuyuki Murayama (April 17, 1969)	April 1992	The Daiwa Bank, Limited. (current Resona Bank, Ltd.)	0 units
	September 2004	Sei Crest Co., Ltd.	
	August 2005	Ernst & Young Tax Co. (current Ernst & Young Tax Co.)	
	March 2012	Tokyu Land Capital Management Inc.	
	March 2012	Seconded to Fund Management Department of TLC	
		Activia Investment Management Inc. (current TLC REIT Management Inc.)	
	April 2015	Deputy Executive Officer of Fund Management Department	
July 2016	Executive Officer of Fund Management Department		
April 2017	General Manager of Strategy Department, Activia Management Division, TLC REIT Management Inc.		
	(to present)		
April 2018	Executive Director of Activia Properties Inc. (to present)		

- The aforementioned candidate for Alternate Executive Director is the General Manager of Strategy Department, Activia Management Division of TLC REIT Management Inc., the asset management company of API. Other than that, there is no particular conflict of interests between the candidate for Alternate Executive Director and API.
- The aforementioned candidate for Alternate Executive Director currently executes the overall operations of API as its Executive Director.
- The appointment of the aforementioned Alternate Executive Director to be appointed in this proposal may be withdrawn by resolution at a meeting of the board of directors before the candidate assumes the post.

**Resolution proposal 4** Appointment of Two Supervisory Directors

The respective terms of office of the Supervisory Directors Yonosuke Yamada and Yoshinori Ariga will expire on September 7, 2019. Accordingly, we would like to ask you to appoint two Supervisory Directors. The term of office of each Supervisory Director to be appointed in this proposal will be two years, starting from September 8, 2019, as stipulated in the Articles of Incorporation of API.

The personal information and brief biographies of the candidates for Supervisory Directors are as follows.

No.	Name (Date of birth)	Career summary	# of investment units owned
1	Yonosuke Yamada (May 2, 1959)	<p>April 1989 Registered as an attorney (Dai-ichi Tokyo Bar Association), Nagashima &amp; Ohno Law Firm (current Nagashima, Ohno &amp; Tsunematsu)</p> <p>October 1989 Partner in the Yamada Law Firm</p> <p>December 1994 Outside corporate auditor of Sanyo Trading Co., Ltd.</p> <p>January 1996 Director of Denenchofufutaba Gakuen</p> <p>March 2004 Corporate auditor of Higeta Shoyu, Inc. (to present)</p> <p>June 2004 Outside corporate auditor of Mitsubishi Logistics Corporation (to present)</p> <p>January 2005 Instructor (defense in criminal cases) at the Judicial Research and Training Institute of the Supreme Court of Japan</p> <p>May 2005 Managing partner of Yamada, Goya, and Suzuki law offices (to present)</p> <p>May 2006 Independent committee member of Inabata &amp; Co., Ltd.</p> <p>June 2006 Outside corporate auditor of Kanematsu Corporation</p> <p>September 2011 Supervisory Director of Activia Properties Inc. (to present)</p> <p>October 2014 Trustee of the school corporation Morimura Gakuen</p> <p>December 2014 Outside director of Sanyo Trading Co., Ltd.</p> <p>December 2017 Director &amp; Audit and Supervisory Committee Member (to present)</p>	0 units
2	Yoshinori Ariga (July 19, 1964)	<p>October 1989 Chuo Shinko Audit Corporation</p> <p>March 1994 Registered as an accountant</p> <p>October 1995 Seconded to the Amsterdam office of PricewaterhouseCoopers</p> <p>September 2000 Chuo Aoyama Audit Corporation</p> <p>September 2004 Accountant of Ariga Yoshinori accounting office (to present)</p> <p>September 2004 Sakamaki Keiji tax advisor office</p> <p>January 2005 Registered as a tax advisor</p> <p>September 2011 Supervisory Director of Activia Properties Inc. (to present)</p> <p>January 2013 Tax advisor of Ariga Yoshinori Tax Advisor Office (to present)</p> <p>June 2016 Outside corporate auditor of Achilles Corporation (to present)</p>	0 units

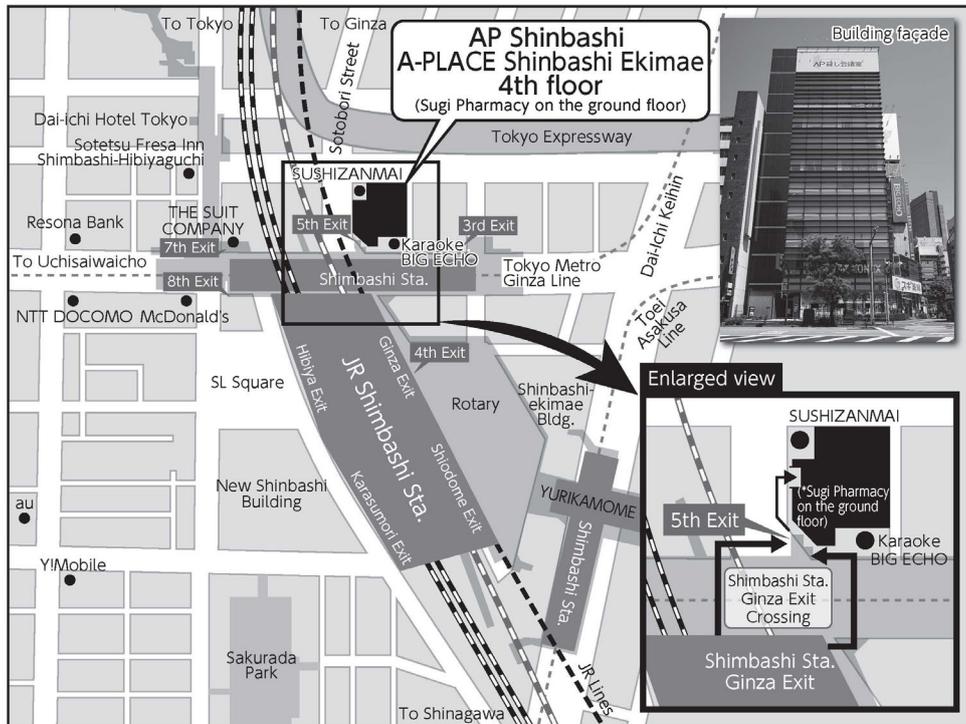
- There are no particular conflicts of interests between aforementioned candidates for Supervisory Directors and API.
- The aforementioned candidates for Supervisory Directors currently supervise the overall performance of duties of the Executive Director of API as its Supervisory Directors.

**Other Reference Matter**

Where there are conflicting proposals among the proposals submitted to the Unitholders' Meeting, "Deemed Approval" prescribed in Article 93, Section 1 of the Act on Investment Trusts and Investment Corporations and Article 14 of the Articles of Incorporation shall not be applied. Resolution proposals 1, 2, 3 and 4 described above are not considered to be conflicting proposals.

## Access Information for the 5th Unitholders' Meeting

Venue 12-9 Shinbashi 1-chome, Minato-ku, Tokyo  
 A-PLACE Shinbashi Ekimae 4th floor, AP Shinbashi  
 TEL +81-3-3571-4109



### Access Information

JR	Approximately 1-minute walk from Shimbashi Station Ginza Exit
Subway	Approximately 1-minute walk from Tokyo Metro Ginza Line Shimbashi Station 5th Exit
	Approximately 1-minute walk from Toei Asakusa Line Shimbashi Station 5th Exit

- Please use the public transportations since we do not arrange the car parking space.
- Please hand in the enclosed Voting Rights Exercise Form to the reception at the venue (4F).