Thank you very much for watching the results announcement video for the 23rd fiscal period, ended May 2023, of Activia Properties Inc.

I am Nobuhide Kashiwagi, Executive Director of Activia Properties Inc., and Managing Director, Chief Division Officer of the Activia Management Division of TLC REIT Management Inc.

I will now explain the results for the period ended May 2023.

Please turn to page 3.


Section1
1. Executive Summary
2. Financial Results & Forecasts
Section2
3. Internal Growth
4. External Growth
5. Financial Management & ESG
Appendix
Kasumigaseki Tokyu Building

Executive Summary

Operational status

- Leasing of offices which had vacancies progressed and portfolio occupancy bottomed
- More retail properties are benefitting from tenant sales growth although some are facing difficulties in leasing
  Hotels continue to recover due to return of inbound tourists

Strategy to enhance unitholder value

- Implemented asset replacement aimed to improve portfolio profitability
  (Acquisition of Kasumigaseki Tokyu Building / Disposition of Tokyu Plaza Ginza (Land))
- Increased return to unitholders through repurchase / cancellation of units at opportune time

Policies for the future

- Acquire assets aimed to improve portfolio quality and profitability mainly through asset replacements
- For offices, prioritize maintaining high occupancy rate while flexibly adjusting leasing strategies
- For retail properties, ensure stability while actively conducting measures tailored to the situation of each property

These are the highlights of this results announcement.

As for the operational status, we made progress in leasing the offices which had vacancies, and the portfolio occupancy bottomed.
For retail, leasing activities are taking a long time for some properties, but on the other hand there are more properties benefiting from tenant sales growth.
Hotel properties are continuing to recover, with inbound demand being one of the drivers.

Under these circumstances, we replaced assets with the objective of improving profitability to enhance unitholder value.
We acquired the Kasumigaseki Tokyu Building, while disposing the land of Tokyu Plaza Ginza.
We also returned to unitholders by repurchasing and cancelling our own investment units, following last year.

At the bottom are our policies for the future.
First, we will continue to seek to acquire properties, mainly through asset replacements, with the aim of improving portfolio quality and earnings.
Next, while prioritizing high and stable occupancy for both offices and retail, we will work on measures to grow earnings based on the situation of each property.

Through these initiatives, we aim to establish a foundation to generate earnings balancing both stability and growth potential.

Please turn to the next slide.

Profitability Improvement through Continuous Asset Replacement

- **Acquired a Tokyo office property in a rare location with high quality** having long-term growth potential **from the sponsor leveraging its support**
- **Asset replacement** led to **DPU management** through **profitability improvement** and **partial reserve of disposal gain**

1. Overview of the acquired property (Acquired on March 28, 2023)

TO-23 Kasumigaseki Tokyu Building

Asset	Office
Acquisition price	¥ 30,600 million
Appraisal value	¥ 31,300 million
Acquisition yield	3.5%
Completion	Oct. 2010
Gloss floor area	18,749.04㎡

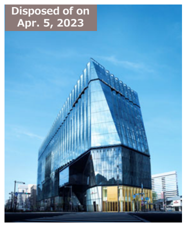
- Located at **the center of the business, judiciary and government area** where we expect stable demand
- **Meeting a wide range of tenant demand** with a standard floor of 250 tsubo, divisible and pillar-less, and the lower floor equipped with small offices
- Already switched to **100% renewable energy-derived electricity**
- Leased up the floor space that was vacant at the time of acquisition, and the property is now **100%** occupied

2. Profitability improvement and utilization of disposal gain

TO-23 Kasumigaseki Tokyu Building

Replace -ment

UR-16 Tokyu Plaza Ginza (Land)



Kasumigaseki Tokyu Building	Tokyu Plaza Ginza (Land)	
Acquisition yield **3.5**%	NOI yield **2.5**%	
Acquisition price ¥ **30.6** billion	Disposition price ¥ **39.0** billion	Disposal gain ¥ **1.1** billion

Retain part of the capital gain for DPU

(Note) NOI yield for the acquired property is calculated based on appraisal NOI.
For the disposed property, the NOI yield is based on the actual NOI for the period ended November 2022.

Here we show the overview and effects of the asset replacement conducted in the May 2023 period.

First, in Section 1. on the left, is the overview of the newly acquired property, the Kasumigaseki Tokyu Building.

This is a high-spec office building in the Kasumigaseki area of Chiyoda Ward, developed in 2010 by our sponsor.

We can expect stable demand, since the property is in Kasumigaseki which is the central business, judiciary and government area.
The property is currently fully occupied.

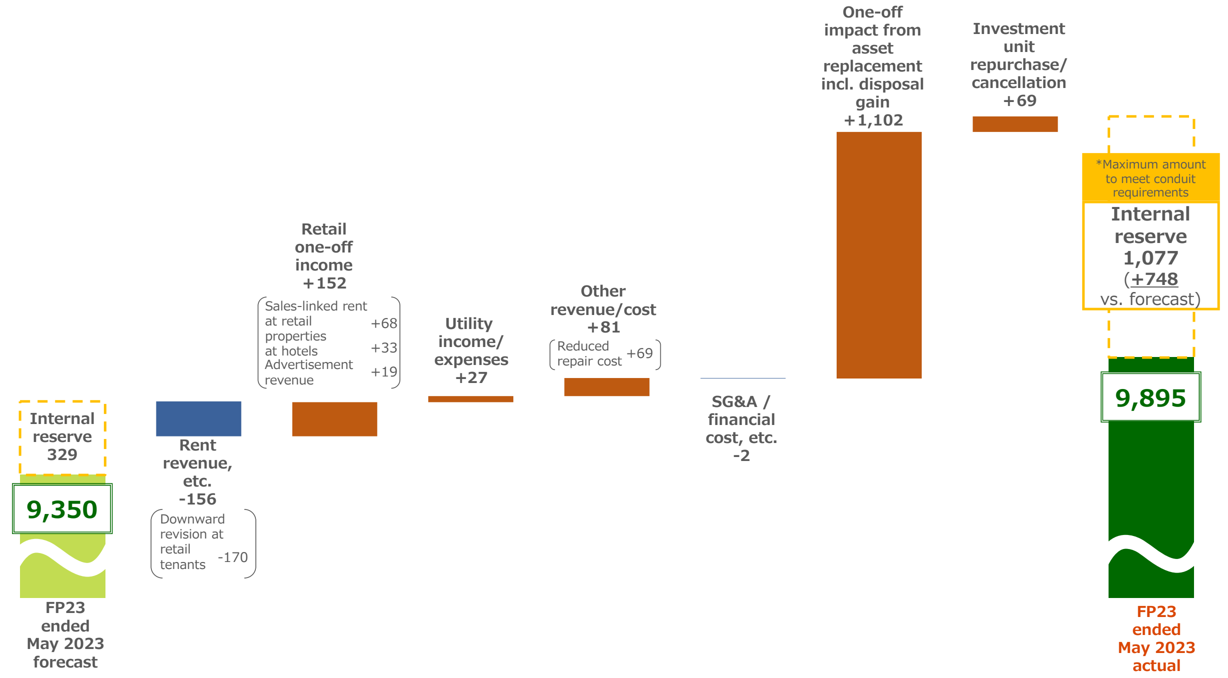
In Section 2. on the right, we show the impact from the asset replacement.
By disposing the Tokyu Plaza Ginza land, which had relatively low yield in the portfolio, we are seeking to improve portfolio profitability.
We will retain part of the capital gain, and use it to stabilize our future DPU.

Please turn to the next slide.

2. Financial Results/ Forecasts

DPU Summary (FP23 Ended May 2023 vs. Forecast)

- DPU was higher than previously forecast mainly due **to the increase in sales-linked rent of retail and hotel properties and disposal gain of asset**
- **Maximum accumulation of internal reserve** of disposal gain of asset **will contribute to stable DPU**



The DPU for the May 2023 period was 9,875 yen, up 525 from the previous forecast.

There are mainly 2 reasons for the outperformance.

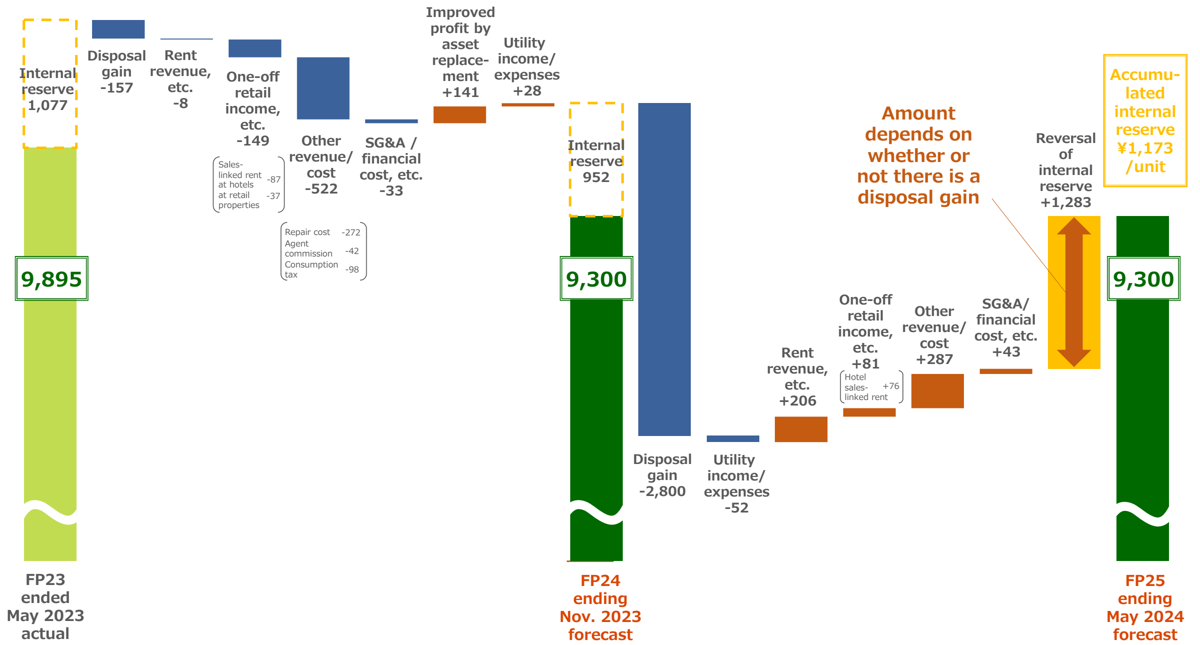
The first is the booking of capital gain for the Tokyu Plaza Ginza land, which was not factored in our forecast.
We will use the capital gain to maximize our internal reserves, to the extent possible while maintaining our tax status as a conduit, which will then be used to stabilize our future DPU.

The other reason for the outperformance is that expenses were below expected, while there was a big increase in one-off revenue, such as the sales-linked rent for our retail and hotel properties, driven by the increase in the number of visitors.

Please turn to the next slide.

DPU Forecast (FP24 Ending Nov. 2023 and FP25 Ending May 2024)

- For FP24 ending Nov. 2023, **DPU is expected to be ¥9,300** thanks to improved profitability by asset replacement and disposal gain
- For FP25 ending May 2024, **DPU is expected to be ¥9,300** due to **recovery in rental revenue, etc.** and disposal gain as well as **asset replacement to be conducted continuously**



These are the forecasts for the November 2023 and May 2024 fiscal periods.

The forecast DPU for the November 2023 period is 9,300 yen.

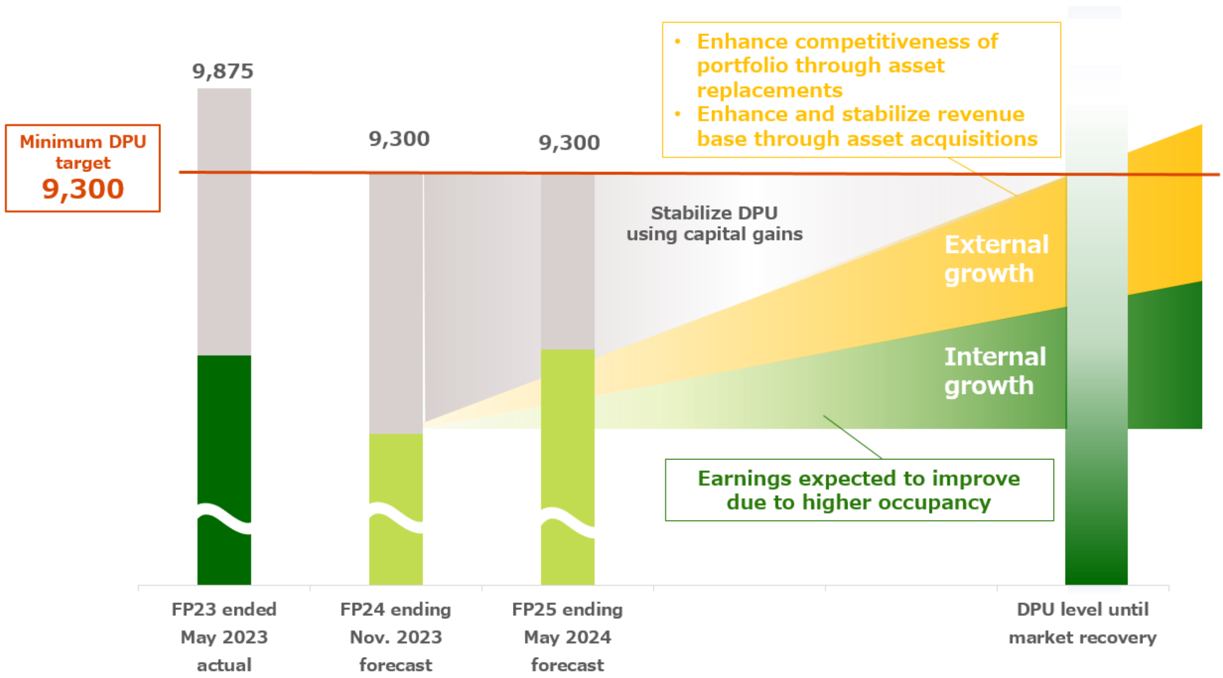
Compared to the previous fiscal period, we have factored in repair & maintenance expenses to keep tenant satisfaction high, as well as brokerage expenses due to the progress made in leasing activities.
Meanwhile, because we will be booking the 3rd round of capital gains from the sale of Luogo Shiodome, so we have forecasted to pay out the minimum target DPU, to strengthen our DPU management capability.

The forecast DPU for the May 2024 period is also 9,300 yen.
Compared to November 2023, there will be a negative impact in capital gain because we are currently not factoring in any capital gain, while we are factoring in the risk of higher utilities expenses.
Meanwhile, on the positive side, we are expecting an increase in rent revenue etc. due to occupancy improvement, a decline in repair & maintenance expenses, and a partial reversal of internal reserves, which has been increased thanks to the capital gain from the Ginza property, and are therefore planning to maintain the minimum DPU target amount.
The amount of reversal of internal reserve should fluctuate depending on whether we book any capital gain from an asset replacement.
According to the current plan, the amount of internal reserves per investment unit will be 1,173 yen as of the end of May 2024.

Please turn to the next slide.

Path from Stability toward "Return to Growth"

- We will maintain **the near-term minimum DPU target of ¥9,300** leveraging unrealized gain, **with NOI expected to bottom out in FP24**
- **Aim to stabilize and grow DPU** through continuous measures for internal and external growth



Thanks to progress made in office leasing, we expect NOI to bottom in the 24th fiscal period, and start to recover in the 25th fiscal period.

Although we expect the DPU from rental revenue to remain below the 9,300 yen level, we will aim to stabilize and grow DPU through internal growth from occupancy improvement, as well as continuing external growth strategies such as asset replacements.

We plan to continue to add to our internal reserve, which will be used to stabilize the DPU in the mid-term, but we will also consider the possibility of using it flexibly, like we did this time, depending on the situation.

Please turn to page 10.

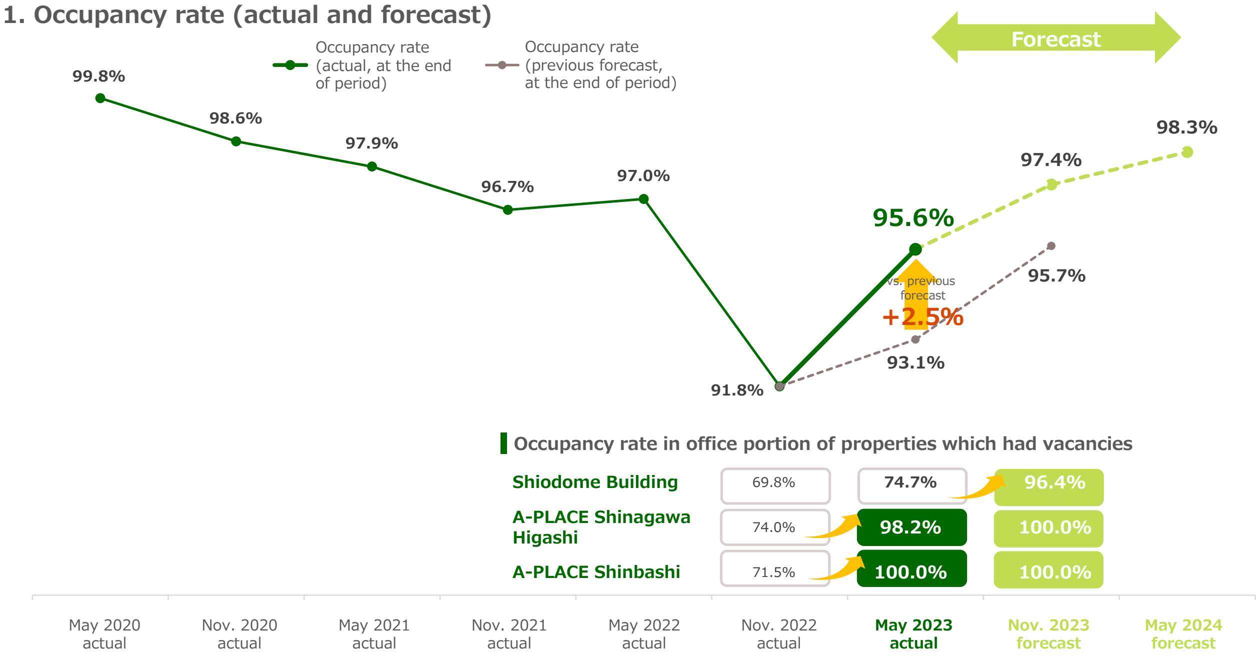
FP23 Operation Results and Strategy Towards Future Growth

	FP23 operational results	Future strategy
Results/ forecasts	Actual DPU for FP23 ended May 2023: **¥9,875 (¥525 higher than previous forecast)** Internal reserve for FP23 ended May 2023: **¥1,077 (¥748 higher than previous forecast)**	Forecast DPU for FP24 ending Nov. 2023: **¥9,300 (no change from previous forecast)** Forecast DPU for FP25 ending May 2024: **¥9,300**
Asset replacement, etc.	• **Improved portfolio profitability** by disposition of two assets and acquisition of **A-FLAG NISHI SHINSAIBASHI** and **Kasumigaseki Tokyu Building** • Secured the minimum DPU target and **accrued internal reserve utilizing disposal gain of assets**	• Asset replacement is to be continuously conducted to **improve profitability and quality of portfolio** • **Continue to acquire/dispose of properties from/to third parties, as well as the sponsor**
Office	• Occupancy rate was higher than the forecast, as **significant progress was made in the leasing of properties which had vacancies** • **Achieved stable occupancy** in the greater Shibuya area, and **internal growth continued. Market rent bottomed and began rising in some cases**, and we continued to raise rents using the rent gap	• Prioritize maintaining a stable occupancy of 97 to 98% • **Seek continuous improvement in rent revenue for the greater Shibuya area and Osaka area, etc. where market rents are recovering**
Retail	• Tenants with long-term and fixed-rent leases, mainly in suburban properties, **remain stable** • Tenants in Urban Retail properties continue to recover sales but performance varies by property • **Hotel properties continued to recover. Sales-linked rent outperformed forecast**	• For Urban Retail properties, seek earnings growth through new measures in response to market trends • **While focusing on stability**, aim for internal growth at suburban retail properties and hotels
Finance/ ESG	• **Partially refinanced to short-term variable loans, in order to control finance cost** • **Steady progress towards environmental KPIs**	• Reinforce ability to cope with the downside by **continuously delivering stable DPU utilizing unrealized capital gain** and **accrued internal reserves** • Continue prudent financial management, **including the use of sustainable financing**

Furnished office at A-PLACE Shibuya Konnoh

Office Leasing Status

- In FP23 ended May 2023, **occupancy rate was higher than the previous forecast** due to progress in properties which had vacancies
- In FP24 ending November 2023, we will **work to continuously grow revenue** while **stabilizing occupancy rate at 97-98%**



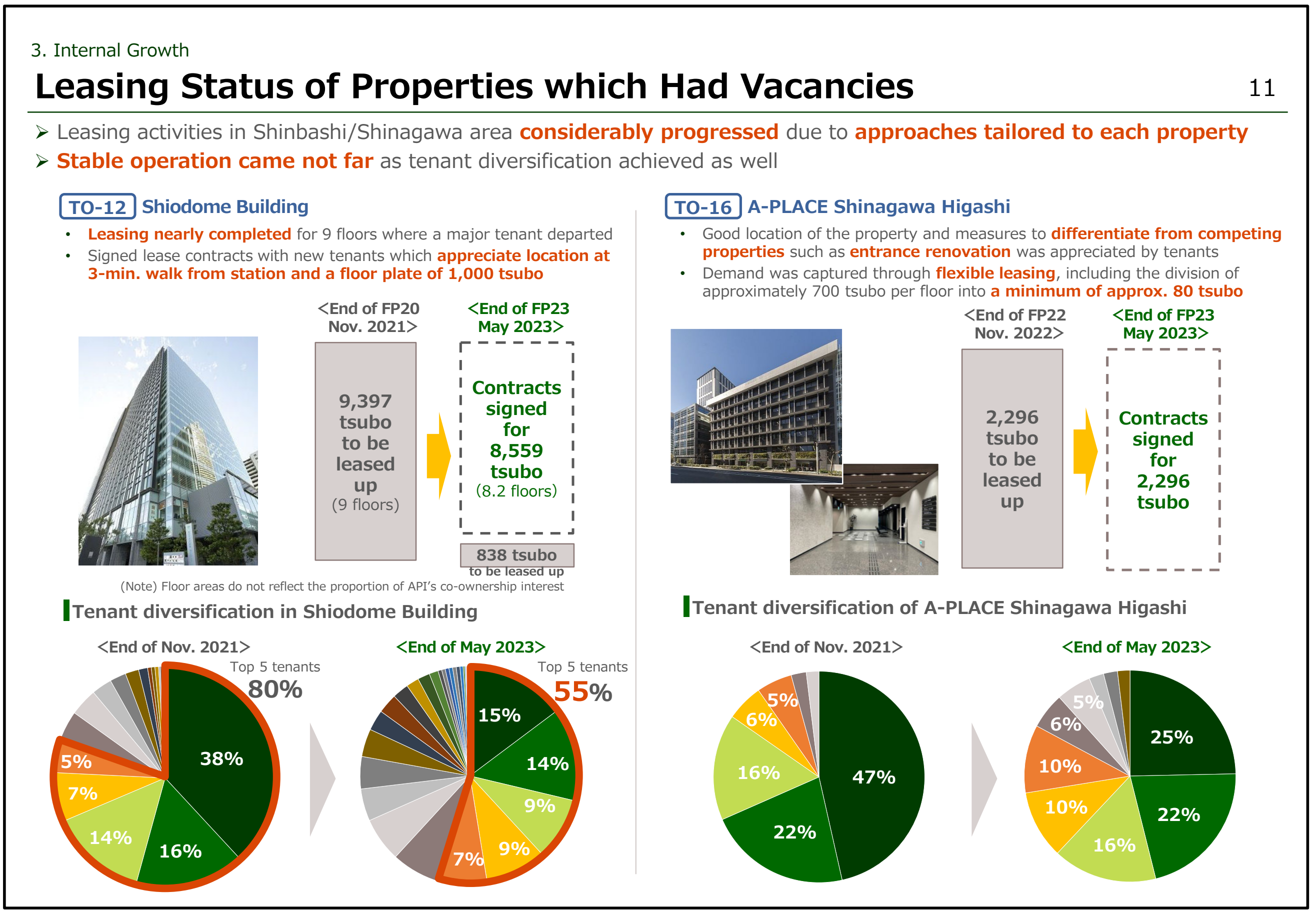
From here, I will explain the status of our operations.

I will start with office leasing.

Due to the significant progress made in the leasing of offices which had vacancies, such as Shiodome, Shinagawa-Higashi and Shinbashi, the occupancy as of the end of the May 2023 period was 95.6%, outperforming the previous forecast by 2.5 points.

In the November 2023 period onwards, the vacancy risk from large tenant departures etc. has declined significantly, and we will aim to stabilize occupancy at 97-98%, and work on continuously growing our revenue.

Please turn to the next slide for the status of leasing activities for offices which had vacancies.



On the left is the Shiodome Building.
Leasing is nearly completed for the 9 floors from which a major tenant had departed.
Out of the approximately 9,300 tsubo of floor space that was vacant, we have signed contracts for around 8,500 tsubo as of this moment.
Despite the tough competition, tenants liked the convenience of being only a 3-minute walk from the station, as well as the 1,000 tsubo floor plate, resulting in new tenants moving in.
As a result of this series of leasing activities, tenant diversification has improved, too.

On the right is A-PLACE Shinagawa Higashi.
We signed leases for all of the 2,200 tsubo that was vacant.
Tenants appreciated the superior location, as well as our efforts to differentiate such as the renovation of the entrance area,
and we were able to lease up the property through our flexible leasing strategy, such as by splitting the 700 tsubo floor plate into sections as small as 80 tsubo.
Tenant diversification has also improved, similar to the Shiodome Building.

With the offices which had vacancies being addressed, and tenant diversification improving, we now have good outlook towards stable occupancy.

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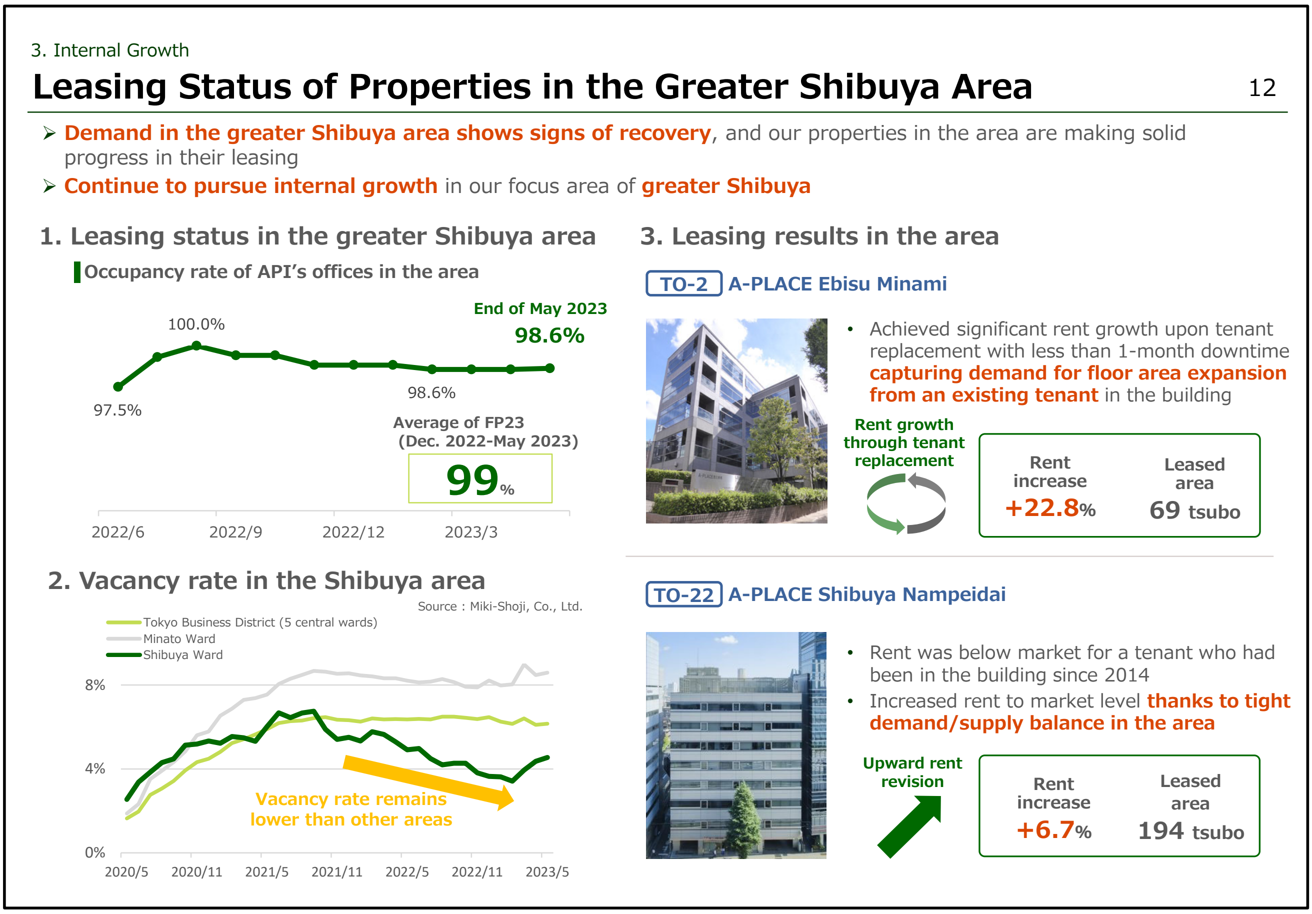

This is the Greater Shibuya Area, where the strong market is continuing.

Section 1 at the upper left shows the status of operations of our properties in the area.
We maintained high occupancy of 99% throughout the period.

As you can see in Section 2 at the bottom left, vacancy in the Shibuya area is low compared to other areas.

Section 3 shows the leasing results of some of our properties in the area.

For A-PLACE Ebisu Minami,
we were able to capture demand from an existing tenant who wanted to expand their floor space, and leased up the vacant space with less than 1 month of downtime, while achieving significant rent growth.

For A-PLACE Shibuya Nampeidai, we were able to raise the in-place rent to market level, for a tenant that had a rent gap.

Both cases represent the strong tenant demand in the area.

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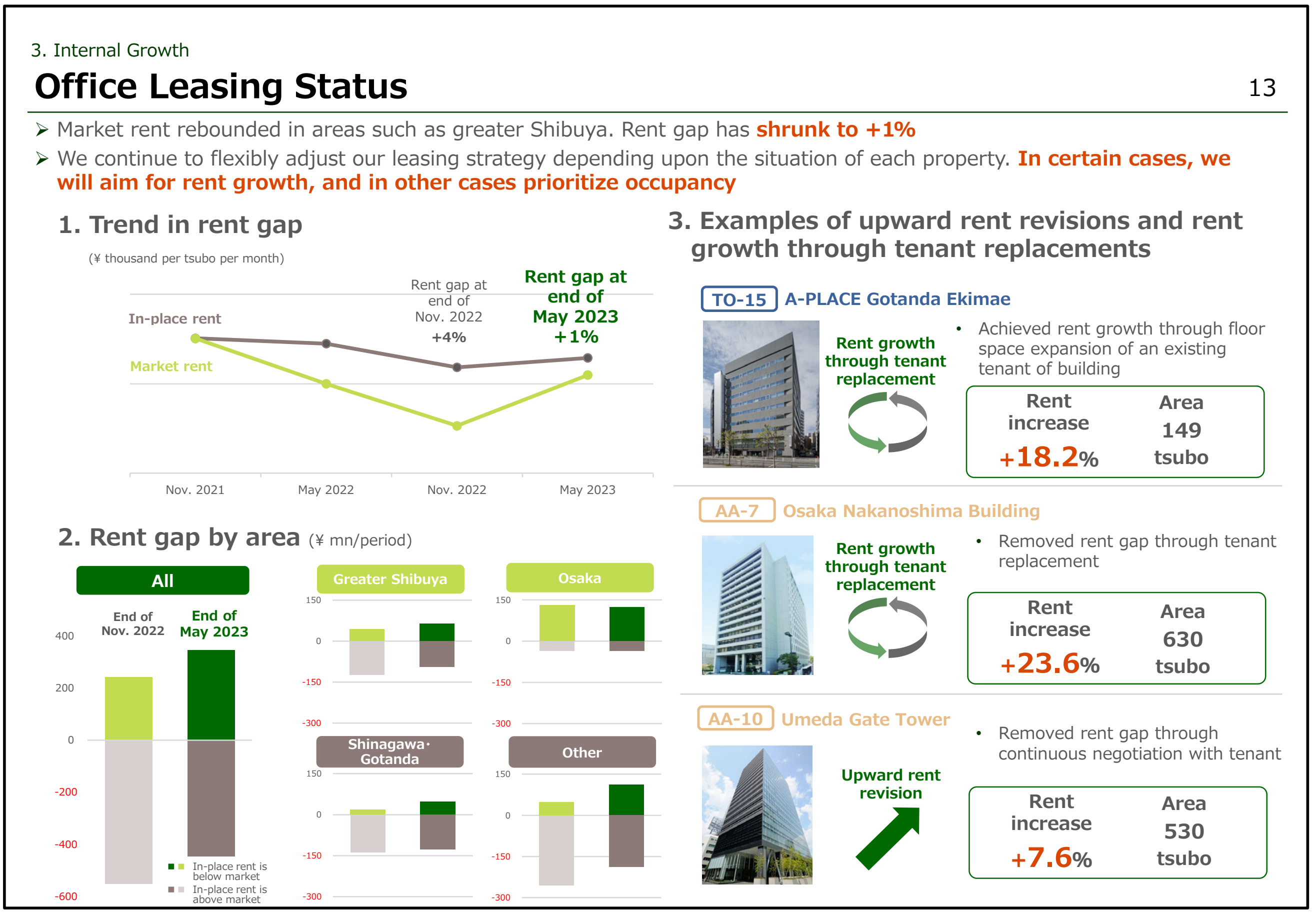


This page explains trends in office rents.

Section 1. at the upper left shows the rent gap for offices.
The actual or in-place rent is still higher than market rent, but the gap has shrunk to +1% as of the end of the May 2023 period, due to the reversal of market rent trends in the Greater Shibuya area and other locations.

As for the trend in rent gap by area, shown in Section 2 at the bottom left,
there has been an increase contracts with rent gaps, while the number of contracts where in-place rent is higher than market has declined.
We will continue initiatives to raise rents for tenants with rent gaps.

Section 3 on the upper right shows examples of rent growth upon lease renewals and tenant replacements.

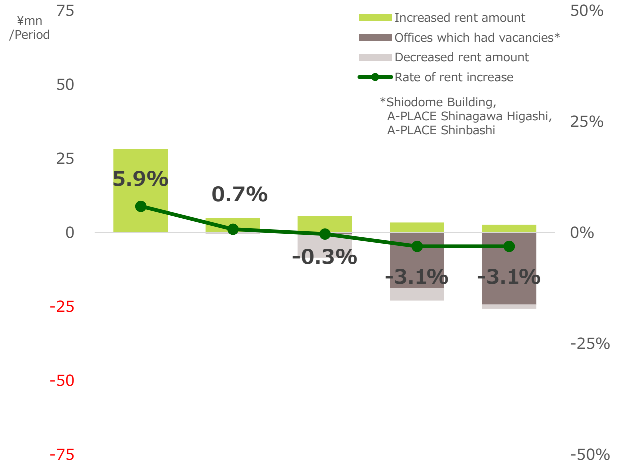
We are raising rents, by removing the rent gap upon tenant replacements and lease renewals, by expanding the floor space of existing tenants, and in the Osaka area where the market is relatively stable.

Please turn to the next slide.

Status of Tokyo Office Properties

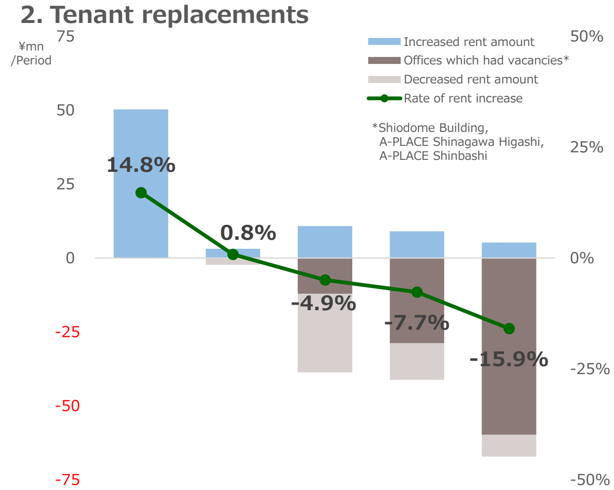
- **Rent decline in lease renewals and tenant replacements** continued for FP23 as we **prioritized occupancy recovery** for the properties which had vacancies
- **Rent decline is expected to bottom out in FP24 ending Nov. 2023** when the tenant replacement in Shiodome Building will be completed

1. Rent revision at lease renewals



	2021.5 (FP19)	2021.11 (FP20)	2022.5 (FP21)	2022.11 (FP22)	2023.05 (FP23)
Area with increased rent (tsubo)	1,762	406	598	688	425
Replaced area (tsubo)	1,582	3,618	4,647	2,471	2,648
Area with decreased rent (tsubo)	0	149	714	1,264	1,206

2. Tenant replacements



	2021.5 (FP19)	2021.11 (FP20)	2022.5 (FP21)	2022.11 (FP22)	2023.05 (FP23)
Area with increased rent (tsubo)	2,266	242	1,112	252	488
Replaced area (tsubo)	1,293	207	557	66	252
Area with decreased rent (tsubo)	0	262	1,591	2,497	1,939

As for the status of Tokyo Office properties, we prioritized improving the occupancies of the properties which had vacancies, thereby accepting lower rents in both rent revisions and tenant replacements.

We expect the renewals and tenant replacements at lower rents to bottom in the November 2023 period, when the tenant replacement at Shiodome Building will be completed.

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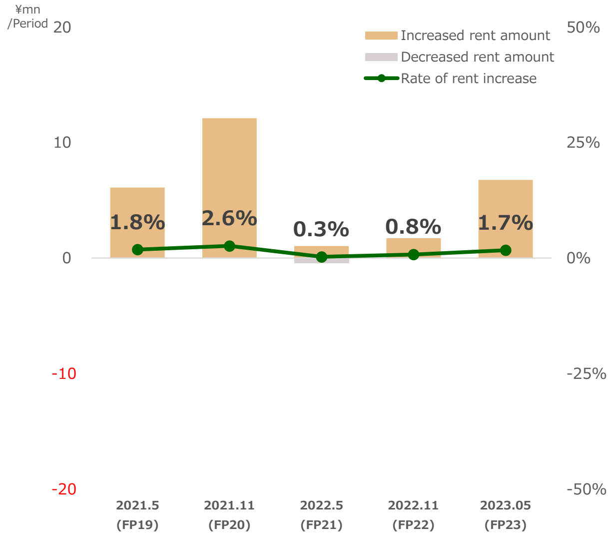
Status of Activia Account Offices

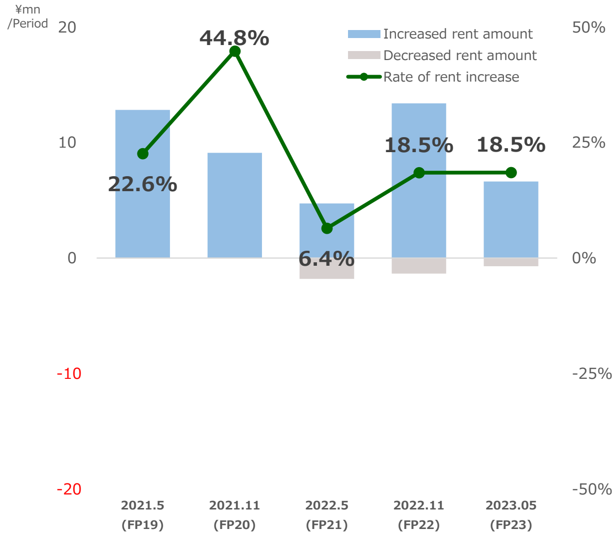
➢ Upward rent revisions at lease renewals and at tenant replacements continued mainly in the Osaka area

1. Rent revision at lease renewals



	2021.5 (FP19)	2021.11 (FP20)	2022.5 (FP21)	2022.11 (FP22)	2023.05 (FP23)
Area with increased rent (tsubo)	1,874	1,957	399	240	1,346
Replaced area (tsubo)	2,027	3,516	2,343	2,648	2,898
Area with decreased rent (tsubo)	0	0	131	0	0

2. Tenant replacements



	2021.5 (FP19)	2021.11 (FP20)	2022.5 (FP21)	2022.11 (FP22)	2023.05 (FP23)
Area with increased rent (tsubo)	609	262	297	561	339
Replaced area (tsubo)	0	0	0	0	0
Area with decreased rent (tsubo)	0	0	117	99	59

As for our other offices, the market is more stable compared to Tokyo Offices.
There have been no cases of rent decline upon renewal, and we are continuing to raise rents upon lease renewals and tenant replacements, mainly in the Osaka area.

Please turn to the next slide.

Stability and Growth Potential of Retail Tenants

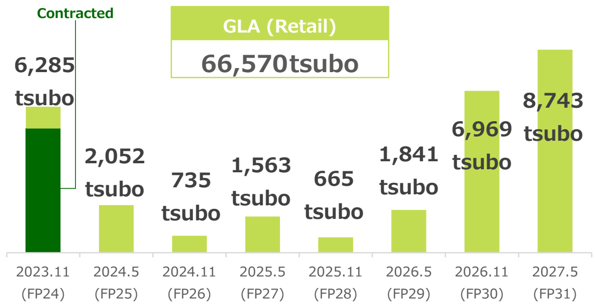
- **Stability is secured** as **majority of retail tenants are under fixed-rent and fixed-term lease contracts** and **lease expiries are well diversified**
- Sales-linked rent of retailers **continues to grow with the recovery of consumption trends**

1. Lease of retail tenants

*Based on the UR and AA retail properties' lease contracts in FP23 ended May 2023

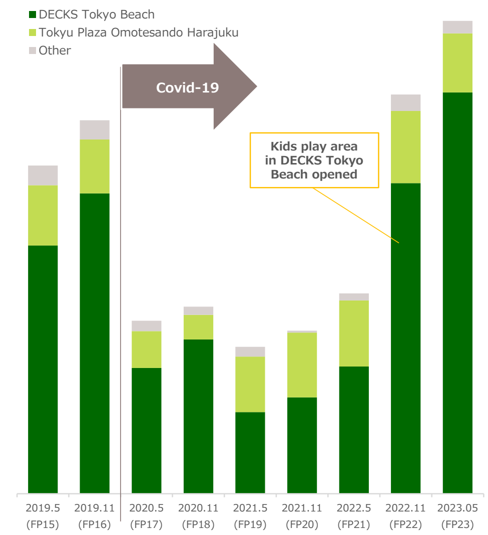
*Based on the UR and AA retail properties' fixed rent lease contracts

2. Lease expiry diversification



3. Actual sales-linked rent of retail tenants

✓ In addition to **the recovery in consumption trends**, **the new sales-linked rent setting in contracts** has led to a recovery in sales-linked rent income from retail tenants to a level higher than that before Covid-19



Now, I will move on to the retail properties.

97% of our retail contracts is fixed rent, and 92% are fixed-term leases.
Lease expiries are spread out, too, and our retail portfolio remains highly stable.

Section 3 on the right shows the sales-linked rent from our retail tenants.
With the recovery in consumption trends, and because we newly signed contracts with sales-linked rent, the sales-linked rent from retail tenants have recovered to a level higher than pre-COVID.

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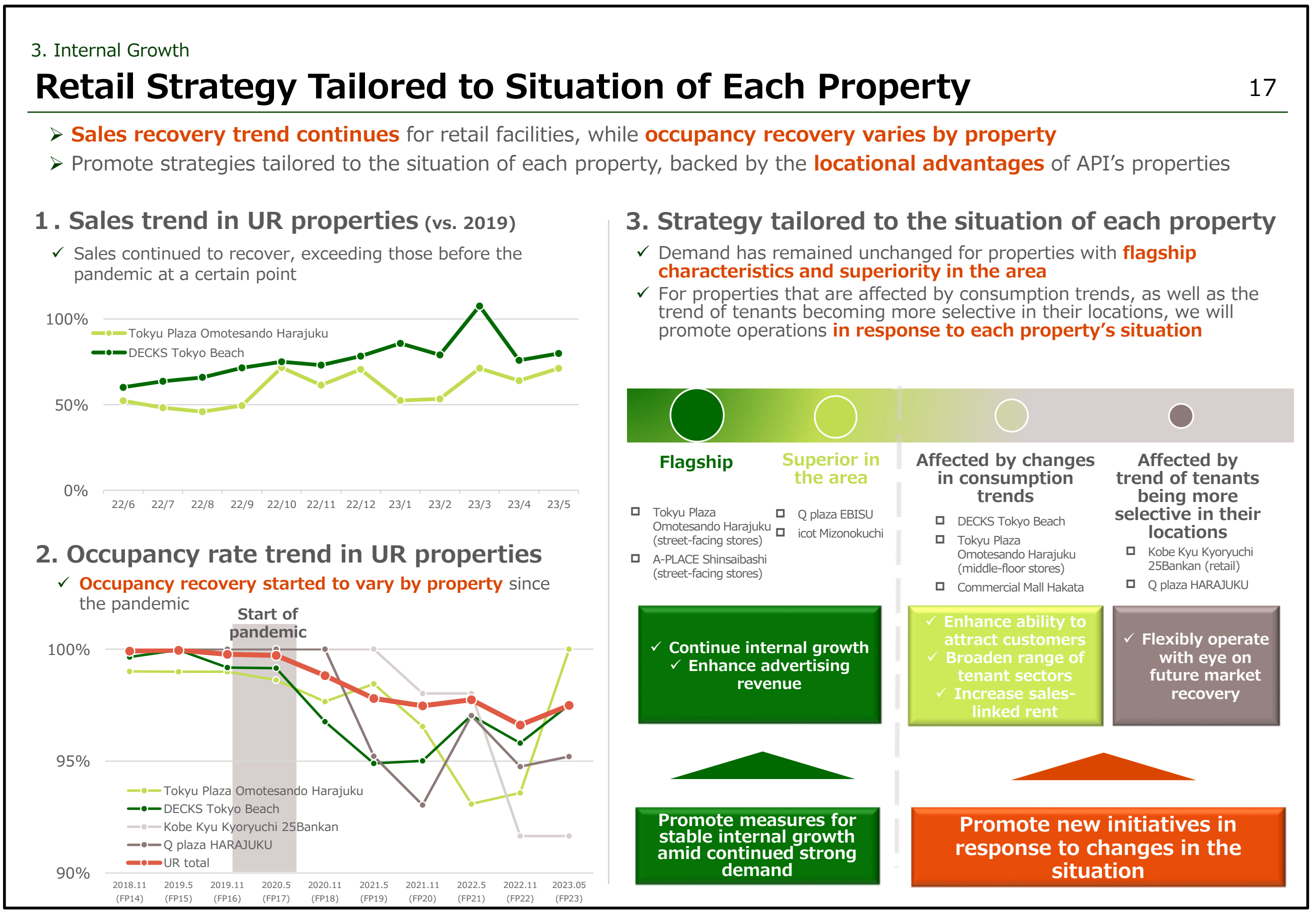

Section 1 at the upper left shows the tenant sales trends compared to 2019, for Tokyu Plaza Omotesando Harajuku, and DECKS Tokyo Beach.
Sales of both facilities have been improving since last year, and was higher than pre-COVID at a certain point.
Meanwhile, if you look at the occupancy trend in Section 2 at the bottom left, you can see there is a discrepancy between properties since COVID.

Under these circumstances, we are implementing strategies tailored to the situation of each property. Please see Section 3. on the right.
This chart categorizes our properties into 4, depending on the extent of recovery in tenant demand.

For properties in the 2 categories on the left, which have "Flagship" characteristics and are "Superior in the area", we are able to raise rents when we replace tenants, thanks to strong demand, as well as generate and expand advertising revenue utilizing the ability to attract customers.

Meanwhile, the 2 categories on the right, which are "Affected by changes in consumption trends" and "Affected by the trend of tenants being more selective in their locations", the properties are facing a different environment from pre-COVID, in the sense of changes in demand as well as the properties still being in recovery mode, and we need to adjust our strategies accordingly.
For properties that have been impacted by changes in consumption trends, we are focusing on attracting more customers, and are bringing in tenants from new sectors, as well as introducing sales-linked rent, and have already made a certain amount of progress.
As for the properties at the far right, which are facing weaker demand due to tenants being more selective in their locations, we will make our operations more flexible rather than just focusing on long-term leases, and capture short-term demand such as for pop-up events, in anticipation for market recovery in the future.

Please turn to the next slide for our initiatives for each property.

Section 1. on the left shows examples of tenant replacements in properties that are either flagship, or have superiority in their respective areas, reflecting strong demand.

At icot Mizonokuchi, we achieved significant rent growth, thanks to the property's ability to attract customers along the Tokyu Den-en-toshi Line.
Q plaza EBISU is appreciated for its good location right in front of the station, as well as its high visibility, leading to a major apparel retailer moving in at higher rent.
Commercial Mall Hakata benefited from the opening of the Don Quijote store, leading to a 70% year-on-year growth in the number of customers.

Sections 2 and 3 on the right show initiatives to increase customers and revenue, taking advantage of prime locations.
At DECKS Tokyo Beach, the play area for kids drove the increase in customers, which has led to continuous positive impact to the entire facility, including an increase in sales-linked rent as well as driving sales growth at other stores, and we have therefore extended the lease contract.
At Tokyu Plaza Omotesando Harajuku shown at the bottom right, advertising revenue from the entrance area grew 2.3 times from the previous period, driven by the recovery in visitor traffic in the area.
At Q plaza HARAJUKU, we are continuing to receive inquiries for high-profile pop-up events, and we are working to increase the number of customers and secure revenue in anticipation of a full-fledged recovery in the future.

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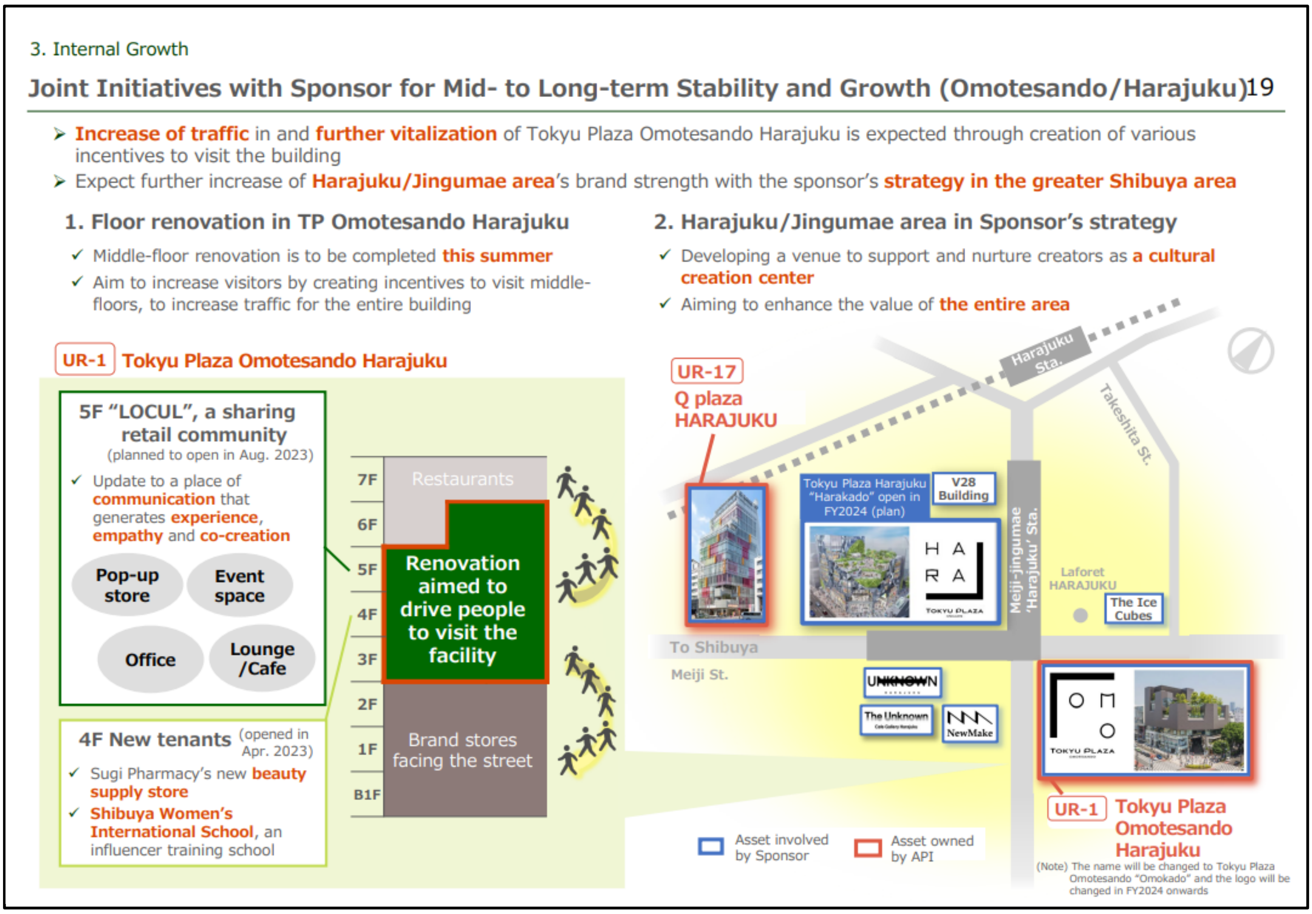

On this slide, I will explain the joint initiatives with our sponsor in Omotesando and Harajuku.
The renovation of the middle-floors of Tokyu Plaza Omotesando Harajuku will be completed this summer. We will create space that brings in customers to the middle-floors of the property, thereby increasing customer traffic and revitalizing the entire property by providing a wide range of incentives to visit the property.

As shown in Section 2 on the right, our sponsor is promoting initiatives to enhance the value of the entire Harajuku & Jingumae area as a center of culture creation.
Through the collaboration with properties that our sponsor is involved in, including the Tokyu Plaza Harajuku "Harakado" which will open in 2024, we will seek to enhance the value of the entire area.

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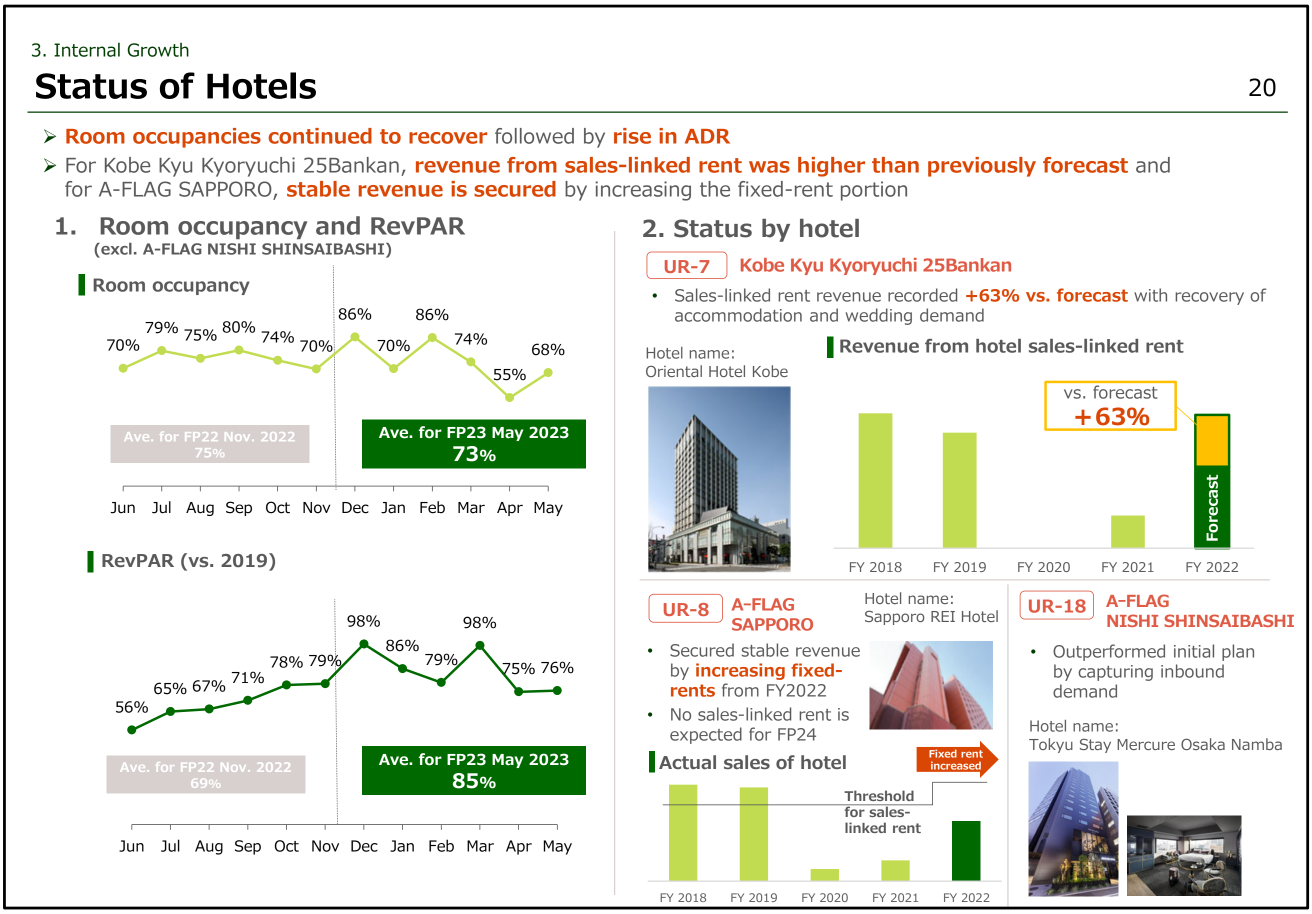


Next is the status of our hotel properties.

With the continuous recovery in room occupancy shown in Section 1. on the left, the ADR has improved, and RevPAR is also continuing to recover.

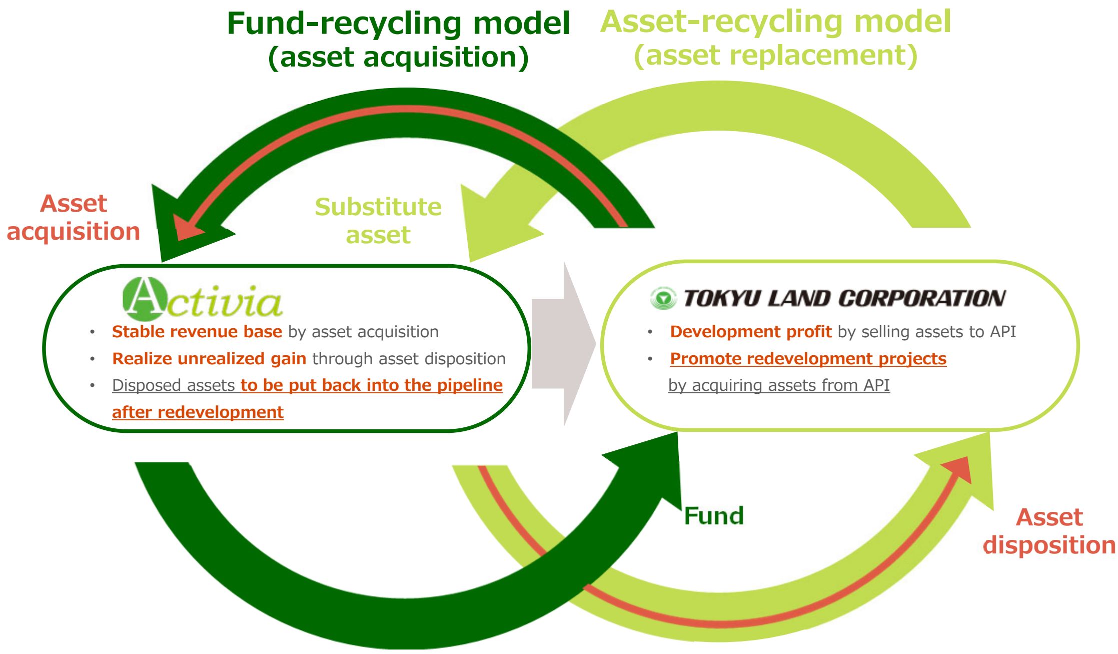
As for the status of each hotel,
the hotel sales-linked rent for Kobe Kyu Kyoryuchi 25Bankan outperformed the previous forecast by 63%, driven by the strong demand for weddings, banquets and accommodation.

A-FLAG SAPPORO at the bottom right, as well as A-FLAG NISHI SHINSAIBASHI benefited from factors such as inbound demand, leading to solid hotel sales.

Please turn to the next slide.

Utilization of Sponsor Support

- Combined strategy of **fund-recycling model** and **asset-recycling model** for external growth
- Higher possibility of **mid-to-long term growth and quality improvement of the portfolio, utilizing the sponsor's development capabilities**



From here, I will talk about external growth.

We will continue to focus on external growth, through both the fund-recycling and asset-recycling models, using the support from our sponsor.

We are actively continuing to make proposals about external growth to our sponsor, and will seek to further enhance unitholder value through asset replacements.

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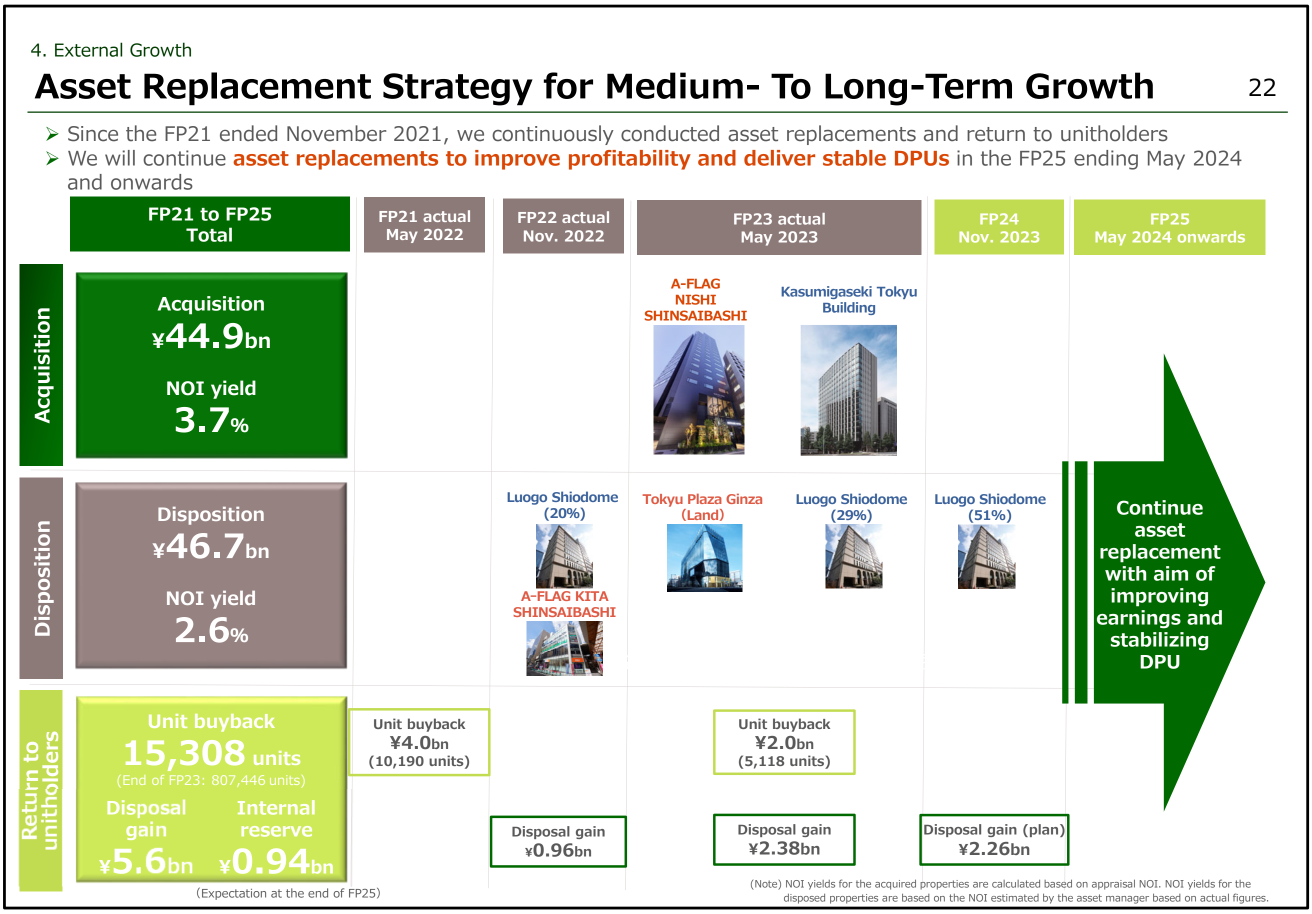


Since the 21st fiscal period, we have been continuously working on replacing assets and strengthening our financials.
During the 21st to 24th period, we acquired 44.9bn yen of assets, while disposing 46.7bn of assets, thereby improving our profitability, while using the capital gains to stabilize our DPU.
Moreover, we worked on enhancing unitholder value by acquiring our own investment units and cancelling them.

We will continue asset replacements in the 25th period onwards, to improve our earnings while stabilizing our DPU.

Please turn to the next slide.

Acquisition / Disposition Policy

- For acquisitions, we will **focus both on current stability and on growth potential in the medium to long term**, as market conditions remain uncertain
- Assets to be disposed will be selected using three criteria; **1)Profitability**, **2)Building age**, **3)Competitiveness**

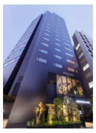
1. Acquisition criteria

Properties which
- ✓ Have locational advantage and competitiveness of the buildings
- ✓ Contribute to growth of DPU and NAV
- ✓ Contribute to improving portfolio profitability

✓ Generate **stable revenue** through long and fixed-term contract

Acquisition on Jan. 13, 2023

UR-18 A-FLAG NISHI SHINBASHI



NOI yield **4.2**%

Lease period **15**years

✓ Potential **revenue upside** over the medium- to long-term

Acquisition on Mar. 28, 2023

TO-23 Kasumigaseki Tokyu Building

Actual to market rent gap **-10**%

2. Disposition criteria

Properties with
- ✓ Lower profitability
- ✓ Older building age
- ✓ Lower competitiveness

Aim of disposition
- **Asset replacement in principle** to improve portfolio profitability

Use of disposal gain
- Deliver stable DPU through methods such as **asset disposition over multiple fiscal periods and internal reserves**

Unrealized disposal gain ¥98.7 billion
at end of May 2023, excl. asset to be disposed at the time

Acquirer
- Asset for which profitability improvement by redevelopment can be expected
  - Dispose to the sponsor and **acquire opportunity for external growth after redevelopment**
- Asset for which profitability improvement by redevelopment cannot be expected
  - Disposition to third parties is an option

I will now explain our policy on property acquisitions and dispositions.

First, our acquisition policy.

We will continue to acquire properties that have locational advantages, and competitiveness of the buildings, that will contribute to DPU and NAV growth, and lead to improving the profitability of the portfolio.

For example, properties with high stability due to long-term fixed rents, and properties from which we can expect revenue upside in the mid-to-long term, through internal growth.

As for our disposition policy, we will assess properties from the 3 perspectives of profitability, building age and competitiveness, and will seek to improve the profitability of the portfolio.

We expect the current uncertain conditions to continue for the time being, and asset replacements will therefore be the main driver of profitability improvement, and we will thus actively promote replacements.

Please turn to the next slide.

Sponsor Pipeline

- Our sponsor owns **offices and retail properties** with over **1,500k square meters** mainly in the four major wards of Tokyo including the greater Shibuya area
- **Discussion with our sponsor is ongoing** for potential asset acquisitions in order to enhance unitholder value

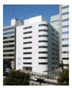
1. Main sponsor pipeline

Office (greater Shibuya area)

Shibuya Square A/B
Dogenzaka, Shibuya Ward
Completed: Mar. 2004
Leasable area: approx. 7k ㎡/1.4k ㎡

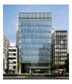
Shibuya Minami Tokyu Building
Shibuya, Shibuya Ward
Completed: Jan. 2005
Leasable area: 14k ㎡

Shibuya Dogenzaka Tokyu Building
Dogenzaka, Shibuya Ward
Completed: Nov. 1983
Leasable area: approx. 9k ㎡



Shibuya Center Place
Dogenzaka, Shibuya Ward
Built: Nov. 1983/Remodeled: Feb. 2011
Leasable area : approx. 5k ㎡

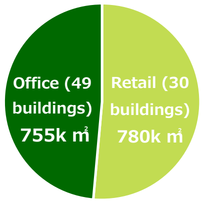
SPLINE Aoyama Tokyu Building
Minami Aoyama, Minato Ward
Completed: Jun. 2012
Leasable area : approx. 5k ㎡



Shin-Aoyama Tokyu Building
Minami Aoyama, Minato-ku
Completed: Jan. 2015
Leasable area : approx. 7k ㎡

Ebisu East Building
Hiroo, Shibuya-ku
Completed: Nov. 1998 / Renovated: Mar. 2015
Leasable area : approx. 4.5k ㎡

Currently owned by sponsor
79 buildings with GFA of **1,536**k ㎡
(As of Mar. 2023)



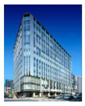
Retail

Tokyu Plaza Kamata
Nishi Kamata, Ota Ward
Number of stores: approx. 130
Leasable area: approx. 17k ㎡

Northport Mall
Tsuzuki Ward, Yokohama
Number of stores: approx. 120
Leasable area: approx. 56k ㎡

Abeno Q's Mall
Abeno Ward, Osaka
Number of stores: approx. 250
Leasable area: approx. 69k ㎡

Office (other metropolitan areas)



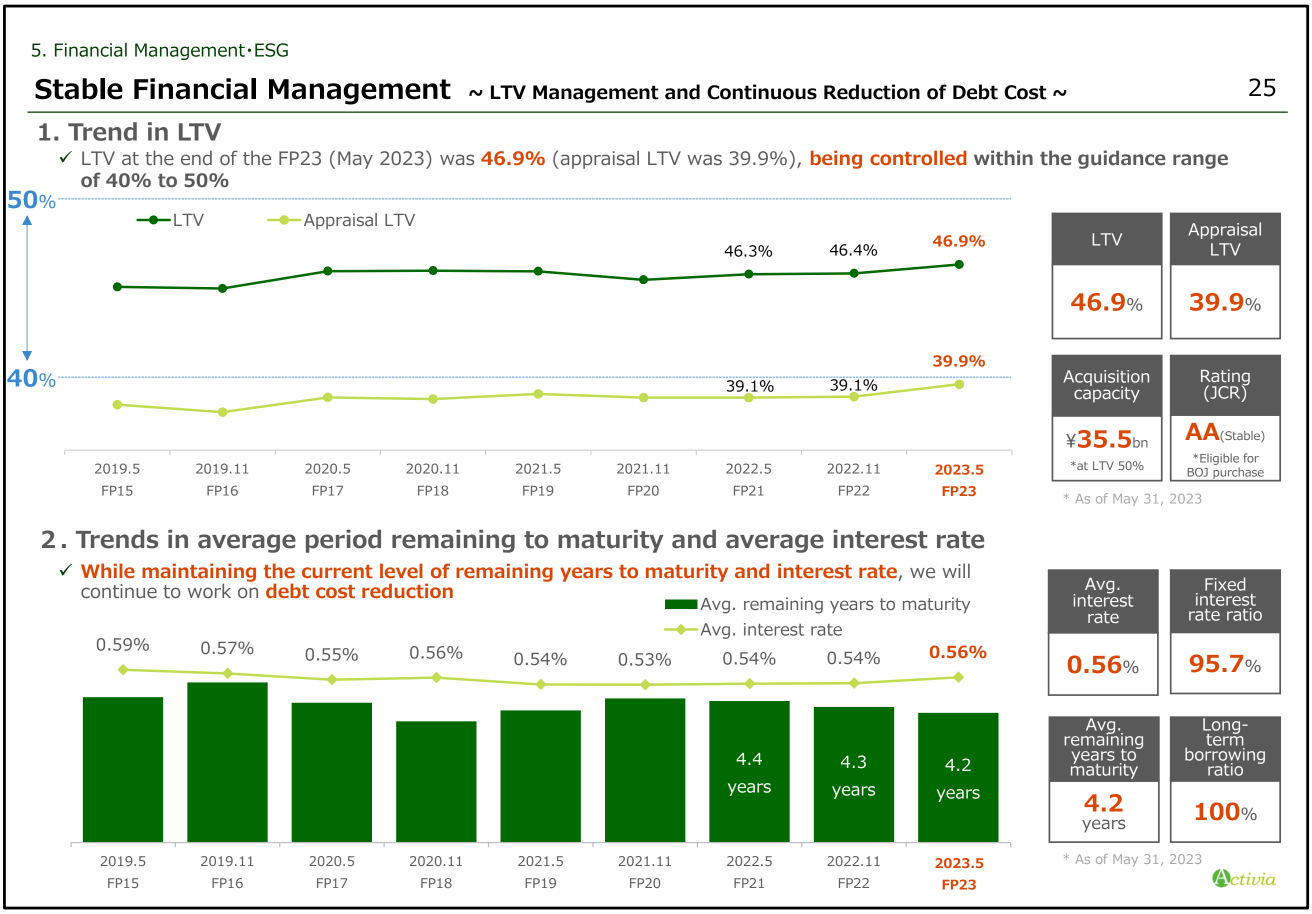
Nihonbashi Maruzen Tokyu Building
Nihonbashi, Chuo ward
Completed: Nov. 2006
Leasable area: 12k ㎡

Ichibancho Tokyu Building
Ichibancho, Chioyoda Ward
Completed: Sep. 2002/Remodeled: Mar. 2015
Leasable area: 14k ㎡

Our sponsor continues to newly develop or acquire office and retail properties, and are involved in, or own, high-quality properties.

Activia and our sponsor have many similarities in terms of portfolio characteristics, which means properties developed by our sponsor are, in principle, eligible for acquisition by Activia.
We are sharing our future external growth strategy with our sponsor, and will continue to seek property acquisitions through close discussions.

Please turn to the next slide.



I will now explain our financial management.

Our LTV was 46.9% as of the end of the May 2023 period, and the appraisal LTV was 39.9%.

We have an acquisition capacity of 35.5 billion yen if we were to go up to 50% LTV, which is the upper end of the guidance range.

Our rating from JCR is AA Stable, and we are eligible for BOJ purchases.

Please see the lower half of the slide.

The average remaining years to maturity as of the end of the fiscal period is 4.2 years, average interest rate of 0.56%, and we plan to maintain the range of 4-5 years while we continue to address the risk of higher borrowing costs.

Please turn to the next slide.

Solid Financial Base ~ Diversified Lender Formation and Well-balanced Maturity Ladder ~

1. Debt refinance (in March and April 2023)

✓ Refinancing with short-term and floating-rate loan to **control cost**

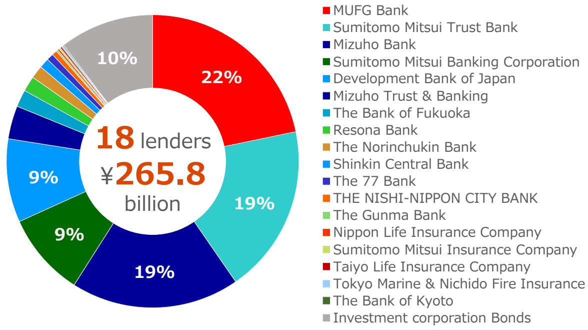
	Loan amount	Fixed / Floating	Duration	Interest rate
Before	¥5bn	Fixed	7.5 years	0.613%
	¥3bn	Fixed	5.0 years	0.448%
	¥4bn	Fixed	6.5 years	0.384%
	¥12bn	**-**	**6.5 years**	**0.495%**

	Loan amount	Fixed / Floating	Duration	Interest rate (Note)
After	¥4.68bn	**Floating**	**2.0 years**	T+0.140%
	¥3.32bn	**Floating**	**3.0 years**	T+0.150%
	¥4bn	Fixed	6.0 years	0.740%
	¥12bn	**-**	**3.6 years**	**0.372%**

(Note) Interest rate of the total refinancing amount is calculated by applying 1M-TIBOR on May 31, 2023 as a base interest rate T.

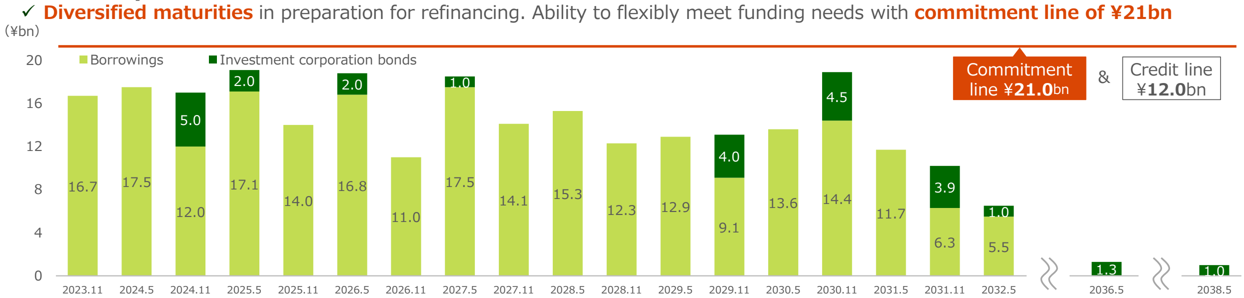
2. Lender formation (as of May 31, 2023)

✓ **Diversified** loan amounts and lenders



3. Maturity ladder (as of May 31, 2023)

✓ **Diversified maturities** in preparation for refinancing. Ability to flexibly meet funding needs with **commitment line of ¥21bn**



Activia

Section 1 at the upper left shows the recent refinancing in March and April 2023.
We refinanced a total of 12bn yen of existing borrowings, including short-term and variable interest to control costs, in order to address rising interest rates.

On the upper right is our lender formation.
As of the end of the May 2023 period, we have borrowings totaling 265.8 billion yen from 18 institutions.
With this robust bank formation, we will maintain our good communication with the lenders, and continue stable financial management.

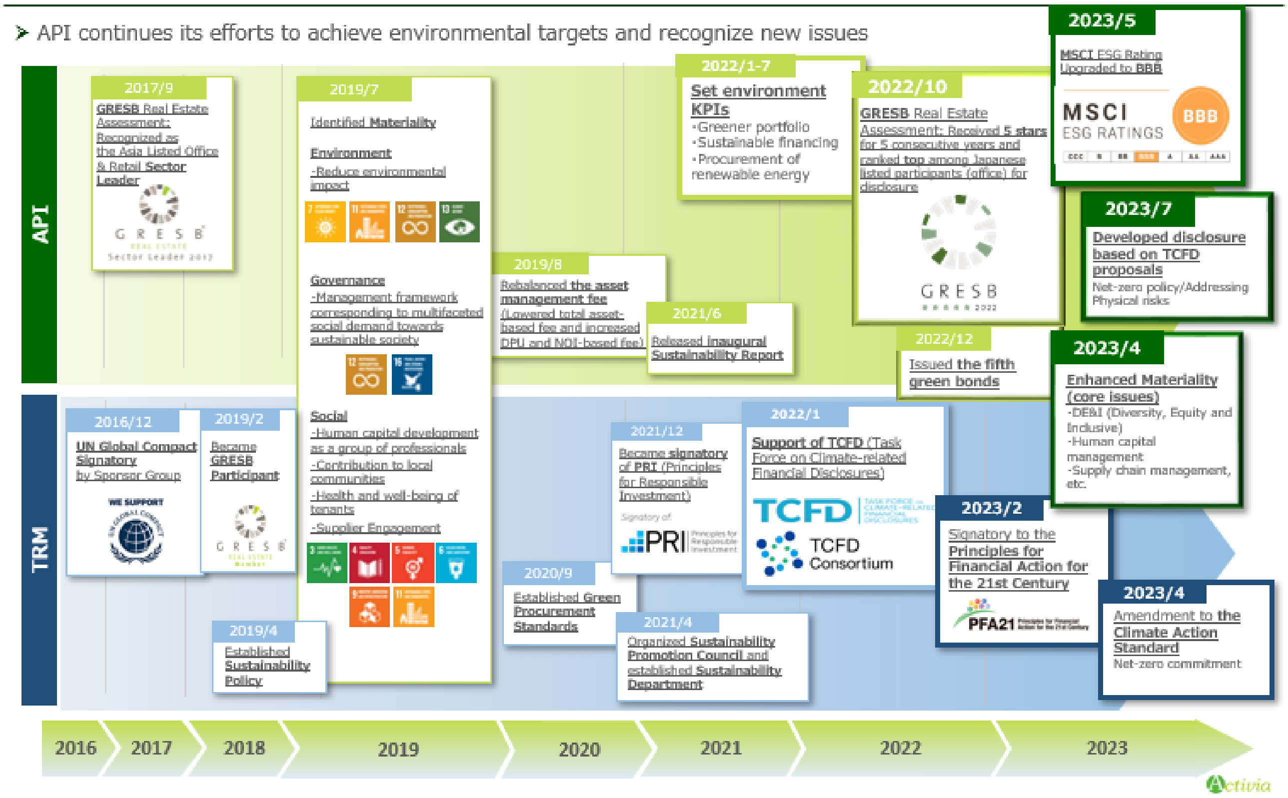
At the bottom in the maturity ladder.
While we of course avoid concentrations of repayments, we have set a commitment line of 21 billion yen, so that we can respond flexibly to funding needs.

Please turn to the next slide.

5. Financial Management & ESG

Major ESG Initiatives

➢ API continues its efforts to achieve environmental targets and recognize new issues



Let me explain our ESG initiatives.

In the May 2023 fiscal period, we enhanced our materiality in April, and in May were upgraded to BBB by MSCI in our ESG evaluation.
We are enhancing our TCFD disclosure in July, and are continuing to work on our environmental KPIs, while recognizing and addressing new issues and challenges.

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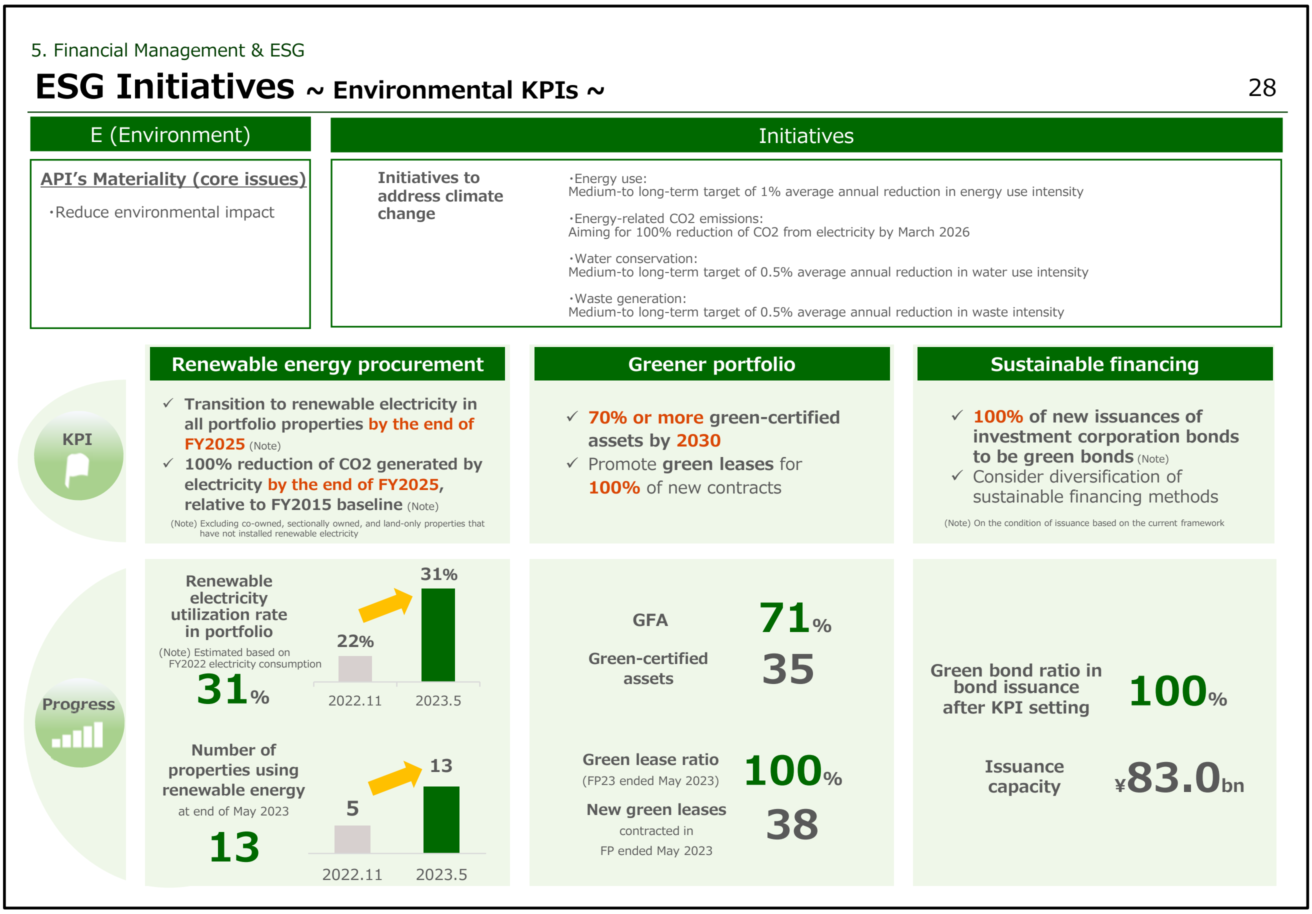


Let me explain the progress we are making in the environment-related KPI's.
Please see the progress at the bottom of the page.

First, the procurement of renewable energy.

The rate of renewable energy usage in the portfolio improved to 31% as of the end of the fiscal period, and the number of properties for which we have introduced renewable energy has increased to 13.

In terms of making our portfolio greener, we have already surpassed the Green Building Certification target of "70% or higher by 2030", and have maintained the Green Lease Contract ratio at 100%.

Please turn to the next slide.

ESG Initiatives ~ Environment: Environmental Evaluations/Certifications, etc. ~

E（Environment)

API's Materiality (core issues)

・Reduce environmental impact

Related SDGs targets (~ 2030)

7.3 By 2030, double the pace of improving energy efficiency globally
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

External evaluation

GRESB Real Estate Assessment

GRESB ★★★★★ 2022

Global rating
5 stars for **five consecutive years**

GRESB Public Disclosure 2022

Disclosure
Highest **A** level for **five consecutive years**

Highest among Japanese listed participants (office)

Renewable energy

Sponsor initiatives

- ✓ Tokyu Land Corporation was the first real estate developer in Japan to join the **RE100** in 2019
- ✓ TLC **completed its transition** to **renewable electricity used** in **all its office/retail properties** in **2022**

ReENE

Water

Green construction

- ✓ Continuously promote renewal and renovation using green products in line with the **Green Procurement Standards** of TRM

AA-10
Umeda Gate Tower toilet renewal

Water saved
20%

Reduce・Recycle

Participation to the project "Zero Single-Use Umbrellas by 2030 for office"

- ✓ Aikasa, Japan's first umbrella sharing service, aims for **zero single-use umbrellas** by 2030
- ✓ Users can borrow and return umbrellas from/to the Aikasa spots installed at stations and other places in town
- ✓ **TRM participates in** the new project to expand the service in office buildings

Press event on June 8, 2023

As outlined in the "green construction" section at the right, we are continuing renewals and refurbishments to lower the environmental footprint of each of our properties.

At the bottom, we explain how the asset management company is participating in the "Zero Single-use Umbrellas by 2030" project.

Please turn to the next slide.

ESG Initiatives ~ Social ~

S (Social)

API's Materiality (core issues)

・Human capital development
・Contribution to local community
・Health and well-being of tenants
・Supplier engagement

Related SDGs targets (~ 2030)

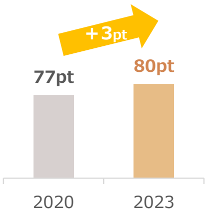
11.3 Enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

12.8 Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Tenants

Tenant satisfaction survey

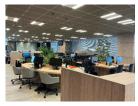
✓ Office tenants' **overall satisfaction** improved from the previous survey
✓ Survey results are utilized to continuously **improve tenant satisfaction** through measures such as value-up construction works



Employees

Free seating in the office (Asset Manager)

✓ Established from **"New working style" project** by a team of employees
✓ Designed to **promote communication** within and across divisions
✓ **Employee satisfaction-oriented** measures implemented such as free coffee supervised by a worldwide coffee chain



Local communities

SDG event in Tokyu Plaza Omotesando Harajuku

✓ Event held at "Omohara Forest" recorded approx. **1,000 visitors**
✓ Demonstrated "aquaponics", a food production system that couples **aquaculture** with **hydroponics** and sold goods made from **waste**

Investors

Financial results presentations for retail investors

✓ Held two **in-person presentations** since the pandemic calming down
✓ Maintain **relationships** with retail investors

・**Daiwa J-REIT Caravan Sapporo** on March 16, 2023
・**Daiwa J-REIT Caravan Fukuoka** on May 11, 2023

At the upper left is our regular tenant satisfaction survey, where we achieved higher overall satisfaction from the previous survey.
We will reflect the survey results in our operations and value-up work on our properties, and further enhance the competitiveness of our properties.

At the bottom left is the sustainability event held at our property.

At the bottom right is the retail investor presentation that we conduct regularly.

Please turn to the next slide.

ESG Initiatives ~ Governance ~

G (Governance)

API's Materiality (core issues)

- Management framework corresponding to multifaceted social demand towards a sustainable society

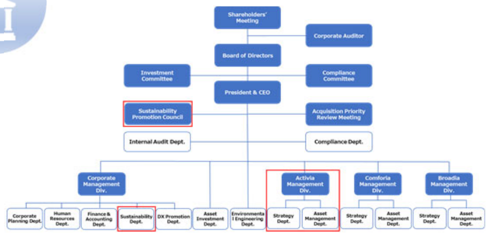
Related SDGs targets (~ 2030)

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Organization

✓ Established **Sustainability Department** in April 2021



Fee structure

✓ API became **the first J-REIT** to introduce a DPU-based management fee structure

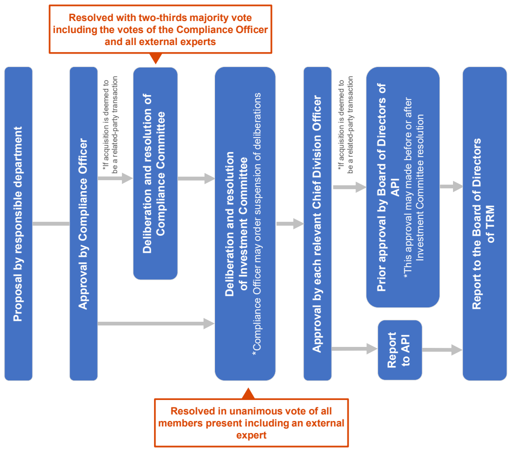
✓ Raised type II ratio effective from FP ended May 2020 to **strengthen** incentives to maximize unitholder value

AM Fee type I (asset based)	AM Fee type II (DPU / NOI based)
Total assets at end of the preceding FP × 0.25% (Upper Limit is 0.3%)	DPU × NOI × 0.00021% (Upper Limit is 0.00021%)

(Note) Ratio of the sum of the AM fee type I & type II to the total assets at end of each period cannot exceed 0.5%

Decision-making process

✓ **Property acquisition with related-parties** requires a resolution by the Compliance Committee including **outside experts** as members to avoid conflicts of interest, etc. This structure should protect interests of unitholders



Next is governance.

We are continuing to reinforce and sophisticate our initiatives, mainly through the Sustainability Department in the asset management company.

It has been 10 years since our listing, and we have been able to end another fiscal period thanks to the support of our many stakeholders.
We look forward to your continuous support.

The environment surrounding API remains unclear, with global inflation and interest rate trends, as well as geopolitical risks.
However, the Japanese economy is recovering, due to factors such as the growth in inbound tourism.

Based on this environment, we will replace assets and seek internal growth, to further heighten the competitiveness of the portfolio, and aim to enhance unitholder value by achieving continuous growth.

With that, I would like to conclude my presentation.
Thank you for your attention.