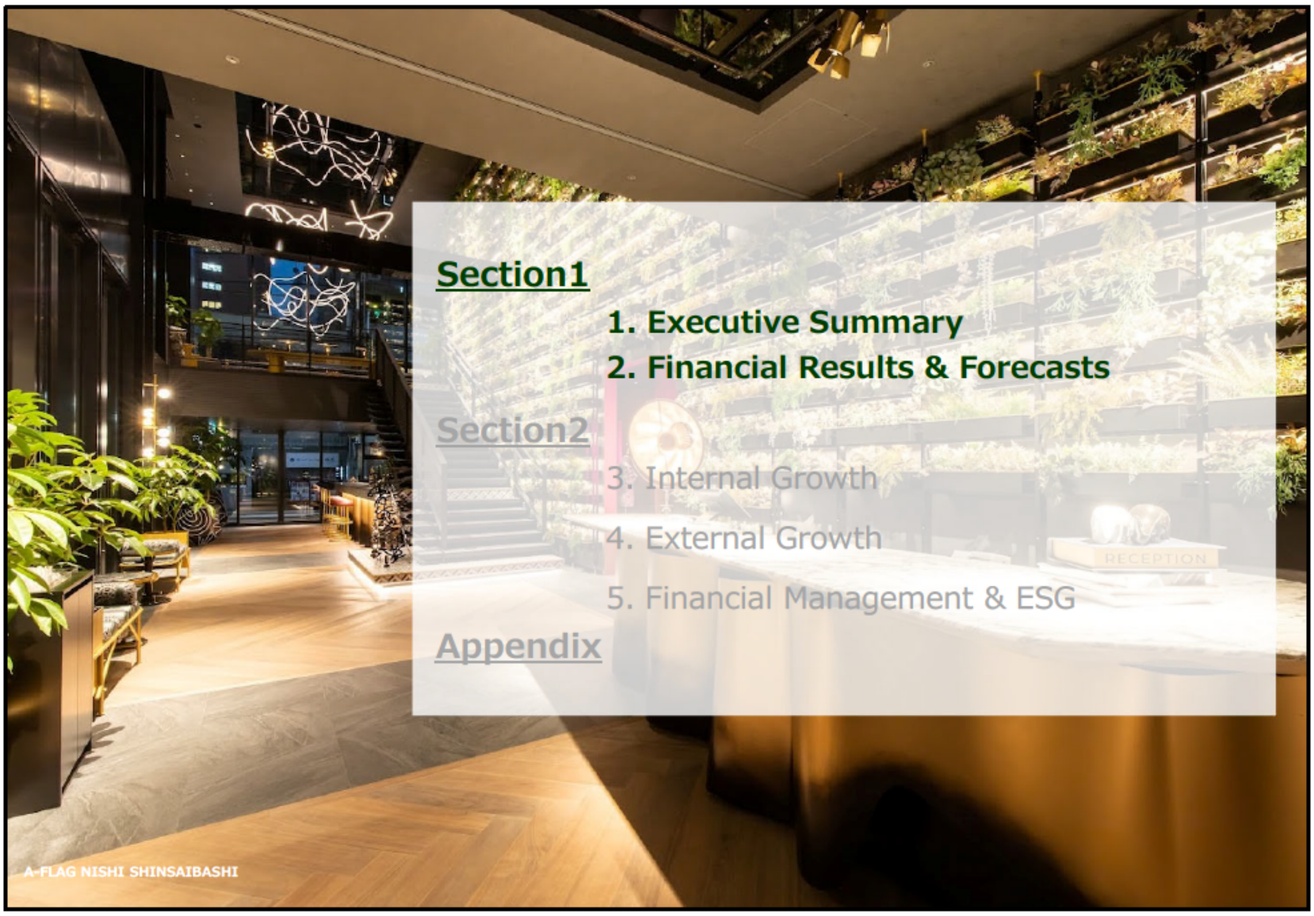
Thank you very much for watching the results announcement video for the 22nd fiscal period, ended November 2022, of Activia Properties Inc.

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

I will now explain the results for the period ended November 2022.

Please turn to page 3.


A-FLAG NISHI SHINSAIBASHI

Executive Summary

Operational status

- Offices in Shinbashi and Shinagawa areas are still struggling. Sales of retail tenants is improving though more time is needed before it contributes to rent revenue
- Overall occupancy rate is stabilizing by capturing tenants' relocation demands for buildings in better location and with higher specifications. Hotels continue to show signs of recovery
- Due to current rising electricity expenses, balance of utilities is expected to worsen

Strategy to improve unitholder value

- Decided to acquire a property which will contribute to improving portfolio profitability and stability (A-FLAG NISHI SHINSAIBASHI)
- Secured the minimum DPU level and accumulate internal reserve by asset disposition in three phases (Luogo Shiodome)

Policies for the future

- Continue to improve portfolio quality and profitability through asset replacements
- Prioritize improving office occupancy rate in challenged areas, while leveraging locational advantage for retail properties
- Reinforce DPU management capability against downside risk by leveraging unrealized gain on sale of properties and internal reserves

These are the highlights of this results announcement.

As for the operational status, although there are signs of recovery overall, we feel the gap is widening between different areas, and properties of different quality.
For offices, competition remains tough in the Shinbashi and Shinagawa areas, and it is taking time to improve occupancy.
For retail, tenant sales is recovering thanks to higher customer traffic, but it still has not led to a contribution in rent revenue.
However, more companies are relocating to better locations and higher specification buildings, and we have been improving occupancy by capturing such demand.
On the other hand, the recent rise in electricity expenses has had a negative effect on our operating income.

Under these circumstances, we are working on strategies to improve unitholder value.
We decided to acquire A-FLAG NISHI SHINSAIBASHI, while disposing A-FLAG KITA SHINSAIBASHI and Luogo Shiodome, as part of our asset replacement strategy, thereby improving the profitability and stability of the portfolio.
We have used the capital gain to support the minimum DPU level until the period ending November 2023, while adding to our internal reserve.

At the bottom are our policies for the future.
First, we will continue our efforts to improve portfolio quality and profitability through asset replacements.
Second, we will continue to prioritize occupancy improvement for our office properties with vacancies, and for retail, we will make use of the "locational advantage" to improve earnings.
The third strategy is to use capital gains to enhance our internal reserve, thereby strengthening our ability to manage DPU when facing downside risks.
We plan to establish a more stable revenue base through these strategies.

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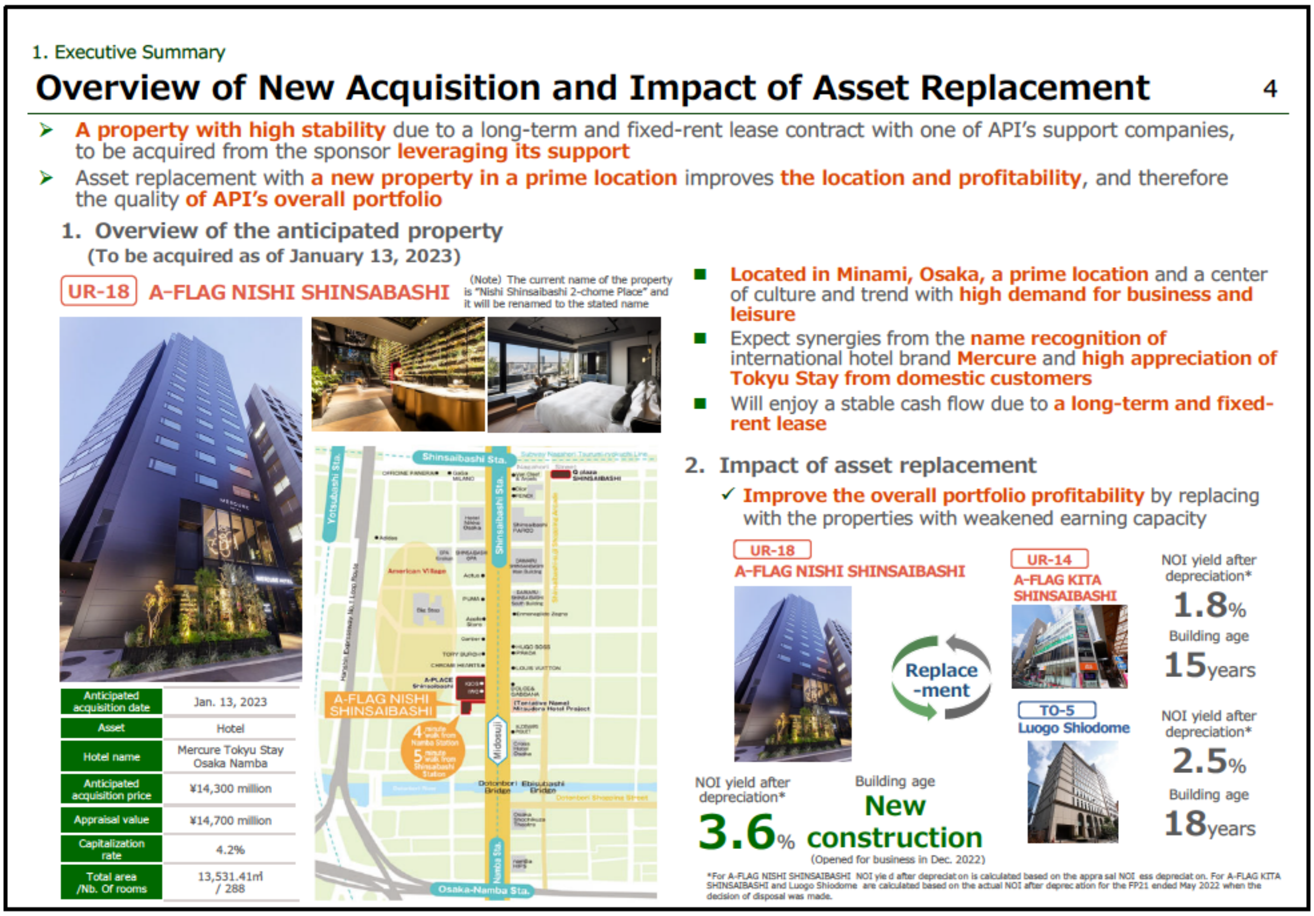
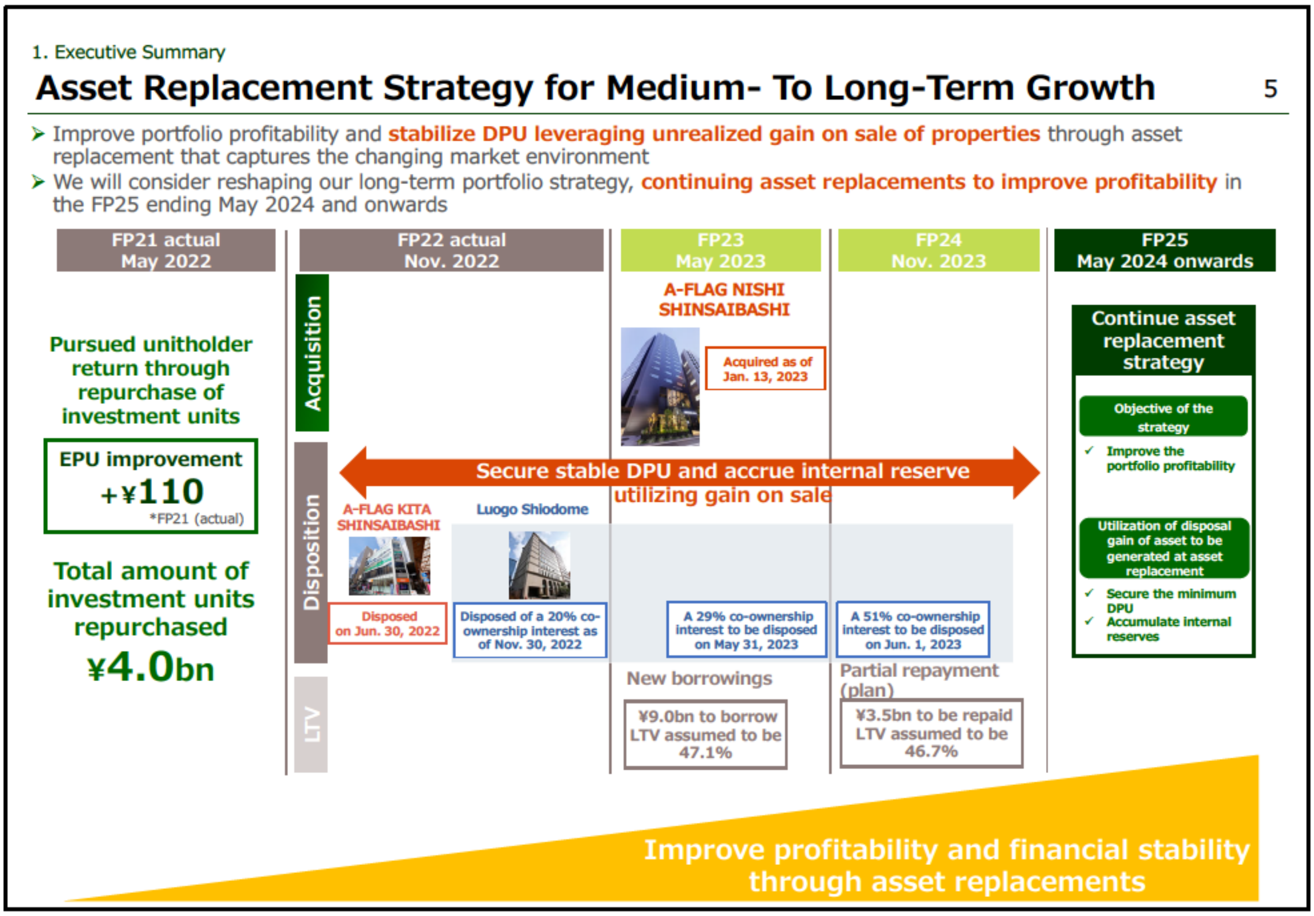


Next, on page 4, we show the overview of the property we decided to acquire in the November 2022 period, as well as the effect of the asset replacement.

First, on the left is the overview of the anticipated property.
We are using the support from our sponsor, and acquiring A-FLAG NISHI SHINSAIBASHI, which is a hotel with highly stable operations thanks to the long-term fixed rent contract with Tokyu Stay & Resorts, which is one of our support companies.
This property is located in the Shinsaibashi area of Osaka, which is the center of trends and culture. This area enjoys accommodation demand from both domestic and international guests, for both business and leisure purposes, and the property will benefit from synergies through its double-name operation, with the globally known brand of Mercure, and the usage by domestic customers of Tokyu Stay.

In Section 2 on the right, we show the impact of asset replacement.
By replacing the relatively low-yielding A-FLAG KITA SHINSAIBASHI and Luogo Shiodome with A-FLAG NISHI SHINSAIBASHI, which is in a more prime location, we plan to improve portfolio quality, namely in terms of the profitability, location and age of the properties.

Please see the next page for our strategy regarding future asset replacements.



Considering the current operational environment, replacing assets is an important initiative that Activia will focus on.

Continuously executing asset replacements is important, so that we can use the capital gains to stabilize distribution and add to our internal reserve for the time being, while improving the profitability of the portfolio over the mid-to-long term.

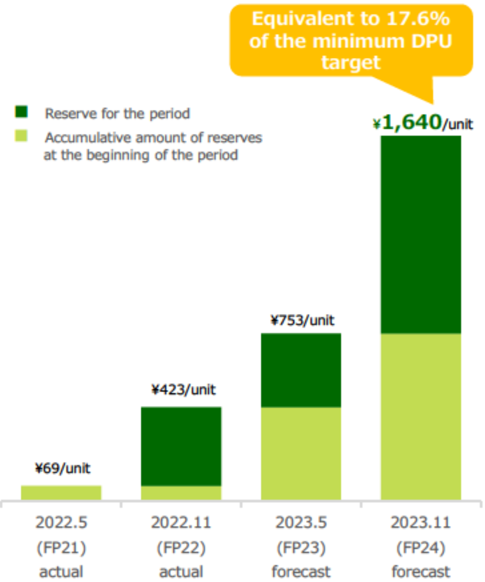
We will seek to further enhance unitholder value, by continuing to respond flexibly to the circumstances, including the repurchase and cancellation of investment units which we conducted in the previous fiscal period.

Please turn to page 6.

DPU Management Through Accumulation of Retained Disposal Gains

- **Capital gain recorded at asset replacement will be accumulated as reserves** using tax deferral benefit of special provisions in cases of replacement of assets held for over 10 years
- Assumed accumulative reserve at the end of FP24 ending November 2023 will be **¥1,640/unit**, **equivalent to 17.6% of the minimum DPU target**

1. Internal reserve actual and forecast



*Accumulative amount at the end of each fiscal period

2. Policy on utilization of internal reserves

- **Address temporary rent reduction due to major tenant departures**
- **Address temporary deterioration in the balance sheet due to external environmental changes**
- Address cost increases due to major renovation and remodeling
- Address repair & maintenance costs due to natural disasters, etc.

Secure a tool to control DPU to address downside risks in the medium to long term

Here, I will explain how we are accumulating our internal reserve.

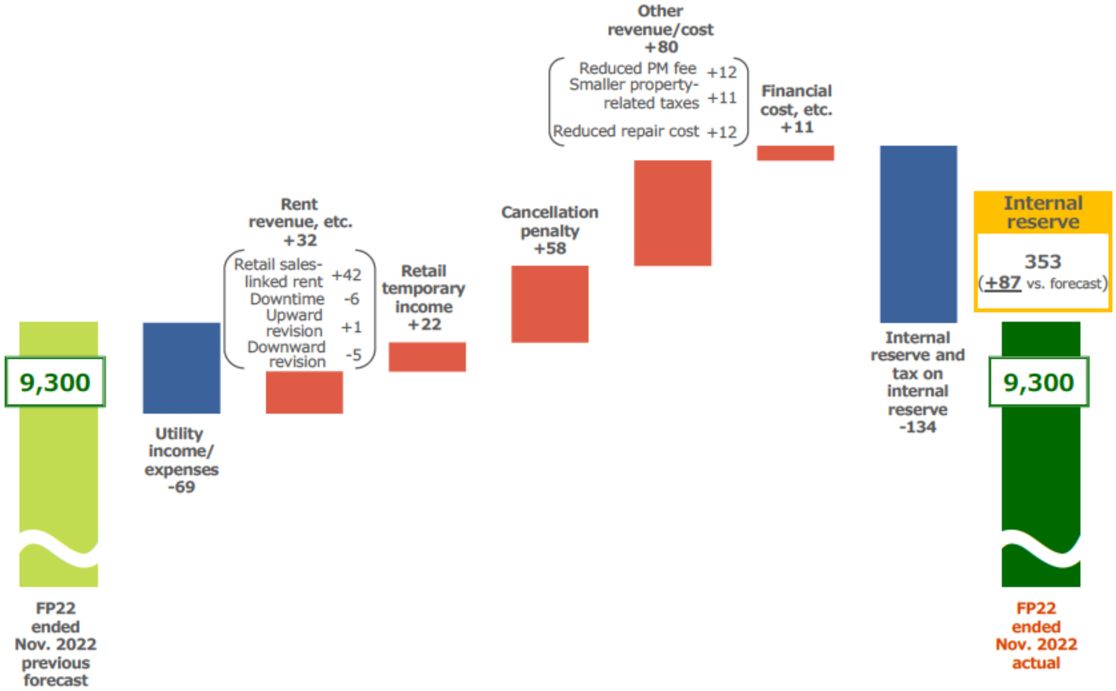
A part of the capital gain from the expected disposal of Luogo Shiodome, which will take place in 3 phases, will be subject to tax deferral benefit in January 2023 onwards, on the condition that it will be replaced with A-FLAG NISHI SHINSAIBASHI which was explained earlier.
We are planning to retain some of the profit in the periods ending May and November 2023, and we expect to be able to retain 1,640 yen per unit in the November 2023 period, which is equal to around 18% of the minimum DPU target of 9,300 yen.

As for the use of the internal reserve, as shown on the right-hand side, we plan to use it mainly as a source of stable distribution to offset downside risks caused by temporary declines in revenue, as well as increases in expenses.

Please turn to the next page.

DPU Summary for FP22 Ended November 2022 vs. Forecast

- DPU for FP22 ended November 2022 **exceeded the forecast**, due to solid management being implemented despite negative impact of deteriorated balance of utility income/expenses
- **Addition to internal reserves was ¥87 higher than forecast, in order** to improve financial health



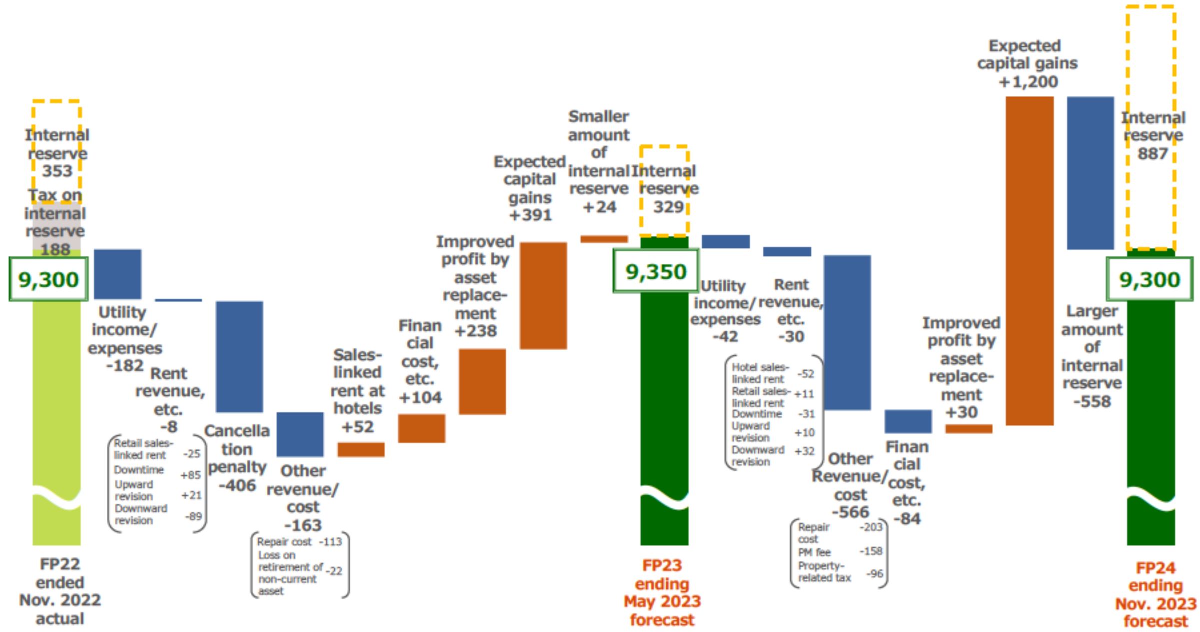
The DPU for the November 2022 period was 9,300 yen.

While the surge in energy prices had a negative impact on utilities, we made good progress in our operations, including robust tenant sales for which we introduced sales-linked rent, and we were set to outperform the forecast EPU, that's why we increased our internal reserve to prepare for future risks.

Please turn to the next page.

Forecast DPU Summary FP23 Ending May 2023 and FP24 Ending Nov. 2023

- For FP23 ending May 2023, **DPU is expected to be ¥9,350** thanks to improved profitability by asset replacement and disposal gain which will absorb the deteriorated utility income/expenses and stripping of cancellation penalty
- For FP24 ending November 2023, **a significant amount of internal reserve is planned to be accumulated** due to the largest disposal gain ever will be recorded which will contribute future DPU stabilization



These are the forecasts for the May and November periods of 2023.

The DPU forecast for the May 2023 period is 9,350 yen, which is unchanged from the previous forecast. We plan to add 329 yen to our internal reserve in this period, which is lower than the previous period but 211 yen higher than the previous forecast.

There will be negative factors such as utilities, the stripping of cancellation penalty, higher repair costs to promote leasing and improve tenant satisfaction.
However, we will offset that with profitability improvement and capital gain from the asset replacement to A-FLAG NISHI SHINSAIBASHI, and are planning to increase DPU by 50 yen compared to the November 2022 period.

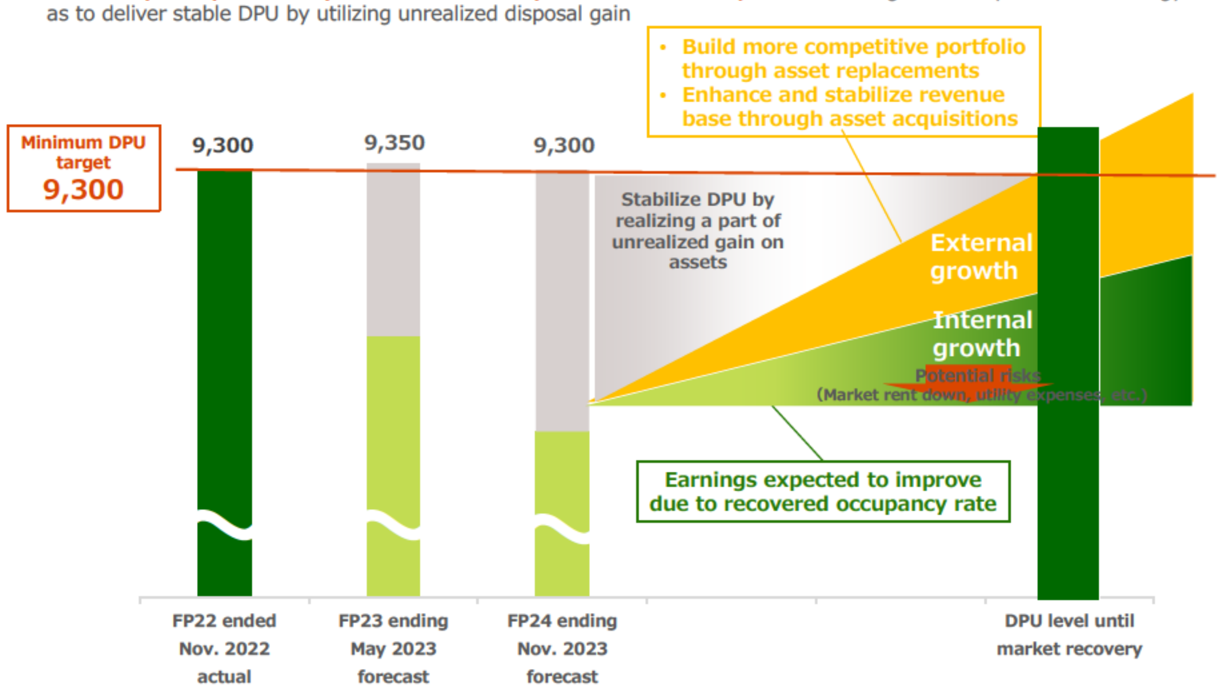
The DPU forecast for the November 2023 period is 9,300 yen.

While the negative impact from utilities will continue, together with repair costs to promote leasing and improve tenant satisfaction, and higher PM fees due to progress being made in leasing activities, we will book the 3rd round of capital gain from the disposal of Luogo Shiodome.
We have decided to pay out the minimum DPU target amount, and retain the surplus, in order to strengthen our DPU management capability.

Please turn to the next page.

Path from Stability toward Return to Growth

- Maintain **the minimum DPU target to be ¥9,300** despite negative impact of weakened lease market trend and rising electricity expenses
- Aim to **improve profitability and reinforce competitiveness of the portfolio** through asset replacement strategy as well as to deliver stable DPU by utilizing unrealized disposal gain



Our revenue will be pressured for the time being, but despite that, we have not changed our minimum DPU target of 9,300 yen.

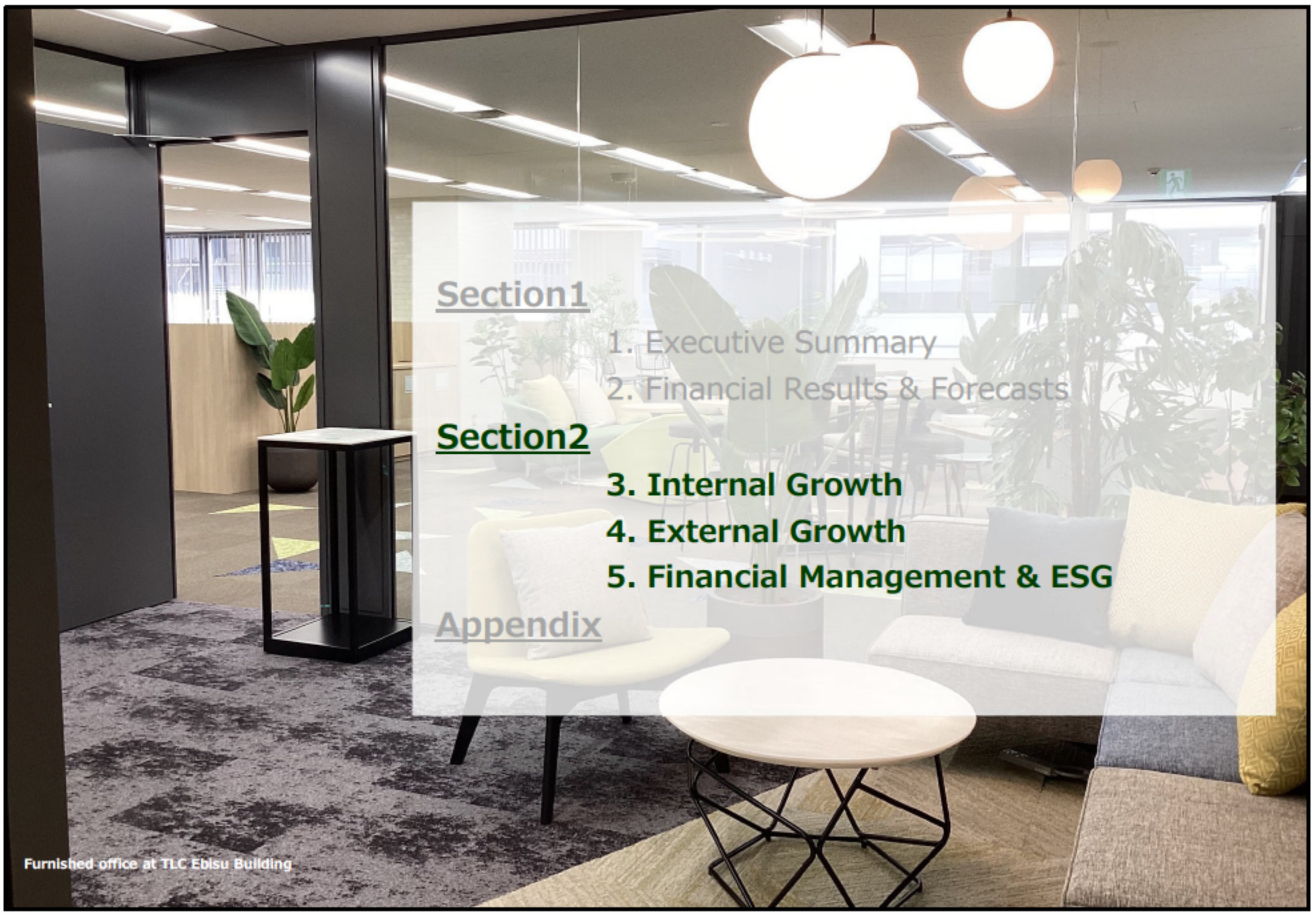
We expect the weak market environment to continue for a while, and the DPU from rental revenues will remain under 9,300 yen for a certain period.
However, we will continue to replace assets in the portfolio, and secure stable distribution using capital gains until the leasing market recovers, while making preparations for the next phase of growth, and seek to strengthen profitability and competitiveness.

We plan to continue to add to our internal reserve, which will be used to stabilize distribution in the mid-term, but the environment surrounding us remains uncertain, and we will consider using the internal reserve flexibly, depending on the situation.

Please turn to page 12.

FP22 Operation Results and Strategy Towards Future Growth

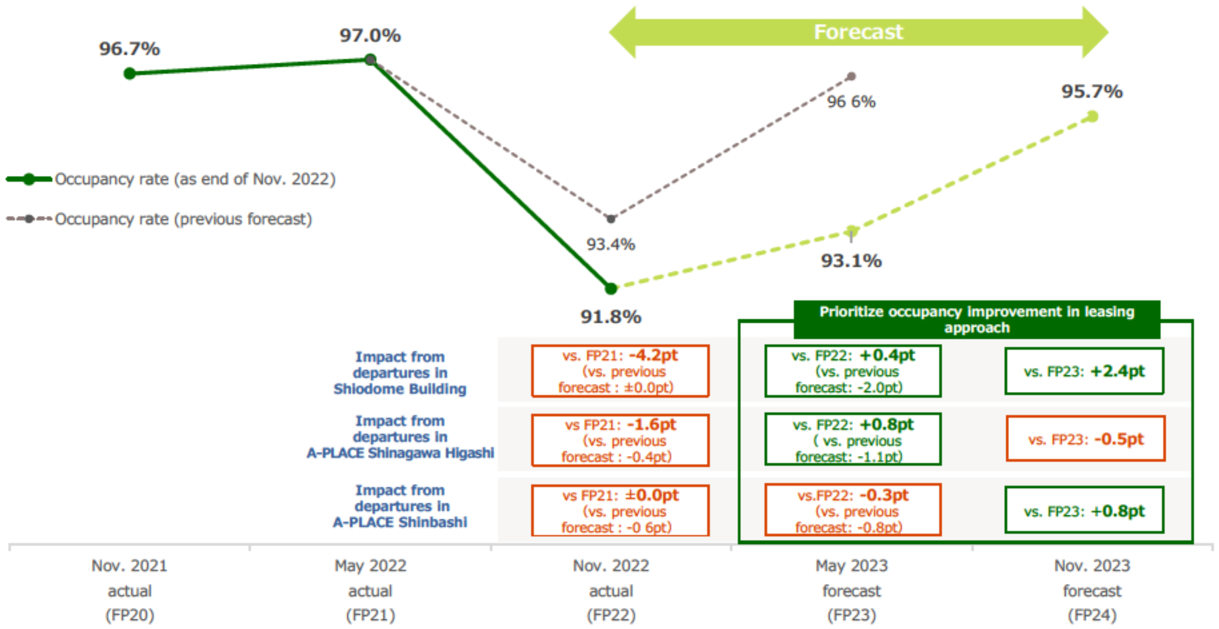
	FP22 operational results	Future strategy
Results/ forecasts	Actual DPU for FP22 ended November 2022: **¥9,300 (no change from previous forecast)** Internal reserve for FP22 ended November 2022: **¥353/unit (up ¥87 from previous forecast)**	Forecast DPU for FP23 ending May 2023: **¥9,350 (no change from previous forecast)** Forecast DPU for FP24 ending November 2023: **¥9,300**
Asset replacement, etc.	• **Improved balance sheet and reinforced stability of portfolio** by concluding acquisition contract of **A-FLAG NISHI SHINSAIBASHI** while disposed of A-FLAG KITA SHINSAIBASHI and Luogo Shiodome • **Secured the minimum DPU target thanks to gain on sale of two assets recorded in FP22**	• **Continue to deliver stable DPU by using funds from** disposition in 3 phases of Luogo Shiodome • **Continue to acquire/dispose properties from/to third parties as well as the sponsor**
Office	• **Occupancy rate remained weak** due to disincentives such as longer time needed to contract leases and new tenant departures despite leasing strategy tailored to each property being duly implemented • **Achieved stable occupancy** in the greater Shibuya area **firmly capturing market recovery**, and continued to achieve rent increases taking advantage of rent gaps in Osaka and other areas	• Leasing may take longer in weak demand areas such as the Shinbashi/Shinagawa area, but endeavor to improve occupancy through measures to enhance property quality and **flexibly adapting leasing conditions to improve occupancy rate** • **Seek internal growth in the greater Shibuya area, etc. in line with the current recovery trend**
Retail	• Urban retail properties are rallying with new tenants and sales showing signs of recovery thanks to increasing number of visitors **but require more time for earnings to fully rebound** • **Occupancy rate and RevPAR of hotels continued to show signs of recovery** • Tenants with long-term and fixed-rent lease mainly of suburban properties **remain stable**	• For Urban Retail properties, **address changes in tenant needs by leveraging the locational advantage**, and aim to secure stability and revenue growth • **While focusing on stability**, aim to improve internal growth at suburban retail properties and hotels
Finance/ ESG	• **Accumulated internal reserves utilizing gain on sale** • Strengthened ESG initiatives and continued healthy financial management, including **new issuance of green bonds** • **Acquired 5 stars for the fifth consecutive year in GRESB real estate assessment**	• Reinforce flexible DPU management capacity against downside risk **continually utilizing unrealized gain on sale** • Continue prudent finance management **with sustainable financing** • Secure financial stability by **accumulating internal reserves**


Section1
1. Executive Summary
2. Financial Results & Forecasts
Section2
3. Internal Growth
4. External Growth
5. Financial Management & ESG
Appendix
Furnished office at TLC Ebisu Building

Office Leasing Status

- In FP22 ended Nov. 2022, **occupancy rate was lower than the previous forecast** partly due to new tenant departures
- For FP23 ending May 2023 onward, we aim for a steady recovery in struggling properties with **leasing approaches prioritizing the occupancy rates** of buildings

1. Occupancy rate (actual and forecast)

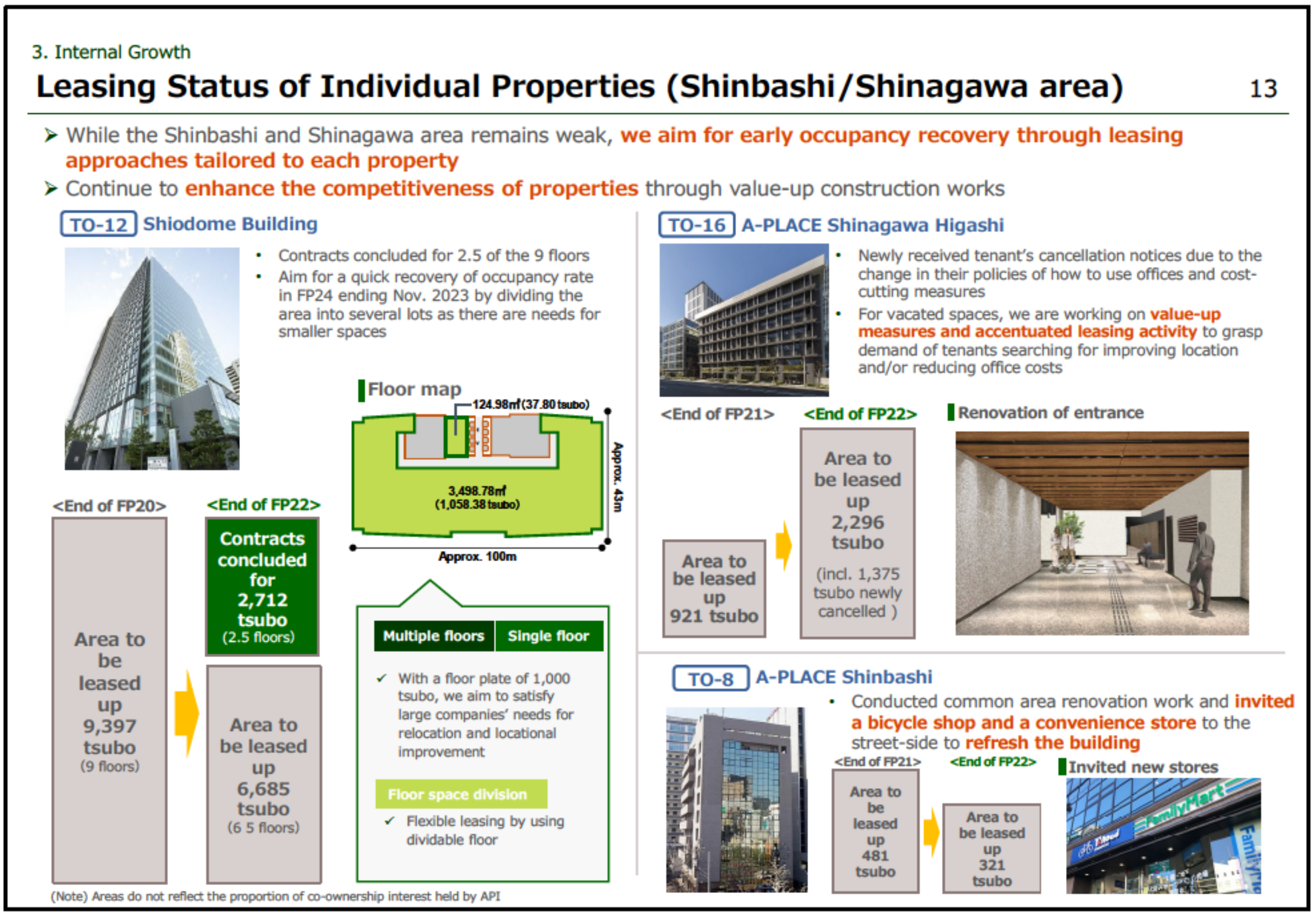


From here, I will explain the status of our operations.

I will start with office leasing.

As of the end of May, we made progress in leasing activities in the Greater Shibuya Area as well as in Osaka, where the market is relatively strong, thereby outperforming our occupancy expectations. However, in the November 2022 period, occupancy was lower than expected due to delays in leasing, as well as some space being newly vacated.
The properties for which we did not reach the previously expected occupancy were Shinbashi, as well as Shinagawa Higashi where, there was a new cancellation.
We will continue to prioritize occupancy in our leasing activities, and plan to recover occupancy to 95.7% by the end of the November 2023 period.

Please see the next page for the leasing status of individual properties.



First, the Shinbashi, Shiodome and Shinagawa areas, where the market remains weak.

On the left is the Shiodome Building.
Out of the roughly 9,000 tsubo that we are currently working on, we have secured contracts for around 2 and a half floors, equal to around 2,700 tsubo.
Competition remains tough in the area, and tenants are still taking their time before making decisions, but there continues to be demand for relocations to upgrade location or building specification, and we will seek to recovery occupancy as early as possible.

On the upper right is A-PLACE Shinagawa Higashi.
After the cancellation by a tenant that was occupying around 2,000 tsubo, we signed a contract for around 1,000 tsubo.
Unfortunately there was a new cancellation, and the floor space subject to leasing activities has increased.
The Shinagawa area is even more competitive than Shinbashi and Shiodome, but there are a certain number of inquiries from tenants interested in this building, and we will seek to improve occupancy quickly.

A-PLACE Shinbashi at the bottom right is taking longer than expected to lease up, but we are steadily improving occupancy, thanks to the effects of the value-up construction, the new retail tenant and a convenience store on the 1st floor, which are making the property more attractive.

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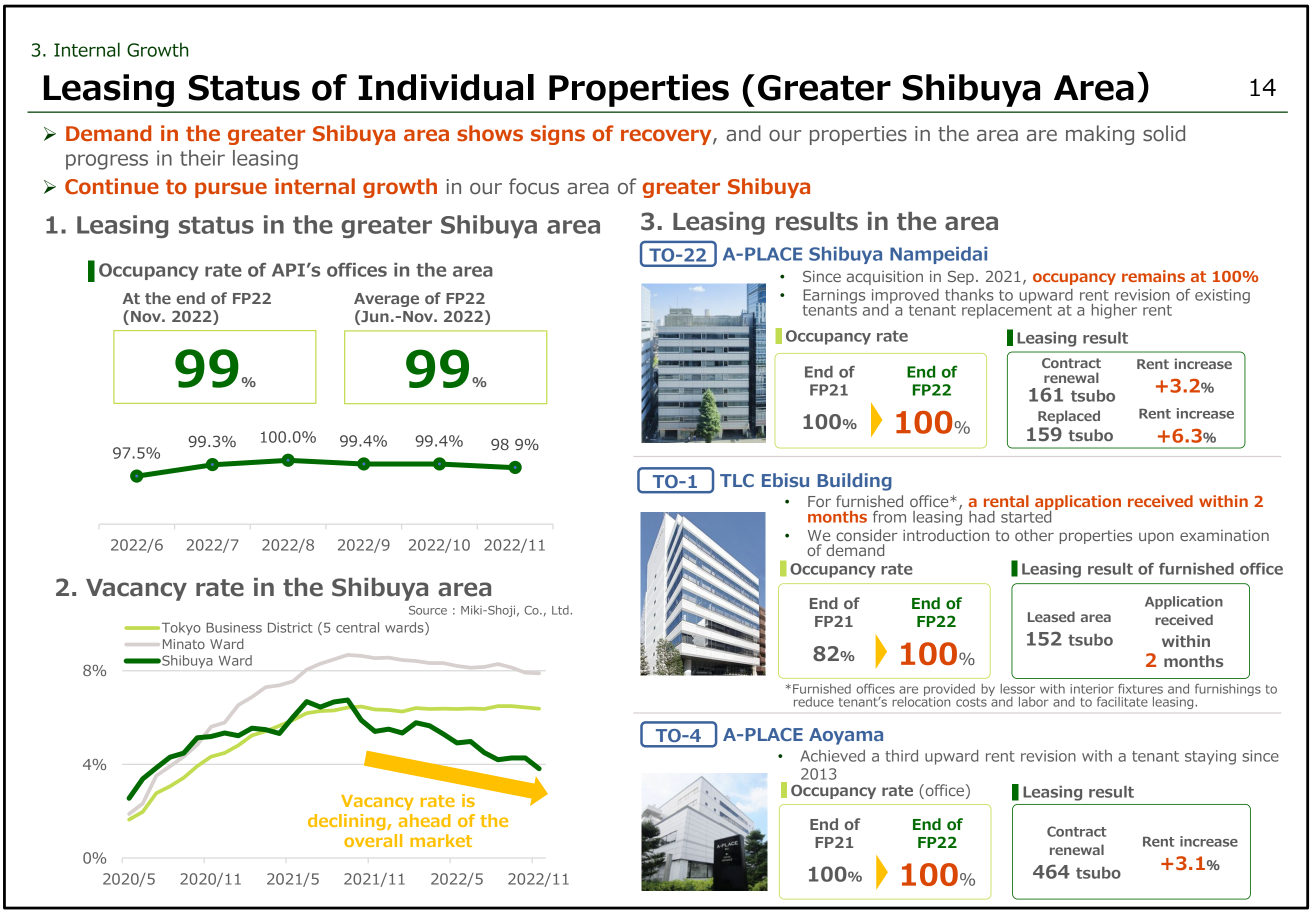


Next is the Greater Shibuya Area, where the strong market is continuing.

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 continued to decline, and the area remains strong compared to other areas.

Section 3 shows the highlights of some of our properties in the area.
For Shibuya Nampeidai, we have maintained high occupancy and improved profitability, through lease renewals at higher rents with existing tenants, as well as an existing tenant expanding its floor space.
For TLC Ebisu Building, we introduced 2 sections of furnished offices, and were able to secure tenants out of which one made an application within just 2 months after starting leasing activities, thereby confirming the strong demand in the area.
As for A-PLACE Aoyama, we were able to renew the lease with a tenant after raising rents again, which serves as an example showing how attractive the property is.

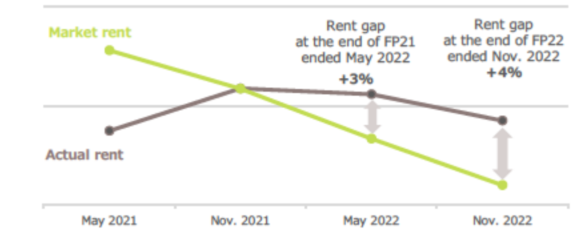
Please turn to the next page.

Office Leasing Status

- While overall market rent is declining, in-place rent fell only slightly, generating a rent gap of +4%
- We will flexibly adjust our leasing strategy depending upon the situation of each property. **In certain cases, we will aim for rent growth, and in other cases prioritize occupancy**

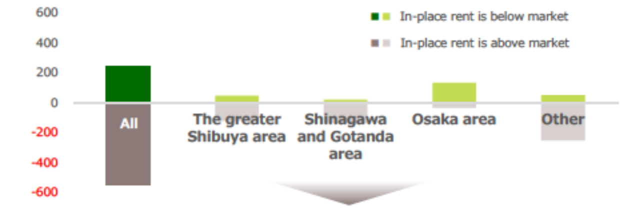
1. Trend in actual-to-market rent gap

(¥ thousand per tsubo per month)



2. Rent gap by area

(¥ mn/period)



Areas where in-place rent is below market
- ✓ Actively pursue rent growth in order to grow profit

Areas where in-place rent is above market
- ✓ Focus on maintaining current occupancy level upon each area's situation

3. Examples of upward rent revision and tenant replacement

TO-9 A-PLACE Gotanda

Upward rent revision

Rent increase	Area
+8.7%	64 tsubo

AA-7 Osaka Nakanoshima Building

Upward rent revision

Rent increase	Area
+8.4%	240 tsubo

TO-20 Meguro Tokyu Building

Rent growth through tenant replacement

Downtime	Area
0 months	306 tsubo

AA-10 Umeda Gate Tower

Rent growth through tenant replacement

Rent increase	Area
+23.2%	561 tsubo

This page mainly explains trends in rents.

Section 1. at the upper left shows the rent gap for offices.
The actual or in-place rent remains higher than market rent, and the gap has widened further in the November 2022 period, compared to the May 2022 period.

The trend for rent gap by area, shown in Section 2 at the bottom left, has not changed much.
Actual rent remains higher than market rent, except for the Osaka area.
Despite the softness in the leasing market, we will continue to seek rent increases from tenants for which there still is a negative rent gap.
However, based on the current environment, we will prioritize maintaining occupancy in principle, and will have to be flexible until the market environment begins to recover.

Section 3 on the right shows examples of upward rent revisions and tenant replacements conducted in the November 2022 period.

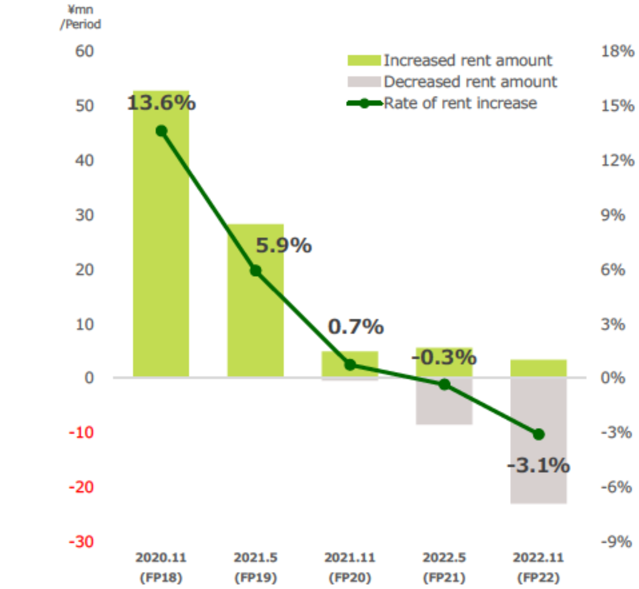
Despite the overall environment being tough, there have been cases of rent increases, which are mainly in the Osaka and Meguro / Gotanda areas, where the market is relatively stable.

Please turn to the next page.

Status of Tokyo Office Properties

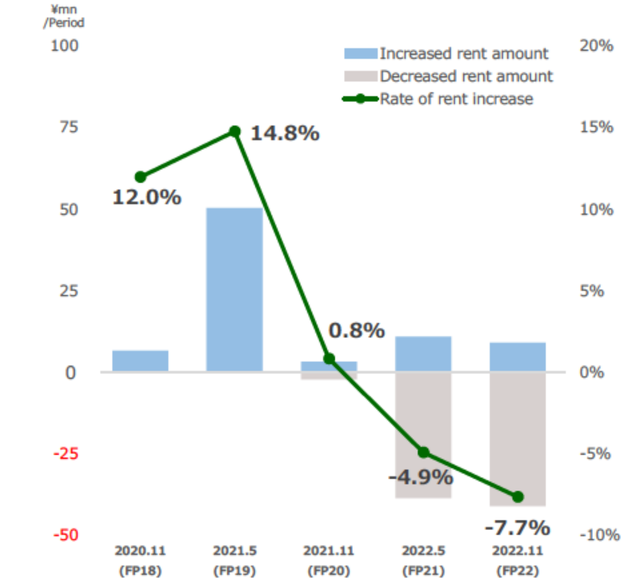
- As the market rent is declining, the proportion of downward rent revisions at contract renewals and replacements increased

1. Rent revision at lease renewals



Area with increased rent (tsubo)	2,089	1,762	406	598	688
Area subject to rent revision (tsubo)	3,003	3,344	4,172	5,960	4,424

2. Tenant replacements



Area with increased rent (tsubo)	310	2,266	242	1,112	252
Replaced area (tsubo)	352	2,395	701	3,260	2,816

As for the status of Tokyo Office properties, there were more rent declines than rent increases, both for lease renewals and tenant replacements.
This is due to us being more flexible in certain areas or sections of properties, in consideration of the soft market environment and focusing on improving occupancy.

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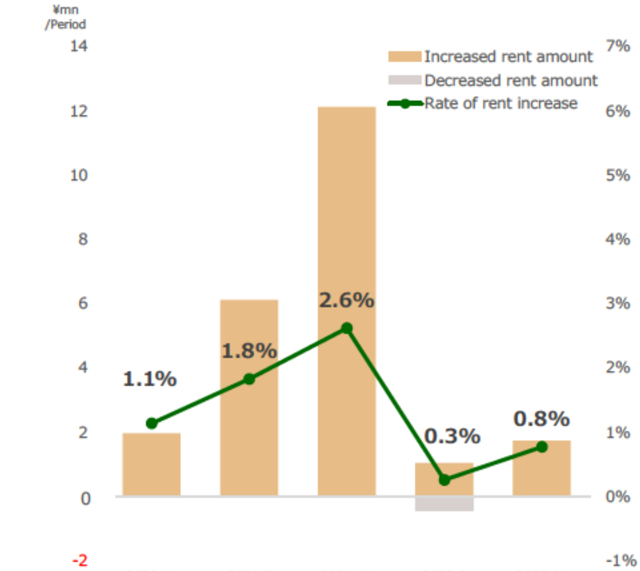
Status of Activia Account Offices

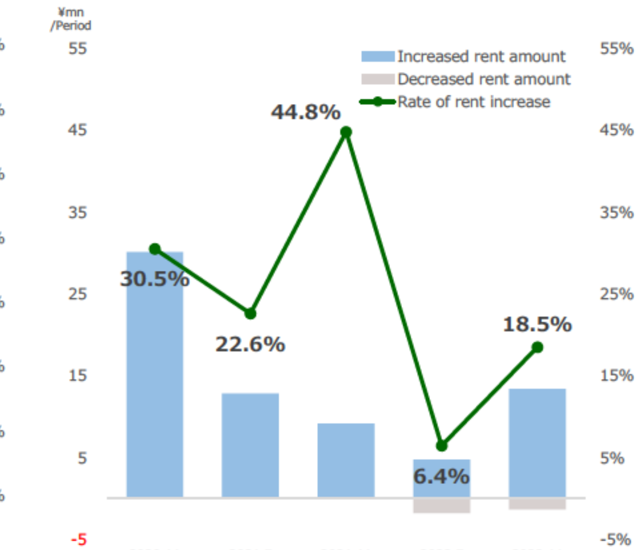
➤ Upward rent revisions at lease renewals at replacements continued mainly in Osaka area

1. Rent revision at lease renewals



	2020.11 (FP18)	2021.5 (FP19)	2021.11 (FP20)	2022.5 (FP21)	2022.11 (FP22)
Area with increased rent (tsubo)	254	1,874	1,957	399	239
Area subject to rent revision (tsubo)	2,313	3,901	5,472	2,873	2,887

2. Tenant replacements



	2020.11 (FP18)	2021.5 (FP19)	2021.11 (FP20)	2022.5 (FP21)	2022.11 (FP22)
Area with increased rent (tsubo)	983	609	262	297	560
Replaced area (tsubo)	983	609	262	414	659

The situation for our other offices is relatively strong compared to Tokyo, and we have been able to continue rent increases at lease renewals and tenant replacements, mainly in the Osaka area.

Please turn to the next page.

3. Internal Growth

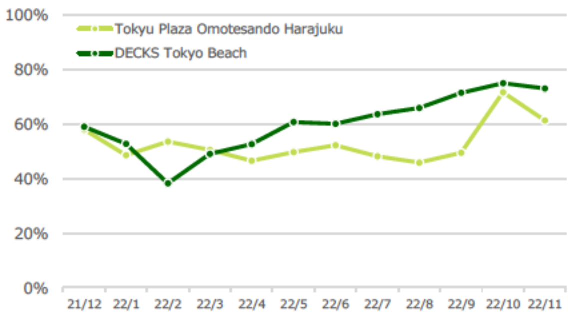
Management Strategy of Retail Properties Based on Changes in Consumer Behavior

- **Signs of recovery of sales in urban retail properties have been confirmed** although recovery in general is still underway and will require more time for earnings to fully rebound
- **We aim to secure revenue by meeting the needs of consumers and tenants and pursuing growth** by leveraging **the characteristics of properties in prime locations**

1. Sales trend in UR properties

- ✓ In DECKS Tokyo Beach, **tenant sales recovered to 70% of pre-covid level partly due to impact of newly invited tenants**
- ✓ In Tokyu Plaza Omotesando Harajuku, **tenant sales recovered to 60% of the pre-covid level** partly owing to the return of inbound tourists following Japan's easing of entry restrictions

Sales trend in UR properties (vs. same month before the pandemic)*



* From December 2018 to November 2019

2. Strategy for responding to changing needs of tenants

Strategy

Address changing tenant needs by leveraging locational advantages

- ✓ **Attracting new businesses that maximize the advantages of physical stores**
  - Attract experience-type facilities to capture demand for consumption of experience by leveraging locational advantages of our properties
- ✓ **Secure revenue through flexible leasing activities**
  - Improve occupancy rate by flexibly accommodating needs for short-term use and small-lots
- ✓ **Strengthen revenue structure by lowering dependence on tenant sales**
  - Reinforcing revenue structure by generating revenues other than rental income, such as the use of properties as advertising media

From here, I will explain about our retail properties.

Generally speaking, tenant sales have been on the rise, thanks to the lifting of restrictions in March onwards, and the resumption of accepting foreign visitors into Japan.

On the left, sales at Tokyu Plaza Omotesando Harajuku and Decks Tokyo Beach have been recovering in 2022, but the level remains lower than pre-Covid.
As explained at the previous results announcement, this is due to tenant sales still being mid-way in its recovery, as well as the fact that consumer behavior has changed, which has led to a change in tenant needs as well.

In response, we will pursue strategies that leverage locational advantages, as shown on the right, and;
1. Bring in tenants from new sectors,
2. Improve occupancy and revitalize properties by being flexible in our contract periods as well as how we divide the sections in properties, and
3. Continue to secure diverse sources of revenue, such as advertising, instead of just relying on sales from customers that visit the properties.

Please turn to the next page.

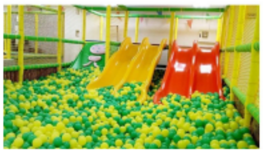
Strategic Leasing of Retail Properties

- For DECKS Tokyo Beach, **the number of visitors has recovered to approx. 90% of pre-covid level** owing to new tenants from emerging businesses
- **Continue to generate revenue through short-term events and advertising** by utilizing properties' favorable location

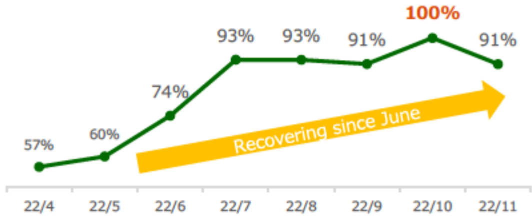
1. Actively attract new businesses

UR-15 **DECKS Tokyo Beach**

- Children's play area, which opened in June 2022, has been performing well partly due to social networking by celebrities, and the facility enjoys the return of **visitors** which has **recovered to 90% of the pre-covid level**
- People coming to the playground tend to shop in other stores, which **contribute to the sales of entire facility**




Number of visitors to DECKS Tokyo Beach (vs. 2019)



2. Secure revenue through flexible approaches to leasing

UR-15 **DECKS Tokyo Beach**

- An event of a popular esports online gaming was held


UR-17 **Q plaza HARAJUKU**

- A pop-up event of Universal Studio Japan was held

3. Strengthen revenue structure by lowering dependence on tenants

UR-1 **Tokyu Plaza Omotesando Harajuku**

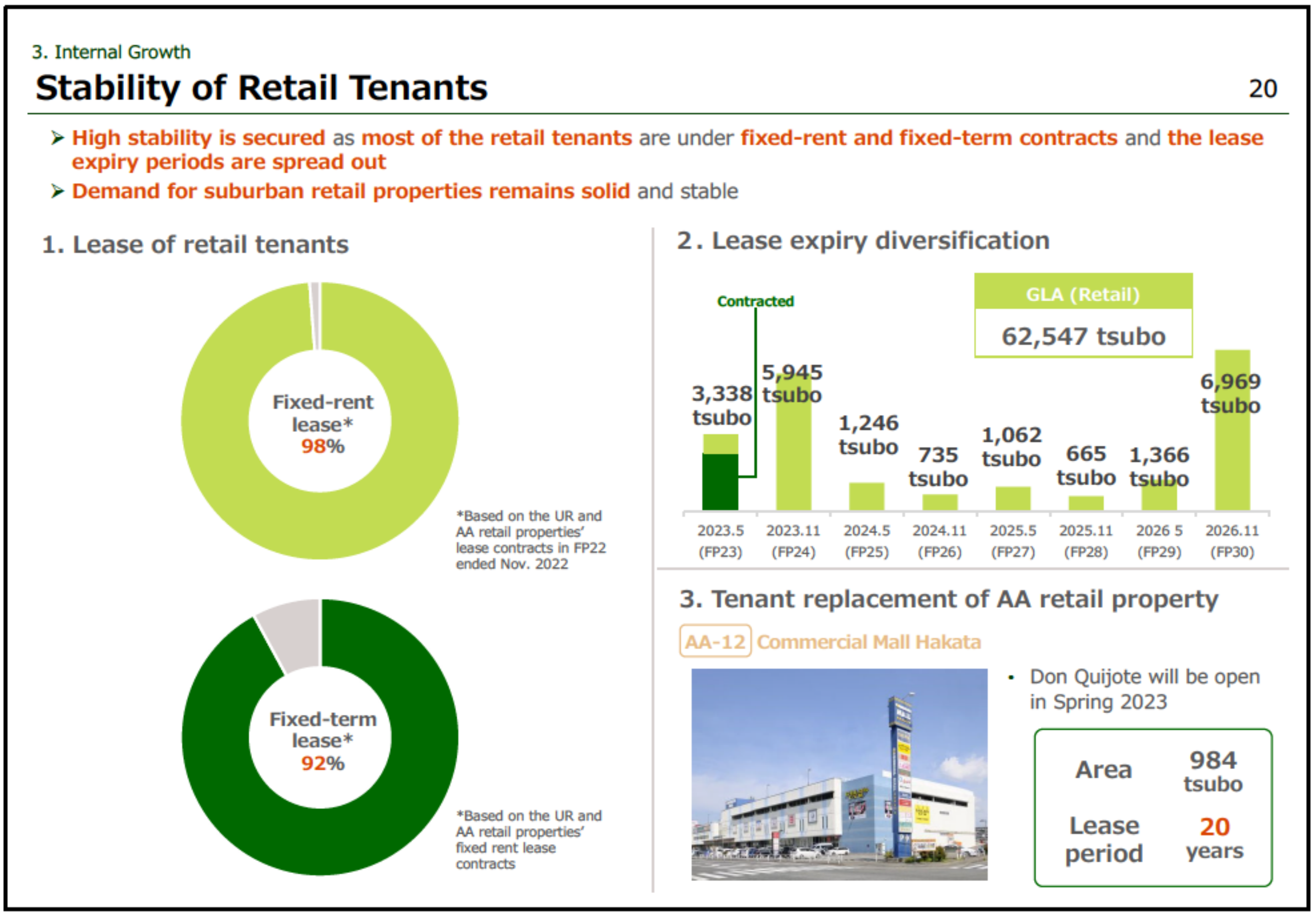
- Utilizing its prime location, we earned advertising revenue by allowing third parties to run an advertisement at the entrance

On the left, we show how we have been attracting and bringing in new types of tenants.
At Decks Tokyo Beach, after the closure of a consumer electronics store mainly targeting inbound demand, we were able to bring in a children's play-area operator.
With the recovery of customer traffic following the lifting of Covid-related restrictions, the number of visitors has recovered dramatically.

On the upper right, in Section 2., we show examples of how we are securing revenue through flexible approaches to leasing, including the hosting of an e-sports event, as well as a collaboration with Universal Studios Japan.

Section 3 at the bottom right shows how we are diversifying our sources of revenue, instead of just relying on tenant sales, such as continuing the advertising using the entrance area of the Omotesando Harajuku property.

Please turn to the next page.



For the Urban Retail properties, we have begun working on initiatives for the next phase of growth. 98% of Activia's retail tenants are under fixed-rent contracts, and 92% are under fixed-term leases, and our suburban properties continue to contribute in stabilizing our operations based on revenues generated by catering to local needs.

We show the diversification of lease expiries in Section 2 on the right, which is quite well spread out. The bar for November 2023 includes roughly 4,200 tsubo related to the single tenant in icot Mozonokuchi, and the bar for November 2026 includes approximately 6,400 tsubo of the parking lot at the Kyoto Karasuma property.

Section 3 at the bottom right is an example of a tenant replacement at Commercial Mall Hakata, one of the Activia Account properties.
In November 2022, we signed a long-term lease of 20 years with the new tenant, for a total floor area of around 1,000 tsubo, including the currently vacant space and the space that is to be vacated.
There was no downtime for the space to be vacated, and we were able to achieve an overall rent increase through this tenant replacement.

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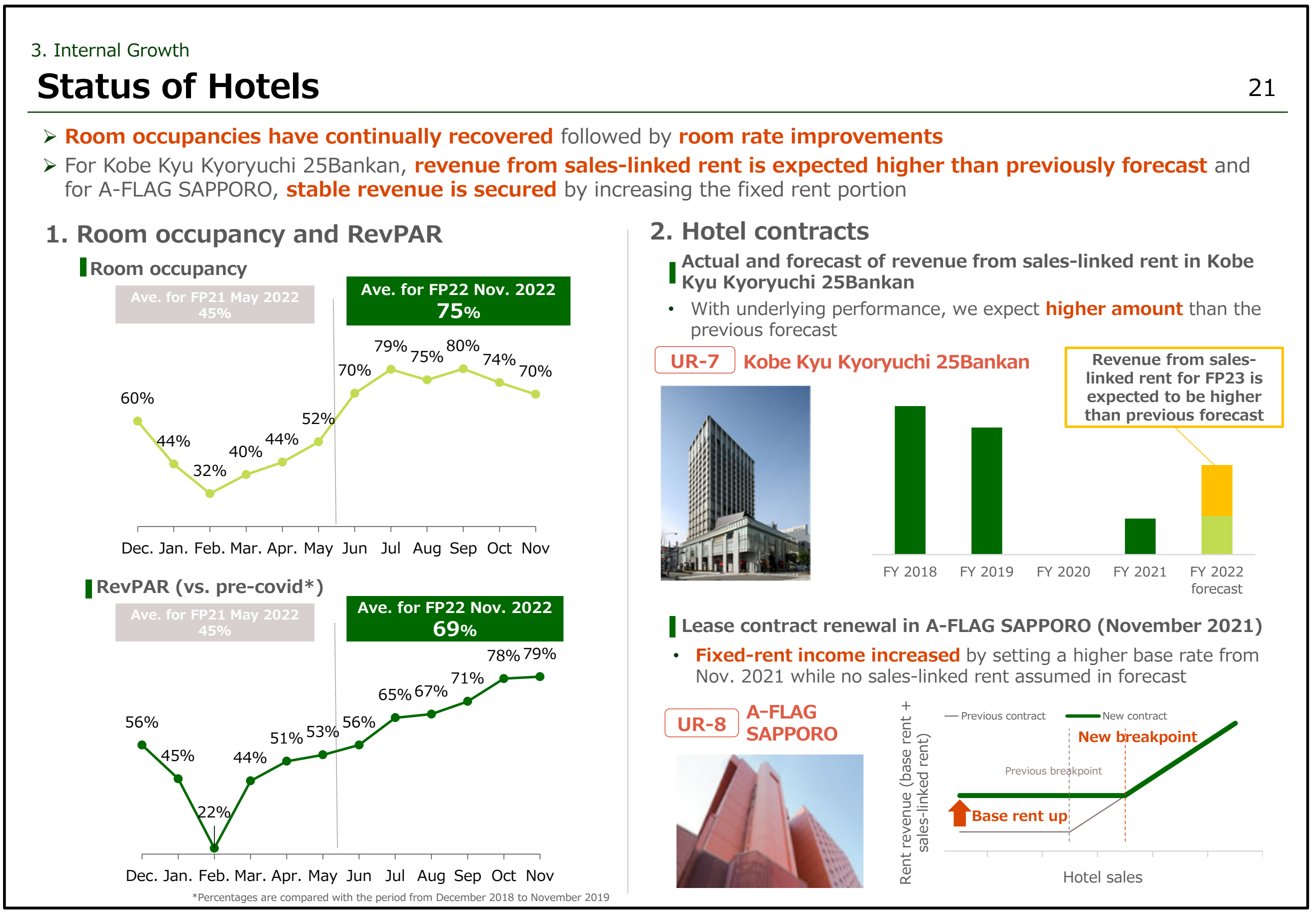


With the recovery in room occupancy shown in Section 1. on the left, the ADR has improved, and RevPAR has also continued to recover.

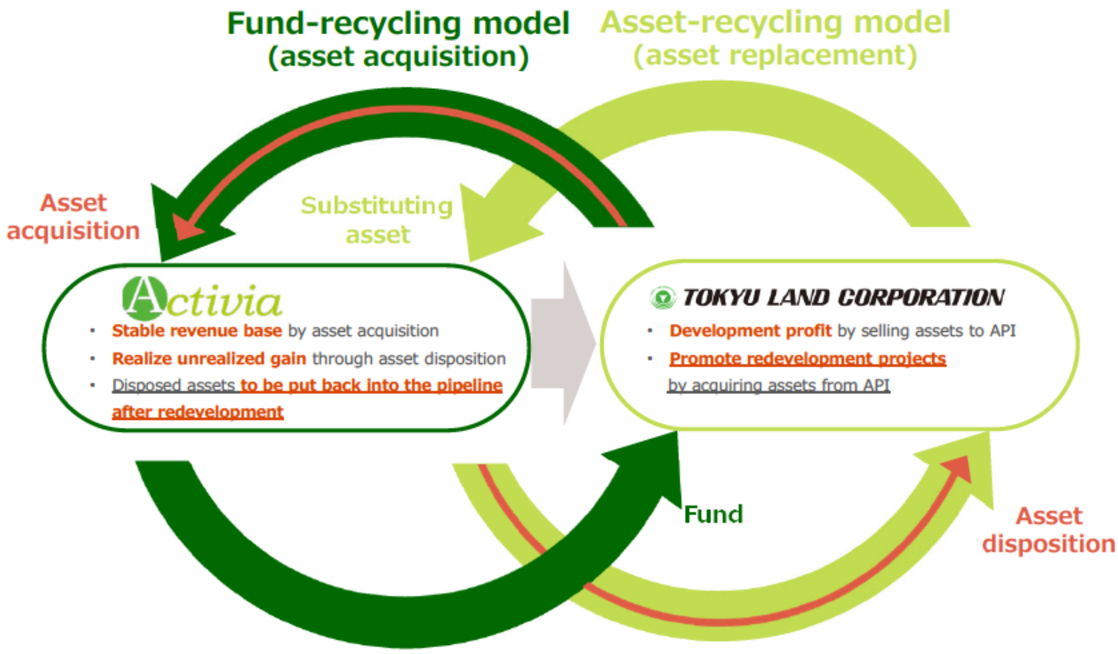
As for the status of each hotel, Kobe Kyu Kyoruchi 25Bankan generated hotel sales-linked rent for the first time in 2 years since 2019, and we revised upwards the forecasted sales-linked rent for the next fiscal year, due to strong demand for weddings and banquets.

We can expect further growth in accommodation demand for both hotels, thanks to domestic travel incentives by the government, as well as the easing of border restrictions for inbound tourists.

Please turn to the next page.

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 our focus on external growth, mainly through 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.

Please see the next page for details.

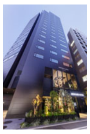
Acquisition / Disposition Policy

- 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**

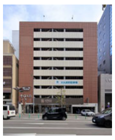
1. Acquisition criteria

- ✓ **Locational advantage and competitiveness of the buildings**
- ✓ **Contribution to improving unitholder value, such as growth potential in DPU and NAV**

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


A-FLAG NISHI SHINSAIBASHI


Q plaza Shinjuku-3chome


Kyoto Karasuma Parking Building

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


Meguro Tokyu Building


A-PLACE Shibuya Nampeidai


A-PLACE Tamachi East

2. Disposition criteria

1) Profitability	• Properties with relatively low yield and limited upside potential
2) Building age	• Properties requiring a large amount of cash in future for maintenance expenses and capital expenditure, etc.
3) Competitive-ness	• Properties with a risk of significant rent decrease, long term vacancy, etc.
Disposition method	• **Asset replacement in principle** to improve portfolio profitability • Deliver stable DPU through methods such as **asset disposition over multiple fiscal periods and internal reserves**
Disposition size	• From several billions to over 10 billion of yen/period • Unrealized gain to total appraisal value of assets at end of November 2022 is **19%** **(45 properties/total unrealized gain of ¥101.9 bn)** ※Excluding 1 property in the portfolio that has concluded sales contract
Buyers	• Assets for which profitability improvement by redevelopment can be expected ➡ Dispose to the sponsor and **acquire opportunity for external growth after redevelopment** • Assets for which profitability improvement by redevelopment cannot be expected ➡ Disposition to third parties is an option

Here, I will 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.
For example, properties with high stability due to long-term fixed rents, or, more recently, properties that can accommodate demand from tenants wanting to upgrade their locations etc. and thereby secure stability, and from which we can expect revenue upside in the mid-to-long term, through internal growth.
We acquired A-FLAG NISHI SHINSAIBASHI because of its high stability, with the long-term fixed-rent contract with one of our support companies.

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 quality 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, both in terms of the number as well as size of transactions.

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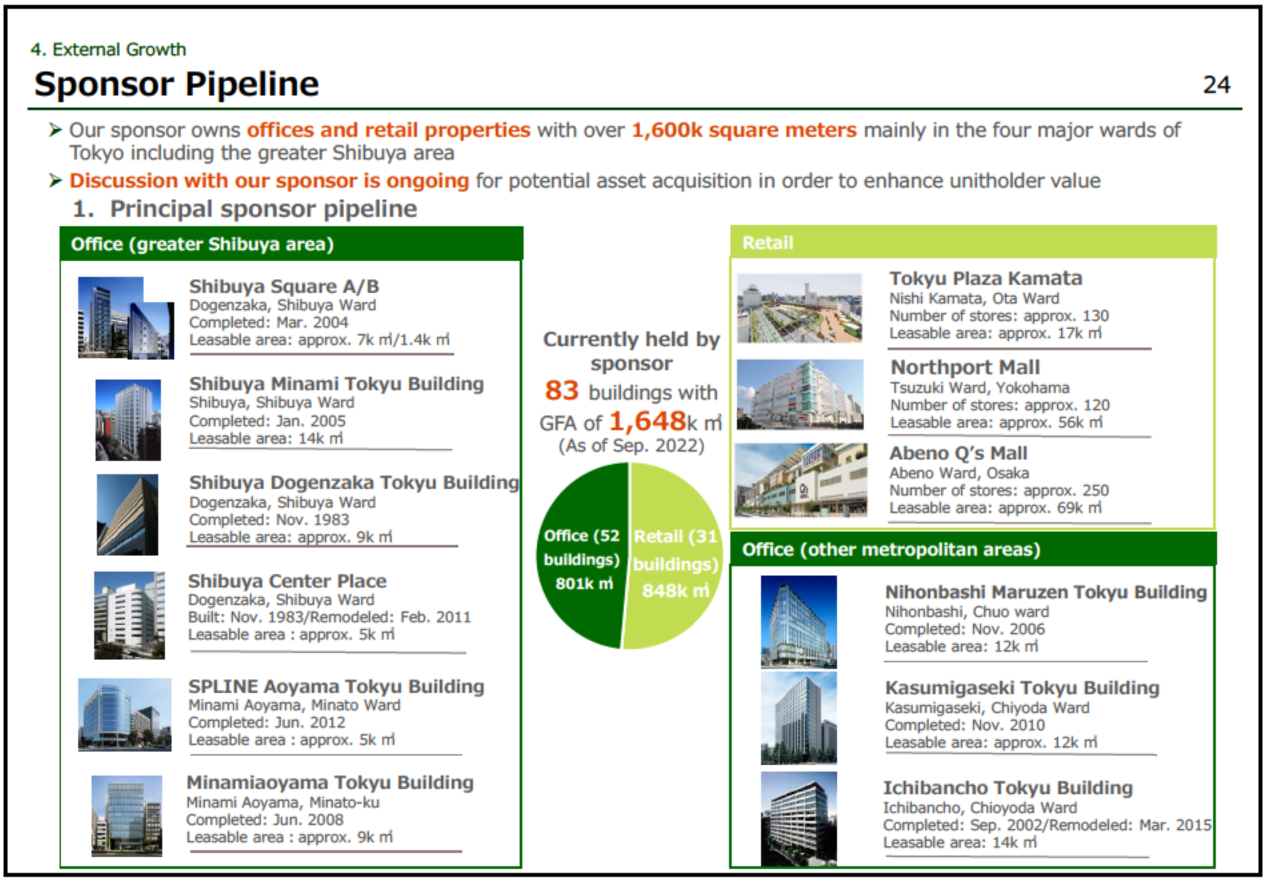

Our sponsor continues to newly develop or acquire office and retail properties, and are involved in or own high-quality properties.

Activia and our sponsor have geographically similar portfolios, which means properties owned or 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.

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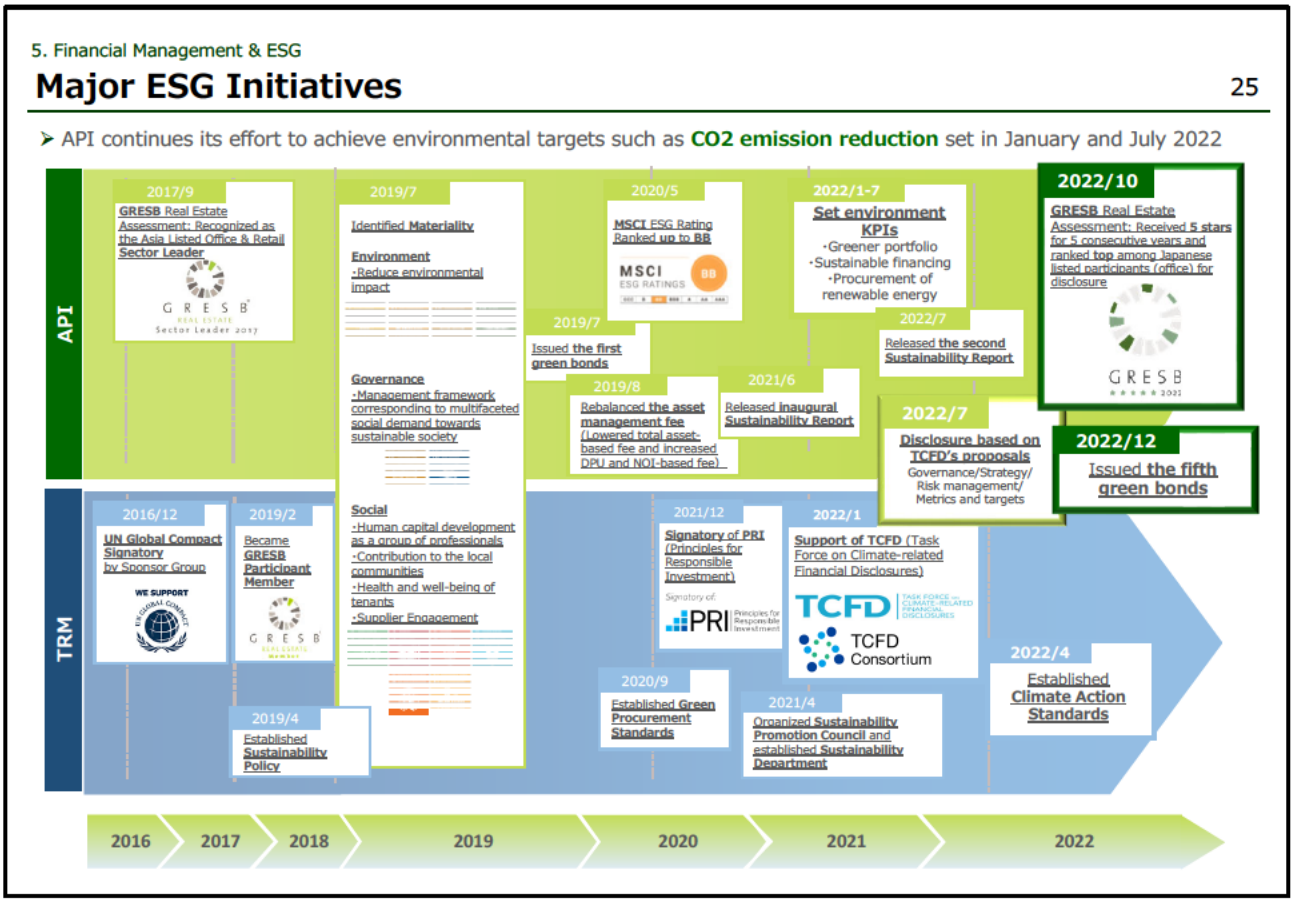
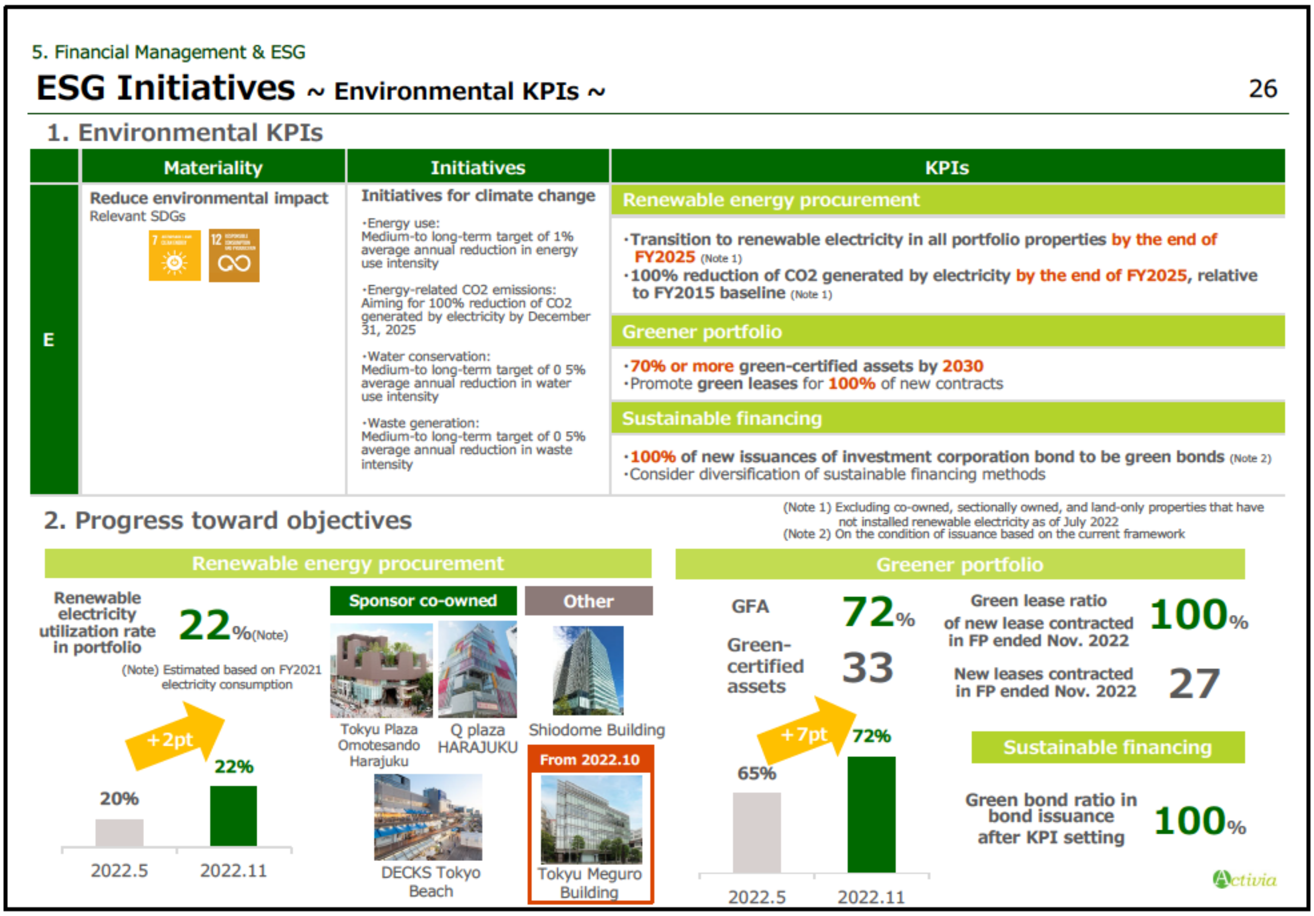


Page 25 onwards explains our ESG initiatives.

In this fiscal period, we obtained the highest 5-star rating for 5 years in a row in the GRESB Real Estate Assessment in October 2022.
We also received the highest "A" rank for 5 consecutive years in the GRESB Disclosure Assessment, which assesses the level of ESG-related disclosure, and secured the no. 1 position among listed companies and funds in Japan that manage offices.
Recently, in December 2022 we issued our 5th Green Bonds, which created an opportunity for investors to support Activia's ESG initiatives.

Please see page 26.



Let me explain the progress we are making in the environment-related KPI's, listed in Section 1 above. Please see Section 2 at the bottom.

First, the procurement of renewable energy.
The rate of renewable energy usage in the portfolio improved to 22% as of the end of the fiscal period, following the introduction of renewable energy at the Meguro Tokyu Building in October 2022.
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%.

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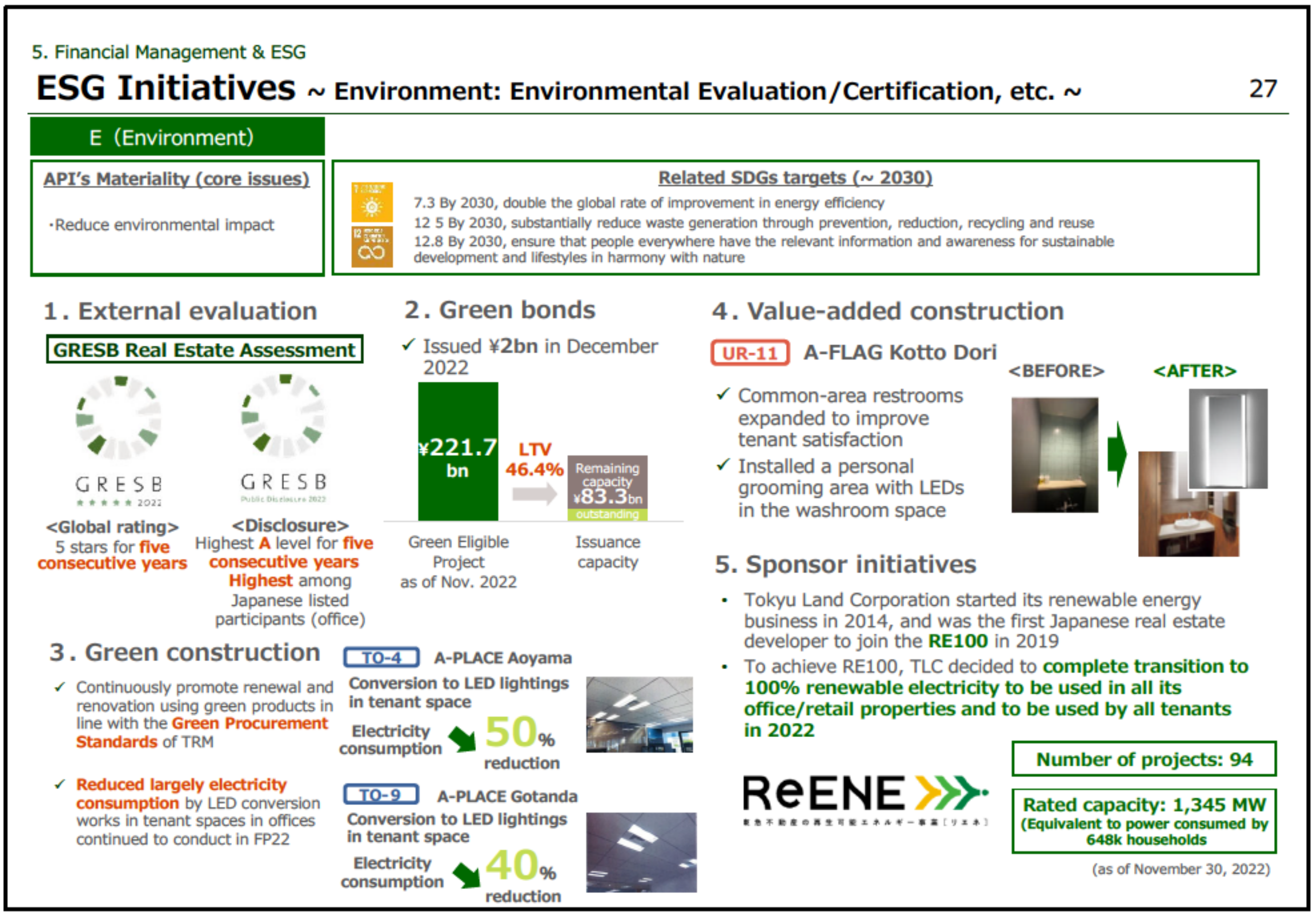


As stated in Section 3 on Green construction, and Section 4 on Value-added construction, we are continuing initiatives to lower the environmental burden at some of our properties.

For your reference, we show our sponsor's initiatives in Section 5 at the bottom right.
We are actively engaging in such initiatives including through collaboration with our sponsor.

Please turn to the next page.

5. Financial Management & ESG

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)

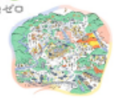
11.3 Enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

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

1. For local communities

Donation to local governments by Asset Manager

- TRM **donated** to local governments for the **third consecutive year** since 2020 utilizing Regional Revitalization Support Tax System
- In addition to the medical technician support project in Hokkaido Prefecture, in 2022, TRM made donation to the Kyoto City's **carbon neutrality program**



Shiodome summer festival (Shiodome Building)

- API builds **a good relationship with the local community** through participation in the local event "Hamasite Summer Festival" co-organized by neighbor

2. For suppliers

PM awards

- This award recognizes the outstanding performance of property management staffs contributing to upward rent revision, lease-up, contracting green lease, implementation of renovation works to reduce environmental impact, etc.

3. For employees

Training programs by external organizations by Asset Manager

- In partnership with external organizations, several programs provided to employees including **continued training on asset management operations and legal compliance**, as well as management training provided by **GLOBIS, one of the largest business schools** in Japan, business skill system learning, English conversation lesson, etc.

Position-based trainings	Management training for senior management and medium-level employees
Trainings for all-levels employees	Trainings on communication, business skills, PC skills, business English conversation lessons

4. For investors

Online financial results presentation for retail investors

- Held **online presentation using several platforms**
- Continuous investor relations even amid the pandemic

September 26, 2022	**Daiwa J-REIT Caravan Tokyo** About 200 individual investors gathered in the first face-to-face seminar in two years
October 27, 2022	**Online Nihon Securities Journal, "J-REIT Online Seminar"** Delivered FP2022/05 financial results presentation on Online Nihon Securities Journal (Japan's only national securities and financial newspaper) and YouTube
October 29, 2022	**SMBC Nikko Securities & Nikko Investor Relations, "Web J-REIT Fair 2022"** Received and answered questions from investors in real time via chat format.

Together with providing support to medical technicians in Hokkaido, we made a donation to Kyoto City's project to achieve net zero CO2 emissions, and are actively supporting initiatives by regional communities.

As shown in Section 2 at the bottom left, we are continuing the PM Awards, and have included in the scope of evaluation not only leasing results but ESG-related contributions such as green leases, as well as construction work to lower the environmental burden, thereby leading to higher competitiveness of our properties in the mid-to-long term.

Please turn to the next page.

ESG Initiatives ~ Governance ~

G (Governance)

API's Materiality (core issues)

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

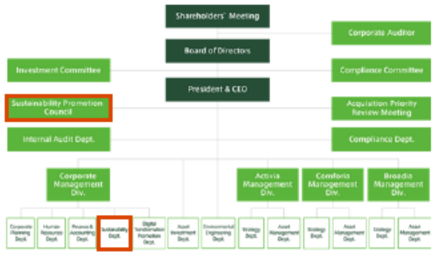
Related SDGs targets

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

1. Organizational change to strengthen our approach to sustainability initiatives

✓ Established **Sustainability Department** in April 2021



2. Performance-based asset management fee

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

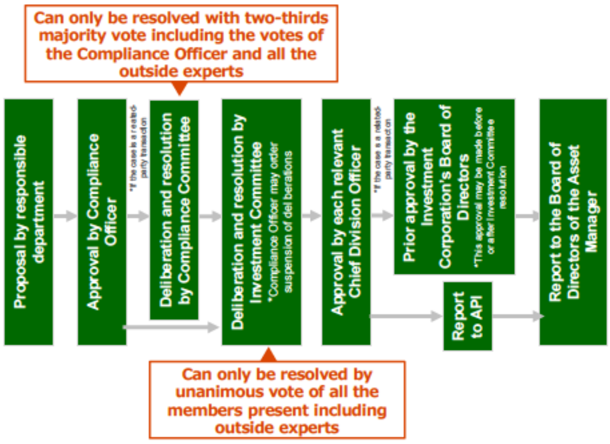
✓ Raised type II ratio effective from FP17 ended May 2020 in order to strengthen incentives to maximize unitholder value

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%

3. Appropriate decision-making process

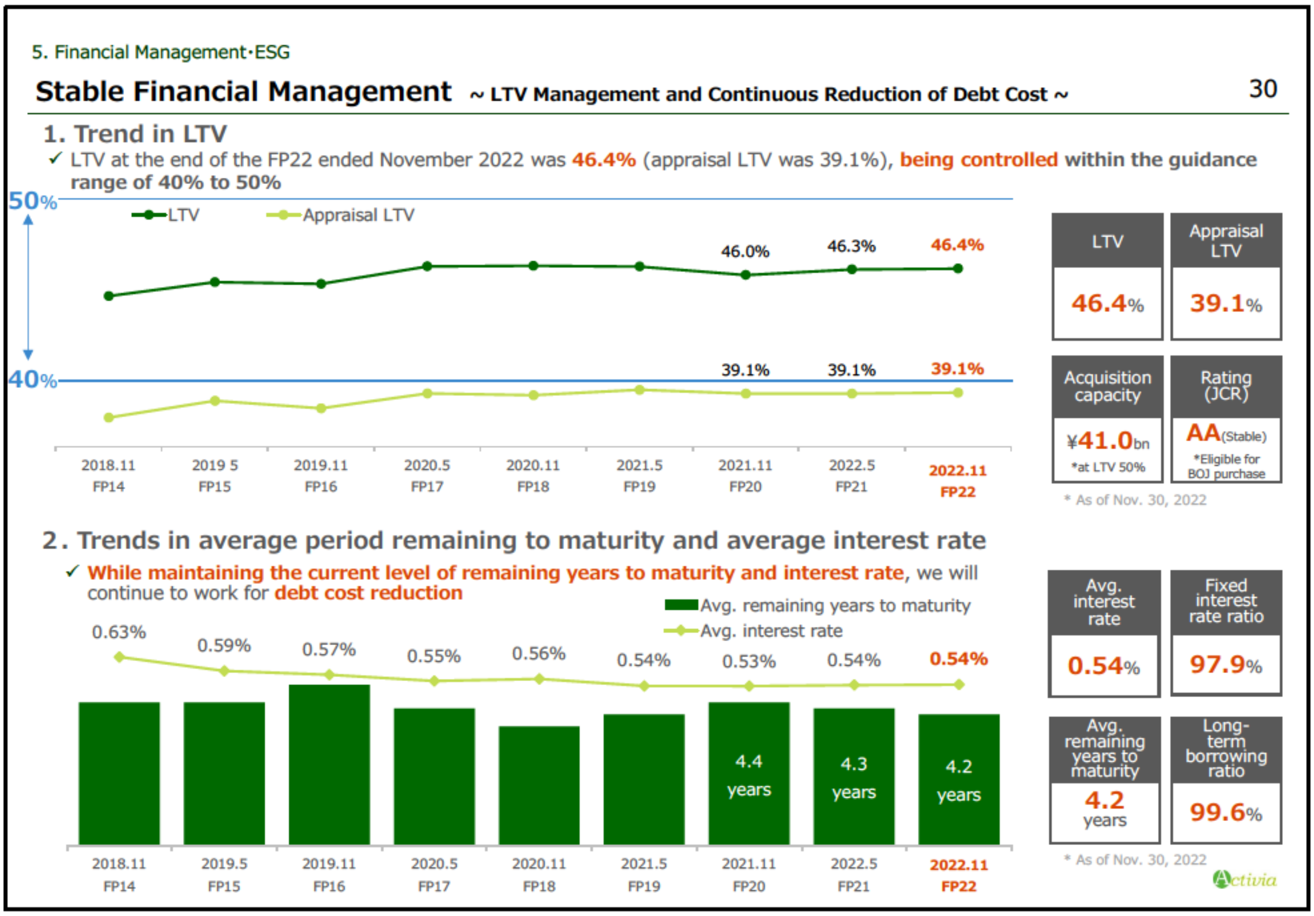
✓ Property acquisition transaction with related-parties requires a resolution by the Compliance Committee to avoid conflicts of interest, etc. This structure should protect interests of unitholders



Next is "G", or governance.

The Sustainability Department in the asset management company is continuing to take the lead in enhancing and sophisticating our governance initiatives.

Please turn to page 32.



Page 30 is about our financial management.

Our LTV was 46.4% as of the end of the November 2022 period, and the appraisal LTV was 39.1%. We have an acquisition capacity of 41 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.

Next, please see the lower half of the page.
The average remaining years to maturity as of the end of the fiscal period is 4.2 years, average interest rate of 0.54%, and we plan to maintain the range of 4-5 years while we seek to lower the average interest rate.

Please turn to the next page.

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

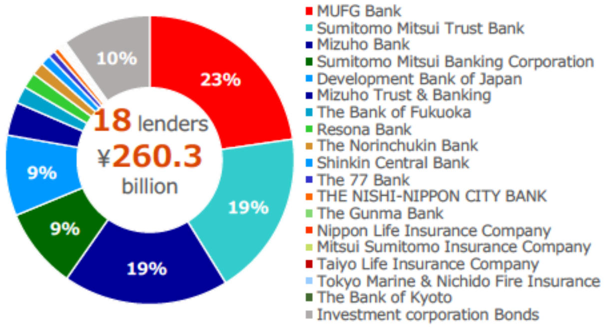
1. Debt refinance (in December 2022)

✓ **Stability has been reinforced** as we continue to shift to fixed interest rate and long-term debt

	Before		After (End of Dec. 2022)
Method	Floating interest loan	→	Investment corporation bond (Green bond)
Amount	¥999mn/ ¥1.0bn (partial repayment of a borrowing of ¥2.5bn)		¥2.0bn
Duration	1 year/ 2 years		**10 years**
Cost	T+0.275%/ T+0.14%		**0.82%**

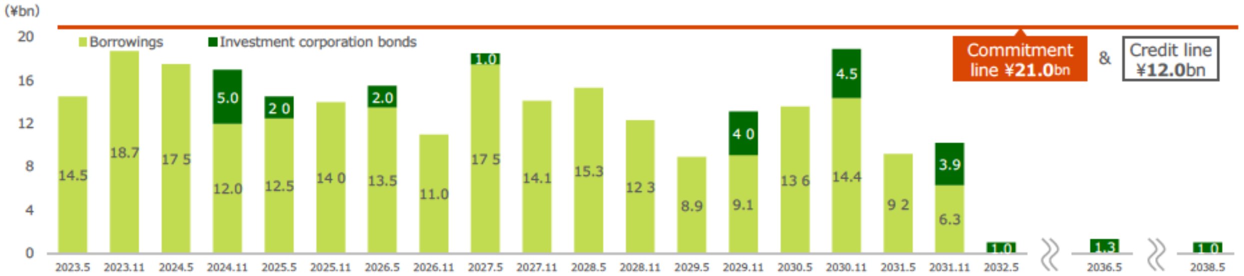
2. Lender formation (as of Nov. 30, 2022)

✓ **Diversified** loan amounts and lenders



3. Maturity ladder (as of Nov. 30, 2022)

✓ **Diversified maturities** in preparation for refinancing. Ability to flexibly meet funding needs with **commitment line of ¥21.0bn**



Activia

Section 1 at the upper left shows the recent refinancing in December 2022.
We issued 2 billion yen of green bonds, and refinanced our existing floating interest loan.
We were able to close the deal before the BOJ's policy change, and improved our financial stability by extending the debt duration while shifting to fixed interest.

On the upper right is our lender formation.
As of the end of the November 2022 period, we have borrowings totaling 260.3 billion yen from 18 institutions.
With this robust bank formation, we will maintain our good communication with the lenders, and continue stable financial management.

Lastly, 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.

This was a milestone year, marking the 10th anniversary since our listing.
We were able to end the fiscal period, thanks to the support of our stakeholders.
Thank you very much for your continued support.

The environment surrounding API remains unclear, with Covid, global inflation and interest rate trends, as well as geopolitical risks.
Based on our assumptions for a future economic recovery, we will continue asset replacements to enhance portfolio competitiveness, and focus on building the base for future distribution growth.
In the short-term, we will make effective use of capital gains from asset replacements, pay out stable distribution, and then seek to enhance unitholder value in a sustainable manner, so that we do not have to rely on capital gains.

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