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FOR IMMEDIATE RELEASE

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Notice of Disposition of Asset (Tokyu Plaza Ginza (Land))  
and Acquisition of Asset and Lease Contract with New Tenants  
(Kasumigaseki Tokyu Building)

Activia Properties Inc. (“API”) announces that TLC REIT Management Inc. (“TRM”), to which API entrusts its asset management operations, decided today to dispose of an asset (the “Disposition”) and acquire and lease an asset (the “Acquisition” and the “Lease”) (hereinafter the Disposition and the Acquisition are collectively referred to as the “Replacement”).

Under Article 201-2 of the Act on Investment Trusts and Investment Corporations (“ITA”) and the internal rules regarding transactions with related parties of TRM, TRM has obtained API’s approval for the above transactions at API’s board of directors meeting. Details are as follows.

1. Overview of the Replacement

(1) Overview of the Disposition

- |   |  |
|---|--|
| (i) Property name                                       | : Tokyu Plaza Ginza (Land)   |
| (ii) Asset to be disposed of                            | : The 30% co-ownership trust beneficiary interest in a property (Tokyu Plaza Ginza (Land)) as a trust asset (the “Asset to be Disposed of”)  |
| (iii) Disposition price                                 | : ¥39,000 million<br>(excluding expenses for the disposition, consumption tax, etc.)   |
| (iv) Book value (Note)                                  | : ¥37,895 million  |
| (v) Difference between disposition price and book value | : ¥1,104 million   |
| (vi) Date of sales contract                             | : March 6, 2023 (plan)   |
| (vii) Date of delivery                                  | : April 5, 2023 (plan)   |
| (viii) Acquirer of property                             | : SPADE HOUSE Limited Liability Company  |
| (ix) Use of funds from the Disposition                  | : Proceeds will be used for the repayment of the planned borrowings for the Acquisition and other existing borrowings, and the residual funds will be saved as cash on hand for future asset acquisition, etc.(plan) |

(x) Settlement method : Total amount to be received at the time of delivery

(Note) Anticipated book value as of the date of delivery.

## (2) Overview of the Acquisition

- (i) Property name : Kasumigaseki Tokyu Building
- (ii) Asset to be acquired : The trust beneficiary interest in property (Kasumigaseki Tokyu Building) as a trust asset (the “Anticipated Asset”)
- (iii) Acquisition price : ¥ 30,600 million  
(excluding expenses for the acquisition, consumption tax, etc.)
- (iv) Date of purchase contract : March 6, 2023 (plan)
- (v) Date of acquisition : March 28, 2023 (plan)
- (vi) Seller of property : KASUMIGASEKI INVESTMENT Y.K.
- (vii) Funds for acquisition : Cash on hand and borrowings (plan)(Note)
- (viii) Settlement method : Total amount to be paid at the time of delivery

(Note) For details of the borrowings, please refer to “Notice Concerning Borrowing and Early Repayment of Funds” released as of today.

## 2. Reasons of the Disposition, the Acquisition and the Lease

In accordance with the subjects and policies of asset management stipulated in its bylaws, API will conduct the Replacement to reinforce its portfolio. Asset replacement is a pillar to our growth strategy that we continually conduct, and we believe that the Replacement will serve to accelerate the improvement of profitability of our portfolio. Capital gain from the Disposition will be used to strengthen the capability of our future DPU management, while adding some part of the gain to our internal reserve. And the cash from the Disposition will be used to control LTV by repayment of existing borrowings and conduct measures to improve DPU such as asset replacement.

The Replacement takes part of the support from Tokyu Land Corporation, our sponsor, and we will continue efforts to enhance our unitholder value through different initiatives such as the Replacement.

API’s portfolio after the Replacement and the disposition of Luogo Shiodome scheduled to be conducted on June 1, 2023, as announced in “Notice of Disposition of Asset (Luogo Shiodome)” released as of May 27, 2022, will be 46 properties with the anticipated total acquisition price of 546.1 billion yen.

API determines that the lessees of the Anticipated Asset satisfy the criteria for the selection of tenants stated in the “Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties” set by TRM on February 24, 2023.

For the details of the Disposition, the Acquisition and the Lease, please see below.

### (1) Disposition of Tokyu Plaza Ginza (Land)

Tokyu Plaza Ginza (Land) is the land property on which is located an urban retail facility, facing the Sukiwabashi Crossing which has a highest foot traffic in the Ginza area, one of Japan’s leading commercial districts. We acquired this property in co-ownership with our sponsor in January 2019, with aim to further improve stability of the portfolio as well as contribute to its long-term growth.

However, as the market environment surrounding retail facilities is changing with the spread of the covid-19 pandemic, we have continuously considered asset replacement and determined that the Disposition will serve to improve the profitability of our portfolio, and thus decided on the Disposition.

## (2) Acquisition and Lease of Kasumigaseki Tokyu Building

### (i) Location

Located at a four-minute walk from Tameike-sanno Station on the Tokyo Metro Ginza Line and Namboku Line, and from Kokkai-gijidomae Station on the Tokyo Metro Marunouchi Line and Chiyoda Line, the property enjoys great access to central Tokyo having such convenient location where four metro lines may be used.

The area where the Anticipated Asset is located is the heart of the executive, legislative and judicial branches of the Japanese government with a high concentration of related facilities such as the central government offices, the National Diet Building, the Prime Minister's official residence, and the Tokyo High Court. The area has also been highly recognized as an office district, where a number of office buildings rise, having a strong appeal to a wide range of tenants including not only general companies but also branch offices of government agencies and those associated with them such as foundations, independent administrative institutions, law firms, etc.

### (ii) Characteristics of the property

The Anticipated Asset is a steel framed and steel-reinforced concrete office building with 17 floors above and one underground floor, and the second to fourth floors are occupied by the Kasumigaseki Business Center, a cluster of small-serviced offices of approximately eight to 28 tsubo. The standard floor area on the fifth floor and above is approximately 250 tsubo, and the column-free design allows to divide the area into sections and enables flexible layout with efficiency in space use. Together with the small offices on the lower floors, the property has the flexibility to meet a wide range of tenant demand.

The entrance of the building has a luxurious feel, and despite being a medium-scale building, it is equipped with the same level of facilities as recently built large buildings, such as a 2,800 mm-high ceiling, a 100 mm raised floor, and individual air-conditioning. With its seismic-damping structure, the building is highly evaluated in terms of BCP (Business Continuity Planning) as well. The property's power supply has been switched to 100% renewable energy-derived electricity.

The property is excellent also for its visibility as it faces Roppongi-dori Avenue on the north side and Nagatacho Bypass (Route 246) on the east side.

## 3. Outlines of the Asset to be Disposed of and the Anticipated Asset

### (1) Outline of the Asset to be Disposed of

Property name	Tokyu Plaza Ginza (Land)	
Specified asset category	Trust beneficiary interest	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Trust establishment date	September 28, 2007	
Trust maturity date	January 31, 2029	
Transportation	1-minute walk from Ginza Station on the Tokyo Metro Marunouchi Line, Ginza Line and Hibiya Line (directly connected to the station)	
Location (address)	2-1, Ginza 5-chome, Chuo-ku, Tokyo	
Land	Location	102-1, Ginza 5-chome, Chuo-ku, Tokyo and others (Note 1)
	Building to land ratio	100.00% (Note 2)
	Plot ratio	1,100.00% (Note 3)
	Use district	Commercial district
	Land area	3,766.80 m <sup>2</sup> (Note 1)
	Ownership	Ownership (30% co-ownership interest)
Building	Completion date	-
	Structure	-
	Registered usage	-

	Gross floor area	-
	Parking facilities	-
	Ownership	-
Property management company		-
Master lessee		-
Anticipated disposition price		¥39,000 million (Note 4)
Appraisal value (Date of value estimate)		¥39,000 million (Note 4) (November 30, 2022)
Appraisal agency		JLL Morii Valuation & Advisory K.K.
Earthquake PML		-
Hypothecation		None
Lease overview (Note 5)		
	Total leasable area	1,130.04 m <sup>2</sup> (Note 4)
	Total leased area	1,130.04 m <sup>2</sup> (Note 4)
	Occupancy rate	100.0%
	Number of tenants	1
	Annual rent	¥1,183 million (Note 4)
	Expected NOI	¥951 million (Note 4)
	Tenant leasehold and security deposits	¥572 million (Note 4)
Remarks	<ul style="list-style-type: none"> <li>• The beneficiary interest is in the form of co-ownership, and the agreement on beneficiary interest among beneficiaries sets forth matters on preferential negotiating rights of beneficiaries concerning disposition of beneficiary interests by other parties. In principle, upon the disposition of their interests, each co-beneficiary shall notify the co-beneficiaries in advance. The party shall sell the interest to the co-beneficiary with intention to acquire if reached to agreement, or shall notify again the other co-beneficiaries, if a sale to a third party is agreed, to inquire whether they wish to purchase the interest under the same terms of sale. In case a co-beneficiary has intention to acquire with the same terms, the party shall sell the interest to the co-beneficiary.</li> <li>• API has obtained a preferential negotiating right pertaining to the acquisition except for certain occasions when the other parties or their trustees dispose of the building or the trust beneficiary interest in the building on the property (land).</li> <li>• API has agreed in the land lease contract on the property (land) to acquire prior written consent of the tenants of the property (land) before trustee's approval of the disposition of the beneficiary interest of the property (land) or disposition of the property (land) to a third party.</li> </ul>	
<p>(Note 1) The data is based on the information from the property registry.</p> <p>(Note 2) The figure includes the margin since the building receives the margin due to the fire-resistant building on fire prevention districts.</p> <p>(Note 3) The figure includes the margin since the building receives the margin due to the ease of the plot ratio regarding the multi-functional intensive utilization district.</p> <p>(Note 4) The figures provided reflect our <i>pro rata</i> share of the 30% co-ownership interest to be disposed.</p> <p>(Note 5) As of November 30, 2022, except the expected NOI which is the amount equivalent to two times the actual NOI for the period ended November 30, 2022 and is rounded to the nearest million yen.</p>		

(2) Outline of the Anticipated Asset and the scheduled lease

Property name	Kasumigaseki Tokyu Building
Specified asset category	Trust beneficiary interest
Trustee	Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date	Land: September 25, 2001, December 9, 2002, and March 17, 2003 Building: November 15, 2010
Trust maturity date	March 31, 2033 (plan)

Transportation	4-minute walk from Tameike Sanno Station on the Tokyo Metro Ginza Line and Namboku Line, and from Kokkai-gijidomae Station on the Tokyo Metro Marunouchi Line and Chiyoda Line	
Location (address)	7-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo	
Land	Location	53-2, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo and others (Note 1)
	Building to land ratio	100.00% (Note 2)
	Plot ratio	905.06% (Note 3)
	Use district	Commercial district
	Land area	1,896.02 m <sup>2</sup> (Note 1)
	Ownership	Ownership
Building	Completion date	October 20, 2010 (Note 1)
	Structure	Steel framed, steel-reinforced concrete / 17 floors above and 1 floor underground (Note 1)
	Registered usage	Office (Note 1)
	Gross floor area	18,749.04 m <sup>2</sup> (Note 1)
	Parking facility	52 vehicles
	Ownership	Ownership
Property management company	Tokyu Land Corporation (plan) (Note 4)	
Master lessee	Tokyu Land Corporation (pass-through) (plan) (Note 4)	
Acquisition price	¥30,600 million	
Appraisal value (Date of value estimate)	¥31,300 million (February 1, 2023)	
Appraisal agency	The Tanizawa Sogo Appraisal Co., Ltd.	
Earthquake PML	1.7% (According to an earthquake PML report of Sompo Risk Management Inc.)	
Hypothecation	None	
Lease overview (Note 5)		
	Total leasable area	12,023.76 m <sup>2</sup>
	Total leased area	11,903.16 m <sup>2</sup>
	Occupancy rate	99.0%
	Number of tenants	23
	Annual rent (Note 6)	¥1,205 million
	Expected NOI (Note 7)	¥1,056 million
	Tenant leasehold and security deposit (Note 8)	¥698 million
Remarks	<ul style="list-style-type: none"> <li>Part of the property line adjoining public land has not been determined yet, though a deed to effect the property line will be obtained within 6 months after the acquisition date at the responsibility and expense of the seller.</li> </ul>	
<p>(Note 1) The data is based on information from the property registry</p> <p>(Note 2) The figure includes the margin since the building receives the margin due to the fire-resistant building on fire prevention district.</p> <p>(Note 3) The figure includes the margin since the building receives the margin due to the integrated design system.</p> <p>(Note 4) Tokyu Land Corporation to which API outsources master lessee and property management, is a related party of TRM under “Rules Regarding Related-party Transactions”, the internal rules of TRM. Therefore, in accordance with the Rules Regarding Related-party Transactions, TRM has obtained resolution at the compliance committee and the investment committee, following deliberation of each committee.</p> <p>(Note 5) The figures are estimates at the anticipated date of acquisition (March 28, 2023) as of February 1, 2023.</p> <p>(Note 6) The annual rent is equal to the aggregate monthly rent multiplied by 12, based on the lease contract with the end tenants as of February 1, 2023 (limited to rent for space occupied by tenants as of such date), including common service fees and excluding usage fees for warehouses, advertisement, parking lots, sales-linked rent and others, and is rounded to the nearest million yen (excluding consumption tax). Free rent or rent holiday as of such date is not considered.</p> <p>(Note 7) NOI is total revenues from real estate leasing less total expenses for real estate leasing. The expected NOI is expected earnings excluding special factors for the fiscal year when the property will be acquired (and is not a forecast for the current period) based on assumptions made at the time of the calculation, rounded to the nearest million yen. The occupancy rate is expected to be 97.0%.</p> <p>(Note 8) The tenant leasehold and security deposit is calculated as the total amount on each lease contract for the property as of February 1, 2023 that was occupied by the tenant as of such date, rounded to the nearest million yen.</p>		

#### 4. Profiles of the acquirer and the seller

##### (1) Outline of the acquirer (Tokyu Plaza Ginza (Land))

Name	SPADE HOUSE Limited Liability Company	
Address	Nihonbashi 1-chome Building, 4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	
Management	Takanori Mishina	
Amount of capital	¥1 million (as of December 12, 2022)	
Establishment	September 12, 2007	
Net assets	- (Note)	
Total assets	- (Note)	
Major shareholder	- (Note)	
Business description	<ol style="list-style-type: none"> <li>1. Acquisition, possession, and disposition of real estate trust beneficiary interest</li> <li>2. Acquisition, development, possession, disposition, leasing and management of real estate</li> <li>3. Acquisition, possession, and disposition of shares and interests of corporations of which the purpose is related to each item listed above</li> <li>4. Any other related businesses to each item listed above</li> </ol>	
Relationships with API and TRM		
	Capital relationship	As of today, SPADE HOUSE Limited Liability Company is a SPC, in which Tokyu Land Corporation, the 100% parent company of TRM, holds anonymous association ( <i>tokumei kumiai</i> ) interest. But as the interest held by Tokyu Land Corporation will be sold to a disinterested third party on the delivery date, there will be no capital relationship between the two entities thereafter.
	Personnel relationship	None
	Business relationship	Holder of co-ownership interest in the Asset to be Disposed of
	Related party status	SPADE HOUSE Limited Liability Company is not a related party of API, but is a related party of TRM under TRM's internal rules and the ITA as of today. But it will not fall under the category of an interested party, etc. on and after the delivery date.

(Note) Not disclosed as avoidable because the acquirer approval was not obtained.

##### (2) Outline of the seller (Kasumigaseki Tokyu Building)

Name	KASUMIGASEKI INVESTMENT Y.K.	
Address	Tokyo Kyodo Accounting Office, 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
Management	Masakazu Hongo	
Amount of capital	¥3 million (as of November 28, 2022)	
Establishment	January 29, 2003	
Net assets	- (Note)	
Total assets	- (Note)	
Major shareholder	- (Note)	
Business description	<ol style="list-style-type: none"> <li>1. Acquisition, possession and disposal of real estate trust beneficiary interest</li> <li>2. Sale and purchase, leasing, management and intermediary of real estate</li> <li>3. Any other related businesses to each item listed above</li> </ol>	
Relationships with API and TRM		
	Capital relationship	KASUMIGASEKI INVESTMENT Y.K. is a SPC, in which Tokyu Land Corporation, the 100% parent company of TRM, holds anonymous association ( <i>tokumei kumiai</i> ) interest.

Personnel relationship	None
Business relationship	None
Related party status	KASUMIGASEKI INVESTMENT Y.K. is not a related party of API but is a related party of TRM under TRM's internal policies and the ITA.

(Note) Not disclosed as avoidable because the seller approval was not obtained.

## 5. Status of the sellers

Acquisition of property from related parties, including special purpose companies (subsidiary companies) managed by related parties are described below. The following table indicates (1) company name, (2) relationship with the specially related parties and (3) transaction history, reasons for acquisition.

Property name (Location)	Previous owner, etc.	Second Previous owner, etc.	Third Previous owner, etc.
	(1), (2), (3) Acquisition (disposition) price Timing of acquisition (disposition)	(1), (2), (3) Acquisition (disposition) price Timing of acquisition (disposition)	(1), (2), (3) Acquisition (disposition) price Timing of acquisition (disposition)
(TO-23) Kasumigaseki Tokyu Building (7-1, Kasumigaseki 3- chome, Chiyoda- ku, Tokyo)	(1) KASUMIGASEKI INVESTMENT Y.K. (2) KASUMIGASEKI INVESTMENT Y.K. is a SPC owned by Tokyu Land Corporation, the parent company of TRM, and for which TLC Capital Management Inc., a related party of TRM, provides asset management services (3) Land: Acquired for the purpose of development Building: Acquired for the purpose of investment	Persons other than specially related parties	-
	Omitted as the holding period was longer than one year	-	-
	Land: September 2001, December 2002, and March 2003 Building: October 2010 (New construction)	-	-

## 6. Outline of intermediary

Not applicable

## 7. Schedule of the Replacement (plan)

### (1) Schedule of the Disposition

Determination of disposition	March 3, 2023
Conclusion of sales contract	March 6, 2023
Payment reception date	April 5, 2023
Disposition date	April 5, 2023

### (2) Schedule of the Acquisition

Determination of acquisition	March 3, 2023
Conclusion of purchase contract	March 6, 2023
Payment date	March 28, 2023
Acquisition date	March 28, 2023

## 8. Transaction with related parties

### (1) Disposition of asset

The acquirer of the Asset to be Disposed of is a SPC for which TLC Capital Management Inc., a related party of TRM, provides asset management services. Such party is a related party as provided for in the “Rules Regarding Related-party Transactions”, the internal rules of TRM. Therefore, TRM carried out the appropriate procedures as defined in the rules concerning transactions with related parties in connection with the disposition of the Asset to be Disposed of to the party, including obtaining API’s approval for the above transaction at API’s board of directors meeting.

The acquirer is a related party as defined in Article 201 of the ITA and Article 123 of the Enforcement Ordinance of the ITA as of today, but will not fall under the category of an interested party, etc. on and after the delivery date.

### (2) Acquisition of asset

The previous owner, etc. of the Anticipated Asset is a SPC owned by Tokyu Land Corporation, the parent company of TRM. Such party is a related party as provided for in Article 201 of the ITA, Article 123 of the Enforcement Ordinance of ITA and the” Rules Regarding Related-party Transactions”, the internal rules of TRM. Therefore, TRM carried out the appropriate procedures as provided for in the rules concerning transactions with related parties in connection with the acquisition of the Anticipated Property from the party, including obtaining API’s approval for the above transaction at API’s board of directors meeting.

### (3) Conclusion of lease agreement and property management agreement

For the Anticipated Property, the trustee and Tokyu Land Corporation, the parent company of TRM will enter into lease agreement and property management agreement.

The entity falls under the category of a related party, etc. as defined in Article 201 of the ITA and Article 123 of Order for Enforcement of the ITA as well as “Rules Regarding Related-party Transactions”, the internal rules of TRM. Therefore, TRM has carried out the appropriate procedures as provided for in the rules concerning transactions with related parties in order that the trustee shall outsource the property management and master



lease services to the party.

< Overview of the outsourcing contractor >

Name	Tokyu Land Corporation
Address	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo
Management	Masashi Okada
Amount of capital	¥57,551 million (as of March 31, 2022)
Established	December 17, 1953
Net Assets	¥391,282 million (as of March 31, 2022)
Total Assets	¥1,806,863 million (as of March 31, 2022)
Major Shareholder	Tokyu Fudosan Holdings Corporation (100%)
Business description	<ol style="list-style-type: none"> <li>1. Management, lease, purchase and sale, intermediary, consulting, and appraisal of land and building</li> <li>2. Financing of interest to TMK, SPC, and REIT, and purchase and sale, intermediary and management of such interests</li> <li>3. Any other related businesses to each item listed above</li> </ol>
Relationships with API and TRM	
Capital relationship	Tokyu Land Corporation is the 100% parent company of TRM and holds 89,365 investment units of API. (as of November 30, 2022)
Personnel relationship	Certain personnel have been seconded to TRM from Tokyu Land Corporation.
Business relationship	The trustee has contracted the lease agreements and the property management agreements with Tokyu Land Corporation for some properties with the trust beneficiary interests held by API.
Related party status	Tokyu Land Corporation is not a related party of API but is a related party of TRM under TRM's internal rules and the ITA.

9. Item regarding forward commitment contracts, etc.

Not applicable

In case the Disposition cannot be fulfilled as planned, there is a risk that LTV may increase and financial flexibility may decrease as a result of not being able to repay the planned borrowings associated with the Acquisition.

10. Outlook

We will not revise our earnings forecast for the fiscal period ending May 2023 (the 23rd fiscal period, from December 1, 2022 to May 31, 2023) as we plan to retain part of the capital gain.

As to the fiscal period ending November 30, 2023 (the 24th fiscal period, from June 1, 2023 to November 30, 2023), the impact on API's management performance will be minimal.

11. Outline of appraisal reports

(1) The Asset to be Disposed of

Property name	Tokyu Plaza Ginza (Land)
Appraisal value	¥39,000 million (Note)
Appraisal agency	JLL Morii Valuation & Advisory K.K.
Date of value estimate	November 30, 2022

	Amount (Note) (million yen)	Remarks
Capitalization	39,000	Estimated by the DCF method
Value by the DCF method	39,000	
Operating revenue	1,224	
Potential gross income	1,224	Estimated based on receivable rent, etc. for mid-to-long term.
Operating expense	272	
Maintenance expenses	-	
Property management fee	-	
Utility expenses	-	
Repair expenses	-	
Leasing expenses	-	
Taxes and public dues	272	Estimated based on the past records, etc.
Insurance	-	
Other expenses	-	
NOI (Net Operating Income)	951	
Investment income from temporary deposits	5	Estimated with investment yield as 1.0%.
Capital expenditure	-	
NCF (Net Cash Flow)	957	
Discount rate	2.5%	Estimated by comprehensively considering base yields, risk factors related to the regional and individual characteristics of the subject property, investor surveys, other transaction cases by REITs, market trends in the transaction market, etc.
Value by the fixed term capitalization method	38,400	
Discount rate	2.6%	Estimated by based on the discount rate applied in the DCF method with reference to the period of earning, and the risk of fluctuations in earnings and principal.
Value by the right ratio method	37,500	
Land price	46,200	
Land ratio	81.0%	

Other facts which the appraisal agency has taken into account for the appraisal report	Nothing in particular
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(Note) Based on our *pro rata* share of the co-ownership interest (30%).

(2) The Anticipated Asset

Property name	Kasumigaseki Tokyu Building
Appraisal value	¥31,300 million
Appraisal agency	Tanizawa Sogo Appraisal Co., Ltd.
Date of value estimate	February 1, 2023

	Amount (million yen)	Remarks
Capitalization	31,300	Estimated by the DCF method and the direct capitalization method.
Value by the direct capitalization method	32,300	
Operating revenue	1,386	
Potential gross income	1,431	Estimated based on receivable rent, etc. for mid-to-long term.
Loss (e.g. vacancy)	44	Estimated based on operational level for mid-to-long term.
Operating expense	329	
Maintenance expenses	100	Assessed based on the past records, etc.
Property management fee	(Note)	
Utility expenses	71	Estimated based on the past records, etc.
Repair expenses	6	Estimated based on the annual average of repair expenses on the Engineering Report (ER).
Leasing expenses	10	Recorded the amount equivalent to one month rent revenue.
Taxes and public dues	131	Estimated based on the past records, etc.
Insurance	1	Estimated with replacement cost of building.
Other expenses	6	Estimated based on the past records, etc.
NOI (Net Operating Income)	1,057	
Investment income from temporary deposits	7	Estimated with investment yield as 1.0%.
Capital expenditure	30	Estimated based on the annual average of capital expenditure on the Engineering Report (ER).
NCF (Net Cash Flow)	1,034	
Capitalization rate	3.2%	Estimated taking into account the several transaction yields in similar areas, etc., as well as the expected future net income and principal price fluctuation, while also paying attention to the relationship with the discount rate.
Value by the DCF method	30,800	
Discount rate	3.3%	Estimated by taking into account the yield of financial instruments and individual risks associated with the subject property.
Terminal capitalization rate	3.4%	Estimated based on the capitalization rate taking into account the uncertainty of future forecasts.
Value by the cost method	28,800	
Land ratio	92.4%	
Building ratio	7.6%	

Other facts which the appraisal agency has taken into account for the appraisal report	Nothing in particular
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(Note) By disclosing maintenance expenses and property management fee separately, the other businesses of the entrusted companies with operations for both building management and property management could be influenced. As a result, it could impede API's efficient outsourcing and harm the value for API's investors. Thus, the above shows the sum of maintenance expenses and property management fee.

<Exhibits>

Exhibit 1 Outline of building condition assessment report for the Anticipated Asset

Exhibit 2 Photographs of the Anticipated Asset and a map of the area

Exhibit 3 Portfolio after the Replacement and the disposition of Luogo Shiodome scheduled to be conducted on 1 June, 2023, as announced in “Notice of Disposition of Asset (Luogo Shiodome)” released on May 27, 2022.

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

Exhibit 1 Outline of a building condition assessment report for the Anticipated Asset

Assessment company	Japan Constructive Inspect Association
Date of estimate	November 30, 2022
Short-term renovation expense (thousand yen) (Note 1) (Note 2)	¥0
Long-term renovation expense (thousand yen) (Note 1) (Note 3)	¥424,178 thousand

(Note 1) The short-term renovation expense and long-term renovation expense are based on the building condition assessment report.

(Note 2) The short-term renovation expense is the total expense for renovations needed within 1 year of the date of the building condition assessment report.

(Note 3) The long-term renovation expense is the total expense for renovations needed within 12 years of the date of the building condition assessment report.

Exhibit 2 Photographs of the Anticipated Asset and a map of the area

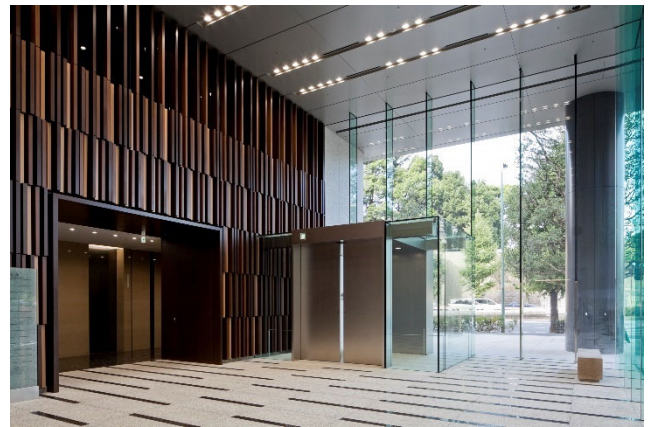


Exhibit 3 Portfolio after the Replacement and the disposition of Luogo Shiodome scheduled to be conducted on 1 June, 2023, as announced in “Notice of Disposition of Asset (Luogo Shiodome)” released on May 27, 2022.

Category	Property No.	Property name	Location	(Anticipated) Acquisition date	(Anticipated) Acquisition price (Millions of yen)	Investment ratio (%) (Note 1)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	Shibuya, Tokyo	June 13, 2012	45,000 (Note 2)	8.2
	UR-3	Q plaza EBISU	Shibuya, Tokyo	June 13, 2012	8,430	1.5
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	June 13, 2012	8,860	1.6
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	December 19, 2013	21,330	3.9
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	December 19, 2013	4,410	0.8
	UR-9	A-FLAG SHIBUYA	Shibuya, Tokyo	December 19, 2013	6,370	1.2
	UR-10	Q plaza SHINSAIBASHI	Osaka, Osaka	December 16, 2015	13,350	2.4
	UR-11	A-FLAG KOTTO DORI	Minato, Tokyo	December 20, 2016	4,370	0.8
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato, Tokyo	December 2, 2016	4,700	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya, Tokyo	January 6, 2017	2,280	0.4
	UR-15	DECKS Tokyo Beach	Minato, Tokyo	January 5, 2018	12,740 (Note 2)	2.3
	UR-17	Q plaza HARAJUKU	Shibuya, Tokyo	January 10, 2019	13,200 (Note 2)	2.4
	UR-18	A-FLAG NISHI SHINSAIBASHI	Osaka, Osaka	January 13, 2023	14,300	2.6
Subtotal					159,340	29.2
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	June 13, 2012	7,400	1.4
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	June 13, 2012	9,640	1.8
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	June 13, 2012	4,070	0.7
	TO-4	A-PLACE Aoyama	Minato, Tokyo	June 13, 2012	8,790	1.6
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	June 13, 2012	2,338 (Note 3)	0.4
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	June 13, 2012	3,990	0.7
	TO-8	A-PLACE Shinbashi	Minato, Tokyo	April 19, 2013	5,650	1.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	January 10, 2014	5,730	1.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	January 10, 2014	3,800	0.7
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	June 24, 2014	10,690	2.0
	TO-12	Shiodome Building (Note 4)	Minato, Tokyo	December 2, 2016	71,600 (Note 2)	13.1
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	July 29, 2015	7,072	1.3
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	October 1, 2015	4,810	0.9
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	July 1, 2016	7,280	1.3
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	March 16, 2017	18,800	3.4
TO-18	Ebisu Prime Square	Shibuya, Tokyo	January 10, 2020	30,700 (Note 2)	5.6	
TO-19	A-PLACE Tamachi East	Minato, Tokyo	October 29, 2021	6,800	1.2	
TO-20	Meguro Tokyu Building	Shinagawa, Tokyo	September 10, 2021	16,300	3.0	
TO-21	Q plaza Shinjuku-3chome	Shinjuku, Tokyo	September 10, 2021	18,400	3.4	
TO-22	A-PLACE Shibuya Nampeidai	Shibuya, Tokyo	September 10, 2021	8,800	1.6	
TO-23	Kasumigaseki Tokyu Building	Chiyoda, Tokyo	March 28, 2023 (plan)	30,600	5.6	
Subtotal					283,260	51.9
Subtotal of UR and TO					442,600	81.0

Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	June 13, 2012	12,000	2.2
	AA-2	icot Nakamozu	Sakai, Osaka	June 13, 2012	8,500	1.6
	AA-4	icot Mizonokuchi	Kawasaki, Kanagawa	June 13, 2012	2,710	0.5
	AA-5	icot Tama Center	Tama, Tokyo	June 13, 2012	2,840	0.5
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	June 13, 2012	6,980	1.3
	AA-7	Osaka Nakanoshima Building (Note 5)	Osaka, Osaka	December 19, 2014	11,100	2.0
	AA-8	icot Omori	Ota, Tokyo	December 19, 2013	5,790	1.1
	AA-9	Market Square Sagamihara	Sagamihara, Kanagawa	January 9, 2015	4,820	0.9
	AA-10	Umeda Gate Tower	Osaka, Osaka	September 21, 2016	19,000	3.5
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	October 6, 2016	3,930	0.7
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	January 5, 2018	6,100	1.1
	AA-13	A-PLACE Shinsaibashi	Osaka, Osaka	January 10, 2019	19,800	3.6
	Subtotal					103,570
<b>Total</b>					<b>546,170</b>	<b>100.0</b>

(Note 1) "Investment ratio" is the ratio of (anticipated) acquisition price for each property to the anticipated total acquisition price rounded to the first decimal place.

(Note 2) Acquisition prices of Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Building are described based on their *pro rata* share of the co-ownership interests (75%, 49%, 60%, 35% and 51%, respectively).

(Note 3) Acquisition price of TAMACHI SQUARE (Land) is based on the acquisition price of the land as of acquisition date (June 13, 2012).

(Note 4) The acquisition date of Shiodome Building is the date of the third acquisition. The first acquisition date was January 9, 2015, and the second acquisition date was December 16, 2016. The acquisition price is total amount of the first, the second and the third acquisition prices (¥30,300 million, ¥20,400 million and ¥20,900 million) and the investment ratio reflects total acquisition price.

(Note 5) The Acquisition date of Osaka Nakanoshima Building is the date of the second acquisition. The first acquisition date was January 25, 2013. The acquisition price of the property is total amount of the first and the second acquisition prices (¥5,250 million and ¥5,850 million) and the investment ratio reflects the total acquisition price.