October 5, 2020

Activia Properties Inc.
21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo
Kazushi Sato
Executive Director
(Code: 3279)

Asset Management Company
TLC REIT Management Inc.
Hiroyuki Tohmata
President & CEO

Inquiries
Kazuyuki Murayama
General Manager of Strategy Department
Activia Management Division
(Tel: +81-3-6455-3377)

Notice Concerning Updates on Impact of COVID-19
and Negotiation with Tenants

Facing the impact of the Novel Coronavirus pandemic (the “Impact of COVID-19”), Activia Properties Inc. (“API”) has had negotiations with tenants who requested rent relief such as temporary rent reduction, as described in the “Financial Results Presentation for the 17th Fiscal Period Ended May 2020” disclosed on the API’s website as of July 15, 2020.

Although the situation surrounding us remains unpredictable as the number of confirmed cases showed another increase since July, the relief requests received from tenants became limited and we hereby provide, as in the attachment, updates as of September 30, 2020 on the negotiation status with tenants and the amount spent in the value estimated as the Impact of COVID-19 for the forecast DPU for the 18th fiscal period ending November 2020.


*Website of API: https://www.activia-reit.co.jp/en/
1. Number of requests from tenants and negotiation status (As of September 30, 2020)

**<Retail tenants>**

<table>
<thead>
<tr>
<th>Number of requests</th>
<th>July to September 2020</th>
<th>To date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary rent reduction</td>
<td>115</td>
<td>+35</td>
</tr>
<tr>
<td>Lease cancellation</td>
<td>18</td>
<td>+10</td>
</tr>
<tr>
<td>Payment deferral</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>147</strong></td>
<td><strong>+45</strong></td>
</tr>
</tbody>
</table>

(Note) Out of 324 existing retail tenants as of May 31, 2020

**<Office tenants>**

<table>
<thead>
<tr>
<th>Number of requests</th>
<th>July to September 2020</th>
<th>To date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary rent reduction</td>
<td>21</td>
<td>+3</td>
</tr>
<tr>
<td>Lease cancellation</td>
<td>14</td>
<td>+11</td>
</tr>
<tr>
<td>Payment deferral</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>+14</strong></td>
</tr>
</tbody>
</table>

(Note) Out of 383 existing office tenants as of May 31, 2020

2. Amount spent in the estimated value as the Impact of COVID-19 for the forecast DPU for the 18th fiscal period ending November 2020

- Out of the value estimated as the Impact of COVID-19 (¥1,195), the portion for the estimated decrease in revenue from sales-linked rent will be entirely consumed, although the spending of the amount in the portion for the estimated decrease in rent revenue due to temporary rent reductions will progress within the estimation.

**<July 2020>**

- Reduced revenue due to temporary rent reduction
- Decrease in sales-linked rent

**<Update>**

- Reduced revenue due to temporary rent reduction
- Decrease in sales-linked rent

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”.

(Note 1) Amount of the decrease in rent revenue due to rent reduction agreed with the 67 commercial tenants is described as “Determined”, and amount estimated for the 34 commercial tenants under negotiation is described as “Estimated”.

(Note 2) Amount estimated for the decrease in sales-linked rent from hotels is described “Determined” and amount for the decrease in sales-linked rent from commercial tenants is described as “Estimated”. 