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FOR IMMEDIATE RELEASE

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Notice Concerning Revision to the Forecast of Management Performance
for the Fiscal Periods Ending November 30, 2021 and May 31, 2022

Activia Properties Inc. (“API”) announces that it has revised the forecast of the management performance for the fiscal periods ending November 30, 2021 (June 1, 2021 - November 30, 2021) (the 20th Period) and May 31, 2022 (December 1, 2021 - May 31, 2022) (the 21st Period), which was announced on July 12, 2021 in the “Financial Report for the Fiscal Period Ended May 31, 2021”. Details are as follows.

1. Reason for the revision to the forecast of management performance

Considering the effect of the acquisition of assets as described in the “Notice of Acquisition of Assets and Lease Contract with New Tenants (Three Properties Including Meguro Tokyu Building)” and the issuance of new investment units as described in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”, which were both announced today, API has revised the forecast of the management performance due to the change in the assumptions for the forecast of the management performance for the fiscal periods ending November 30, 2021 and May 31, 2022, which was announced on July 12, 2021.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the revision to the forecast for the fiscal period ending November 30, 2021 and May 31, 2022, and has not been prepared for the purpose of solicitation for investment. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as any amendments thereto, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

2. The revision of the forecast for the fiscal period ending November 30, 2021 (the 20th Period)

	Operating revenues (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit (Millions of yen)	Cash distributions (including cash distributions in excess of earnings) per unit (yen)	Cash distributions (excluding cash distributions in excess of earnings) per unit (yen)	Cash distributions in excess of earnings per unit (yen)
Previous Forecast (A)	15,299	8,190	7,212	7,211	9,350	9,350	-
Revised Forecast (B)	15,755	8,660	7,584	7,583	9,350	9,216	134
Changes (B-A)	456	469	371	371	0	-134	134
Changes	3.0%	5.7%	5.2%	5.2%	0.0%	-1.4%	-

(Reference) Expected number of investment units at the end of the fiscal period: 822,754 units

3. The revision of the forecast for the fiscal period ending May 31, 2022 (the 21st Period)

	Operating revenues (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit (Millions of yen)	Cash distributions (including cash distributions in excess of earnings) per unit (yen)	Cash distributions (excluding cash distributions in excess of earnings) per unit (yen)	Cash distributions in excess of earnings per unit (yen)
Previous Forecast (A)	14,660	8,023	7,019	7,018	9,100	9,100	-
Revised Forecast (B)	15,557	8,707	7,672	7,671	9,323	9,323	-
Changes (B-A)	896	684	652	652	223	223	-
Changes	6.1%	8.5%	9.3%	9.3%	2.5%	2.5%	-

(Reference) Expected number of investment units at the end of the fiscal period: 822,754 units

(Notes)

- The forecasts in this material are valid as of today and are calculated based on the assumptions given in the Exhibit 1 "Assumptions for Forecasts of Management Performance for the Fiscal Period Ending November 30, 2021 (June 1, 2021 - November 30, 2021) and for the Fiscal Period Ending May 31, 2022 (December 1, 2021 - May 31, 2022)". Actual operating revenues, operating profit, ordinary profit, profit, cash distributions (including cash distributions in excess of earnings) per unit, cash distributions (excluding cash distributions in excess of earnings) per unit and cash distributions in excess of earnings per unit may change due to factors in the future such as the acquisition and disposition of assets, trends in the real estate market, the issuance of additional investment units, and other changes in circumstances surrounding API. The forecasts do not guarantee the amount of cash distributions.
- The forecasts may be revised if a substantial difference from the forecast above is anticipated.

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3. Amounts less than the stated units are rounded down and the percentage is rounded to the first decimal place. The same applies hereinafter.

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

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【Exhibit 1】

Assumptions for Forecasts of Management Performance for the Fiscal Period Ending November 30, 2021 (June 1, 2021 - November 30, 2021) and for the Fiscal Period Ending May 31, 2022 (December 1, 2021 - May 31, 2022)

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> • The 20th Period (June 1, 2021 to November 30, 2021) (183 days) • The 21st Period (December 1, 2021 to May 31, 2022) (182 days)
Assets under management	<ul style="list-style-type: none"> • The forecast of management performance is based on the assumption of the real estate trust beneficiary rights to 47 properties comprising 44 properties that API holds as of today (the “currently held assets”) and the following two changes. <ol style="list-style-type: none"> (1) The acquisition of real estate trust beneficiary rights in A-PLACE Tamachi East (Note 1) and disposition of real estate trust beneficiary rights in Tokyu Plaza Akasaka (acquisition and disposition are scheduled for October 29, 2021) as stated in “Notice of Acquisition and Disposition of Assets and Lease Contract with New Tenants (Tamachi East Building and Tokyu Plaza Akasaka)” announced May 21, 2021. (2) Acquisition of real estate trust beneficiary rights in Meguro Tokyu Building(Note 2), Q plaza Shinjuku 3-chome, and A-PLACE Shibuya Nampeidai (Note 3) (collectively the “anticipated properties”) (acquisitions are scheduled for September 10, 2021) (Note 4) as stated in “Notice of Acquisition of Assets and Lease Contract with New Tenants (Three Properties Including Meguro Tokyu Building)” announced today. • It is assumed that there will be no other changes than above in the assets under management (such as acquisition of new properties or disposition of existing properties) until the end of the fiscal period ending May 31, 2022 (the 21st Period). • Our forecasts, however, may change due to any changes to the composition of our investment portfolio. <p>(Note 1) The name of this property is currently ” Tamachi East Building,” but is scheduled to be renamed to the stated name on November 1, 2022.</p> <p>(Note 2) It is possible that Meguro Tokyu Building will be renamed.</p> <p>(Note 3) The name of this property is currently “Nikko Shibuya Nampeidai Building,” but is scheduled to be renamed to the stated name on September 1, 2022.</p> <p>(Note 4) It is possible that the date of transactions will be changed to such other day due to the change of the payment date or as is agreed between the seller and API.</p>
Operating revenues	<ul style="list-style-type: none"> • Revenues from the leasing of the currently held assets are calculated based on the effective lease contracts as of today and market movements, etc. Revenue from the leasing of A-PLACE Tamachi East and the anticipated properties are calculated based on the lease contracts from the scheduled date of acquisition expected as of today and other factors. • Operating revenues are based on the assumption that there will be no delinquencies or nonpayments of rent by tenants. • From the disposition of Tokyu Plaza Akasaka, gain on sales of the property of 260 million yen will be recorded for the fiscal period ending November 30, 2021 (the 20th Period). Actual operating revenues may change due to factors in the future such as success or failure of the disposition of the property, the price and the date of the disposition, and other conditions.
Operating expenses	<ul style="list-style-type: none"> • With regard to the expenses in the leasing business that are principal operating

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	<p>expenses, expenses other than depreciation for the currently held assets are calculated reflecting variable expense factors based on past history. Expenses for A-PLACE Tamachi East and the anticipated properties are calculated by reflecting variable expense factors and others based on the information provided by the current owners.</p> <ul style="list-style-type: none"> • Although property taxes and city planning taxes on the anticipated properties are generally calculated on a <i>pro rata</i> basis with the current owners and settled at the time of acquisition, the amount equivalent to the settlement money is not expensed in the period when the assets are acquired, as it is included in the acquisition cost. The total amount of property taxes, city planning taxes and other taxes on A-PLACE Tamachi East and the anticipated properties that are included in the acquisition cost is assumed to be 56 million yen. Property taxes, city planning taxes, and other taxes on the currently held assets to be expensed in the fiscal period ending November 30, 2021 (the 20th Period) and the fiscal period ending May 31, 2022 (the 21st Period) will be 1,383 million yen and 1,270 million yen, respectively. With regard to A-PLACE Tamachi East and the anticipated properties, property taxes, city planning taxes, and other taxes for fiscal year 2021 will be expensed starting from the fiscal period ending November 30, 2022 (the 22nd Period). • With respect to building repair expenses, the amount assumed to be necessary for each business period is estimated based on a medium- and long-term repair and maintenance plan formulated by the Asset Management Company. However, repair expenses in each business period may differ largely from the expected amount for various reasons, including that repair and maintenance expenses could suddenly arise due to damage to buildings from certain unexpected factors; that the amount of repair expenses generally varies considerably from year to year; and that repair expenses do not occur regularly. • Depreciation expenses including ancillary costs are calculated by the straightline method. The forecast assumes 1,377 million yen in depreciation expenses in the fiscal period ending November 30, 2021 (the 20th Period) and 1,380 million yen in the fiscal period ending May 31, 2022 (the 21st Period).
<p>Non-operating expenses</p>	<ul style="list-style-type: none"> • For interest expenses and other borrowing costs, 974 million yen and 1,034 million yen are anticipated in the fiscal period ending November 30, 2021 (the 20th Period) and in the fiscal period ending May 31, 2022 (the 21st Period), respectively. • For temporary expenses, 80 million yen for the issuance of new investment units, as described in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today, is assumed for the fiscal period ending November 30, 2021 (the 20th Period).
<p>Interest bearing debt</p>	<ul style="list-style-type: none"> • API has a total outstanding balance of 244,150 million yen as of today (221,350 million yen as borrowings and 22,800 million yen as investment corporation bonds). Also it is assumed that we will borrow funds of 15,800 million yen on September 10, 2021 for the acquisition of the anticipated properties and the accretive amount of our interest bearing debt will be 259,950 million yen. • It is assumed that the interest bearing debt which becomes due and payable by the fiscal period ending November 30, 2021 (the 20th Period) and the fiscal period ending May 31, 2022 (the 21st Period), with nothing for the 20th Period and

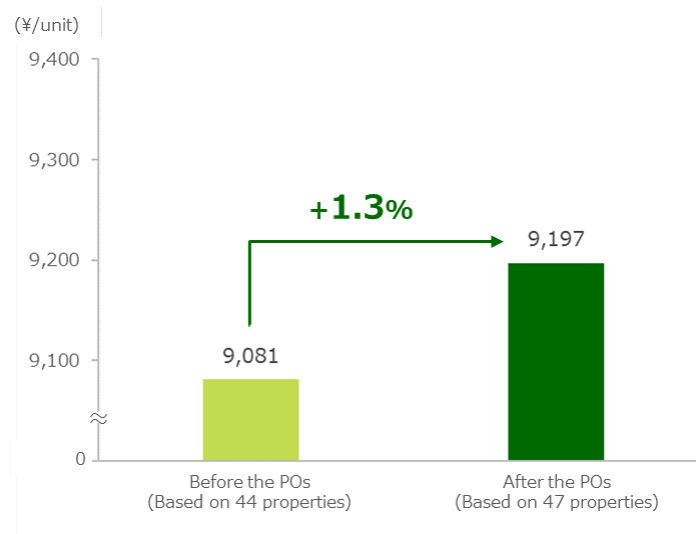
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	<p>14,100 million yen of the long-term borrowings for the 21st Period, will be refinanced.</p> <ul style="list-style-type: none"> • LTV at the end of the fiscal period ending November 30, 2021 (the 20th Period) and the fiscal period ending May 31, 2022 (the 21st Period) is anticipated to be 45.9%. • LTV is calculated based on the following formula: $\text{LTV} = \text{Balance of interest bearing debt} / \text{Total assets} \times 100$
Investment units	<ul style="list-style-type: none"> • It is assumed that in addition to 771,224 units currently outstanding as of today, the new investment units in the amount of 49,030 units and the third-party allotment in the amount up to 2,500 units will be issued as resolved at the board of directors meeting held today. • It is assumed that no additional units will be issued by May 31, 2022 (the end of the 21st Period). • Cash distributions per unit for the fiscal period ending November 30, 2021 (the 20th Period) and the fiscal period ending May 31, 2022 (the 21st Period) are calculated based on the expected number of investment units issued at the end of each fiscal period, which is 822,754 units, including the number of investment units to be offered this time.
Cash distributions per unit	<ul style="list-style-type: none"> • Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. • The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs. • We assume no change in deferred loss on hedges, which may be generated by interest rate swap transactions and deducted in net assets.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> • Calculated based on the policy for cash distributions in excess of earnings stipulated in our Articles of Incorporation. • One-off cash distributions in excess of earnings of 134 yen per unit in the fiscal period ending November 30, 2021 (the 20th Period) are assumed due to the forecasted temporary drop in cash distributions per unit with the execution of fundraising including the issuance of new investment units during the fiscal period ending November 30, 2021 (the 20th period).
Other	<ul style="list-style-type: none"> • We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that may affect the above forecasts. • We assume that there will be no material changes in general economic conditions or real estate markets.

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【Exhibit 2】

<Tax-stabilized DPU for the fiscal period ending May 31, 2022 (the 21st period)>



- (Note 1) “The POs” refers to the issuance of new investment units through domestic public offering and international offering as well as the third-party allotment as described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today. “3 Properties to be Acquired” refers to the 3 assets as described in the “Notice of Acquisition of Assets and Lease Contract with New Tenants (Three Properties Including Meguro Tokyu Building)” announced today.
- (Note 2) Tax-stabilized DPU before the POs (Based on 44 properties) is calculated based on the forecast Cash distributions (excluding cash distributions in excess of earnings) per unit for the fiscal period ending May 31, 2022 (the 21st period), 9,100 yen, which was announced in the “Financial Report for the Fiscal Period Ended May 31, 2021” on July 12, 2021, as adjusted for the temporary fluctuations in expenses caused by the accounting treatment of taxes and public dues of property tax, city planning tax, and other taxes (the “Taxes and Public Dues” hereinafter) related to A-PLACE Tamachi East.(Calculating based on the assumption that Taxes and Public Dues were recorded as rental business expenses of the business period although Taxes and Public Dues were not expensed as the decision to impose Taxes and Public Dues was not made at the acquisition. The same shall apply hereinafter.)
- (Note 3) Tax-stabilized DPU after the POs (Based on 47 properties) is calculated based on the forecast Cash distributions (excluding cash distributions in excess of earnings) per unit for the fiscal period ending May 31, 2022 (the 21st period), 9,323 yen, which is calculated based on Exhibit 1 “Assumptions for Forecasts of Management Performance for the Fiscal Period Ending November 30, 2021 (June 1, 2021 - November 30, 2021) and for the Fiscal Period Ending May 31, 2022 (December 1, 2021 - May 31, 2022)”, as adjusted for the temporary fluctuations in expenses caused by the accounting treatment of the Taxes and Public Dues related to A-PLACE Tamachi East and 3 Properties to be Acquired.

The purpose of presenting Tax-stabilized DPU before the POs (Based on 44 properties) and Tax-stabilized DPU after the POs (Based on 47 properties) is not to calculate management performance for the Fiscal Period Ending May 31, 2022 or for other specified fiscal periods, and in addition these figures do not in any sense represent the forecast of management performance for specified fiscal periods. Please note that DPU and the management performance including the actual performance figures of the Fiscal Period Ending May 31, 2022, or of other specified fiscal periods would differ from Tax-stabilized DPU before the POs (Based on 44 properties) and Tax-stabilized DPU after the POs (Based on 47 properties) stated above.

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