**Disclaimers**

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the "AIFMD") as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

***Netherlands***

The units of Activia Properties Inc. ("API" or the "AIF") are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the "Wft"). In accordance with this provision, TLC REIT Management Inc.("TRM" or the "AIFM") has submitted a notification with the Dutch Authority for the Financial Markets. The units of API will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor API is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor API is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, "DNB") or the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*, the "AFM") and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the "Prospectus Regulation") as amended and applicable in the Netherlands. The AIFM is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

***United Kingdom***

Units of API are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the Financial Conduct Authority (the "FCA") of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (as amended, "FSMA") API is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in API may only be made to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or “the Order”; or (ii) high net worth companies falling within Articles 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (all such persons referred to under (i) and (ii) of this paragraph, together being referred to as “Relevant Persons”).

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

***Prohibition of Sales to UK Retail Investors***

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the Units of API are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA; and the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the international units to be offered so as to enable an investor to decide to purchase or subscribe the international units.

Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”), for offering or selling the international units or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the international units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

***European Economic Area***

In addition to the restrictions under the AIFMD, the Units of API are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Units of API or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Units of API or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

| **Article 23 (1)(a)** | |
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| Objectives of the AIF | API invests primarily in urban retail and Tokyo office properties and also in other retail and office properties:<br>• Urban retail properties, which API defines as properties that (i) include not only ordinary retail properties, such as merchandising and food and drinking establishments, but also properties with broader social and other purposes, such as showroom and exhibition centers, hotels, parking and related facilities and land ownership in respect of such properties and (ii) are easily recognized and located either near major train stations or in popular areas in Tokyo, Government-designated major cities within Japan's three major metropolitan areas and other major cities in Japan; and<br>• Tokyo office properties within the 23 wards of Tokyo in areas with a high concentration of offices and located near major train stations. |
| Investment strategy | API aims to maximize unitholders' value in the medium to long term by acquisition of competitive properties and well-managing the portfolio.<br>Pursuant to TRM's Sponsor Support Agreement with Tokyu Land Corporation, regarding acquisition of assets, API utilizes both the AIFM's unique sourcing channels and variety of the Tokyu Land Corporation acquisition methods. API entrusts property management to Tokyu Land Corporation and other entities in order to leverage the comprehensive capabilities of their leasing network. The investment strategy is defined in the investment guidelines determined by the AIFM. |
| Types of assets the AIF may invest in | Real estate, including trust beneficiary interests in real estate, securities backed by real estate, specified assets and other assets. |
| Techniques it may employ and all associated risks | API focuses on investing in retail properties in urban areas and office properties in Tokyo, which API anticipates will contribute to generating stable cash flow and achieving medium- to long-term growth. Also, API leverages Tokyu Land Group's comprehensive value-chain supporting system to pursue both external and internal growth.<br><br>The principal risks with respect to investment in API are as follows:<br>● the ongoing COVID-19 pandemic has had, and is expected to continue to have, a negative effect on API's and its tenants' businesses, financial condition, results of operations, cash flows, and liquidity;<br>● any adverse conditions in the Japanese and global economy could adversely affect API's properties;<br>● API may not close any or all of its anticipated acquisitions or dispositions of properties;<br>● API may not complete any expected debt financing, in which case API may not be able to acquire some or all of the properties API anticipates acquiring, or API may be forced to accept alternative financing with less advantageous terms; |

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| | ● API may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings;<br>● Illiquidity in the real estate market may limit API's ability to grow or adjust its portfolio;<br>● the past experience of Tokyu Land Corporation in the Japanese real estate market is not an indicator or guarantee of API's future results;<br>● API's reliance on Tokyu Land Corporation and other Tokyu Fudosan Holdings Group companies could have a material adverse effect on API's business;<br>● the AIFM manages multiple J-REITs and there are potential conflicts of interest between us and other J-REITs managed by the AIFM;<br>● there are potential conflicts of interest between API and certain Tokyu Fudosan Holdings Group companies, including the AIFM;<br>● the AIFM has limited experience in operating a J-REIT;<br>● API may face significant and increasing competition in attracting tenants and it may be difficult to find replacement tenants;<br>● increases in prevailing market interest rates may increase API's interest expense and may result in a decline in the market price of API's units;<br>● effects of monetary easing policies by Japan and other major countries may result in increased market interest rates in Japan and reduced cash distributions;<br>● API may suffer large losses if any of its properties incurs damage from a natural or man-made disaster or acts of violence or war;<br>● most of the properties in API's portfolio are concentrated in the Tokyo metropolitan area;<br>● the concentration of retail properties in API's portfolio may entail risks uncommon to other J-REITs that invest in a broader range of real estate or real estate-related assets, including risks related to sales-linked- rent;<br>● the continued shift in retail sales towards e-commerce may adversely affect API's financial condition, cash flows and results of operations;<br>● a sustained shift away from in-person work environments to remote work and a move of workspaces from city centers to suburban areas could reduce the overall demand for office space and thus have an adverse effect on API's business;<br>● any inability to obtain financing for future acquisitions could adversely affect the growth of API's portfolio;API's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify API from certain taxation benefits and significantly reduce its cash distributions to its unitholders;<br>● API's ownership rights in some of its properties may be declared invalid or limited;<br>● API is subject to increasing scrutiny from certain investors and regulations with respect to environmental, social and governance matters, which may adversely affect its ability to market its units and increase its compliance costs; and |

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| | ● API may suffer risks including those caused by more varied and complex responsibilities of TRM as API's new asset manager managing larger portfolio, insufficient resources of TRM to be allocated to manage API, and potential conflicts of interest arising among funds to be managed by TRM and other Tokyu Fudosan Holdings Group companies.<br><br>In addition, API is subject to the following risks:<br>● risks related to increasing operating costs;<br>● risks related to the restrictive covenants under debt financing arrangement;<br>● risks related to entering into forward commitment contracts or contracts to purchase properties under development;<br>● risks related to third party leasehold interests in the land;<br>● risks related to holding the property in the form of stratified ownership *(kubun shoyū)* interests or co-ownership interests *(kyōyū-mochibun)*;<br>● risks related to holding the property through trust beneficiary interests;<br>● risks related to the defective title, design, construction or other defects or problems in the properties including non-conformity to agreements;risks related to suffering impairment losses relating to the properties;<br>● risks related to properties located on reclaimed land such as a risk of land liquefaction;<br>● risks related to decreasing tenant leasehold deposits and/or security deposits;<br>● risks related to lease terminations, decreased lease renewals, the default of a tenant as a result of financial difficulty or insolvency, or careless management of API's properties by its tenants;<br>● risks related to the insolvency of master lessees;<br>● risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data;risks related to the presence of hazardous or toxic substances in the properties, or the failure to properly remediate such substances;<br>● risks related to the strict environmental liabilities for the properties;<br>● risks related to climate change;<br>● risks related to security breaches and other disruptions;risks related to the insider trading regulations;<br>● risks related to the amendment of the applicable administrative laws and local ordinances;<br>● risks related to investments in properties through preferred shares of special purpose companies *(tokutei mokuteki kaisha)*;<br>● risks related to investments in anonymous associations *(tokumei kumiai)*;<br>● risks related to the tight supervision by the regulatory authorities; |

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| | ● risks related to the tax authorities' disagreement with the AIFM's interpretations of the Japanese tax laws and regulations;<br>● risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs, or to sell properties without incurring significant tax payments;<br>● risks related to changes in Japanese tax laws; and<br>● risks related to availability of retained earnings to stabilize distributions due to changes in tax or accounting treatment, operation, or guidelines or interpretation of guidelines related to retained earnings. |
| Any applicable investment restrictions | API is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation.<br>API must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights *(chijō-ken)* (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights.<br><br>Furthermore, a listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but not limited to, anonymous association *(tokumei kumiai)* interests for investment in real estate.<br><br>Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.<br><br>Investment restrictions API places in its articles of incorporation are as follows:<br>(1) Restrictions relating to monetary claims and securities<br>API shall not make investments in monetary claims and securities in a proactive manner. When API makes investments in these assets, API shall consider safeness, liquidity or the relationship with specified assets.<br>(2) Restrictions relating to derivatives transactions<br>API will invest in rights associated with derivatives transactions only for the purpose of hedging against interest risks arising from API's liabilities, and other related risks. |

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| | The investment by the AIF must be made in accordance with the basic investment policy as set out in its articles of incorporation. |
| Circumstances in which the AIF may use leverage | API may take out loans or issue long-term or short-term investment corporation bonds for the purpose of investing in properties, facility investment, paying cash distributions, raising working capital, repaying obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term investment corporation bonds) and other activities. |
| The types and sources of leverage permitted and associated risks | Loans or investment corporation bonds: API currently does not have any outstanding guarantees and may be subject to restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties. Furthermore, API may violate restrictive covenants contained in the loan agreements API executes, such as the maintenance of debt service coverage or loan-to-value, or LTV ratios, which may entitle the lenders to require API to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that API has any debt with unhedged floating rates of interest or API incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties, and could cause the market price of the units to decline. |
| Any restrictions on leverage | The maximum amount of each loan and investment corporation bond issuance will be ¥1 trillion, and the aggregate amount of all such debt will not exceed ¥1 trillion. |
| Any restrictions on collateral and asset reuse arrangements | No applicable arrangements. |
| Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF | API has set an upper limit of 60% as a general rule for its LTV ratio in order to operate with a stable financial condition. API may, however, temporarily exceed such level as a result of property acquisitions or other events. |
| **Article 23(1) (b)** | |
| Procedure by which the AIF may change its investment strategy / investment policy | Amendment of the articles of incorporation - Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and API's articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted. |

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| | Additionally, the guidelines of the AIFM, which provide more detailed policies within API's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation. |
| **Article 23(1) (c)** | |
| Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established | The AIFM has entered into the Sponsor Support Agreement with Tokyu Land Corporation and Affiliate Support Agreement with Tokyu Livable, Inc., Tokyu Community Corporation, Tokyu Sports Oasis Inc., and Tokyu resorts & stays Co.,Ltd., respectively.<br><br>All of the above agreements are governed by Japanese law.<br><br>API is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.<br><br>API is a corporate-type investment trust in the form of investment corporation (*tōshi hōjin*) provided for under the ITA. Therefore, the relationship between API and its unitholders is governed by API's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. API's articles of incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of API's directors.<br><br>The relationship between API and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.<br><br>The courts in Japan would recognize as a valid and final judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against API obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) API has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, and (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgment on the subject matter by any Japanese court. |
| **Article 23(1) (d)** | |
| The identity of the AIFM, AIF's depositary, | • AIFM (Asset Manager): TLC REIT Management Inc. |

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| auditor and any other service providers and a description of their duties and the investors' rights thereto | The AIFM provides services related to asset management, financing of the AIF, reporting to the AIF, asset management planning for the AIF and other matters delegated by the AIF.<br>• Auditor: Ernst & Young ShinNihon LLC<br>The Auditor audits financial statements and reports to the supervisory directors if it finds any misconduct or any material fact that is in violation of laws and regulations or the articles of incorporation with regard to execution of the duties of the executive director.<br>• Custodian, General Administrator and Transfer Agent: Sumitomo Mitsui Trust Bank, Limited<br>The Custodian provides administrative services related to custody of the AIF's assets. The General Administrator provides administrative services related to administration of accounting matters, preparation of accounting books, payment of tax, management of board of directors meetings and general meetings of unitholders and administrative services in connection with the AIF's investment corporation bonds. The Transfer Agent provides administrative services related to preparation and maintenance of the unitholder registry, payments of cash distributions to unitholders and acceptance of requests for the exercise of voting rights by unitholders or any other applications from unitholders.<br>Service providers owe contractual obligations under their respective agreements with the AIF or the AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the Asset Manager in good faith. The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders. |
| **Article 23(1) (e)** | |
| Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance) | Not applicable. |
| **Article 23(1) (f)** | |

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| Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations | Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities. |
| **Article 23(1) (g)** | |
| Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets | API makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value. API shall evaluate assets in accordance with its Article of Incorporation. The methods and standards that API uses for the evaluation of assets shall be based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP. J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation. |
| **Article 23(1) (h)** | |
| Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors | API seeks to manage the capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions.<br>API's liquidity risks are managed through management of liquidity in hand by preparing a monthly funding plan, efforts to reduce liquidity risk on loans payable and investment corporation bond by diversifying repayment periods, etc., and other means. Also, API has entered into the commitment lines and prepares the monthly fund management plan, and manages the liquidity risks thereby.<br><br>As API is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment. |
| **Article 23(1) (i)** | |
| Description of all fees, charges and expenses and a maximum amount which is | Compensation: The articles of incorporation provide that the AIF may pay its executive officer up to ¥700 thousand per month and each of its supervisory officers up to ¥500 thousand per month. The board of officers is responsible for determining a reasonable compensation amount for the executive officer and each of the supervisory officers. |

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| directly / indirectly borne by the investors | Asset Manager:<br>• Asset Management Fee: The AIF pays to the AIFM an asset management fee as follows:<br>1. Type 1 management fee: Asset-based fee<br>The AIF pays to the AIFM a type 1 management fee for each fiscal period. This type 1 asset management fee of up to 0.3% per year (currently set at 0.25% per year) of the AIF's total assets (as stated in the AIF's balance sheet at the end of the immediately preceding fiscal period prepared in accordance with Japanese GAAP) is payable by the AIF within the fiscal period. The fee is paid by the end of the fiscal period.<br>2. Type 2 management fee: DPU-based fee<br>The AIF pays to the AIFM a type 2 management fee for each fiscal period. This type 2 management fee is payable within three months after the financial statements for the relevant fiscal period are approved by the AIF's board of directors, and is equal to (i) the distribution per unit (before deduction of type 2 management fee) multiplied by (ii) net operating profit, which is the total rental and other operating revenues earned during the fiscal period, less property-related expenses (not including depreciation expenses and loss on retirement of fixed assets), and multiplied by (iii) up to 0.00021% (currently set at 0.00021%). For purposes of calculation of type 2 management fee, the distribution per unit (before deduction of type 2 management fee) is equal to profit before income taxes, excluding type 2 management fee and certain non-deductible consumption taxes, for such fiscal period calculated in accordance with Japanese GAAP, less any loss carried forward from the previous fiscal period, if any, divided by the number of units outstanding as of the end of such fiscal period. In the event that the AIF acquired its own units, including but not limited to repurchases, and did not dispose of or cancel the units acquired by the end of such fiscal period, such units shall not count as units outstanding. In the event that the AIF's units were consolidated or split, the number of units outstanding as of the end of such fiscal period shall be calculated as if such consolidation or split did not occur, by dividing the number of units after the consolidation or split, as the case may be, by the relevant consolidation or split ratio.<br>3. Acquisition fees:<br>For each new property the AIF acquires (including properties acquired in connection with a merger by the AIF), the AIFM receives an acquisition fee, which is equal to up to 0.7% (currently set at 0.7%), or up to 0.5% (currently set at 0.5%) in case of a transaction with a related party, of the purchase price (excluding national and local consumption taxes and expenses) (or of the appraisal value as of the merger date, |

with respect to a new property acquired by the AIF in connection with a merger), payable by the end of the month immediately following the month of such acquisition (or, in case of a merger, immediately following the month of the effective date of the merger).

4. Disposition fees:
   For each property the AIF disposes of, the AIFM receives a disposition fee to the extent there is any net profit as a result of such disposition, which is equal to up to 0.5% (currently set at 0.5%) of the disposition price (excluding national and local consumption taxes and expenses) payable by the end of the month immediately following the month of such disposition. No disposition fee is payable for a transaction with a related party.

<u>Custodian:</u>

Custodian Fee:

The AIF pays to the Custodian a monthly custodian fee calculated by the following formula on the Account Closing Date basis.

The amount of assets as of the end of the preceding month x 0.03% / 12

<u>General Administrators:</u>

General Administrators Fee:

The AIF pays to the General Administrators a monthly general administrators fee calculated by the following formula on the Account Closing Date basis.

The amount of assets as of the end of each month x 0.09% / 12

Transfer Agent Fee (Standard Fee):

The AIF pays fees for administrative services related to the management of unitholders' list. The monthly fee is one-sixth of the sum of the fees calculated per unitholder as provided below based on the total number of unitholders as of the latest notification to all the unitholders, provided that the minimum monthly amount is set at ¥200,000.

| Number of Investors: | Fees per Investor |
|---|---|
| first 5,000 Investors | 480 yen |
| over 5,000 and not more than 10,000 | 420 yen |
| over 10,000 and not more than 30,000 | 360 yen |
| over 30,000 and not more than 50,000 | 300 yen |
| over 50,000 and not more than 100,000 | 260 yen |
| over 100,001 and over | 225 yen |

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| | Administration of Distributions Fee:<br>The AIF pays fees for the calculation of distributions, creation of distribution records, preparation of payment receipts, payment arrangement of stamp tax, preparation of distribution statements, confirmation of unpaid distributions, preparation of unpaid distribution records, preparation of wire transfer notices and wire transfer tape or payment voucher of distributions, application of special tax rates and preparation of statements related to distributions. The amount for such fees is determined based on the total number of unitholders and calculated according to the table below, provided that the minimum amount is set at ¥350,000. With respect to distributions made to a specified bank account, we incur an additional charge of ¥150 per distribution made.<br><table><tr><td>Number of Investors:</td><td>Fees per Investor receiving distribution</td></tr><tr><td>first 5,000 Investors</td><td>120 yen</td></tr><tr><td>over 5,000 and not more than 10,000</td><td>110 yen</td></tr><tr><td>over 10,000 and not more than 30,000</td><td>100 yen</td></tr><tr><td>over 30,000 and not more than 50,000</td><td>80 yen</td></tr><tr><td>over 50,000 and not more than 100,000</td><td>60 yen</td></tr><tr><td>over 100,001 and over</td><td>50 yen</td></tr></table><br>Auditor:<br>Auditor Fee:<br>The AIF pays the Independent Auditor up to ¥15 million per fiscal period. The board of officers is responsible for determining the compensation amount for the independent auditor. |
| **Article 23(1) (j)** | |
| Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM | Under Article 77 paragraph 4 of the ITA, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA. |
| **Article 23(1) (k)** | |

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| The latest annual report referred to in Article 22(1) | Additional information may be found in our most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at Shibuya Solasta 18F, 21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo. |
| **Article 23(1) (l)** | |
| The procedure and conditions for the issue and sale of the units | API is authorized under the articles of incorporation to issue up to 4,000,000 units. Its units have been listed on the Tokyo Stock Exchange since June 13, 2012. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote. |
| **Article 23(1) (m)** | |
| Latest net asset value of the AIF or latest market price of the unit or share of the AIF | API's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information venders (including Reuters), which can be viewed at http://www.reuters.com/finance/stocks/overview?symbol=3279.T |
| **Article 23(1) (n)** | |
| Details of the historical performance of the AIF, where available | The units of API were listed on the Tokyo Stock Exchange on June 13, 2012. The performance of the units for the most recent five fiscal periods is as follows. |

| Fiscal period | Total Assets (JPY million) | Total Net Assets (JPY million) | Net Assets per unit (base value) (JPY) |
|---|---|---|---|
| 17th fiscal period (From December 1, 2019 to May 31, 2020) | 525,686 | 255,700 | 331,551 |
| 18th fiscal period (From June 1, 2020 to November 30, 2020) | 525,378 | 255,705 | 331,558 |
| 19th fiscal period (From December 1, 2020 to May 31, 2021) | 525,379 | 255,581 | 331,397 |
| 20th fiscal period (From June 1, 2021 to November 30, 2021) | 566,257 | 278,716 | 338,760 |
| 21st fiscal period (From December 1, 2021 to May 31, 2022) | 562,272 | 274,768 | 338,149 |

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| **Article 23(1) (o)** | |

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| Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist | No applicable prime broker. |
| **Article 23(1) (p)** | |
| Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5) | The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and other public disclosures. |
| **Article 23(2)** | |
| The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13) | Not applicable. |

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| The AIFM shall also inform investors of any changes with respect to depositary liability without delay | Not applicable. |
| **Article 23(4)(a)** | |
| Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned | There are no assets that are subject to special arrangements arising from their illiquid nature. |
| Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements | There are no such special arrangements. |
| Valuation methodology applied to assets which are subject to such arrangements | There are no such special arrangements. |
| How management and performance fees apply to such assets | There are no such special arrangements. |
| **Article 23(4)(b)** | |
| Any new arrangements for managing the liquidity of the AIF | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (i.e., there is a substantial likelihood that a reasonable investor, becoming | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

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| aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF). | |
| Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| Overview of changes to liquidity arrangements, even if not special arrangements | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| Terms of redemption and circumstances where management discretion applies, where relevant | API is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment. |
| Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included | There are no voting or other restrictions on the rights attaching to units. |
| **Article 23(4)(c)** | |
| The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks | The appropriateness and effectiveness of the risk management structure are regularly evaluated and enhanced by the AIFM.<br>Funds from debts and investment corporation bonds are mainly used for asset acquisition or debt repayment, etc. These are exposed to liquidity risk at the time of repayment. However, the liquidity risk is controlled through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital raising, along with securing several fund procurement sources and diversifying repayment deadlines, executing commitment line agreements which provide credit facilities totaling ¥21 billion (a total of ¥33 billion including credit line (non-commitment basis) agreement) with the main banks (no amount has been drawn down as of July 28, 2022), and also preparing monthly fund management plans. |

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| | Debt with a floating interest rate is exposed to interest rate fluctuation risks, but the impact that interest rate rises have on the operations is limited by keeping the LTV at low levels, maintaining the proportion of debt that is long-term fixed-rate debt at high levels, and setting a procurement limit depending on the economic and financial environment, terms of lease agreements with tenants, asset holding period and other factors.<br><br>Furthermore, derivative transactions (interest rate swap transactions) are available as hedging instruments to mitigate the risks of rises in floating interest rates.<br><br>Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risks arising from tenants moving out of properties, but the liquidity risk is controlled through such measures as preparing monthly fund management plans.<br><br>TRM serves as the asset manager for Comforia Residential REIT, Inc. ("CRR"), a Tokyo Stock Exchange-listed J-REIT, and Broadia Private REIT Inc. ("BPR"), a private REIT, as well as API. API and BPR invest in retail and office properties, and CRR and BPR invest in rental and serviced residential properties. API's acquisition is subject to TRM's Regulations on Priority of Property Information to Consider, which are internal rules that stipulate the order in which potential acquisitions are considered among API, CRR and BPR. TRM also holds acquisition priority review meetings of compliance managers to verify that the stipulated order of priority is complied with. |
| Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed | No such measures have been implemented. |
| If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken | No such situation has occurred. |
| **Article 23(5)(a)** | |
| Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

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| accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF. | |
| Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted | No such right or guarantee exists. |
| Details of any change in service providers relating to the above. | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| **Article 23(5)(b)** | |
| Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods | The aggregated amount of debt with interest is JPY 260,350 million as of July 28, 2022. |