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FOR IMMEDIATE RELEASE

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Activia Properties Inc. (“API”) announces that a resolution was passed concerning the issuance of new investment units and secondary offering of investment units at the board of directors meeting held on August 24, 2021. Details are as follows.

1. Issuance of new investment units through public offering

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| (1) | Number of investment units to be offered | 49,030 units |
| (2) | Amount to be paid in per unit (issue price per unit) | To be determined
The issue price per unit shall be determined at API’s board of directors meeting to be held on a day (the “Pricing Date”) between September 1, 2021 (Wednesday) and September 6, 2021 (Monday) and based on the calculation method provided in Article 25 of the Regulations Concerning Underwriting, etc. of Securities as set forth by the Japan Securities Dealers Association. |
| (3) | Total amount to be paid in (total issue price) | To be determined |

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In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

- (4) Amount to be offered per unit (offer price per unit) To be determined
The offer price per unit shall be determined on the Pricing Date by considering demand and other factors and arriving at a provisional price by multiplying 0.90-1.00 by the closing price of the investment units of API (the “Investment Units”) on the Pricing Date (or if there is no closing price on the Pricing Date, the closing price immediately preceding the Pricing Date) as listed on the Tokyo Stock Exchange, Inc. based on the method provided in Article 25 of the Regulations Concerning Underwriting, etc. of Securities as set forth by the Japan Securities Dealers Association. (Fractional amounts of less than one yen are rounded down.)
- (5) Total amount to be offered (total offer price) To be determined
- (6) Offering method The offering will be a simultaneous offering in Japan and outside of Japan.
- a. Domestic primary offering
The offering in Japan (the “Domestic Primary Offering”) shall comprise a public offering in which all investment units subject to the Domestic Primary Offering shall be purchased and underwritten by domestic underwriters (the “Domestic Underwriters”).
- b. International offering
The international offering (the “International Offering”) shall be an offering in markets outside of Japan, mainly in the United States, Europe and Asia. However, within the United States the investment units will be sold only to qualified institutional investors in reliance on Rule 144A under United States Securities Act of 1933. All investment units subject to the International Offering shall be purchased and underwritten severally and not jointly in the total amount by international managers (the “International Managers,” and collectively with the Domestic Underwriters, the “Underwriters”).
- Furthermore, concerning the number of investment units pertaining to the respective offerings under a. and b. above, the offering is expected to comprise 30,970 units in the Domestic Primary Offering and 18,060 units in the International Offering. The final allocations will be determined on the Pricing Date, taking into consideration the demand and other factors.
- Certain underwriters of the Domestic Primary Offering and the International Offering, as well as the secondary offering described below under 2. (the “Secondary Offering”), shall serve as the joint global coordinators (the “Joint Global Coordinators”).
- (7) Content of underwriting agreement The Underwriters shall pay to API the total amount to be paid in (issue price) for the Domestic Primary Offering and the International Offering on the payment date stated below under (10), and the difference from the total amount to be offered (total offer price) shall be the proceeds of the underwriters. API shall not pay an underwriting fee to the underwriters.
- (8) Subscription unit One Investment Unit or more in multiples of one Investment Unit
- (9) Subscription period (Domestic Primary Offering) From the business day immediately following the Pricing Date to two business days following the Pricing Date.
- (10) Payment date A business day between September 7, 2021 (Tuesday) and

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- September 10, 2021 (Friday) which shall be four business days after the Pricing Date.
- (11) Delivery date The business day immediately following the payment date stated above under (10).
 - (12) The amount to be paid in per unit (issue price per unit), the amount to be offered per unit (offer price per unit) and other matters necessary for this issuance of new Investment Units shall be determined at a future board of directors meeting of API.
 - (13) Of the items above, those matters pertaining to the Domestic Primary Offering shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

2. Secondary Offering (Please refer to “Reference 1” below.)

- (1) Number of investment units to be distributed 2,500 units
The number of Investment Units to be distributed above is shown as the maximum number of Investment Units to be distributed in the Secondary Offering by the bookrunner of the Domestic Primary Offering upon the Domestic Primary Offering, taking into consideration demand and other factors in the Domestic Primary Offering. It is possible that the number may decrease or the Secondary Offering may not take place at all depending on demand and other factors in the Domestic Primary Offering. The number of Investment Units to be distributed shall be determined at API’s board of directors meeting to be held on the Pricing Date, taking into consideration the demand and other factors in the Domestic Primary Offering.
- (2) Seller A Domestic Underwriter
- (3) Distribution price per unit To be determined
The distribution price per unit shall be determined on the Pricing Date. Furthermore, the distribution price per unit shall be the same price as the offer price per unit for the Domestic Primary Offering.
- (4) Total amount of distribution price To be determined
- (5) Distribution method The bookrunner of the Domestic Primary Offering shall conduct the Secondary Offering in Japan of the Investment Units, which it shall borrow from Tokyu Land Corporation in a number not to exceed 2,500 units, upon the Domestic Primary Offering, by considering the demand and other factors in the Domestic Primary Offering.
- (6) Subscription unit One Investment Unit or more in multiples of one Investment Unit
- (7) Subscription period The subscription period shall be the same as the subscription period for the Domestic Primary Offering.
- (8) Delivery date The delivery date shall be the same as the delivery date for the Domestic Primary Offering.
- (9) The distribution price per unit and other matters necessary for this Secondary Offering of investment units shall be determined at a future board of directors meeting of API.
- (10) The items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

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3. Issuance of new investment units by way of third-party allotment (Please refer to “Reference 1.” below.)
- (1) Number of investment units to be offered 2,500 units
 - (2) Amount to be paid in per unit (issue price per unit) To be determined
The amount to be paid in per unit (issue price per unit) shall be determined at API’s board of directors meeting held on the Pricing Date. Furthermore, the amount to be paid in per unit (issue price per unit) shall be the same price as the amount to be paid in per unit (issue price per unit) for the Domestic Primary Offering.
 - (3) Total amount to be paid in (total issue price) To be determined
 - (4) Allottee A Domestic Underwriter
 - (5) Subscription unit One Investment Unit or more in multiples of one Investment Unit
 - (6) Subscription period (subscription date) September 27, 2021 (Monday)
 - (7) Payment date September 28, 2021 (Tuesday)
 - (8) Investment units for which no subscriptions have been filed during the subscription period (subscription date) stated above under (6) shall not be issued.
 - (9) The amount to be paid in per unit (issue price per unit) and other matters necessary for this issuance of new investment units shall be determined at a future board of directors meeting of API.
 - (10) The items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

Reference

1. About the Secondary Offering

The Secondary Offering shall be a domestic secondary offering in Japan by the bookrunner of the Domestic Primary Offering (the “Bookrunner”) of Investment Units, which it shall borrow from Tokyu Land Corporation in a number not to exceed 2,500 units. The number of Investment Units to be distributed in the Secondary Offering is scheduled to be 2,500 units. Such number of Investment Units to be distributed is the maximum number of Investment Units to be distributed, and it is possible that the number may decrease or the Secondary Offering itself may not take place at all depending on the demand and other factors in the Domestic Primary Offering.

Furthermore, in connection with the Secondary Offering, at API’s board of directors meeting held on August 24, 2021 (Tuesday), API passed a resolution to issue new Investment Units by way of a third-party allotment for 2,500 units of API to an allottee (the “Third-party Allotment”) on September 28, 2021 (Tuesday) as the payment date, in order for the Bookrunner to acquire the Investment Units necessary for the Bookrunner to return the Investment Units borrowed from Tokyu Land Corporation (the “Borrowed Investment Units”).

In addition, during the period starting from one day following the end of the subscription period for the Domestic Primary Offering and the Secondary Offering and ending on September 21, 2021 (Tuesday), (the “Syndicate Covering Transaction Period”), the Bookrunner may purchase the Investment Units on the Tokyo Stock Exchange, which shall be in a number not to exceed the number of Investment Units pertaining to the Secondary Offering, for the purpose of returning the Borrowed Investment Units (the “Syndicate Covering Transaction”). All of the Investment Units acquired in the Syndicate Covering Transaction by the Bookrunner shall be used toward returning the Borrowed Investment Units. Furthermore, during the Syndicate Covering Transaction period, there are cases where the Bookrunner

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may decide not to engage in the Syndicate Covering Transaction at all or end the Syndicate Covering Transaction in a number not reaching the maximum number of Investment Units pertaining to the Secondary Offering.

Furthermore, there are cases where the Bookrunner may engage in stabilizing transactions in connection with the Domestic Primary Offering and the Secondary Offering and may allocate all or part of the Investment Units purchased through stabilization transactions to repay the borrowed Investment Units.

Regarding the number of Investment Units that results from reducing the number of units purchased through stabilizing transactions as well as the Syndicate Covering Transaction and then used to return Borrowed Investment Units from the number of units that were offered through the Secondary Offering, the Bookrunner is scheduled to acquire the Investment Units in the Third-party Allotment. For this reason, it is possible that subscriptions may not be filed for the number of Investment Units to be issued in the Third-party Allotment in whole or in part and, as a result, the final number of Investment Units issued in the Third-party Allotment may decrease or the issuance itself may not take place at all due to forfeiture.

Furthermore, any of the above transactions shall be conducted by the Bookrunner in consultation with the Domestic Underwriters.

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2. Change in total number of Investment Units issued and outstanding as a result of the offerings	
Total number of Investment Units issued and outstanding at present	771,224 units
Increase in number of Investment Units due to the issuance of new Investment Units through the public offering	49,030 units
Total number of Investment Units issued and outstanding after the issuance of new Investment Units through the public offering	820,254 units
Increase in number of Investment Units due to an exercise of the over-allotment options	2,500 units (Note)
Total number of Investment Units issued and outstanding after an exercise of the over-allotment options	822,754 units (Note)
(Note) Assumes the over-allotment options are exercised in full.	

3. Objective and reason for the offerings

API is determined to expand its asset scale and strengthen its portfolio through investing carefully upon consideration of location and quality, and aims to increase the unitholder value with a growth in both cash distributions per unit and NAV per unit.

Issuance of new Investment Units has been decided by considering market trends in addition to the above factors.

4. Amount, use and schedule of expenditure of funds to be procured

(1) Amount of funds to be procured (estimated net proceeds)

22,989,078,900 yen (maximum)

(Note) This is the total amount of 13,816,646,100 yen in proceeds from the Domestic Primary Offering, 8,057,107,800 yen in proceeds from the International Offering and up to 1,115,325,000 in proceeds from the issuance of new investment units by way of the Third-party Allotment. In addition, the amount noted above is the estimated amount calculated on the basis of the closing price as of August 16, 2021 (Monday) on the Tokyo Stock Exchange.

(2) Specific use and schedule of expenditure of funds to be procured

A portion of the net proceeds from the offerings will be used to pay part of the purchase price (Note) of “Meguro Tokyu Building”, “Q plaza Shinjuku-3chome” and “A-PLACE Shibuya Nampeidai” announced in “Notice of Acquisition of Assets and Lease Contract with New Tenants (Three Properties Including Meguro Tokyu Building)” release as of today. Furthermore, net proceeds from the over-allotment options will be allocated to cash on hand decreased due to the acquisition of “Meguro Tokyu Building”, “Q plaza Shinjuku-3chome” and “A-PLACE Shibuya Nampeidai”. Cash on hand shall be deposited in a financial institution until actual expenditures, and shall be used for partial repayment of borrowings or for partial funding of property acquisitions in the future.

(Note) Anticipated purchase price (total of sales proceeds stated in trust beneficiary right sales contracts) of 43,500 million yen (rounded down to the nearest million yen, excluding consumption tax, regional consumption tax, and various costs such as sales commissions)

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5. Outlook

Please refer to the “Notice Concerning Revision to the Forecast of Management Performance for the Fiscal Periods Ending November 30, 2021 and May 31, 2022” announced as of today.

6. Lock-up

- (1) In connection with the Domestic Primary Offering and International Offering, Tokyu Land Corporation has reached an agreement with the Joint Global Coordinators to the effect that, without the prior written consent of the Joint Global Coordinators, no sale of the Investment Units (excluding investment units lent in connection with the Secondary Offering, etc.) shall be conducted during the period beginning on the Pricing Date and ending on the date that is 180 days after the delivery date of the units.

The Joint Global Coordinators have the authority to cancel the agreement, in whole or in part, at their discretion, including during the 180-day lock-up period described above.

- (2) In connection with the Domestic Primary Offering and International Offering, API has reached an agreement with the Joint Global Coordinators to the effect that, without the prior written consent of the Joint Global Coordinators, no issuance of the Investment Units, excluding investment units issued in connection with the offering, the over-allotment options, split of investment units etc., shall be conducted during the period beginning on the Pricing Date and ending on the date that is 90 days after the delivery date of the units.

The Joint Global Coordinators have the authority to cancel the agreement, in whole or in part, at their discretion, including during the 90-day lock-up period described above.

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

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