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FOR IMMEDIATE RELEASE

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

Asset Management Company
TLC REIT Management Inc.
Akira Kubo
President & CEO

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

Notice Concerning Acquisition of Silent Partnership Interests in Domestic Real Estate

Activia Properties Inc. ("API") has today decided to acquire the assets (silent partnership interests) through TLC REIT Management Inc. ("TRM"), which is entrusted with managing its assets, as outlined below and hereby announces this decision.

In addition, in accordance with the Act on Investment Trusts and Investment Corporations ("ITA") Pursuant to Article 201-2 and the rules of TRM on related-party transactions, TRM has obtained the consent of API upon approval at API's board of directors meeting.

1. Overview of the Acquisition

Acquired Asset	Silent partnership interests (real estate-related assets) with beneficiary rights of a trust that holds real estate as trust assets
Name of the acquired asset	Silent Partnership Interests in Kashiwa Logi Investment GK
Acquisition Price (Amount of investment)	¥276,422,515 (Note1) (4.8% (Note2) of total silent partnership interest)
Seller(investee)	Tokyu Land Corporation
Presence of Brokerage	No
Acquisition Decision Date	3/14/2025
Contract Signing Date	3/18/2025 (planned)
Acquisition Date	3/27/2025 (planned)
Payment Date	3/27/2025 (planned)
Acquisition funds	Cash on hand
Settlement method	Lump-sum payment upon delivery

(Note1) The investment balance as of September 30, 2024.

(Note2) The figures are rounded to the first decimal place. The same applies hereafter.

(Note3) The acquisition of the rights of a silent partner under a silent partnership agreement, in which Kashiwa Logi Investment GK is the operator, from Tokyu Land Corporation.

2. Purpose of the Acquisition

API will secure external growth opportunities to enhance future distributions by investing in the aforementioned silent partnership interests. Through this investment, it will acquire priority negotiation rights over the underlying assets mentioned below. The timing of the decision to exercise the priority negotiation rights is assumed to be August 2028. During the investment period, API will receive dividend income and secure a medium- to long-term pipeline, API aims to expand its assets under management in the future, improve the quality of its portfolio through asset replacement, and enhance distributions.

3. Details of the Acquired Asset

(1) Details of the Silent Partnership Interest

Name of the acquired asset	Silent Partnership Interests in Kashiwa Logi Investment GK	
Specified asset type	Silent Partnership Interest	
Effective Period	Until March 15, 2029	
Name of the Operator	Kashiwa Logi Investment GK	
Details of the Silent Partnership	(As of fund formation (March 15, 2024))	
	Kashiwa Logi Investment GK	
	(Assets) Real estate trust beneficiary rights, etc.: ¥11,930 million (Note 1)	(Liabilities) Senior loan: ¥6,150 million (Note2)
		(Net Assets) Silent partnership interest: ¥5,780million (Note 3)
(Note 1) The real estate trust beneficiary rights, etc., include acquisition expenses for the underlying assets of three properties and the costs associated with the formation of the silent partnership. The real estate appraisal value by Tanizawa Sogo Appraisal Co., Ltd. is ¥12,400million. (Note 2) Consumption tax loans: ¥437 million. (Note 3) Of this silent partnership interest, API holds 4.8% and the investment balance is 276 million as of September 30, 2024. The remaining is invested by multiple domestic business corporations. The names of the domestic business corporations will not be disclosed as their consent has yet to be obtained. However, there are no special interests between these domestic business corporations and API or TRM. Calculation Period: Each calculation period refers to the six months from January 1 to June 30, and from July 1 to December 31, every year. However, the first calculation period shall be from the date of initial investment to June 30, 2024, and the last calculation period shall be from the day after the last day of the immediately preceding calculation period to the termination date of this silent partnership agreement. Profit and Loss Distribution: If a profit is generated from this business, and the operator or the silent partner bears any losses as of the calculation date of the relevant accounting period, such profits shall first be appropriated to cover the losses borne by the operator. If any profit remains thereafter, it shall then be appropriated to cover the losses borne by the silent partner in proportion to the investment ratio as of the end of the accounting period. Any remaining profit after the cumulative losses have been covered shall be distributed to the silent partner per such investment ratio. If a loss is generated from this business, the amount of such loss in the relevant accounting period shall be allocated to the silent partner in proportion to the investment ratio. However, the cumulative amount of losses borne by the silent partner shall be limited to the remaining balance of the contribution amount of each silent partner, and any excess loss shall be borne by the operator. Fractions less than one yen shall be rounded down.		
Overview of the Preferential Negotiation Rights	• Period for Exercising Preferential Negotiation Rights The period from the date of acquisition of the trust beneficiary interests in real estate (the “Trust Beneficiary Interest”) by the operator to August 14, 2028. • Content of the Rights The right to negotiate for the preferential purchase of Trust Beneficiary Interest acquired by Kashiwa Logi Investment GK. • Other If the operator intends to dispose of the Trust Beneficiary Interest, the operator shall notify TRM in writing to confirm API's intention to acquire it as the holder of the preferential negotiation right. If TRM indicates that API does not intend to acquire the Trust Beneficiary Interest (or if API does not express its intention to acquire it within 20 business days after TRM issues a notification requesting confirmation of acquisition intention), or if an agreement cannot be reached on conditions within 30 days after TRM expresses API's intention to acquire, the preferential negotiation right shall be made invalid.	

(2) Details of the three Real Estate Trust Beneficiary Rights Constituting Partnership Property

Property name		LOGI'Q Kashiwa
Specified asset category		Trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust beneficiary		Kashiwa Logi Investment GK
Trust establishment date		March 15, 2024
Trust maturity date		March 31, 2034
Transportation		• Approximately 2.1km from Kashiwa-Tanaka station on Tsukuba Express • Approximately 0.8km from “Kashiwa” IC on Joban Expressway
Location (address)		1-10, Kashiwa Inter-Higashi, Kashiwa-shi, Chiba, etc.
Land	Location	1-10, Kashiwa Inter-Higashi, Kashiwa-shi, Chiba, etc. (Note1)
	Building to land ratio	70%(Note2)
	Plot ratio	200%
	Usage restrictions	Quasi-industrial zone, exclusively industrial zone
	Land area	13,689.74 m ² (Note1)
	Ownership	Owned
Building	Completion date	September 1, 2023(Note1)
	Structure	Steel framed and galvanized alloy roofed / 4 floors (Note1)
	Registered usage	Storage, Office (Note1)
	Gross floor area	30,564.86 m ² (Note1)
	Ownership	Owned
Property management company		CBRE K.K.
Master lessee		-
Appraisal value (Date of value estimate)		¥12,400 million (Note3) (January 31, 2025)
Appraisal agency		Tanizawa Sogo Appraisal Co., Ltd.
Earthquake PML		6.1%(according to the earthquake PML report of SOMPO Risk Management Inc.)
Collateral Status		• A pledge has been established, with the non-recourse loan lender to Kashiwa Logi Investment GK (the operator) as the pledgee. • A revolving pledge has been established with the swap counterparty as the pledgee.
Lease overview		
	Total leasable area	30,595.28 m ²
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	Occupancy rate	100.0%
	Number of tenants	1
	Annual rent	- (Note4)
	Expected NOI	- (Note4)
	Security deposit	- (Note4)
Remarks		Not applicable.
(Note1)		The data is based on information from the property registry.
(Note2)		The building-to-land ratio has been increased due to corner lot mitigation, and the figures are after the increase.
(Note3)		TRM has entrusted a real estate appraisal agency with valuing the underlying real estate assets, and the appraisal value and date of valuation are stated in the real estate appraisal report that was prepared.
(Note4)		Not disclosed because the tenant approval is not obtained.

4. Overview of the Operator of the Silent Partnership Contribution

(1)	Name	Kashiwa Logi Investment GK	
(2)	Location	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Representative	Representative Partner: ISH Kashiwa Logi Investment Executing person: Masakazu Hongo	
(4)	Business Description	1.Acquisition, holding, leasing, disposition, and management of real estate 2.Acquisition, holding and disposal of trust beneficiary rights in real estate	
(5)	Capital	¥100,000 (as of March 14, 2025)	
(6)	Formation Date	January 31, 2024	
(7)	Total Assets	- (Note)	
(8)	Net assets	- (Note)	
(9)	Relationship Between the Investment Corporation / Asset Management Company and This Company	Capital Relationship	There is no noteworthy capital relationship between API / TRM and this company. Additionally, there are no notable relationships between API / TRM 's stakeholders and affiliated companies and this company's stakeholders and affiliated companies.
		Personnel Relationship	
		Business Relationship	
		Status as a Related Party	This company is not considered a related party of API or TRM. Furthermore, the stakeholders and affiliated companies of this company are not considered related parties of API or TRM.

(Note) Not disclosed because the seller approval is not obtained

5. Overview of the Seller

(1)	Name	Tokyu Land Corporation	
(2)	Location	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	
(3)	Representative	Hiroaki Hoshino	
(4)	Business Description	1.Management, lease, purchase and sale, intermediary, consulting, and appraisal of land and building 2. Financing of interest to TMK, SPC, and REIT, and purchase and sale, intermediary and management of such interests 3. Any other related businesses to each item listed above	
(5)	Capital	¥57,551 million (Note)	
(6)	Formation Date	December 17, 1953	
(7)	Total Assets	¥1,992,867 million (Note)	
(8)	Net assets	¥440,205 million (Note)	
(9)	Relationship Between the Investment Corporation / Asset Management Company and This Company	Capital Relationship	Tokyu Land Corporation is the 100% parent company of TRM and holds 89,365 investment units of API. (As of February 28, 2025)
		Personnel Relationship	Certain personnel have been seconded to TRM from Tokyu Land Corporation.
		Business Relationship	The trustee has contracted the lease agreements and the property management agreements with Tokyu Land Corporation for some properties with the trust beneficiary interests held by API.
		Status as a Related Party	Tokyu Land Corporation is not a related party of API but is a related party of TRM under TRM's internal rules and the ITA.

(Note) The figures are as of March 31, 2024, rounded down to the nearest million yen.

6. Transaction with related parties, status of the Asset Acquirer, etc.

Tokyu Land Corporation, the former owner of this silent partnership interest, is a related party as provided for in Article 201 of the ITA, Article 123 of the Enforcement Ordinance of ITA, and the “Rules Regarding Related-party Transactions,” the internal rules of TRM. Therefore, TRM carried out the appropriate procedures as provided for in the rules concerning transactions with related parties in connection with the conclusion of the agreement for the acquisition of this silent partnership interest, including obtaining API’s approval for the above transaction at API’s board of directors meeting.

Since Tokyu Land Corporation, the former owner, was the initial contributor to this silent partnership interest, no previous owner exists. Additionally, the initial contribution amount has been omitted since it has been held for more than one year.

7. Overview of Brokerage

Not applicable.

8. Settlement Method, etc.

Lump-sum payment upon delivery.

9. Outlook

The impact of this acquisition on API's operational performance for the fiscal periods ending May 2025 (27th fiscal period, from December 1, 2024, to May 31, 2025) and November 2025 (28th fiscal period, from June 1, 2025, to November 30, 2025) is minimal. The operational performance forecasts will not be revised.

10. Outline of appraisal report

The overview of the real estate appraisal report, prepared by the appraisal agency upon the request of TRM for the underlying assets, is provided here. The real estate appraisal reflects the appraiser's judgment and opinion at a specific time, and it does not guarantee the validity, accuracy, or possibility of transactions at the appraised value.

Unless otherwise specified, amounts are rounded down to the nearest million yen.

Property name	LOGI'Q Kashiwa
Appraisal value	¥12,400 million
Appraisal agency	Tanizawa Sogo Appraisal Co., Ltd.
Date of value estimate	January 31, 2025

	Amount (Million yen)	Remarks
Capitalization	12,400	Estimated by the DCF method and the direct capitalization method.
Value by the direct capitalization method	12,600	
Operating revenue		
Potential gross income		
Loss (e.g., vacancy)		
Operating expense		
Maintenance expenses		
Property management fee		
Utility expenses		
Repair expenses		
Leasing expenses		
Taxes and public dues		
Insurance		

	Other expenses		
	NOI (Net Operating Income)	446	
	Investment income from temporary deposits	-	(Note)
	Capital expenditure		
	NCF (Net Cash Flow)	441	
	Capitalization rate	3.5%	
	Value by the DCF method	12,300	
	Discount rate	3.6%	Estimated based on specific characteristics of the subject property with reference to a comparison with transaction cases of similar real estates, etc.
	Terminal capitalization rate	3.7%	Estimated with the investment risk of the subject property, outlook of economic growth and trends in investment yield, real-estate price and rent, and a comparison with transaction cases of similar real estates, etc.
	Value by the cost method	11,900	
	Land ratio	62.2%	
	Building ratio	37.8%	

Other facts which the appraisal agency has taken into account for the appraisal report.	Nothing in particular
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(Note) Certain information provided to Kashiwa Logi Investment GK's asset manager is subject to confidentiality obligations, and disclosing such information or related data could result in a breach of confidentiality, causing disadvantages to API and potentially harming the interests of its investors. Therefore, such information is not disclosed.

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