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FOR IMMEDIATE RELEASE

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Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Interest
(Kobe Kyu Kyoryuchi 25Bankan)

Activia Properties Inc. (“API”) announces that TLC REIT Management Inc. (“TRM”), to which API entrusts its asset management, decided today to dispose of an asset (the “Disposition”).

Details are as follows:

1. Overview of the Disposition

(i)	Property name	:	Kobe Kyu Kyoryuchi 25Bankan			
(ii)	Asset to be disposed of	:	Trust beneficiary interest in the property (Kobe Kyu Kyoryuchi 25Bankan) as a trust asset (the “Asset to be Disposed of”)			
(iii)	Disposition price	:	¥26,258 million in total (excluding expenses for the disposition, consumption tax, etc.)			
			(1) ¥6,301 million (24% quasi co-ownership interest)	(2) ¥6,564 million (25% quasi co-ownership interest)	(3) ¥6,564 million (25% quasi co-ownership interest)	(4) ¥6,827 million (26% quasi co-ownership interest)
(iv)	Book value (Note)	:	¥19,164 million in total			
			(1) ¥4,641 million (24% quasi co-ownership interest)	(2) ¥4,801 million (25% quasi co-ownership interest)	(3) ¥4,767 million (25% quasi co-ownership interest)	(4) ¥4,952 million (26% quasi co-ownership interest)
(v)	Difference between the disposition price and the book value	:	¥7,093 million in total			
			(1) ¥1,660 million	(2) ¥1,762 million	(3) ¥1,796 million	(4) ¥1,874 million
(vi)	Loss or gain on disposition	:	See “8. Outlook” below.			
(vii)	Date of sales contract	:	January 16, 2026 (planned)			

(viii)	Date of delivery (planned)	:	(1) May 28, 2026 (24% quasi co- ownership interest)	(2) November 27, 2026 (25% quasi co- ownership interest)	(3) May 28, 2027 (25% quasi co- ownership interest)	(4) June 2, 2027 (26% quasi co- ownership interest)
(ix)	Acquirer of property	:	J. FRONT CITY DEVELOPMENT Co.,Ltd.			
(x)	Presence of Brokerage	:	Yes			
(xi)	Settlement method	:	Total amount of corresponding sale proceeds to be received at the time of each delivery			
(Note) Anticipated book value as of each date of delivery.						

2. Reasons for the Disposition

API will conduct the Disposition to reinforce the profitability of its future portfolio, as a part of the asset replacement strategy which is a pillar of its growth strategy. API's portfolio after the Disposition will be 44 properties with the total acquisition price of ¥520.4 billion.

Kobe Kyu Kyoryuchi 25Bankan is an urban retail property in a highly desirable location in the heart of the Kyu Kyoryuchi area a 5-minute walk from Kyukyoryuchi-Daimarumae Station on the Kobe Municipal Subway Kaigan Line, near Daimaru Kobe Store, and also adjacent to the Bank of Japan Kobe Branch and Kobe City Museum. API has managed the Asset to be Disposed of for over a decade since it was acquired in December 2013. Taking advantage of its superior location facing Nakamachi-dori, which is the main street with stores of many luxury brands, the Asset to be Disposed of has contributed to the stability of API's portfolio by steadily capturing the needs of highly competitive tenants to maintain high occupancy.

However, after considering the current yield level, future room for internal growth, etc., API determined that utilizing the proceeds from the Disposition for future property acquisition, etc. will lead to improvement in unitholder value over the medium to long term, and decided on the Disposition.

In addition, since the Disposition will be at a price exceeding both the book value and the appraisal value, API plans to manage distributions by selling the asset in four installments, taking into account the future operational performance, etc. of the portfolio. Part of the gain on disposition will be retained in internal reserve, etc. while utilizing it for the stability and improvement of unitholder value over the medium to long term.

Going forward, API will continue our asset replacement strategy by leveraging the networks of both TRM and the sponsor.

3. Outline of the Asset to be Disposed of

Property name	Kobe Kyu Kyoryuchi 25Bankan
Specified asset category	Trust beneficiary interest
Trustee	Sumitomo Mitsui Trust Bank, Limited
Trust establishment date	Land: February 14, 2005; February 27, 2006 Building: August 7, 2013
Trust maturity date	June 30, 2033
Access	5-minute walk from Kyukyoryuchi-Daimarumae Station on the Kobe Municipal Subway Kaigan Line 9-minute walk from Sannomiya Station on the JR Tokaido Main Line 9-minute walk from Kobe-Sannomiya Station on the Hankyu Kobe Line and the Hanshin Main Line 9-minute walk from Sannomiya Station on the Kobe New Transit/Kobe Municipal Subway Seishin-Yamate Line
Location (address)	25 Kyomachi, Chuo-ku, Kobe City, Hyogo

Land	Location	25 Kyomachi, Chuo-ku, Kobe City, Hyogo, and others (Note 1)
	Building to land ratio	100.00% (Note 2)
	Plot ratio	754.35% (Note 2)
	Use district	Commercial district
	Land area	3,013.68m ² (Note1)
	Ownership type	Ownership
Building	Completion date	January 31, 2010 (Note1)
	Structure	Steel frame, steel-framed reinforced concrete / 18 floors above and 3 floors underground (Note 1)
	Registered usage	Hotel, retail, parking (Note1)
	Gross floor area	27,010.67m ² (Note1)
	Parking facilities	141 vehicles
	Ownership type	Ownership
Property management company		TOKYU LAND SC MANAGEMENT CORPORATION
Master lessee		TOKYU LAND SC MANAGEMENT CORPORATION
Anticipated disposition price		¥26,258 million
Appraisal value (Date of value estimate)		¥24,900 million (November 30, 2025)
Appraisal agency		Japan Real Estate Institute
Earthquake PML		1.5% (According to an earthquake PML report by Sompo Risk Management Inc.)
Hypothecation		None
Lease overview (Note 3)		
	Total leasable area	19,629.09m ²
	Total leased area	19,629.09m ²
	Occupancy rate	100.0%
	Number of tenants	7
	Total rental income (annual)	¥1,156 million
	Expected NOI	¥874 million
	Tenant leasehold and security deposits	¥1,412 million
Remarks		API plans to have a quasi co-ownership of trust beneficiary interest in the Property with the Acquirer for the period from May 28, 2026 (planned) to June 2, 2027 (planned). API plans to conclude an agreement among quasi-co-owners with the Acquirer for the quasi co-ownership of the trust beneficiary interest in the Property, and the agreement among quasi-co-owners is planned to contain an agreement that each quasi-co-owner may not dispose of all or part of their own quasi co-ownership of trust beneficiary interest in the Property based on a sales contract for the disposition of the Asset to be Disposed of, and that prior written approval must be obtained from all other quasi co-owners when disposing of the quasi co-ownership of the trust beneficiary interest in the Property other than disposition, such as establishment of a pledge or security interest by transfer.
(Note 1) The data is based on information from the property registry.		
(Note 2) States the figure stipulated in accordance with relevant laws and regulations such as the Building Standards Act (Act No. 201 of 1950, as amended), the City Planning Act (Act No. 100 of 1968, as amended).		
(Note 3) The lease overview contains figures current as of November 30, 2025. Note that the expected NOI states the total amount of NOI for the fiscal period ended May 2025 and the fiscal periods ended November 2025.		

4. Profile of the Acquirer

Trade name	J. FRONT CITY DEVELOPMENT Co., Ltd.
Head office location	Shibuya First Place, 8-16 Shinsen-cho, Shibuya-ku, Tokyo
Representative	Yuji Hirai
Capital	¥110 million
Establishment	June 3, 2005
Net assets	- (Note)
Total assets	- (Note)
Major shareholder	- (Note)
Business description	1. Real estate leasing business 2. Real estate sales and acquisition business
Relationships with API and TRM	
Capital relationship	None
Personnel relationship	None
Business relationship	None
Status as a related party	None

(Note) Not disclosed as it is unavoidable due to the fact that the acquirer's consent has not been obtained.

5. Overview of Brokerage

The Broker does not fall under the category of interested party, etc. as stipulated in the Act on Investment Trusts and Investment Corporations.

6. Schedule of the Disposition (Planned)

Determination of disposition	January 16, 2026			
Conclusion of sales contract	January 16, 2026			
Payment reception dates	May 28, 2026	November 27, 2026	May 28, 2027	June 2, 2027
Disposition dates	May 28, 2026	November 27, 2026	May 28, 2027	June 2, 2027

7. Item Regarding Forward Commitment Contracts, Etc.

(1) Asset to be Disposed of under forward commitment contracts, etc. (Note)

Property No.	Property name	Date of sales contract	Scheduled disposition date
UR-7	Kobe Kyu Kyoryuchi 25Bankan	January 16, 2026	May 28, 2026
			November 27, 2026
			May 28, 2027
			June 2, 2027

(Note) "Forward commitment contracts, etc." refer to sales agreements with a date in the future, where settlement and delivery of the property is to take place one month or more after the agreement is concluded, and other similar agreements.

(2) Impact on API's finance when forward commitment contracts, etc. cannot be executed

The sales contract pertaining to the disposition of the Asset to be Disposed of states that API or the acquirer may cancel the agreement after giving notice for a reasonable period if there are any violations of

the sales contract by the other party that cause a material impediment to the achievement of the purpose of the sales contract, and the party that has exercised the right to cancel may claim an amount equivalent to 20% of the total sale proceeds from the other party that violated the sales contract as a penalty (predetermined amount of damages) associated with the cancellation of the sales contract.

Furthermore, API does not anticipate that the above conditions stipulated in the sales contract pertaining to the Disposition of the Asset to be Disposed of will have a material impact on its finances, etc. as it is the seller for the Disposition and has no fundraising risk that the acquirer assumes for fulfillment of payment obligation.

8. Outlook

Please refer to “Financial Report for the Fiscal Period Ended November 30, 2025 (the 28th fiscal period, June 1, 2025 – November 30, 2025)” released today for the impact on the operating results for the fiscal period ending May 31, 2026 (the 29th fiscal period, from December 1, 2025 to May 31, 2026) and the fiscal period ending November 30, 2026 (the 30th fiscal period, from June 1, 2026 to November 30, 2026).

9. Outline of Appraisal Report

Property name	Kobe Kyu Kyoryuchi 25Bankan
Appraisal value	¥24,900 million
Appraisal agency	Japan Real Estate Institute
Date of value estimate	November 30, 2025

	Amount (million yen)	Remarks
Capitalization	24,900	Estimated by the DCF method and the direct capitalization method.
Value by the direct capitalization method	25,100	
Operating revenue	1,342	
Potential gross income	1,368	Estimated based on the stably receivable rent, etc. for the medium to long term.
Loss (e.g., vacancy)	26	Estimated based on stable operational level for the medium to long term.
Operating expense	392	
Maintenance expenses	102	Estimated based on the past records, etc.
Property management fee	24	Estimated based on the past records, etc.
Utility expenses	119	Estimated based on the past records, etc.
Repair expenses	14	Estimated based on the annual average of repair expenses on the Engineering Report (ER).
Leasing expenses	9	Estimated based on the past records, etc.
Taxes and public dues	118	Estimated based on the past records, etc.
Insurance	3	Estimated considering replacement cost of building.
Other expenses	0	Estimated based on the past records, etc.
NOI (Net Operating Income)	949	
Investment income from temporary deposits	13	Estimated with investment yield as 1.0%.
Capital expenditure	58	Estimated based on the annual average of capital expenditure on the Engineering Report (ER).
NCF (Net Cash Flow)	904	
Capitalization rate	3.6%	Estimated by applying a discount rate that accounts for revenue and principal fluctuation risks, with reference to a comparison with transaction cases of similar real estate.
Value by the DCF method	24,600	
Discount rate	3.4%	Estimated by comparison for the discount rate for transactions for similar real estate and the yield of other financial instruments
Terminal capitalization rate	3.7%	Estimated with consideration for marketability at maturity relative to the capitalization rate.
Value by the cost method	25,200	
Land ratio	75.4%	
Building ratio	24.6%	
Other facts which the appraisal agency has taken into account for the appraisal report		Nothing in particular

<Exhibit>

Exhibit Portfolio after the Disposition

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

Exhibit Portfolio after the Disposition

Category	Property No.	Property name	Location	Acquisition date	Acquisition price (million yen)	Investment ratio (%) (Note 1)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando “Omokado”	Shibuya-ku, Tokyo	June 13, 2012	45,000 (Note 2)	8.6
	UR-3	Q plaza EBISU	Shibuya-ku, Tokyo	June 13, 2012	8,430	1.6
	UR-5	Kyoto Karasuma Parking Building	Kyoto City, Kyoto	June 13, 2012	8,860	1.7
	UR-8	A-FLAG SAPPORO	Sapporo City, Hokkaido	December 19, 2013	4,410	0.8
	UR-9	A-FLAG SHIBUYA	Shibuya-ku, Tokyo	December 19, 2013	6,370	1.2
	UR-10	Q plaza SHINSAIBASHI	Osaka City, Osaka	December 16, 2015	13,350	2.6
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato-ku, Tokyo	December 2, 2016	4,700	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya-ku, Tokyo	January 6, 2017	2,280	0.4
	UR-15	DECKS Tokyo Beach	Minato-ku, Tokyo	January 5, 2018	12,740 (Note 2)	2.4
	UR-17	Q plaza HARAJUKU	Shibuya-ku, Tokyo	January 10, 2019	13,200 (Note 2)	2.5
	UR-18	A-FLAG NISHI SHINSAIBASHI	Osaka City, Osaka	January 13, 2023	14,300	2.7
	Subtotal				133,640	25.7
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya-ku, Tokyo	June 13, 2012	7,400	1.4
	TO-2	A-PLACE Ebisu Minami	Shibuya-ku, Tokyo	June 13, 2012	9,640	1.9
	TO-3	A-PLACE Yoyogi	Shibuya-ku, Tokyo	June 13, 2012	4,070	0.8
	TO-4	A-PLACE Aoyama	Minato-ku, Tokyo	June 13, 2012	8,790	1.7
	TO-6	TAMACHI SQUARE (Land)	Minato-ku, Tokyo	June 13, 2012	2,338 (Note 3)	0.4
	TO-7	A-PLACE Ikebukuro	Toshima-ku, Tokyo	June 13, 2012	3,990	0.8
	TO-8	A-PLACE Shinbashi	Minato-ku, Tokyo	April 19, 2013	5,650	1.1
	TO-9	A-PLACE Gotanda	Shinagawa-ku, Tokyo	January 10, 2014	5,730	1.1
	TO-10	A-PLACE Shinagawa	Minato-ku, Tokyo	January 10, 2014	3,800	0.7
	TO-11	OSAKI WIZTOWER	Shinagawa-ku, Tokyo	June 24, 2014	10,690	2.1
	TO-12	Shiodome Building (Note 4)	Minato-ku, Tokyo	December 2, 2016	71,600 (Note 2)	13.8
	TO-13	A-PLACE Ebisu Higashi	Shibuya-ku, Tokyo	July 29, 2015	7,072	1.4
	TO-14	A-PLACE Shibuya Konnoh	Shibuya-ku, Tokyo	October 1, 2015	4,810	0.9
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa-ku, Tokyo	July 1, 2016	7,280	1.4
	TO-16	A-PLACE Shinagawa Higashi	Minato-ku, Tokyo	March 16, 2017	18,800	3.6
	TO-18	Ebisu Prime Square	Shibuya-ku, Tokyo	January 10, 2020	30,700 (Note 2)	5.9
	TO-19	A-PLACE Tamachi East	Minato-ku, Tokyo	October 29, 2021	6,800	1.3
	TO-20	Meguro Tokyu	Shinagawa-ku, Tokyo	September 10, 2021	16,300	3.1

	TO-21	Q plaza Shinjuku-3chome	Shinjuku-ku, Tokyo	September 10, 2021	18,400	3.5	
	TO-22	A-PLACE Shibuya Nampeidai	Shibuya-ku, Tokyo	September 10, 2021	8,800	1.7	
	TO-23	Kasumigaseki Tokyu Building	Chiyoda-ku, Tokyo	March 28, 2023	30,600	5.9	
	Subtotal				283,260	54.4	
Subtotal of UR and TO					416,900	80.1	
Activia Account Properties	AA-1	Amagasaki Q's Mall (Land)	Amagasaki City, Hyogo	June 13, 2012	12,000	2.3	
	AA-2	icot Nakamozu	Sakai City, Osaka	June 13, 2012	8,500	1.6	
	AA-4	icot Mizonokuchi	Kawasaki City, Kanagawa	June 13, 2012	2,710	0.5	
	AA-5	icot Tama Center	Tama City, Tokyo	June 13, 2012	2,840	0.5	
	AA-6	A-PLACE Kanayama	Nagoya City, Aichi	June 13, 2012	6,980	1.3	
	AA-7	Osaka Nakanoshima Building (Note 5)	Osaka City, Osaka	December 19, 2014	11,100	2.1	
	AA-8	icot Omori	Ota-ku, Tokyo	December 19, 2013	5,790	1.1	
	AA-9	Market Square Sagamihara	Sagamihara City, Kanagawa	January 9, 2015	4,820	0.9	
	AA-10	Umeda Gate Tower	Osaka City, Osaka	September 21, 2016	19,000	3.7	
	AA-11	A-PLACE Bashamichi	Yokohama City, Kanagawa	October 6, 2016	3,930	0.8	
	AA-12	Commercial Mall Hakata	Fukuoka City, Fukuoka	January 5, 2018	6,100	1.2	
	AA-13	A-PLACE Shinsaibashi	Osaka City, Osaka	January 10, 2019	19,800	3.8	
	Subtotal					103,570	19.9
	Portfolio total					520,470	100.0

(Note 1) "Investment ratio" is the ratio of (anticipated) acquisition price for each property to the total acquisition price rounded to the first decimal place.

(Note 2) Acquisition prices of Tokyu Plaza Omotesando "Omokado", DECKS Tokyo Beach, Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square are described based on their pro rata share of the quasi-co-ownership interests (75%, 49%, 60%, 35% and 51%, respectively).

(Note 3) Acquisition price of TAMACHI SQUARE (Land) is based on the acquisition price of the land as of acquisition date (June 13, 2012).

(Note 4) The acquisition date of Shiodome Building is the date of the third acquisition. The first acquisition date was January 9, 2015, and the second acquisition date was December 16, 2015. The acquisition price is total amount of the first, the second and the third acquisition prices (¥30,300 million, ¥20,400 million and ¥20,900 million) and the investment ratio reflects total acquisition price.

(Note 5) The acquisition date of Osaka Nakanoshima Building is the date of the second acquisition. The first acquisition date was January 25, 2013. The acquisition price of the property is total amount of the first and the second acquisition prices (¥5,250 million and ¥5,850 million) and the investment ratio reflects the total acquisition price.