

Supplementary Materials on Press Releases announced today

May 21, 2021

“Notice of Acquisition and Disposition of Assets and Lease Contract with New Tenants
(Tamachi East Building and Tokyu Plaza Akasaka)”

Portfolio improvement



Promotion of asset recycling model



Secure external growth opportunity

Outline of asset replacement

Anticipated Asset

TO-19 Tamachi East Building



Asset to be disposed

UR-2 Tokyu Plaza Akasaka (50% co-ownership)



Anticipated acquisition price (Appraisal NOI yield) (Note 1)	¥6,800 million (3.9%)	Anticipated disposition price (Note 5)	¥11,800 million
Appraisal value (Note 2)	¥7,130 million	Assumed book value (Note 5)(Note 6)	¥11,537 million
Expected NOI (Note 3)	¥260 million	Appraisal value (Note 5)(Note 2)	¥10,800 million
NOI after depreciation (Note 3)	¥244 million	Expected NOI (Note 5)(Note 3)	¥272 million
NOI yield after depreciation (Note 4)	3.6%	NOI after depreciation (Note 5)(Note 3)	¥193 million
		NOI yield after depreciation (Note 4)	1.7%

Improve NOI after depreciation and its yield

Future utilization of excess funds

Effect from asset replacement

1 Portfolio reinforcement

- ✓ Dispose of a commercial facility mainly comprised of hotel heavily impacted by COVID-19 crisis and acquire a Tokyo office property enjoying stability located in API's target investment area

2 Promotion of asset recycling model

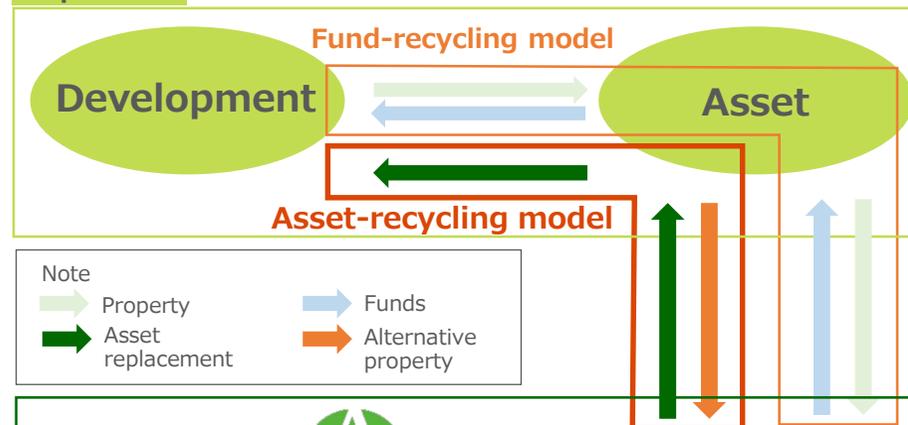
- ✓ Promote the asset recycling model through a flexible asset replacement leveraging support from the sponsor

3 Secured opportunity of future external growth

- ✓ Sponsor plans reconstruction of Tokyu Plaza Akasaka and API obtained a preferential negotiation right of the property after reconstruction of building

Asset recycling model

Sponsor



Note

(Note 1) Calculated by dividing the net operating income (¥263 million) based on direct capitalization method stated in the appraisal report as of March 31, 2021 by the acquisition price.

(Note 2) Appraisal Values stated in the appraisal reports as of March 31, 2021 for both Tamachi East Building and Tokyu Plaza Akasaka.

(Note 3) For Tamachi East Building, NOI is the estimated annual net operating income based on the present assumption. For Tokyu Plaza Akasaka, NOI is the total amount of the assumed net operating incomes for the fiscal period ending May 2022 and for the fiscal period ending November 2022 based on the assumption that API continues to hold the property.

(Note 4) For Tamachi East Building, NOI yield is calculated by dividing the estimated annual net operating income on the present assumption by the acquisition price of the property (¥6,800 million). For Tokyu Plaza Akasaka, NOI yield is calculated by dividing the amount equivalent to the total of the assumed net operating incomes for the period ending May 2022 and the period ending November 2022 based on the assumption that API continues to hold the property by the acquisition price of the property (¥11,450 million).

(Note 5) In proportion to the 50% co-ownership interest.

(Note 6) Estimated amount as of October 29, 2021.

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