Activia Properties Inc.

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FOR IMMEDIATE RELEASE

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Notice Concerning Determination of Repurchase of Own Investment Units (Repurchase of Own Investment Units Pursuant to the Provisions of Article 80-5 of the Act on Investment Trusts and Investment Corporations of Japan)

Activia Properties Inc. ("API") announces that it has decided at the board of directors meeting held today the matters regarding the repurchase of own investment units pursuant to the provisions of the Article 80-2 of the Act on Investment Trusts and Investment Corporations of Japan (the "ITA") which are applied by replacing the terms and phrases of the provisions of Paragraph 2, Article 80-5 of the ITA.

All repurchased own investment units are scheduled to be cancelled during the fiscal period ending May 2022 (the 21st Fiscal Period). Details are as follows:

1. Reason for the repurchase

API judged the enhancement of capital efficiency and return of profits to unitholders through repurchase and cancellation of own investment units will lead to the enhancement of unitholder value over the medium to long term after comprehensively taking into consideration the level of investment unit price, status of cash on hand, financial condition, market environment, etc.

Having set a strategy mainly focused on asset replacement for the middle to long term growth, API continuously seeks to enhance its unitholder value.

However, API's investment unit is currently deeply undervalued, having fallen far below the NAV per unit (market value of the net assets) to a level lower than the J-REIT market average.

Given such circumstances, we have discussed the use of cash in hand which will contribute to the enhancement of unitholder value, and concluded that to allocate a part of the fund to repurchase of own investment unit will lead to the increase of DPU and NAV per unit and therefore result in an enhancement of its unitholder value.

API will continue to take measures to improve the profitability of its portfolio including conducting asset replacement and flexibly respond to the changing operational environment, with considering repurchase of own investment unit as an option for the enhancement of its unitholder value.

(Note) NAV per unit as of November 30, 2021 was 460,237 yen.

2. Details of the repurchase

(1) Total number of investment units to be repurchased	13,000 units (maximum) (1.58% of the total number of outstanding investment units (excluding the number of own investment units))
(2) Total amount of investment units to be repurchased	4,000,000,000 yen (maximum)
(3) Repurchase method	Open-market repurchase on the Tokyo Stock Exchange based on a discretionary transaction agreement pertaining to the repurchase of own investment units concluded with a securities company
(4) Repurchase period	From February 18, 2022 to May 13, 2022

API will terminate the transaction regarding the repurchase of own investment units when either the total number of repurchased own investment units or the total repurchase amount reaches the maximum amount, or when the repurchase period ends. With respect to the total amount of investment units to be repurchased, the scale has been determined in light of the current and future situation of cash in hand, the LTV level following the repurchase of investment units, the time required to complete the cancellation of the repurchased investment units by the end of the fiscal period ending May 2022, etc.

(Note) Due to market trends etc., it is possible that the total number of repurchased investment units and total repurchase amount will not reach the maximum level, or there will be no repurchase at all.

3. After the repurchase

Pursuant to the provisions of the ITA, after the completion of the repurchase of own investment units, API plans to cancel all acquired own units before the end of May 2022 upon the resolution of API's board of directors.

【Reference information】

Ownership status of the own investment units as of February 17, 2022

Number of outstanding investment units	822,754 units
Number of investment units owned by API	0 unit

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