

FOR IMMEDIATE RELEASE

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Notice Concerning the Change in Tenant (Partial Cancellation of Lease Agreement)
(Umeda Gate Tower)

In relation to Umeda Gate Tower (the “Property”), Activia Properties Inc. (“API”) announces that it has received a notice of partial cancellation of lease agreement from a tenant.

Details are as follows:

1. Overview of the change (the “Change”)

(1) Name of the tenant	YANMAR GLOBAL EXPERT CO., LTD.
(2) Scheduled date of cancellation	March 31, 2021
(3) Lease terminated area	1,749.08 m ²
(4) Ratio of leased terminated area to total leasable area of the Property	12.8% (Note 1)
(5) Ratio of leased terminated area to total leasable area of API’s portfolio	0.4% (Note 2)
(6) Monthly rent	- (Note 3)
(7) Tenant leasehold and security deposits	- (Note 3)
<Reference>	
(1) Current leased area	7,870.86 m ²
(2) Ratio of current leased area to total leasable area of the Property	57.8% (Note 1)
(3) Ratio of current leased area to total API’s portfolio	1.8% (Note 2)

(Note 1) Calculated based on the total leasable area of the Property as of the end of August 2020 (13,624.49 m²).

(Note 3) Calculated based on the total leasable area of API’s portfolio as of the end of August 2020 (425,551.96 m²).

(Note 4) Not disclosed because the tenant approval was not obtained.

(Note 5) Remaining leased area to the tenant after the Change and another partial cancellation disclosed on April 22, 2020 will be 3,498.16 m², accounting for 0.8% of the total leasable area of API’s portfolio as of the end of August 2020.

2. Background of the Change

API received a notice of partial cancellation of lease agreement as of September 30, 2020 for two floors from YANMAR GLOBAL EXPERT CO., LTD., a tenant of the Property.

3. Leasing status

Located in the Umeda area, the center of commerce and business in Osaka, the Property is an office building with a great access from train stations. In the area where demand for office is tight, it has a superiority in terms of scale compared with other office buildings in the vicinity, with a standard floor area of 875m², and API has achieved high growth up to now both at rent revision with existing tenants and at tenant replacement.

On April 22, 2020, API disclosed the receipt of a partial lease cancellation notice of three floors from YANMAR GLOBAL EXPERT CO., LTD. Out of the three cancelled floors, we already concluded a lease agreement for one floor with an existing tenant in the Property for extension of leased area, and received some rental applications for the remaining two floors. Considering as an opportunity to achieve internal growth at tenant replacement, we will focus our effort on leasing activity which will lead to enhancement of our unitholder value.

4. Outlook

The impact of this Change on API's management performance for the fiscal period ending November 30, 2020 (the 18th period, from June 1, 2020 to November 30, 2020) and the fiscal period ending May 2021 (the 19th period, from December 1, 2020 to May 31, 2021) is minimal.

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