June 30, 2026

FOR IMMEDIATE RELEASE

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

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

Inquiries
Masataka Shimoyama
General Manager of Strategy Department,
Activia Management Division
(Tel: +81-3-6455-3377)

Notice of Conclusion of Lease Contract and Change of Tenant (Contract Expiration and Conclusion of Extension Contract) for Owned Real Estate (A-FLAG SAPPORO)

Regarding A-FLAG SAPPORO (the “Property”), which is an asset owned by Activia Properties Inc. (“API”), a fixed-term building lease contract (the “Contract”) was concluded today with a new tenant as follows. In addition, a fixed-term building lease contract (“Extension Contract”) for the period from the expiration of the fixed-term building lease contract concluded with the current tenant until the move-in date of the new tenant has been concluded with the current tenant.

1. Overview of the Contract

(1) Tenant name	Tokyu Resorts & Stays Co., Ltd.
(2) Contract type	Fixed-term building lease contract
(3) Conclusion of lease contract	June 30, 2026
(4) Lease term	From October 1, 2027 until September 30, 2047
(5) Leased area	18,891.39 m²
(6) Percentage of total leasable area of the Property	89.0% (Note 1)
(7) Percentage of total leasable area of API	4.3% (Note 2)
(8) Monthly rent	– (Note 3)
(9) Security deposit	– (Note 3)

(Note 1) Calculated based on the estimated total leasable area of the Property (21,229.16 m²) as of June 30, 2026.
(Note 2) Calculated based on the estimated total leasable area of API (439,135.32 m²) as of June 30, 2026.
(Note 3) Not disclosed because the tenant’s consent was not obtained.

2. Background to the Conclusion of the Contract

TOKYU LAND SC MANAGEMENT CORPORATION (the “ML/PM”), the tenant and sublessor of the Property, has been proceeding with discussions toward a renewal in anticipation of the expiration of the current fixed-term building lease contract concluded with TOKYU CORPORATION. In addition, for the purpose of maximizing asset value and verifying market competitiveness, it has been considering alternative tenant candidates, and in that process received a proposal from Tokyu Resorts & Stays Co., Ltd. (the “Tenant”) regarding opening a hotel at the Property. After comparing and reviewing both proposals, the ML/PM decided to enter into a fixed-term building lease contract with the Tenant, with a commencement date of October 1, 2027.

The Tenant already has a track record of operating multiple hotels in the vicinity of the Property and possesses a deep understanding of the surrounding market and the Property’s characteristics. In addition, in recent years, it has been actively implementing new openings involving capital investment. At the Property as well, the Tenant plans to carry out renovation work focused primarily on guest rooms and common areas for the purpose of increasing hotel revenue, and has indicated its intention to bear such investment costs itself and operate the Property assuming a long contract term.

As a result of a comprehensive consideration of the details of this proposal, operating track record and other factors, API has determined that the proposal is expected to contribute to enhancing the Property’s competitiveness and profitability.

3. Overview of Change

(1) Tenant name	TOKYU CORPORATION
(2) Contract expiration date	March 31, 2027
(3) Area subject to contract expiration	18,891.39 m²
(4) Percentage of total leasable area of the Property	89.0% (Note 1)
(5) Percentage of total leasable area of API	4.3% (Note 2)
(6) Monthly rent	– (Note 3)
(7) Security deposit	– (Note 3)

(Note 1) Calculated based on the total leasable area of the Property (21,229.16 m²) as of June 30, 2026.

(Note 2) Calculated based on the total leasable area of API (439,135.32 m²) as of June 30, 2026.

(Note 3) Not disclosed because the tenant’s consent was not obtained.

4. Overview of the Extension Contract

(1) Tenant name	TOKYU CORPORATION
(2) Contract type	Fixed-term building lease contract
(3) Conclusion of lease contract	June 30, 2026
(4) Lease term	From April 1, 2027 until September 30, 2027
(5) Leased area	18,891.39 m²
(6) Percentage of total leasable area of the Property	89.0% (Note 1)
(7) Percentage of total leasable area of API	4.3% (Note 2)
(8) Monthly rent	– (Note 3)
(9) Security deposit	– (Note 3)

(Note 1) Calculated based on the estimated total leasable area of the Property (21,229.16 m²) as of June 30, 2026.
(Note 2) Calculated based on the estimated total leasable area of API (439,135.32 m²) as of June 30, 2026.
(Note 3) Not disclosed because the tenant’s consent was not obtained.

5. Transaction with related parties

The Tenant is a wholly owned subsidiary of Tokyu Land Corporation, the parent company of TLC REIT Management Inc. ("TRM"). As the Tenant is a related party as defined in Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) and also a related party under the "Rules Regarding Related-party Transactions," the internal rules of TRM, TRM has conducted the review procedures stipulated in such rules in connection with the leasing of the Property to the Tenant.

6. Outlook

The Contract, the Extension Contract and the Change will have no impact on API’s operating results for the fiscal period ending November 30, 2026 (the 30th Period, from June 1, 2026 to November 30, 2026). A forecast of the operating results for the fiscal period ending May 31, 2027 will be announced together with the financial results for the fiscal period ended May 31, 2026, which are scheduled to be announced on July 16, 2026.

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