

February 3, 2021

FOR IMMEDIATE RELEASE

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Notice Concerning Issuance of Investment Corporation Bonds

Activia Properties Inc. (“API”) announces that it decided today to issue investment corporation bonds.

1. Summary of the investment corporation bonds

- | | |
|---------------------------------|---|
| (1) Name | The 13th unsecured investment corporation bonds (with pari passu conditions among specified investment corporation bonds) (“the Investment Corporation Bonds”) |
| (2) Total issue amount | ¥1.3billion |
| (3) Form of bond certificate | Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the investment bond certificates will not be issued for the Investment Corporation Bonds. |
| (4) Issue price | ¥100 per ¥100 of each bond |
| (5) Redemption price | ¥100 per ¥100 of each bond |
| (6) Interest rate | 0.750% per annum |
| (7) Denomination price | ¥100 million |
| (8) Offering method | Public Offering |
| (9) Offering date | February 3, 2021 (Wednesday) |
| (10) Payment date | February 9, 2021 (Tuesday) |
| (11) Collateral | Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no asset has been particularly secured for the Investment Corporation Bonds. |
| (12) Redemption method and date | The total amount of the Investment Corporation Bonds will be redeemed on February 8, 2036.
Redemption by purchase of the Investment Corporation Bonds by API will be available any time on and after the following day of the payment date, unless otherwise determined by the depository. |
| (13) Interest payment date | February 9 and August 9 every year
(For the interest payment for the period commencing on and including August 10, 2035 and ending on and including February 8, 2036, the redemption date, the interest payment date will be on February 8, 2036.) |
| (14) Financial covenant | Negative pledge among unsecured bonds |
| (15) Credit rating | AA (Japan Credit Rating Agency, Ltd.) |
| (16) Depository | Japan Securities Depository Center, Inc. |

(17) Fiscal agent, issuing agent and paying agent MUFG Bank, Ltd.

(18) Underwriter Mizuho Securities Co., Ltd.

2. Reasons for the issuance

API has decided to issue the Investment Corporation Bonds in order to extend and balance the debt maturity and diversify the financing methods.

3. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

(1) Amount of funds to be raised (estimated amount of net proceeds)

¥1,290 million

(2) Specific use of proceeds and scheduled timing of expenditure

All of the funds raised will be used on February 18, 2021 as part of the funds for an early repayment of the short-term borrowings (¥1,518 million) which will become due and payable on November 30, 2021 (the “Existing Short-term Borrowings”). For further details, please refer to the “Notice Concerning Early Repayment of Funds” announced as of today.

4. Status of borrowings payable, etc. after the issuance of the Investment Corporation Bonds

(1) Interest-bearing debt after the issuance of the Investment Corporation Bonds

(In millions of yen)

	Before the issuance (As of February 3, 2021)	After the issuance (As of February 18, 2021) (Note 1)	Change
Short-term borrowings (Note 2)	1,518	0	(1,518)
Long-term borrowings to be repaid within one year	25,050	25,050	0
Long-term borrowings (Note 2)	196,300	196,300	0
Total amount of borrowings	222,868	221,350	(1,518)
Investment corporation bonds to be redeemed within one year	0	0	0
Investment corporation bonds	21,500	22,800	1,300
Total amount of borrowing and investment corporation bonds	244,368	244,150	(218)

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥1,518 million) will be made on February 18, 2021.

(Note 2) Short-term borrowings refer to borrowings with a maturity period of one year or less, and long-term borrowings refer to borrowings with a maturity period of more than one year.

(2) Basic financing information after the issuance of the Investment Corporation Bonds

	Before the issuance (As of February 3, 2021)	After the issuance (As of February 18, 2021) (Note 1)	Change (point)
Long-term borrowing ratio (Note 2) (Note 5)	99.4%	100.0%	0.6
Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 3) (Note 5)	89.1%	89.7%	0.6
Fixed interest ratio (Note 4) (Note 5)	92.0%	92.6%	0.6

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥1,518 million) will be made on February 18, 2021.

(Note 2) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings (including the long-term borrowings to be repaid within one year) and investment corporation bonds (including the investment corporation bonds to be redeemed within one year) to the total of outstanding interest-bearing debt.

(Note 3) Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) is the ratio of the outstanding long-term borrowings (excluding the long-term borrowings to be repaid within one year) and investment corporation bonds (excluding the investment corporation bonds to be redeemed within one year) to the total of outstanding interest-bearing debt.

(Note 4) Fixed interest ratio is the ratio of the total of outstanding interest-bearing debt with fixed interest rates to the total of outstanding interest-bearing debt. The total of outstanding interest-bearing debt with fixed interest rates includes debts whose interest rates were converted into fixed interest rates by interest rate swap agreements.

(Note 5) Figures are rounded to the first decimal place.

5. Other

Regarding the risks related to the redemption of the Investment Corporation Bonds, there are no significant changes in the “Investment Risk” section of the securities report submitted on August 24, 2020.

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