

FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing and Early Repayment of Funds

Activia Properties Inc. (“API”) announces today that it decided to borrow funds (the “Borrowing”) and make early repayment of funds (the “Early Repayment”). Details are as follows:

I. Borrowings

1. Details of the borrowing

< Short-term borrowings >

Lender	Loan amount	Interest rate	Drawdown date (plan)	Due date (Note 1)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.	12 billion yen	0.275 % +Base rate (Note 2)	March 28, 2023	April 6, 2023	Borrowing based on the commitment line agreement dated June 10, 2022 with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.	9 billion yen	0.275 % +Base rate (Note 2)	March 28, 2023	April 6, 2023	Borrowing based on the commitment line agreement dated September 28, 2022 with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.	4.8 billion yen	0.275 % +Base rate (Note 2)	March 28, 2023	April 6, 2023	Borrowing based on the credit line (non-commitment basis) agreement dated June 10, 2022 with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
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(Note 1) If the due date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.

(Note 2) The interest payment will be made on the last day of March 2023 and the due date of the principal. (If an interest payment date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)

The base rate applicable to the period for the calculation of the interest payable on an interest payment date is the JBA one-week Japanese Yen TIBOR as of a date two business days prior to the interest payment date immediately preceding each interest payment date. (For the first interest payment, it will be on the drawdown date.) However, if the base rate applicable to the calculation period doesn't exist, the base rate will be the one corresponding to the period that will be calculated based on a method provided in the agreement.

After this, API will not announce the interest rate decisions for the borrowing. For changes in the JBA Japanese Yen TIBOR, the base rate, please check the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english>).

2. Reasons for the borrowing

API will appropriate the funds from the borrowings for part of the purchase price and the related expenses of the real estate trust beneficiary interest in the anticipated property announced in “Notice of Disposition of Asset (Tokyu Plaza Ginza (Land)) and Acquisition of Asset and Lease Contract with New Tenants (Kasumigaseki Tokyu Building)” released on March 3, 2023. For the details of the anticipated property, please refer to “Notice of Disposition of Asset (Tokyu Plaza Ginza (Land)) and Acquisition of Asset and Lease Contract with New Tenants (Kasumigaseki Tokyu Building)” released on March 3, 2023.

3. Amount, use and schedule of disbursement of funds to be raised

(1) Total amount

25.8 billion yen in total

(2) Specific purpose of use

Part of the purchase price and the related expenses of the real estate trust beneficiary interest in the anticipated property

(3) Scheduled date of disbursement

March 28, 2023

II. Early Repayment of funds

1. Details of the funds to be repaid

Lender	Loan amount	Repayment amount	Loan amount after repayment	Interest rate	Drawdown date	Due date	Scheduled date of early repayment
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.	3.5 billion yen	3.5 billion yen	-	0.13% + Base rate (Floating rate)	January 13, 2023	January 13, 2024	April 6, 2023

(Note 1) Break-funding costs upon the Early Repayment will occur. However, the impact of these costs on API is negligible.

(Note 2) For details of the above borrowing, please refer to the “Notice Concerning Borrowing of Funds” announced on December 27, 2022.

2. Funds for repayment

Part of the proceeds from the anticipated disposition of the real estate trust beneficially interest announced in “Notice of Disposition of Asset (Tokyu Plaza Ginza (Land)) and Acquisition of Asset and Lease Contract with New Tenants (Kasumigaseki Tokyu Building)” released on March 3, 2023 will be appropriated. For the details of the property to be disposed, please refer to “Notice of Disposition of Asset (Tokyu Plaza Ginza (Land)) and Acquisition of Asset and Lease Contract with New Tenants (Kasumigaseki Tokyu Building)” released on March 3, 2023.

III. Status of borrowings payable, etc. after the Borrowing and the Early Repayment

1. Interest-bearing debt balance after the Borrowing and the Early Repayment

(In millions of yen)

	Before the Borrowing (As of March 3, 2023)	After the Borrowing (As of April 6, 2023) (Note 2)	Change
Short-term borrowings (Note 1)	3,500	0	(3,500)
Long-term borrowings to be repaid within one year	40,750	46,250	5,500
Long-term borrowings (Note 1)	197,400	191,900	(5,500)
Total amount of borrowings	241,650	238,150	(3,500)
Investment corporation bonds to be redeemed within one year	0	0	0
Investment corporation bonds	27,700	27,700	0
Total amount of borrowings and investment corporation bonds	269,350	265,850	(3,500)

(Note 1) 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.

(Note 2) Figures after the Borrowing do not reflect the expected change after refinancing of 8 billion yen long-term borrowings which will become due and payable on March 30, 2023 and 4 billion yen long-term borrowing which will become due and payable on April 6, 2023.

2. Basic financing information after the Borrowing and the Early Repayment

	Before the Borrowing (As of March 3, 2023)	After the Borrowing (As of April 6, 2023) (Note 5)	Change (point)
Long-term debt ratio (Note 1) (Note 4)	98.7%	100.0%	1.3
Long-term debt ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 2) (Note 4)	83.6%	82.6%	(1.0)
Fixed interest ratio (Note 3) (Note 4)	97.4%	98.7%	1.3

(Note 1) Long-term debt 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 2) Long-term debt 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 3) 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 4) Figures are rounded to the first decimal place.

(Note 5) Figures after the Borrowing do not reflect the expected change after refinancing of 8 billion yen long-term borrowings which will become due and payable on March 30, 2023 and 4 billion yen long-term borrowing which will become due and payable on April 6, 2023.

IV. Other

Regarding the risks related to the repayment of the Borrowing, there are no significant changes in the “Investment Risk” section of the securities report submitted on February 22, 2023.

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