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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces that it decided to borrow funds today. Details are as follows.

1. Borrowing of funds

Long-term borrowing

Financial institution	Total amount to be borrowed	Interest rate	Drawdown date (plan)	Due date	Borrowing and repayment methods, security, and guarantee
Mizuho Trust & Banking Co., Ltd. Shinkin Central Bank	3 billion yen	Fixed rate (To be determined) (Note)	August 29, 2014	August 29, 2019	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note) Interest rate of the fixed rate borrowing will be announced upon the determination.

2. Reasons for the borrowing

To redeem 3 billion yen of short-term borrowing on the due date of August 29, 2014 (hereinafter referred to as the Existing Short-term Borrowing).

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

(1) Amount of funds to be raised

A total of 3 billion yen

(2) Specific use of funds to be raised

Funds will be used to redeem the Existing Short-term Borrowing

(3) Time of disbursement

August 29, 2014

4. Status of borrowings payable, etc. after the borrowing

(1) Interest-bearing debt after the borrowing

(In millions of yen)

	Before the borrowing (As of August 26, 2014)	After the borrowing (As of August 29, 2014)	Change
Short-term borrowings payable (Note)	3,000	0	Δ3,000
Long-term borrowings to be repaid within a year	18,000	18,000	0
Long-term borrowings payable (Note)	85,800	88,800	3,000
Total borrowings payable	106,800	106,800	0
Investment corporation bonds	4,000	4,000	0
Total borrowings payable and investment corporation bonds	110,800	110,800	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	110,800	110,800	0

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

(2) Basic financing information after the borrowing

	Before the borrowing (As of August 26, 2014)	After the borrowing (As of August 29, 2014)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	97.3%	100.0%	2.7%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4)	81.0%	83.8%	2.7%
Fixed interest ratio (Note 3) (Note 4)	74.7%	77.4%	2.7%

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings including the portion of long-term borrowings to be repaid within a year and investment corporation bonds to the total of outstanding interest-bearing debt.

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

(Note 3) Fixed interest ratio is the ratio of the total of outstanding interest-bearing debt of fixed interest ratio to the total of outstanding interest-bearing debt and calculated after fixing the interest rate by interest rate swap agreement.

(Note 4) Figures are rounded to the first decimal place.

5. Other

There are no significant changes in the “Investment Risk” section of the securities report submitted on August 26, 2014, in relation to the risks related to the repayment of the borrowing

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*Website of the Investment Corporation: <http://www.activia-reit.co.jp/english>