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FOR IMMEDIATE RELEASE

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Notice Concerning Issuance of Investment Corporation Bonds

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces today that it decided to issue the investment corporation bonds. Details are as follows.

1. Summary of investment corporation bonds

- | | |
|---|---|
| (1) Name | The Investment Corporation 1st unsecured bonds (with pari passu conditions among specified investment corporation bonds) |
| (2) Total issue amount | ¥4 billion |
| (3) Form of bond certificate | Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares etc., bond certificates will not be issued. |
| (4) Issue price | 100 yen per 100 yen of each bond |
| (5) Redemption price | 100 yen per 100 yen of each bond |
| (6) Interest rate | 0.37% per annum |
| (7) Denomination price | ¥1 billion |
| (8) Offering method | Public Offering |
| (9) Offering date | April 17, 2014 (Thursday) |
| (10) Payment date | April 25, 2014 (Friday) |
| (11) Collateral | Neither collateral nor guarantee is provided for bonds, and no asset has been particularly secured for bonds. |
| (12) Redemption method and date | The total amount of bonds will be redeemed on April 25, 2019. Redemption by purchase will be available any time on and after the following day of the payment date except for the case separately determined by the depository. |
| (13) Interest payment date | April 25 and October 25 every year |
| (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) Financial agent, issuing agent and payment agent | Mitsubishi UFJ Trust and Banking Corporation |
| (18) Underwriter | Mizuho Securities Co., Ltd. and Daiwa Securities Co. Ltd. |

2. Reasons for the issuance

In order to extend and balance the debt maturity and diversify the financing methods, the Investment Corporation has decided to issue investment corporation bonds.

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)

¥3,981 million

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

The partial repayment of the long-term borrowings (¥4 billion) which will be redeemed on April 25, 2014.

4. Status of borrowings payable, etc. after the issuance of investment corporation bonds

(1) Interest-bearing debt after the issuance of investment corporation bonds

(In millions of yen)

	Before the issuance (As of April 17, 2014)	After the issuance (As of April 25, 2014)	Change
Short-term borrowings payable (Note)	3,000	3,000	0
Long-term borrowings to be repaid within a year	16,000	12,000	Δ4,000
Long-term borrowings payable (Note)	81,800	81,800	0
Total borrowings payable	100,800	96,800	Δ4,000
Investment corporation bonds	0	4,000	4,000
Total borrowings payable and investment corporation bonds	100,800	100,800	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	100,800	100,800	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 issuance of investment corporation bonds

	Before the issuance (As of April 17, 2014)	After the issuance (As of April 25, 2014)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	97.0%	97.0%	0%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4)	81.2%	85.1%	4.0%
Fixed interest ratio (Note 3) (Note 4)	75.2%	79.2%	4.0%

(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 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) 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 February 27, 2014 in relation to the risks related to the repayment of the investment corporation bonds.

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