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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
Sumitomo Mitsui Banking Corporation	6 billion yen	0.17% + Base rate (Note)	June 13, 2014	December 13, 2016	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note) The first interest payment will be made on the last day of June 2014 and the last day of each month thereafter, as well as on the due date of the principal (if this day is a non-business day, the following business day. If such day comes in the following month, the immediately preceding business day). The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month Japanese Yen TIBOR of the Japanese Bankers Association, on two business days before the interest payment date immediately preceding each interest payment date. The base rate corresponding to the first interest calculation period is based on the drawdown date. However, if the calculation period is less than one month, the base rate will be the one corresponding to the period that will be calculated based on a method provided for in the agreement.

After this, the Investment Corporation will not announce the interest rate decisions for its borrowings on a floating-rate basis. For changes in the Japanese Yen TIBOR of the Japanese Bankers Association, the base rate, please check the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/>).

2. Reasons for the borrowing

To redeem 6 billion yen of long-term borrowing (hereinafter referred to as the “Existing Long-term Borrowing”) on the due date of June 13, 2014.

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

(1) Amount of funds to be raised

A total of 6 billion yen

(2) Specific use of funds to be raised

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

(3) Time of disbursement

June 13, 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 May 29, 2014)	After the borrowing (As of June 13, 2014)	Change
Short-term borrowings payable (Note)	3,000	3,000	0
Long-term borrowings to be repaid within a year	12,000	18,000	6,000
Long-term borrowings payable (Note)	81,800	75,800	Δ6,000
Total borrowings payable	96,800	96,800	0
Investment corporation bonds	4,000	4,000	0
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. The long-term borrowings to be repaid within a year decreased and the long-term borrowings payable increased by ¥6 billion respectively by the above mentioned new borrowing and repayment of Existing Long-term Borrowing on June 13, 2014. Also the ¥12 billion of the long-term borrowings with maturity date of June 13, 2015 will be switched as the long-term borrowings to be repaid within a year. Due to these changes, the figures on before and after remain the same on the table after the borrowing was carried out.

(2) Basic financing information after the borrowing

	Before the borrowing (As of May 29, 2014)	After the borrowing (As of June 13, 2014)	Change (point)
Long-term borrowing ratio (Note 1)	97.0%	97.0%	0%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2)	85.2%	79.2%	Δ6.0%
Fixed interest ratio (Note 3)	79.2%	79.2%	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, and investment corporation bonds.
- (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, and investment corporation bonds.
- (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 borrowing.

*Distribution of this material: This material is distributed to the Kabuto Club; the press club for the Ministry of Land, Infrastructure, Transport, and Tourism; and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport, and Tourism.

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