

June 19, 2014

FOR IMMEDIATE RELEASE

Activia Properties Inc.
16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Haruki Sakane
Executive Director
(Code: 3279)

Asset Management Company
TLC Activia Investment Management Inc.
Haruki Sakane
Representative Director, President and Chief Executive Officer

Inquiries
Hiroshi Kimoto
Executive Officer of Fund Management Department
(Tel: +81-3-6415-3120)

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

Short-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 Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd.	10 billion yen	0.275% + Base rate (Note)	June 24, 2014	July 9, 2014	Borrowing based on a commitment line agreement on June 11, 2014 with the lenders 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, 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 the JBA TIBOR Administration (<http://www.jbatibor.or.jp/>).

2. Reasons for the borrowing

The Investment Corporation will appropriate the borrowed funds to acquire the real estate trust beneficiary interests to OSAKI WIZTOWER and for related expenses. For the details of the properties to be acquired, please refer to the “Notice of Acquisition of Asset (OSAKI WIZTOWER)” announced today.

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

(1) Amount of funds to be raised

A total of 10 billion yen

(2) Specific use of funds to be raised

Funds will be used to acquire OSAKI WIZTOWER and to cover related expenses

(3) Time of disbursement

June 24, 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 June 19, 2014)	After the borrowing (As of June 24, 2014)	Change
Short-term borrowings payable (Note)	3,000	13,000	10,000
Long-term borrowings to be repaid within a year	18,000	18,000	0
Long-term borrowings payable (Note)	75,800	75,800	0
Total borrowings payable	96,800	106,800	10,000
Investment corporation bonds	4,000	4,000	0
Total borrowings payable and investment corporation bonds	100,800	110,800	10,000
Other interest-bearing debt	0	0	0
Total interest-bearing debt	100,800	110,800	10,000

(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 June 19, 2014)	After the borrowing (As of June 24, 2014)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	97.0%	88.3%	Δ8.8%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4)	79.2%	72.0%	Δ7.1%
Fixed interest ratio (Note 3) (Note 4)	79.2%	72.0%	Δ7.1%

(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.

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