

July 10, 2015

FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

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

1. Borrowing of Funds

Short-term borrowing

Financial institution	Total amount to be borrowed	Interest rate	Anticipated drawdown date	Due date (Note 2)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	5 billion	0.14% + Base rate (Note 1)	July 29, 2015	September 30, 2015	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note 1) The first interest payment will be made on the last day of July 2015 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 JBA TIBOR, 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 JBA TIBOR, the base rate, please check the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/>).

(Note 2) If this day is a non-business day, the following business day. If such day is in the following month, the immediately preceding business day.

2. Reasons for the borrowing

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

July 6, 2015.

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

(1) Amount of funds to be raised

A total of 5 billion yen

(2) Specific use of funds to be raised

Funds will be used for part of the acquisition price and related expenses of Frontier Ebisu.

(3) Time of disbursement

July 29, 2015

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 July 10, 2015)	After the borrowing (As of July 29, 2015)	Change
Short-term borrowings payable (Note)	0	5,000	5,000
Long-term borrowings to be repaid within a year	19,000	19,000	0
Long-term borrowings payable (Note)	100,100	100,100	0
Total borrowings payable	119,100	124,100	5,000
Investment corporation bonds	8,000	8,000	0
Total borrowings payable and investment corporation bonds	127,100	132,100	5,000
Other interest-bearing debt	0	0	0
Total interest-bearing debt	127,100	132,100	5,000

(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 July 10, 2015)	After the borrowing (As of July 29, 2015)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	100.0%	96.2%	△3.8%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4)	85.1%	81.8%	△3.2%
Fixed interest ratio (Note 3) (Note 4)	85.1%	81.8%	△3.2%

- (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 February 26, 2015, 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>