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FOR IMMEDIATE RELEASE

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## Notice Concerning Concluding Interest Rate Swap Agreement

Activia Properties Inc. (“API”) announces that it concluded an interest rate swap agreement today, as follows.

### 1. Reason for concluding interest rate swap agreement

In order to hedge the risk of fluctuation of interest rate payments by converting to a fixed rate for the long-term borrowings disclosed in the “Notice Concerning Borrowing of Funds” announced on September 25, 2015.

#### <Long-term borrowing>

Lender	Loan Amount	Interest rate	Drawdown date (plan)	Due date (Note 2)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	12.5 billion	0.2675% + Base rate (Note 1)	September 30, 2015	March 30, 2023	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	12.5 billion				
Mizuho Bank, Ltd.	12.5 billion				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12.5 billion				

(Note 1) The first interest payment will be made on the last day of October 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 JBA one-month Japanese Yen 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, API will not announce the interest rate decisions for its borrowings on a floating-rate basis. For changes in the JBA Japanese Yen 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. Details of the interest rate swap agreement

(1) Counterparty	Sumitomo Mitsui Trust Bank, Limited
(2) Notional principal amount	5 billion yen
(3) Interest rate	Fixed interest rate payable at 0.34580% Floating interest rate receivable will be the JBA one-month Japanese Yen TIBOR
(4) Date of the agreement	September 28, 2015
(5) Commencement date	September 30, 2015
(6) Termination date	March 30, 2023
(7) Interest payment date	Interest payment will be made on the last day of October 2015 first, thereafter the last day of each month and the due date of the principal (if this day is a non-business day, the following business day. If this day comes in the following month, the immediately preceding business day).

(Note) The interest rate for the loan above is to be basically fixed at 0.61330% by entering the interest rate swap agreement.

## 3. Other

Regarding the risks related to the repayment of the borrowing, there are no significant changes in the “Investment Risk” of the securities report submitted on August 26, 2015.

\*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>