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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

Activia Properties Inc. (“API”) hereby announces that it has decided to borrow funds today. Details are as follows:

1. Borrowing of Funds

Short-term borrowings

Lender	Loan Amount	Interest rate	Drawdown date (plan)	Due date (Note 2)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	0.45 billion	0.13% + Base rate (floating rate) (Note 1)	December 16, 2015	May 31, 2016	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	0.45 billion				
Mizuho Bank, Ltd.	0.45 billion				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	0.45 billion				
Sumitomo Mitsui Banking Corporation	0.225 billion				
Development Bank of Japan Inc.	0.225 billion				
Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.6 billion	0.275% + Base rate (floating rate) (Note 1)	December 16, 2015	May 31, 2016	Borrowing based on a commitment line agreement with the lenders shown at left as the creditor as of June 11, 2015, lump-sum repayment, unsecured, and unguaranteed
Total	3.85 billion				

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(Note 1) The first interest payment will be made on the last day of December 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, it shall be the following business day. If such day is in the following month, it shall be the immediately preceding business day.

Long-term borrowings

Long-term borrowings					
Lender	Loan Amount	Interest rate	Drawdown date (plan)	Due date (Note 2)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	0.2 billion yen	0.215% + Base rate (fixed rate) (Note 1,2)	December16, 2015	June 15, 2022	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	0.2 billion yen				
Mizuho Bank, Ltd.	0.2 billion yen				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	0.2 billion yen				
Sumitomo Mitsui Banking Corporation	0.1 billion yen				
Development Bank of Japan Inc.	0.1 billion yen				
Sumitomo Mitsui Trust Bank, Limited	0.625 billion yen	0.25% + Base rate (fixed rate) (Note 1,2)	December16, 2015	June 15, 2023	
Development Bank of Japan Inc.	0.625 billion yen				
Sumitomo Mitsui Banking Corporation	1.2 billion yen	0.285% + Base rate (fixed rate) (Note 1,2)	December16, 2015	June 17, 2024	
Mitsubishi UFJ Trust and Banking Corporation	1.2 billion yen				
Mizuho Bank, Ltd.	1.2 billion yen				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.2 billion yen				
Sumitomo Mitsui Banking Corporation	0.6 billion yen				
Development Bank of Japan Inc.	0.6 billion yen				
Total	8.25 billion yen				

(Note 1) Interest rate of the fixed rate borrowing will be announced upon the determination.

(Note 2) The base rate applicable on the interest payment date is based on a swap offered rate which corresponds to the term of each borrowing as of two business days prior to the drawdown date, plus TIBOR/LIBOR spread (based on 365 days a year).

(Note 3) If the due date is a non-business day, it shall be the following business day. If such day is in the following month, it shall be the immediately preceding business day.

2. Reasons for the borrowing

API will appropriate the borrowed funds for part of the acquisition cost and related expenses of the real estate trust beneficiary interests in the two properties (the total anticipated acquisition price of 33,750 million yen) as announced in “Notice of Acquisition of Assets and Lease Contract with New Tenants” on November 26, 2015. For the details of the properties to be acquired, please refer to the “Notice of Acquisition of Assets and Lease Contract with New Tenants”.

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

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(1) Amount of funds to be raised

A total of 12.1 billion yen

(2) Specific use of funds to be raised

Funds will be used for part of the acquisition price and related expenses of the real estate trust beneficiary interests in the two properties as announced in “Notice of Acquisition of Assets and Lease Contract with New Tenants” on November 26, 2015.

(3) Time of disbursement

December 16, 2015

4. Status of borrowings payable, etc. after the borrowings

(1) Interest-bearing debt after the borrowings

(In millions of yen)

	Before the borrowings (As of December 8, 2015)	After the borrowings (As of December 16, 2015)	Change
Short-term borrowings (Note)	2,400	6,250	3,850
Long-term borrowings due within one year	19,000	25,000	6,000
Long-term borrowings (Note)	107,500	109,750	2,250
Total borrowings	128,900	141,000	12,100
Investment corporation bonds	8,000	8,000	0
Total borrowings and investment corporation bonds	136,900	149,000	12,100
Other interest-bearing debt	0	0	0
Total interest-bearing debt	136,900	149,000	12,100

(Note) Short-term borrowings 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.

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(2) Basic financing information after the borrowings

	Before the borrowings (As of December 8, 2015)	After the borrowings (As of December 16, 2015)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	98.2%	95.8%	Δ2.4%
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	84.4%	79.0%	Δ5.3%
Fixed interest ratio (Note 3) (Note 4)	82.6%	81.4%	Δ1.2%

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings (including the portion of long-term borrowings due within one year) and investment corporation bonds to the total of outstanding interest-bearing debt.

(Note 2) Long-term borrowing ratio (excluding long-term borrowings due within one year) is the ratio of the outstanding long-term borrowings (excluding the portion of long-term borrowings due within one 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

Regarding to the risks related to the repayment of the borrowing, there are no significant changes in the “Investment Risk” section of the securities report submitted on November 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 API: <http://www.activia-reit.co.jp/english>

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