

December 25, 2015

FOR IMMEDIATE RELEASE

Activia Properties Inc.
1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo
Michie Kawai
Executive Director
(Code: 3279)

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

Inquiries
Hiroshi Kimoto
Executive Officer of Fund Management Department
(Tel: +81-3-6804-5671)

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

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	1.4 billion yen	To be determined (fixed rate) (Note 1)	January 12, 2016	January 12, 2024	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	1.4 billion yen				
Mizuho Bank, Ltd.	1.4 billion yen				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.4 billion yen				
Sumitomo Mitsui Banking Corporation	0.7 billion yen				
Development Bank of Japan Inc.	0.7 billion yen				
Total	7 billion yen				

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

(Note 2) 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

To redeem a long-term borrowing of 7 billion yen on the due date of January 12, 2016 (“Existing Long-term Borrowing”). For the details of the Existing Long-term Borrowing, please refer to the “Notice Concerning Borrowing of Funds” on June 30, 2014.

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

(1) Amount of funds to be raised

A total of 7 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

January 12, 2016

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 25, 2015)	After the borrowings (As of January 12, 2015)	Change
Short-term borrowings (Note)	6,250	6,250	0
Long-term borrowings due within one year	25,000	20,400	Δ4,600
Long-term borrowings (Note)	109,750	114,350	4,600
Total borrowings	141,000	141,000	0
Investment corporation bonds	8,000	8,000	0
Total borrowings and investment corporation bonds	149,000	149,000	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	149,000	149,000	0

(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.

(2) Basic financing information after the borrowings

	Before the borrowings (As of December 25, 2015)	After the borrowings (As of January 12, 2016)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	95.8%	95.8%	0%
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	79.0%	82.1%	3.1%
Fixed interest ratio (Note 3) (Note 4)	81.4%	86.1%	4.7%

(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.

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