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FOR IMMEDIATE RELEASE

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### Notice Concerning Borrowing of Funds

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

#### 1. Borrowing of Funds

##### < Long-term borrowing >

Lender	Loan amount	Interest rate	Drawdown date (plan)	Due date (Note 1)	Borrowing and repayment methods, security, and guarantee
Mizuho Trust & Banking Co., Ltd. The Norinchukin Bank	2.4 billion yen	0.13% + Base rate (Note 2,3)	June 30, 2016	June 28, 2019	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note 1) If the due date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.

(Note 2) The first interest payment will be made on the last day of July 2016 and the last day of each month thereafter as well as on the due date of the principal. (If the interest payment date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.) The base rate applicable to the period for the calculation of the interest payable on interest payment dates is the JBA one-month Japanese Yen TIBOR as of a date two business days prior to the interest payment date immediately preceding each interest payment date. (For the first interest payment, it will be 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 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 3) Regarding the Borrowing, API plans to conclude an interest rate swap agreement with the financial institutions on June 28, 2016 in order to fix the interest rate.

## 2. Reasons for the Borrowing

API will use the Borrowing to redeem a short-term borrowing of 2.4 billion yen with a due date of June 30, 2016 (the “Existing Short-term Borrowing”). For the details of the Existing Short-term Borrowing, please refer to the “Notice Concerning Borrowing of Funds” disclosed on September 25, 2015.

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

- (1) Total amount  
2.4 billion yen
- (2) Specific purpose of use  
Redemption of the Existing Short-term Borrowing
- (3) Scheduled date of disbursement  
June 30, 2016

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

### (1) Interest-bearing debt balance after the Borrowing

(In millions of yen)

	Before the Borrowing (As of June 27, 2016)	After the Borrowing (As of July 1, 2016) (Note 1)	Change
Short-term borrowings (Note 2)	2,400	3,100	700
Long-term borrowings due within one year	26,400	26,400	0
Long-term borrowings (Note 2)	108,350	114,850	6,500
Total amount of borrowings	137,150	144,350	7,200
Investment corporation bonds	10,000	10,000	0
Total amount of borrowings and investment corporation bonds	147,150	154,350	7,200
Other interest-bearing debt	0	0	0
Total interest-bearing debt	147,150	154,350	7,200

(Note 1) A short-term borrowing of 3.1 billion yen and a long-term borrowing of 4.1 billion yen, both of which will be used for the acquisition of the Gotanda Sankei Building on July 1, 2016, are taken into account. For details, please refer to the “Notice Concerning Borrowing of Funds” disclosed on June 6, 2016.

(Note 2) Short-term borrowings refer to borrowings with a maturity period of one year or less, and long-term borrowings payable refer to borrowings with a maturity period of more than one year.

(2) Basic financing information after the Borrowing

	Before the Borrowing (As of June 27, 2016)	After the Borrowing (As of July 1, 2016) (Note 1)	Change (point)
Long-term borrowing ratio (Note 2) (Note 5)	98.4%	98.0%	△0.4
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 3) (Note 5)	80.4%	80.9%	0.5
Fixed interest ratio (Note 4) (Note 5)	88.6%	86.0%	△2.6

(Note 1) A short-term borrowing of 3.1 billion yen and a long-term borrowing of 4.1 billion yen, both of which will be used for the acquisition of the Gotanda Sankei Building on July 1, 2016, are taken into account. For details, please refer to the “Notice Concerning Borrowing of Funds” disclosed on June 6, 2016.

(Note 2) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings (including the long-term borrowings due within one year) and investment corporation bonds to the total of outstanding interest-bearing debt.

(Note 3) Long-term borrowing ratio (excluding the long-term borrowings due within one year) is the ratio of the outstanding long-term borrowings (excluding the long-term borrowings due within one year) and investment corporation bonds to the total of outstanding interest-bearing debt.

(Note 4) Fixed interest ratio is the ratio of the total of outstanding interest-bearing debt with fixed interest rates to the total of outstanding interest-bearing debt. The total of outstanding interest-bearing debt with fixed interest rates includes debts whose interest rates were converted into fixed interest rates by interest rate swap agreements.

(Note 5) Figures are rounded off to one decimal place.

5. Other

Regarding 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 February 25, 2016.

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