

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
Kazuyuki Murayama
Executive Officer of Fund Management Department
(Tel: +81-3-6804-5671)

Notice Concerning Borrowing of Funds and Early Repayment of Borrowings

Activia Properties Inc. (“API”) announces today that it has decided to borrow funds (the “Borrowings”) and make early repayment of borrowings (the “Early Repayment”). Details are as follows:

1. The Borrowings

(1) Borrowing of funds

< Long-term borrowings >

Lender	Loan amount	Interest rate	Drawdown date (plan)	Due date (Note 1)	Borrowing and repayment methods, security, and guarantee
Nippon Life Insurance Company	0.5 billion yen	To be determined (fixed rate) (Note 2, 3)	March 31, 2017	March 31, 2021	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Tokio Marine & Nichido Fire Insurance Co., Ltd. The 77 Bank, Ltd.	0.8 billion yen	To be determined (fixed rate) (Note 2, 3)	March 31, 2017	March 31, 2022	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Taiyo Life Insurance Company Mitsui Sumitomo Insurance Company, Limited	1 billion yen	To be determined (fixed rate) (Note 2, 3)	March 31, 2017	September 29, 2023	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited The Bank of Fukuoka, Ltd. Shinkin Central Bank The Norinchukin Bank	5.5 billion yen	To be determined (fixed rate) (Note 2, 3)	March 31, 2017	March 29, 2024	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) Interest rate of the fixed rate borrowings will be announced upon the determination.

(Note 3) The first interest payment will be made on the last day of September 2017, and subsequent interest payment dates will be the last day of March and September annually, and 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.)

(2) Reasons for the Borrowings

API will use the Borrowings to redeem long-term borrowing of 6 billion yen with a due date of March 31, 2017 (the “Existing Long-term Borrowing”) and to make early repayment of short-term borrowings of 1.8 billion yen (the “Existing Short-term Borrowing”) with a due date of June 30, 2017 as described in 2. (1) below. For the details of the Existing Long-term Borrowing and the Existing Short-term Borrowing, please refer to the “Notice Concerning Borrowing of Funds and Early Repayment” announced on March 25, 2013 and the “Notice Concerning Borrowing of funds” announced on October 27, 2016 and the “Notice Concerning Partial Early Repayment of Funds” announced on January 27, 2017, respectively.

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

① Total amount

7.8 billion yen in total

② Specific purpose of use

The redemption of the Existing Long-term Borrowing and the early repayment of the Existing Short-term Borrowing

③ Scheduled date of disbursement

March 31, 2017

2. The Early Repayment

(1) Details of the funds to be repaid

Lender	Loan amount before early repayment	Repayment amount	Loan amount after early repayment	Interest rate	Drawdown date	Due date	Scheduled date of early repayment
Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.8 billion yen	1.8 billion yen	–	0.13% + Base rate (floating rate)	November 2, 2016	June 30, 2017	March 31, 2017

(Note) Break-funding costs upon the Early Repayment will occur. However, the impact of these costs on API is minimal.

(2) Funds for the Early Repayment

Part of the Borrowings will be used for the Early Repayment.

3. Status of Borrowings, etc. after the Borrowings and the Early Repayment (“after the Borrowings and Repayment”)

(1) Interest-bearing debt balance after the Borrowings and Repayment

(In millions of yen)

	Before the Borrowings and Repayment (As of March 27, 2017)	After the Borrowings and Repayment (As of March 31, 2017)	Change
Short-term borrowings (Note)	11,800	10,000	△1,800
Long-term borrowings due within one year	26,000	25,000	△1,000
Long-term borrowings (Note)	142,350	145,150	2,800
Total amount of borrowings	180,150	180,150	0
Investment corporation bonds	16,000	16,000	0
Total amount of borrowings and investment corporation bonds	196,150	196,150	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	196,150	196,150	0

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

(2) Basic financing information after the Borrowings and Repayment

	Before the Borrowings and Repayment (As of March 27, 2017)	After the Borrowings and Repayment (As of March 31, 2017)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	94.0%	94.9%	0.9
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	80.7%	82.2%	1.4
Fixed interest ratio (Note 3) (Note 4)	88.8%	92.8%	4.0

(Note 1) 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 2) Long-term borrowing ratio (excluding 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 3) Fixed interest ratio is the ratio of the total of outstanding fixed-rate interest-bearing debt, including liabilities whose interest rates are fixed through interest rate swap agreements, to the total of outstanding interest-bearing debt.

(Note 4) Figures are rounded to the first decimal place.

4. Other

Regarding the risks related to the repayment of the Borrowings, there are no significant changes in the “Investment Risk” section of the securities report submitted on February 23, 2017.

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