

May 25, 2017

FOR IMMEDIATE RELEASE

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## Notice Concerning Borrowing of Funds

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

### 1. The Borrowings

#### < Long-term borrowings >

Lender	Loan amount	Interest rate	Drawdown date (plan)	Due date (Note 1)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5 billion yen	To be determined (fixed rate) (Note 2, 3)	June 13, 2017	June 15, 2023	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7 billion yen	To be determined (fixed rate) (Note 2, 3)	June 13, 2017	December 14, 2026	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 December 2017, and subsequent interest payment dates will be the last day of June and December 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 12 billion yen with a due date of June 13, 2017 (the “Existing Long-term Borrowing”). For the details of the Existing Long-term Borrowing, please refer to the “Notice Concerning Borrowing of Funds” announced on June 13, 2012.

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

- (1) Total amount  
12 billion yen in total
- (2) Specific purpose of use  
The redemption of the Existing Long-term Borrowing
- (3) Scheduled date of disbursement  
June 13, 2017

4. Status of Borrowings, etc. after the Borrowings (“after the Borrowings”)

(1) Interest-bearing debt balance after the Borrowings

(In millions of yen)

	Before the Borrowings (As of May 25, 2017)	After the Borrowings (As of June 13, 2017)	Change
Short-term borrowings (Note)	10,000	10,000	0
Long-term borrowings due within one year	25,000	25,000	0
Long-term borrowings (Note)	145,150	145,150	0
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

	Before the Borrowings (As of May 25, 2017)	After the Borrowings (As of June 13, 2017)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	94.9%	94.9%	0.0
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	82.2%	82.2%	0.0
Fixed interest ratio (Note 3) (Note 4)	92.8%	92.8%	0.0

(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.

## 5. 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>