

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

##### < Short-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	0.13%+ Base rate (Note 2)	September 29, 2017	June 1, 2018	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 October 2017, and subsequent interest payment dates will be the last day of each month as well as 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, in the case there is no base rate applicable to the interest calculation period, 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/>).

## 2. Reasons for the Borrowings

API will use the Borrowings to redeem short-term borrowing of 5 billion yen with a due date of September 29, 2017 (the “Existing Short-term Borrowing”). For the details of the Existing Short-term Borrowing, please refer to the “Notice Concerning Borrowing of Funds” announced on March 10, 2017.

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

- (1) Total amount  
5 billion yen in total
- (2) Specific purpose of use  
The redemption of the Existing Short-term Borrowing
- (3) Scheduled date of disbursement  
September 29, 2017

## 4. Status of Borrowings, etc. after the Borrowings

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

(In millions of yen)

	Before the Borrowings (As of September 25, 2017)	After the Borrowings (As of September 29, 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 September 25, 2017)	After the Borrowings (As of September 29, 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 places.

## 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 August 24, 2017.

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