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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowings of Funds

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

I. Borrowings①

1. Borrowings of Funds

< 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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	1.6 billion yen	To be determined (Fixed rate) (Note 2)	January 5, 2018	December 28, 2021	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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	1.6 billion yen	To be determined (Fixed rate) (Note 2)	January 5, 2018	July 5, 2027	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 rates of the fixed rate borrowings will be announced upon the determination.

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the borrowing of funds, and has not been prepared for the purpose of solicitation for investment. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as any amendments thereto, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

(Note 3) The first interest payment will be made on the last day of July 2018 and the last days of January and July in each year 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.)

2. Reasons for the Borrowings

API will use the Borrowings for a part of the purchase price and the related expenses of the real estate trust beneficiary interests in DECKS Tokyo Beach and Commercial Mall Hakata (total amount of anticipated acquisition price of ¥18,840 million), which are two of the anticipated properties announced in “Notice of Acquisition of Assets and Lease Contract with New Tenants” released on November 28, 2017.

For the details of the anticipated properties, please refer to “Notice of Acquisition of Assets and Lease Contract with New Tenants” released on November 28, 2017.

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

(1) Total amount

3.2 billion yen in total

(2) Specific purpose of use

A part of the purchase price and the related expenses of the real estate beneficiary interests in the anticipated properties

(3) Scheduled date of disbursement

January 5, 2018

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II. Borrowings②

1. Borrowings of Funds

< Short-term borrowing >

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.	4.1 billion yen	0.13% +Base rate (Note 2)	January 9, 2018	January 9, 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 January 2018 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 base rate applicable to the calculation period doesn't exist, 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/>).

< Long-term borrowing >

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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	3.9 billion yen	To be determined (Fixed rate) (Note 2)	January 9, 2018	January 9, 2027	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 borrowing will be announced upon the determination.

(Note 3) The first interest payment will be made on the last day of July 2018 and the last days of January and July in each year 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.)

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2. Reasons for the Borrowings

API will use the Borrowings to redeem long-term borrowings of 8 billion yen with a due date of January 9, 2018 (the “Existing Long-term Borrowings”). For the details of the Existing Long-term Borrowings, please refer to “Notice Concerning Borrowing of Funds” released on December 10, 2014 as well as “Notice Concerning Borrowing of Funds” released on June 6, 2016.

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

(1) Total amount

8 billion yen in total

(2) Specific purpose of use

Funds will be used to redeem the Existing Long-term Borrowings

(3) Scheduled date of disbursement

January 9, 2018

III. Status of borrowings payable, etc. after the Borrowings

(1) Interest-bearing debt balance after the Borrowings

(In millions of yen)

	Before the Borrowings (As of December 25, 2017)	After the Borrowings (As of January 9, 2018)	Change
Short-term borrowings (Note)	10,000	14,100	4,100
Long-term borrowings due within one year	25,000	19,500	(5,500)
Long-term borrowings (Note)	145,150	149,750	4,600
Total amount of borrowings	180,150	183,350	3,200
Investment corporation bonds	16,000	16,000	0
Total amount of borrowings and investment corporation bonds	196,150	199,350	3,200
Other interest-bearing debt	0	0	0
Total interest-bearing debt	196,150	199,350	3,200

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

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(2) Basic financing information after the Borrowings

	Before the Borrowings (As of December 25, 2017)	After the Borrowings (As of January 9, 2018)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	94.9%	92.9%	(2.0)
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	82.2%	83.1%	1.0
Fixed interest ratio (Note 3) (Note 4)	92.8%	92.9%	0.1

(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 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 3) 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 4) The figures are rounded to the first decimal place.

IV. Other

Regarding the risks related to the repayment of the Borrowings, there are no significant changes in the “Investment Risk” section of the securities registration statement submitted on November 28, 2017.

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

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