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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. Resona Bank, Limited The Bank of Fukuoka, Ltd. Shinkin Central Bank The Norinchukin Bank The Nishi-Nippon City Bank, Ltd. The Bank of Kyoto, Ltd.	3 billion yen	To be determined (Fixed rate) (Note 2)	March 16, 2018	September 16, 2025	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 September 2018 and the last days of March and September 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 Borrowing

API will use the Borrowing to redeem a short-term borrowing of 3 billion yen with a due date of March 16, 2018 (the “Existing Short-term Borrowing”). For the details of the Existing Short-term Borrowing, please refer to “Notice Concerning Borrowing of Funds” released on March 10, 2017 as well as “Notice Concerning Partial Early Repayment of Funds” released on February 6, 2018.

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

- (1) Total amount
3 billion yen in total
- (2) Specific purpose of use
Funds will be used to redeem the Existing Short-term Borrowing
- (3) Scheduled date of disbursement
March 16, 2018

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 February 27, 2018)	After the Borrowing (As of March 16, 2018)	Change
Short-term borrowings (Note)	12,100	9,100	(3,000)
Long-term borrowings due within one year	19,500	19,500	0
Long-term borrowings (Note)	149,750	152,750	3,000
Total amount of borrowings	181,350	181,350	0
Investment corporation bonds	18,000	18,000	0
Total amount of borrowings and investment corporation bonds	199,350	199,350	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	199,350	199,350	0

(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.

(2) Basic financing information after the Borrowing

	Before the Borrowing (As of February 27, 2018)	After the Borrowings (As of March 16, 2018)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	93.9%	95.4%	1.5
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	84.1%	85.7%	1.5
Fixed interest ratio (Note 3) (Note 4)	93.9%	95.4%	1.5

(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.

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 27, 2018.

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