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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowings of Funds

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

I. Borrowings①

1. Details of 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 Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	4.28 billion yen	0.14% +Base rate (Note 2)	January 10, 2020	January 11, 2022	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Development Bank of Japan Inc.	0.72 billion yen	To be determined (Fixed rate) (Note 3) (Note 4)	January 10, 2020	January 11, 2022	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 Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	3.8 billion yen	To be determined (Fixed rate) (Note 3) (Note 4)	January 10, 2020	January 12, 2027	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
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(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 interest payment will be made on the last day of January 2020 and the last day of each month thereafter as well as on the due date of the principal. (If an 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 an interest payment date 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 the borrowing. 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/english>).

(Note 3) Interest rate of the borrowing will be announced upon determination.

(Note 4) The interest payment will be made on the last day of July 2020 and the last days of January and July in each year thereafter as well as on the due date of the principal. (If an 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 a short-time borrowing of 5 billion yen (the "Existing Short-term Borrowing") and long-term borrowings of 3.8 billion yen (the "Existing Long-term Borrowings"), both with a due date of January 10, 2020. For the details of the Existing Short-term Borrowing, please refer to "Notice Concerning Borrowings of Funds" released on December 25, 2018, and for the details of the Existing Long-term Borrowings, please refer to "Notice Concerning Borrowing of Funds" released on December 9, 2013 and "Notice Concerning Borrowing of Funds" released on June 30, 2014.

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

(1) Total amount

8.8 billion yen in total

(2) Specific purpose of use

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

(3) Scheduled date of disbursement

January 10, 2020

II. Borrowings②

1. Details of 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 Mizuho Bank, Ltd. MUFG Bank, Ltd.	21.0 billion yen	0.13% +Base rate (Note 2)	January 10, 2020	March 19, 2020	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 Mizuho Bank, Ltd. MUFG Bank, Ltd.	5.0 billion yen	0.13% +Base rate (Note 2)	January 10, 2020	January 12, 2021	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 interest payment will be made on the last day of January 2020 and the last day of each month thereafter as well as on the due date of the principal. (If an 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 an interest payment date 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 the borrowings. 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/english>).

< 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 Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	5.0 billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	January 10, 2020	January 12, 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 borrowing will be announced upon the determination.

(Note 3) The interest payment will be made on the last day of July 2020 and the last days of January and July in each year thereafter as well as on the due date of the principal. (If an 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 interest in the anticipated property announced in “Notice of Acquisition and Disposition of Assets and Lease Contract with New Tenants” released on November 29, 2019.

For the details of the anticipated property, please refer to “Notice of Acquisition and Disposition of Assets and Lease Contract with New Tenants” released on November 29, 2019.

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

(1) Total amount

31 billion yen in total

(2) Specific purpose of use

A part of the purchase price and the related expenses of the real estate trust beneficiary interest in the anticipated property

(3) Scheduled date of disbursement

January 10, 2020

III. Borrowing③

1. Details of the borrowing

< 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 Mizuho Bank, Ltd. MUFG Bank, Ltd.	4.0 billion yen	0.13% +Base rate (Note 2)	January 30, 2020	November 30, 2020	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 interest payment will be made on the last day of February 2020 and the last day of each month thereafter as well as on the due date of the principal. (If an 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 an interest payment date 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 the borrowing. 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/english>).

2. Reasons for the borrowing

API will use the borrowing to redeem the Investment Corporation 5th unsecured bonds of 4 billion yen which becomes mature on January 31, 2020 (the “Existing Investment Corporation Bonds”). For the details of the Existing Investment Corporation Bonds, please refer to “Notice Concerning Issuance of Investment Corporation Bonds” released on January 27, 2017.

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

(1) Total amount

4 billion yen in total

(2) Specific purpose of use

Funds will be used to redeem the Existing Investment Corporation Bonds

(3) Scheduled date of disbursement

January 31, 2020

IV. 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 24, 2019)	After the Borrowings (As of January 31, 2020)	Change
Short-term borrowings (Note)	5,000	30,000	25,000
Long-term borrowings to be repaid within one year	12,600	15,500	2,900
Long-term borrowings (Note)	193,750	200,850	7,100
Total amount of borrowings	211,350	246,350	35,000
Investment corporation bonds to be redeemed within one year	6,000	2,000	(4,000)
Investment corporation bonds	17,000	17,000	0
Total amount of borrowings and investment corporation bonds	234,350	265,350	31,000

(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 Borrowings

	Before the Borrowings (As of December 24, 2019)	After the Borrowings (As of January 31, 2020)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	97.9%	88.7%	(9.2)
Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 2) (Note 4)	89.9%	82.1%	(7.8)
Fixed interest ratio (Note 3) (Note 4)	92.8%	82.6%	(10.2)

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings (including the long-term borrowings to be repaid within one year) and investment corporation bonds (including the investment corporation bonds to be redeemed within one year) to the total of outstanding interest-bearing debt.

(Note 2) Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) is the ratio of the outstanding long-term borrowings (excluding the long-term borrowings to be repaid within one year) and investment corporation bonds (excluding the investment corporation bonds to be redeemed within one year) 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) Figures are rounded to the first decimal place.

V. 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 29, 2019.

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