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FOR IMMEDIATE RELEASE

Activia Properties Inc.
1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo
Nariaki Hosoi
Executive Director
(Code: 3279)

Asset Management Company
TLC REIT Management Inc.
Hiroyuki Tohmata
President & CEO

Inquiries
Kazuyuki Murayama
General Manager of Strategy Department
Activia Management Division
(Tel: +81-3-6804-5671)

Notice Concerning Issuance of Investment Corporation Bonds

Activia Properties Inc. ("API") announces that it decided to issue investment corporation bonds today. Details are as follows.

1. Summary of the investment corporation bonds

(1)	Name	The Investment Corporation 8th unsecured bonds (with pari passu conditions among specified investment corporation bonds) ("the 8th Investment Corporation Bonds") The Investment Corporation 9th unsecured bonds (with pari passu conditions among specified investment corporation bonds) ("the 9th Investment Corporation Bonds") The 8th Investment Corporation bonds and the 9th Investment Corporation bonds shall be hereinafter collectively referred to as the "Investment Corporation Bonds". In the following items, matters common to each investment corporation bond are not described separately.
(2)	Total issue amount	¥2 billion The breakdown is as follows: The 8th Investment Corporation Bonds ¥1 billion The 9th Investment Corporation Bonds ¥1 billion
(3)	Form of bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the investment bond certificates will not be issued for the Investment Corporation Bonds.
(4)	Issue price	¥100 per ¥100 of each bond
(5)	Redemption price	¥100 per ¥100 of each bond
(6)	Interest rate	The 8th Investment Corporation Bonds 0.160% per annum The 9th Investment Corporation Bonds 1.050% per annum
(7)	Denomination price	¥100 million
(8)	Offering method	Public Offering
(9)	Offering date	February 6, 2018 (Tuesday)
(10)	Payment date	February 13, 2018 (Tuesday)

(11)	Collateral	Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no asset has been particularly secured for the Investment Corporation Bonds.
(12)	Redemption method and date	The total amount of bonds will be redeemed on following dates: The 8th Investment Corporation Bonds August 12, 2022 The 9th Investment Corporation Bonds February 12, 2038 Redemption by purchase of the Investment Corporation Bonds by API will be available any time on and after the following day of the payment date, unless otherwise determined by the depository.
(13)	Interest payment date	February 13 and August 13 every year (For the 8th Investment Corporation Bonds' interest payment for the period commencing on and including February 14, 2022 and ending on and including August 12, 2022, the redemption date, the interest payment date will be on August 12, 2022. And for the 9th Investment Corporation Bonds' interest payment for the period commencing on and including August 14, 2037 and ending on and including February 12, 2038, the redemption date, the interest payment date will be on February 12, 2038.)
(14)	Financial covenant	Negative pledge among unsecured bonds
(15)	Credit rating	AA (Japan Credit Rating Agency, Ltd.)
(16)	Depository	Japan Securities Depository Center, Inc.
(17)	Fiscal agent, issuing agent and paying agent	Sumitomo Mitsui Trust Bank, Limited
(18)	Underwriter	The 8th Investment Corporation Bonds SMBC Nikko Securities Inc. The 9th Investment Corporation Bonds SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd., Daiwa Securities Co. Ltd., and Nomura Securities Co., Ltd.

2. Reasons for the issuance

In order to extend and balance the debt maturity and diversify the financing methods, API has decided to issue the Investment Corporation Bonds.

3. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

(1) Amount of funds to be raised (estimated amount of net proceeds)
¥1,984 million

(2) Specific use of proceeds and scheduled timing of expenditure
All of the funds raised will be used as part of source for partial early repayment of the short-term borrowings (¥5 billion) which will be redeemed on March 16, 2018 (the "Existing Short-term Borrowings"). For further details, please refer to the "Notice Concerning Partial Early Repayment of Funds" announced as of today.

4. Status of borrowings payable, etc. after the issuance of the Investment Corporation Bonds

(1) Interest-bearing debt after the issuance of the Investment Corporation Bonds

(In millions of yen)

	Before the issuance (As of February 6, 2018)	After the issuance (As of February 21, 2018) (Note 1)	Change
Short-term borrowings payable (Note 2)	14,100	12,100	(2,000)
Long-term borrowings to be repaid within a year	19,500	19,500	0
Long-term borrowings payable (Note 2)	149,750	149,750	0
Total borrowings payable	183,350	181,350	(2,000)
Investment corporation bonds	16,000	18,000	2,000
Total borrowings payable 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 1) The figures are based on assumption that early repayment of part of the Existing Short-term Borrowings (¥2,000 million) will be made on February 21, 2018.

(Note 2) The short-term borrowings payable refer to borrowings with a maturity period of one year or less, and the long-term borrowings payable refer to borrowings with a maturity period of more than one year.

(2) Basic financing information after the issuance of the Investment Corporation Bonds

	Before the issuance (As of February 6, 2018)	After the issuance (As of February 21, 2018) (Note 1)	Change (point)
Long-term borrowing ratio (Note 2) (Note 5)	92.9%	93.9%	1.0
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 3) (Note 5)	83.1%	84.1%	1.0
Fixed interest ratio (Note 4) (Note 5)	92.9%	93.9%	1.0

(Note 1) The figures are based on assumption that early repayment of part of the Existing Short-term Borrowings (¥2,000 million) will be made on February 21, 2018.

(Note 2) The long-term borrowing ratio is the ratio of the outstanding long-term borrowings including the portion of long-term borrowings to be repaid within a year and investment corporation bonds to the total of outstanding interest-bearing debt.

(Note 3) The long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) is the ratio of the outstanding long-term borrowings (excluding the portion of long-term borrowings to be repaid within a year) and investment corporation bonds to the total of outstanding interest-bearing debt.

(Note 4) The 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 5) Figures are rounded to the first decimal place.

5. Other

There are no significant changes in the “Investment Risk” section of the securities registration statement submitted on November 28, 2017 in relation to the risks related to the redemption of the Investment Corporation Bonds.

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