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FOR IMMEDIATE RELEASE

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## Notice Concerning Borrowing of Funds and Early Repayment of Borrowing

Activia Properties Inc. (“API”) announces today that it decided to borrow funds (the “Borrowing”) and to make early repayment of borrowing (the “Early Repayment”). Details are as follows:

### 1. Borrowing

#### (1) Details of the Borrowing

##### < 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. The Norinchukin Bank The 77 bank, Ltd.	5 billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	March 7, 2019	September 7, 2026	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 will be announced upon determination.

(Note 3) The interest payment will be made on the last day of September 2019 and the last day 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 make early repayment of the existing short-term borrowing of 5 billion yen which becomes mature on May 31, 2019 (the “Existing Short-term Borrowing”). For the details of the Existing Short-term Borrowing, please refer to “2. Early Repayment - (1) Details of the Borrowing to be

repaid before maturity date” and “Notice Concerning Borrowings of Funds” released on December 25, 2018.

(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  
Early repayment of the Existing Short-term Borrowing
- ③ Scheduled date of disbursement  
March 7, 2019

2. Early Repayment

(1) Details of the Borrowing to be repaid before maturity date

Lender	Loan amount	Repayment amount	Loan amount after early repayment	Interest rate	Drawdown date	Maturity date	Scheduled date of early repayment
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The MUFG Bank, Ltd.	5 billion yen	5 billion yen	-	0.13% + Base rate (floating rate)	January 10, 2019	May 31, 2019	March 7, 2019

(Note) Break-funding costs upon this early repayment will occur. However, the impact of these costs on API is minimal.

(2) Funds for repayment

Funds raised by the Borrowing will be used for the Early Repayment

3. Status of borrowings payable, etc. after the Borrowing and the Early Repayment (the “Borrowing and Repayment”)

(1) Interest-bearing debt balance after the Borrowing and Repayment

(In millions of yen)

	Before the Borrowing and Repayment (As of February 26, 2019)	After the Borrowing and Repayment (As of March 7, 2019)	Change
Short-term borrowings (Note)	19,100	14,100	(5,000)
Long-term borrowings to be repaid within a year	20,900	20,900	0
Long-term borrowings (Note)	176,350	181,350	5,000
Total amount of borrowings	216,350	216,350	0
Investment corporation bonds to be redeemed within a year	8,000	8,000	0
Investment corporation bonds	10,000	10,000	0
Total amount of borrowings and investment corporation bonds	234,350	234,350	0

Other interest-bearing debt	0	0	0
Total interest-bearing debt	234,350	234,350	0

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

(2) Basic financing information after the Borrowing and Repayment

	Before the Borrowing and Repayment (As of February 26, 2019)	After the Borrowing and Repayment (As of March 7, 2019)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	91.8%	94.0%	2.1
Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within a year) (Note 2) (Note 4)	79.5%	81.7%	2.1
Fixed interest ratio (Note 3) (Note 4)	86.8%	89.0%	2.1

(Note 1) 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 the investment corporation bonds (including the investment corporation bonds to be redeemed within a 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 a year) is the ratio of the outstanding long-term borrowings (excluding the long-term borrowings to be repaid within a year) and investment corporation bonds (excluding the investment corporation bonds to be redeemed within a 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.

4. 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 26, 2019.

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