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FOR IMMEDIATE RELEASE

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### Notice Concerning Borrowing of Funds

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

#### 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	3.5 billion yen	0.255% +Base rate (Note 2)	April 19, 2019	July 5, 2027	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.	0.5 billion yen	To be determined (Fixed rate) (Note 3) (Note 4)	April 19, 2019	July 5, 2027	Borrowing based on a borrowing agreement with the lender 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 April 2019 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 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. 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/english>).

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

(Note 4) The interest payment will be made on the last day of October 2019 and the last days of April and October 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 to redeem a long-term borrowing of 4 billion yen which becomes mature on April 19, 2019 (the “Existing Long-term Borrowing”). For the details of the Existing Long-term Borrowing, please refer to “Notice Concerning Borrowings of Funds” released on April 16, 2013.

## 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 Long-term Borrowing

### (3) Scheduled date of disbursement

April 19, 2019

## 4. 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 March 29, 2019)	After the Borrowings (As of April 19, 2019)	Change
Short-term borrowings (Note)	14,100	14,100	0
Long-term borrowings to be repaid within a year	20,900	20,400	(500)
Long-term borrowings (Note)	181,350	181,850	500
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. A long term borrowing due within one year will be repaid, to the same extent as the amount of, and simultaneously with the Borrowings. As a result, the amount of long-term

borrowings due within one year will decrease by 4 billion yen and the amount of long-term borrowings will increase by 4 billion yen. Meanwhile, since the maturity period for a long-term borrowing of 3.5 billion yen with a due date on March 31, 2020 will become due in less than one year, the amount of long-term borrowings due within one year will increase by 3.5 billion yen and the amount of long-term borrowings will decrease by 3.5 billion yen. Consequently, the amount of long-term borrowings due within one year will decrease by 0.5 billion yen, and the amount of long-term borrowings will increase by 0.5 billion yen, after the Borrowings as shown on the above table.

(2) Basic financing information after the Borrowings

	Before the Borrowings (As of March 29, 2019)	After the Borrowings (As of April 19, 2019)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	94.0%	94.0%	0
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)	81.7%	81.9%	0.2
Fixed interest ratio (Note 3) (Note 4)	89.0%	89.0%	0

(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.

5. 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 February 26, 2019.

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