



Activia Properties Inc.

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FOR IMMEDIATE RELEASE

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Activia Properties Inc. (“API”) announces that it decided today to issue investment corporation bonds (green bonds).

1. Summary of the investment corporation bonds (green bonds)

- | | |
|---------------------------------|--|
| (1) Name | The 11th unsecured investment corporation bonds (green bonds) (with pari passu conditions among specified investment corporation bonds) (“the Investment Corporation Bonds”) |
| (2) Total issue amount | ¥4 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 | 0.530% per annum |
| (7) Denomination price | ¥100 million |
| (8) Offering method | Public Offering |
| (9) Offering date | November 12, 2019 (Tuesday) |
| (10) Payment date | November 18, 2019 (Monday) |
| (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 the Investment Corporation Bonds will be redeemed on November 16, 2029.
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 | May 18 and November 18 every year
(For the interest payment for the period commencing on and including May 19, 2029 and ending on and including November 16, 2029, the redemption date, the interest payment date will be on November 16, 2029.) |
| (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 | MUFG Bank, Ltd. |
| (18) Underwriter | Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc.,
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.,
and Daiwa Securities Co. Ltd. |

2. Reasons for the issuance

API has decided to issue the Investment Corporation Bonds in order to extend and balance the debt maturity and diversify the financing methods. Also, through the issuance of the Investment Corporation Bonds as green bonds in accordance with the Green Bond Framework as described in “Notice Concerning Submission of Amendment to the Shelf Registration Statement related to Issuance of Green Bonds” released on January 17, 2019, API aims to further promote its sustainability initiatives and invite new investors to its investment corporation bonds by stimulating their demand who have interest in ESG investment.

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)
¥3,980 million

- (2) Specific use of proceeds and scheduled timing of expenditure

All of the funds raised will be used on November 26, 2019 as part of the funds for an early repayment of the short-term borrowing (¥4 billion) which will become due and payable on June 3, 2020 (the “Existing Short-term Borrowing”). For further details, please refer to the “Notice Concerning Early Repayment of Funds” announced as of today.

The Existing Short-term Borrowing was used to refinance the borrowing for part of the funds to acquire A-PLACE Shinagawa Higashi, which falls into the Eligible Green Projects aligned with the Eligibility Criteria defined in “Notice Concerning Submission of Amendment to the Shelf Registration Statement related to Issuance of Green Bonds” released on January 17, 2019.

(TO-16) A-PLACE Shinagawa Higashi



Certification for CASBEE for Real Estate 2018



For further details, please refer to “Notice Concerning Early Repayment of Funds” released as of today.

4. Investors who declared intention to invest in the Investment Corporation Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Investment Corporation Bonds and agreed to disclose their names.

- ADACHISEIWA SHINKIN BANK
- ASAHIKAWA SHINKIN BANK
- Credit Guarantee Corporation of Osaka
- ECHIZEN SHINKIN BANK
- Fuji Shinkin Bank
- GUNMAMIRAI Shinkumi Bank
- Hyogo Shinkin Bank
- KANONJI SHINKIN BANK
- KIRYU SHINKIN BANK
- Nishi-Chugoku Shinkin Bank
- NISHIHYOGO SHINKIN BANK
- NORTH PACIFIC BANK, LTD.
- ODAWARA DAIICHI SHINYOUKUMIAI
- OITA-KEN CREDIT COOPERATIVE
- Sawayaka Shinkin Bank
- Shigaken Shinyoukumiai
- The Hanno-Shinkin Bank
- The TAKAMATSU SHINKIN BANK
- Tokushima Shinkin Bank
- Tono Shinkin Bank
- TSURU SHINKUMI

5. 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 November 12, 2019)	After the issuance (As of November 26, 2019) (Note 1)	Change
Short-term borrowings (Note 2)	9,000	5,000	(4,000)
Long-term borrowings to be repaid within one year	7,300	7,300	0
Long-term borrowings (Note 2)	199,050	199,050	0
Total amount of borrowings	215,350	211,350	(4,000)
Investment corporation bonds to be redeemed within one year	6,000	6,000	0
Investment corporation bonds	13,000	17,000	4,000
Total amount of borrowing and investment corporation bonds	234,350	234,350	0

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowing (4 billion yen) will be made on November 26, 2019.

(Note 2) 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 issuance of the Investment Corporation Bonds

	Before the issuance (As of November 12, 2019)	After the issuance (As of November 26, 2019) (Note 1)	Change (point)
Long-term borrowing ratio (Note 2) (Note 5)	96.2%	97.9%	1.7
Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 3) (Note 5)	90.5%	92.2%	1.7
Fixed interest ratio (Note 4) (Note 5)	91.1%	92.8%	1.7

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowing (¥4 billion) will be made on November 26, 2019.

(Note 2) 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 3) 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 4) 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 5) Figures are rounded to the first decimal place.

6. Other

Regarding the risks related to the redemption of the Investment Corporation Bonds, 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/>