

June 20, 2019

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. Borrowing<sup>①</sup>

##### 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. The Norinchukin Bank	2.4 Billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	June 28, 2019	December 28, 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 of the borrowing will be announced upon determination.

(Note 3) The interest payment will be made on the last day of December 2019 and the last days of June and December 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 borrowing

API will use the borrowing to redeem a long-term borrowing of 2.4 billion yen which becomes mature on June 28, 2019 (the “Existing Long-term Borrowing①”). For the details of the Existing Long-term Borrowing①, please refer to “Notice Concerning Borrowing of Funds” released on June 27, 2016.

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

(1) Total amount

2.4 billion yen in total

(2) Specific purpose of use

Funds will be used to redeem the Existing Long-term Borrowing①

(3) Scheduled date of disbursement

June 28, 2019

II. Borrowing②

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
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	1.7 billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	July 9, 2019	July 10, 2028	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 January 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 borrowing

API will use the borrowing to redeem a long-term borrowing of 1.7 billion yen which becomes mature on July 9, 2019 (the “Existing Long-term Borrowing②”). For the details of the Existing Long-term Borrowing②, please refer to “Notice Concerning Borrowing of Funds” released on December 10, 2014.

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

(1) Total amount

1.7 billion yen in total

(2) Specific purpose of use

Funds will be used to redeem the Existing Long-term Borrowing②

(3) Scheduled date of disbursement

July 9, 2019

#### 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 June 20, 2019)	After the Borrowings (As of July 9, 2019)	Change
Short-term borrowings (Note)	14,000	14,000	0
Long-term borrowings to be repaid within one year	14,400	10,300	(4,100)
Long-term borrowings (Note)	191,950	196,050	4,100
Total amount of borrowings	220,350	220,350	0
Investment corporation bonds to be redeemed within one year	6,000	6,000	0
Investment corporation bonds	8,000	8,000	0
Total amount of borrowings and investment corporation bonds	234,350	234,350	0

(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 June 20, 2019)	After the Borrowings (As of July 9, 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 one year) (Note 2) (Note 4)	85.3%	87.1%	1.7
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 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 February 26, 2019.

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