

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 “Borrowing”).
Details are as follows:

1. Details of the borrowing

< Short-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.	999 million yen	0.275 % +Base rate (Note 2)	August 10, 2022	August 10, 2023	Borrowing based on the commitment line agreement dated September 28, 2021 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) The interest payment will be made on the last day of August 2022 and the last day of each month 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.)

The base rate applicable to the period for 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. (For the first interest payment, it will be on the drawdown 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 the borrowing. 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>).

2. Reasons for the borrowing

API will use the funds from the Borrowing to redeem a part of the Investment Corporation 8th unsecured bonds of 1 billion yen which become mature on August 12, 2022 (the “Existing Investment Corporation Bonds”). For the details of the Existing Investment Corporation Bonds, please refer to “Notice Concerning Issuance of Investment Corporation Bonds” released on February 6, 2018.

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

(1) Total amount

999 million yen in total

(2) Specific purpose of use

Funds will be used to redeem a part of the Existing Investment Corporation Bonds

(3) Scheduled date of disbursement

August 12, 2022

4. Status of borrowings payable, etc. after the Borrowing

(1) Interest-bearing debt balance after the Borrowing

(In millions of yen)

	Before the Borrowing (As of August 3, 2022)	After the Borrowing (As of August 12, 2022)	Change
Short-term borrowings (Note)	0	999	999
Long-term borrowings to be repaid within one year	26,750	26,750	0
Long-term borrowings (Note)	206,900	206,900	0
Total amount of borrowings	233,650	234,649	999
Investment corporation bonds to be redeemed within one year	1,000	0	(1,000)
Investment corporation bonds	25,700	25,700	0
Total amount of borrowings and investment corporation bonds	260,350	260,349	(1)

(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 Borrowing

	Before the Borrowing (As of August 3, 2022)	After the Borrowing (As of August 12, 2022)	Change (point)
Long-term debt ratio (Note 1) (Note 4)	100.0%	99.6%	(0.4)
Long-term debt ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 2) (Note 4)	89.3%	89.3%	0.0
Fixed interest ratio (Note 3) (Note 4)	98.3%	97.9%	(0.4)

(Note 1) Long-term debt 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 2) Long-term debt 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.

5. 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 24, 2022.

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