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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 14th unsecured investment corporation bonds (green bonds) (with pari passu conditions among specified investment corporation bonds) (“the Investment Corporation Bonds”) |
| (2) Total issue amount | ¥3.9 billion |
| (3) Form of bond certificate | Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the investment corporation 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 | 0.400% per annum |
| (7) Denomination price | ¥100 million |
| (8) Offering method | Public Offering |
| (9) Offering date | November 10, 2021 (Wednesday) |
| (10) Payment date | November 16, 2021 (Tuesday) |
| (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 14, 2031.
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 16 and November 16 every year
(For the interest payment for the period commencing on and including May 17, 2031 and ending on and including November 14, 2031, the redemption date, the interest payment date will be on November 14, 2031.) |
| (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 | Sumitomo Mitsui Trust Bank, Limited |
| (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 for which a second-party opinion obtained from Sustainalytics, an ESG rating agency, 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)

¥3,880 million

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

All of the funds raised will be used on November 25, 2021 as part of the funds for an early repayment of the short-term borrowings (¥3.9 billion) which will become due and payable on September 10, 2022 (the “Existing Short-term Borrowings”). For further details, please refer to the “Notice Concerning Early Repayment of Funds” announced 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.

- | | |
|--|--|
| - Credit Guarantee Corporation of Osaka | - The Dai-ichi Frontier Life Insurance Co., Ltd. |
| - DaitokyoShinkumi Credit Cooperative | - The Dai-ichi Life Insurance Company, Limited |
| - GUNMAMIRAI Shinkumi Bank | - The Kosan Shinkin Bank |
| - Mutual Aid Foundation for Japan Postal Group | - The SAGAMI Shinkin Bank |
| - Nishihyogo Shinkin Bank | - The Yamanashi Chuo Bank, Ltd. |
| - SHIZUOKA YAIZU SHINKIN BANK | - TOKUSHIMA SHINKIN BANK |

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 10, 2021)	After the issuance (As of November 25, 2021) (Note 1)	Change
Short-term borrowings (Note 2)	3,900	0	(3,900)
Long-term borrowings to be repaid within one year	26,100	26,100	0
Long-term borrowings (Note 2)	207,550	207,550	0
Total amount of borrowings	237,550	233,650	(3,900)
Investment corporation bonds to be redeemed within one year	1,000	1,000	0
Investment corporation bonds	21,800	25,700	3,900
Total amount of borrowing and investment corporation bonds	260,350	260,350	0

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥3.9 billion) will be made on November 25, 2021.

(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 10, 2021)	After the issuance (As of November 25, 2021) (Note 1)	Change (point)
Long-term borrowing ratio (Note 2) (Note 5)	98.5%	100.0%	1.5
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)	88.1%	89.6%	1.5
Fixed interest ratio (Note 4) (Note 5)	95.1%	96.6%	1.5

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥3.9 billion) will be made on November 25, 2021.

(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 registration statement submitted on August 24, 2021.

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