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FOR IMMEDIATE RELEASE

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Notice Concerning Concluding Interest Rate Swap Agreement

Activia Properties Inc. (“API”) announces that it concluded today an interest rate swap agreement. Details are as follows.

1. Reason for conclusion of interest rate swap agreement

API has executed the interest swap agreement to hedge the risks associated with interest rate fluctuations by converting the interest rates payable into a fixed interest rate for the below long-term borrowing disclosed in the “Notice Concerning Borrowings of Funds” released on March 29, 2019 (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	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

(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 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. 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. Details of the interest rate swap agreement

### < Long-term borrowing >

(1) Counterparty	Sumitomo Mitsui Trust Bank, Limited
(2) Notional principal amount	3.5 billion yen
(3) Interest rate	Fixed interest rate payable at 0.54375% Floating interest rate receivable will be the JBA one-month Japanese Yen TIBOR+0.255%
(4) Date of the agreement	April 17, 2019
(5) Commencement date	April 19, 2019
(6) Termination date	July 5, 2027
(7) Interest payment date	The interest payments will be made on the last day of April 2019 and the last day of each month thereafter as well as on the termination date. (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.)

(Note) The interest rate for the long-term borrowing will be, in effect, fixed at 0.54375% by the conclusion of the interest rate swap agreement.

## 3. 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 26, 2019.

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