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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:

1. Details of the Borrowings

< Long-term borrowings >

| 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. | 4.2 billion yen | To be determined (Fixed rate) (Note 2) (Note 3) | July 12, 2021 | July 12, 2029 | Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed |
| Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc. | 9.55 billion yen | To be determined (Fixed rate) (Note 2) (Note 3) | July 12, 2021 | July 12, 2030 | 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 2022 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 borrowings

API will use the funds from the Borrowings to redeem long-term borrowings of 13.75 billion yen (the “Existing Long-term Borrowings”) with a due date of July 12, 2021. For the details of the Existing Long-term Borrowings, please refer to “Notice Concerning Borrowings of Funds” released on December 25, 2018.

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

(1) Total amount

13.75 billion yen in total

(2) Specific purpose of use

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

(3) Scheduled date of disbursement

July 12, 2021

4. 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 July 6, 2021) | After the Borrowings (As of July 12, 2021) | Change |
|--|---|---|----------|
| Short-term borrowings (Note) | 0 | 0 | 0 |
| Long-term borrowings to be repaid within one year | 39,850 | 26,100 | (13,750) |
| Long-term borrowings (Note) | 181,500 | 195,250 | 13,750 |
| Total amount of borrowings | 221,350 | 221,350 | 0 |
| Investment corporation bonds to be redeemed within one year | 0 | 0 | 0 |
| Investment corporation bonds | 22,800 | 22,800 | 0 |
| Total amount of borrowings and investment corporation bonds | 244,150 | 244,150 | 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 July 6, 2021) | After the Borrowings (As of July 12, 2021) | Change (point) |
|--|---|---|-------------------|
| Long-term debt ratio (Note 1) (Note 4) | 100.0% | 100.0% | 0 |
| 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) | 83.7% | 89.3% | 5.6 |
| Fixed interest ratio (Note 3) (Note 4) | 92.6% | 97.4% | 4.8 |

(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 Borrowings, there are no significant changes in the “Investment Risk” section of the securities report submitted on February 25, 2021.

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