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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 |
|---|-----------------|--|----------------------|--------------------|--|
| Resona Bank, Limited. | 1.5 billion yen | 0.11625% +Base rate (Note 2) | March 31, 2020 | September 30, 2023 | Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed |
| The Gunma Bank, Ltd. | 0.5 billion yen | 0.15625% +Base rate (Note 2) | March 31, 2020 | September 30, 2023 | Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed |
| The Bank of Fukuoka, Ltd. The Norinchukin Bank | 1.5 billion yen | To be determined (Fixed rate) (Note 3) (Note 4) | March 31, 2020 | September 30, 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 2020 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>).

(Note 3) Interest rate of the borrowing will be announced upon determination.

(Note 4) The interest payment will be made on the last day of September 2020 and the last days of March and September 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 borrowings to redeem a long-time borrowing of 3.5 billion yen which becomes mature on March 31, 2020 (the "Existing Long-term Borrowing"). For the details of the Existing Long-term Borrowing, please refer to "Notice Concerning Borrowing of Funds" released on March 26, 2015.

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

(1) Total amount

3.5 billion yen in total

(2) Specific purpose of use

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

(3) Scheduled date of disbursement

March 31, 2020

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 March 25, 2020) | After the Borrowings (As of March 31, 2020) | Change |
|--|---|--|---------|
| Short-term borrowings (Note) | 9,000 | 9,000 | 0 |
| Long-term borrowings to be repaid within one year | 15,500 | 12,500 | (3,000) |
| Long-term borrowings (Note) | 200,850 | 203,850 | 3,000 |
| Total amount of borrowings | 225,350 | 225,350 | 0 |
| Investment corporation bonds to be redeemed within one year | 2,000 | 2,000 | 0 |
| Investment corporation bonds | 17,000 | 17,000 | 0 |
| Total amount of borrowings and investment corporation bonds | 244,350 | 244,350 | 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 March 25, 2020) | After the Borrowings (As of March 31, 2020) | Change (point) |
|---|---|--|-------------------|
| Long-term borrowing ratio (Note 1) (Note 4) | 96.3% | 96.3% | 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) | 89.2% | 90.4% | 1.2 |
| Fixed interest ratio (Note 3) (Note 4) | 89.7% | 88.9% | (0.8) |

(Note 1) 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 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.

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 27, 2020.

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