

November 24, 2020

FOR IMMEDIATE RELEASE

Activia Properties Inc.
21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo
Kazushi Sato
Executive Director
(Code: 3279)

Asset Management Company
TLC REIT Management Inc.
Hiroyuki Tohmata
President & CEO

Inquiries
Kazuyuki Murayama
General Manager of Strategy Department
Activia Management Division
(Tel: +81-3-6455-3377)

Notice Concerning Borrowings of Funds

Activia Properties Inc. (“API”) announces today that it decided to borrow funds (the “Borrowings”). Details are as follows:

I. Borrowing①

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.	1,518 million yen	0.13 % +Base rate (Note 2)	November 30, 2020	November 30, 2021	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 December 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>).

2. Reasons for the borrowing

API will use the borrowing to redeem a short-term borrowing of 1,518 million yen which becomes mature on November 30, 2020 (the “Existing Short-term Borrowing”). For the details of the Existing Short-term Borrowing, please refer to “Notice Concerning Borrowing of Funds” released on April 10, 2020 and “Notice Concerning Partial Early Repayment of Funds” released on October 15, 2020.

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

- (1) Total amount
1,518 million yen in total
- (2) Specific purpose of use
Funds will be used to redeem the Existing Short-term Borrowing
- (3) Scheduled date of disbursement
November 30, 2020

II. Borrowing②

1. Details of 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 Development Bank of Japan Inc.	5.3 billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	December 21, 2020	December 21, 2029	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 June 2021 and the last days of June and December 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 borrowing

API will use the borrowing to redeem a long-term borrowing of 5.3 billion yen which becomes mature on December 21, 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 December 9, 2013.

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

(1) Total amount

5.3 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

December 21, 2020

III. 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 November 24, 2020)	After the Borrowings (As of December 21, 2020)	Change
Short-term borrowings (Note)	6,518	6,518	0
Long-term borrowings to be repaid within one year	26,250	20,950	(5,300)
Long-term borrowings (Note)	190,100	195,400	5,300
Total amount of borrowings	222,868	222,868	0
Investment corporation bonds to be redeemed within one year	0	0	0
Investment corporation bonds	21,500	21,500	0
Total amount of borrowings and investment corporation bonds	244,368	244,368	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 November 24, 2020)	After the Borrowings (As of December 21, 2020)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	97.3%	97.3%	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)	86.6%	88.8%	2.2
Fixed interest ratio (Note 3) (Note 4)	89.9%	89.9%	0

- (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.

IV. 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 August 24, 2020.

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