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 12th unsecured investment corporation bonds (green bonds) (with pari passu conditions among specified investment corporation bonds) ("the Investment Corporation Bonds")

(2) Total issue amount
¥4.5 billion

(3) Form of bond certificate
Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the investment 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
0.510% per annum

(7) Denomination price
¥100 million

(8) Offering method
Public Offering

(9) Offering date
October 15, 2020 (Thursday)

(10) Payment date
October 21, 2020 (Wednesday)

(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 October 21, 2030. 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
April 21 and October 21 every year

(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
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)
¥4,477 million

(2) Specific use of proceeds and scheduled timing of expenditure
All of the funds raised will be used on October 29, 2020 as part of the funds for a partial early repayment of the short-term borrowings (¥5,998 million) which will become due and payable on November 30, 2020 (the “Existing Short-term Borrowings”). For further details, please refer to the “Notice Concerning Partial 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
- GUNMAMIRAI Shinkumi Bank
- Mutual Aid Foundation for Japan Postal Group
- SHIZUOKA YAIZU SHINKIN BANK
- TETSUDOKOSAIKAI FOUNDATION
- The Dai-ichi Life Insurance Company, Limited
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

<table>
<thead>
<tr>
<th></th>
<th>Before the issuance (As of October 15, 2020)</th>
<th>After the issuance (As of October 29, 2020) (Note 1)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>10,998</td>
<td>6,518</td>
<td>(4,480)</td>
</tr>
<tr>
<td>(Note 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings to be repaid within one year</td>
<td>26,250</td>
<td>26,250</td>
<td>0</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>190,100</td>
<td>190,100</td>
<td>0</td>
</tr>
<tr>
<td>(Note 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount of borrowings</td>
<td>227,348</td>
<td>222,868</td>
<td>(4,480)</td>
</tr>
<tr>
<td>Investment corporation bonds</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>to be redeemed within one year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment corporation bonds</td>
<td>17,000</td>
<td>21,500</td>
<td>4,500</td>
</tr>
<tr>
<td>Total amount of borrowing and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>investment corporation bonds</td>
<td>244,348</td>
<td>244,368</td>
<td>20</td>
</tr>
</tbody>
</table>

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥4,480 million) will be made on October 29, 2020.

(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

<table>
<thead>
<tr>
<th></th>
<th>Before the issuance (As of October 15, 2020)</th>
<th>After the issuance (As of October 29, 2020) (Note 1)</th>
<th>Change (point)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term borrowing ratio</td>
<td>95.5%</td>
<td>97.3%</td>
<td>1.8</td>
</tr>
<tr>
<td>(Note 2) (Note 5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowing ratio</td>
<td>84.8%</td>
<td>86.6%</td>
<td>1.8</td>
</tr>
<tr>
<td>(excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 3) (Note 5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed interest ratio</td>
<td>88.1%</td>
<td>89.9%</td>
<td>1.8</td>
</tr>
<tr>
<td>(Note 4) (Note 5)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥4,480 million) will be made on October 29, 2020.

(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 report submitted on August 24, 2020.

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