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FOR IMMEDIATE RELEASE

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### 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.<br>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   |

(18) Underwriter

SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd.

## 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

(In millions of yen)

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

(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

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

(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/>