

January 8, 2019

FOR IMMEDIATE RELEASE

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Notice Concerning Concluding Interest Rate Swap Agreement

Activia Properties Inc. (“API”) announced today that it concluded interest rate swap agreement. Details are as follows.

1. Reason for conclusion of interest rate swap agreement

API has executed interest swap agreement to hedge the risks associated with interest rate fluctuations by converting the interest rate payable into fixed interest rate for the long-term borrowing disclosed in the “Notice Concerning Borrowings of Funds” released on December 25, 2018 (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 | 9.64 billion yen | 0.2725% + Base rate (Note 2) | January 10, 2019 | January 11, 2028 | 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 January 2019 and the last days 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. 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 its borrowings on a floating-rate basis. 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. Details of the interest rate swap agreement

< Long-term borrowing >

| | |
|-------------------------------|--|
| (1) Counterparty | Mizuho Bank, Ltd. |
| (2) Notional principal amount | 9.64 billion yen |
| (3) Interest rate | Fixed interest rate payable at 0.55800% Floating interest rate receivable will be the JBA one-month Japanese Yen TIBOR+0.2725% |
| (4) Date of the agreement | January 8, 2019 |
| (5) Commencement date | January 10, 2019 |
| (6) Termination date | January 11, 2028 |
| (7) Interest payment date | The interest payments will be made on the last day of January 2019 and the last day of each month thereafter as well as on the termination date. (If the 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.) |

(Note) The interest rate for the long-term borrowing will be, in effect, fixed at 0.55800% by the conclusion of the interest rate swap agreement.

3. Other

Regarding the risks related to the repayment of the Borrowing, there are no significant changes in the "Investment Risk" of the securities report submitted on November 30, 2018.

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