Activia Properties Inc.

June 30, 2014

FOR IMMEDIATE RELEASE

Activia Properties Inc.
16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Haruki Sakane
Executive Director
(Code: 3279)

Asset Management Company
TLC Activia Investment Management Inc.
Haruki Sakane
Representative Director, President and Chief Executive Officer

Inquiries
Hiroshi Kimoto
Executive Officer of Fund Management Department
(Tel: +81-3-6415-3120)

Notice Concerning Borrowing of Funds

Activia Properties Inc. (hereinafter referred to as the "Investment Corporation") announces that it decided to borrow funds today. Details are as follows.

1. Borrowing of funds

Long-term borrowing

Financial institution	Total amount to be borrowed	Interest rate	Drawdown date (plan)	Due date (Note 3)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	1.4 billion yen	0.15% + Base rate (Note 1)	July 9, 2014	January 9, 2016	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	1.4 billion yen				
Mizuho Bank, Ltd.	1.4 billion yen				
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1.4 billion yen				
Sumitomo Mitsui Banking Corporation	0.7billion yen				
Development Bank of Japan Inc.	0.7 billion yen				
Sumitomo Mitsui Trust Bank, Limited	0.6 billion yen	Fixed rate (To be determined) (Note 2)	July 9, 2014	January 10, 2020	
Mitsubishi UFJ Trust and Banking Corporation	0.6 billion yen				
Mizuho Bank, Ltd.	0.6 billion yen				
The Bank of Tokyo-Mitsubishi UFJ Ltd.	0.6 billion yen				
Sumitomo Mitsui Banking Corporation	0.3 billion yen				
Development Bank of Japan Inc.	0.3 billion yen				
Total	10.0 billion yen				

(Note 1) The first interest payment will be made on the last day of July 2014 and the last day of each month thereafter, as well as on the due date of the principal (if this day is a non-business day, the following business day. If such day comes in the following month, the immediately preceding business day).The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month Japanese Yen TIBOR of the Japanese Bankers Association, two business days before the interest payment date immediately preceding each interest payment date. The base rate corresponding to the first interest calculation period is based on the

drawdown date. However, if the calculation period is less than one month, the base rate will be the one corresponding to the period that will be calculated based on a method provided for in the agreement. After this, the Investment Corporation will not announce the interest rate decisions for its borrowings on a floating-rate basis. For changes in the Japanese Yen TIBOR of the Japanese Bankers Association, the base rate, please check the website of the JBA TIBOR Administration (http://www.jbatibor.or.jp/).

(Note 2) Interest rate of the fixed rate borrowing will be announced upon the determination.

(Note 3) If the due date is a non-business day, it will be the following business day. If the due date comes in the following month, it will be the immediately preceding business day.

2. Reasons for the borrowing

To redeem 10 billion yen of short-term borrowing on the due date of July 9, 2014 (hereinafter referred to as the Existing Short-term Borrowing).

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

(1) Amount of funds to be raised
A total of 10 billion yen
(2) Specific use of funds to be raised
Funds will be used to redeem the Existing Short-term Borrowing
(3) Time of disbursement
July 9, 2014

4. Status of borrowings payable, etc. after the borrowing

(1) Interest-bearing debt after the borrowing

(In millions of yen)

	Before the borrowing (As of June 30, 2014)	After the borrowing (As of July 9, 2014)	Change
Short-term borrowings payable (Note)	13,000	3,000	△10,000
Long-term borrowings to be repaid within a year	18,000	18,000	0
Long-term borrowings payable (Note)	75,800	85,800	10,000
Total borrowings payable	106,800	106,800	0
Investment corporation bonds	4,000	4,000	0
Total borrowings payable and investment corporation bonds	110,800	110,800	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	110,800	110,800	0

(Note) Short-term borrowings payable refer to the borrowings with a maturity period of one year or less, and long-term borrowings payable refer to the borrowings with a maturity period of more than one year.

(2) Basic financing information after the borrowing

	Before the borrowing (As of June 30, 2014)	After the borrowing (As of July 9, 2014)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	88.3%	93.7%	5.4%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4)	72.0%	81.0%	9.0%
Fixed interest ratio (Note 3) (Note 4)	72.0%	74.7%	2.7%

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings including the portion of long-term borrowings to be repaid within a year to the total of outstanding interest-bearing debt and investment corporation bonds.
(Note 2) Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) is the ratio of the outstanding long-term borrowings (excluding the portion of long-term borrowings to be repaid within a year) to the total of outstanding interest-bearing debt and investment corporation bonds.
(Note 3) Fixed interest ratio is the ratio of the total of outstanding interest-bearing debt of fixed interest ratio to the total of outstanding interest-bearing debt and calculated after fixing the interest rate by interest rate swap agreement.
(Note 4) Figures are rounded to the first decimal place.

5. Other

There are no significant changes in the “Investment Risk” section of the securities report submitted on February 27, 2014, in relation to the risks related to the repayment of the borrowing.

*Distribution of this material: This material is distributed to the Kabuto Club; the press club for the Ministry of Land, Infrastructure, Transport, and Tourism; and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport, and Tourism.
*Website of the Investment Corporation: http://www.activia-reit.co.jp/english