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FOR IMMEDIATE RELEASE

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# Notice Concerning Borrowing of Funds

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

## 1. Borrowing of Funds

Short-term borrowing

| Financial institution | Total amount to be borrowed | Interest rate | Anticipated drawdown date | Due date | Borrowing and repayment methods, security, and guarantee |
|---|---|---|---|---|---|
| Sumitomo Mitsui Trust Bank, Limited | 4 billion yen | 0.14% + Base rate (Note) | January 9, 2015 | April 30, 2015 | Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed |

(Note) The first interest payment will be made on the last day of January 2015 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 JBA TIBOR, 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 JBA TIBOR, the base rate, please check the website of the JBA TIBOR Administration (http://www.jbatibor.or.jp/).

*Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the borrowing of funds, and has not been prepared for the purpose of solicitation for investment. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as any amendments thereto, prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.*

Long-term borrowing

| Financial institution | Total amount to be borrowed | Interest rate | Anticipated drawdown date | Due date (Note 2) | Borrowing and repayment methods, security, and guarantee |
|---|---|---|---|---|---|
| Sumitomo Mitsui Trust Bank, Limited | 0.78 billion yen | 0.16% + Base rate (Note 1) | January 9, 2015 | January 9, 2018 | Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed |
| Mitsubishi UFJ Trust and Banking Corporation | 0.78 billion yen | | | | |
| Mizuho Bank, Ltd. | 0.78 billion yen | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 0.78 billion yen | | | | |
| Sumitomo Mitsui Banking Corporation | 0.39 billion yen | | | | |
| Development Bank of Japan Inc. | 0.39 billion yen | | | | |
| Sumitomo Mitsui Trust Bank, Limited | 0.5 billion yen | 0.17% + Base rate (Note 1) | January 9, 2015 | January 9, 2019 | |
| Mitsubishi UFJ Trust and Banking Corporation | 0.5 billion yen | | | | |
| Mizuho Bank, Ltd. | 0.5 billion yen | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 0.5 billion yen | | | | |
| Sumitomo Mitsui Banking Corporation | 0.25 billion yen | | | | |
| Development Bank of Japan Inc. | 0.25 billion yen | | | | |
| Sumitomo Mitsui Trust Bank, Limited | 0.34 billion yen | 0.175% + Base rate (Note 1) | January 9, 2015 | July 9, 2019 | |
| Mitsubishi UFJ Trust and Banking Corporation | 0.34 billion yen | | | | |
| Mizuho Bank, Ltd. | 0.34 billion yen | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 0.34 billion yen | | | | |
| Sumitomo Mitsui Banking Corporation | 0.17 billion yen | | | | |
| Development Bank of Japan Inc. | 0.17 billion yen | | | | |
| Sumitomo Mitsui Trust Bank, Limited | 0.84 billion yen | 0.25% + Base rate (Note 1) | January 9, 2015 | January 9, 2022 | |
| Mitsubishi UFJ Trust and Banking Corporation | 0.84 billion yen | | | | |
| Mizuho Bank, Ltd. | 0.84 billion yen | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 0.84 billion yen | | | | |
| Sumitomo Mitsui Banking Corporation | 0.42 billion yen | | | | |
| Development Bank of Japan Inc. | 0.42 billion yen | | | | |
| Total | 12.3 billion yen | | | | |

(Note 1) The base rate applicable on the interest payment date is based on a swap offered rate two business days prior to the drawdown date corresponding to the term of each borrowing plus TIBOR/LIBOR spread (based on 365 days a year).

(Note 2) If the due date is a non-business day, the following business day. If such day comes in the following month, the immediately preceding business day.

2. Reasons for the borrowing

The Investment Corporation will appropriate the borrowed funds for part of the acquisition cost and related expenses of Shiodome Building and Market Square Sagamihara (the total anticipated acquisition price of 35,120 million yen) among the real estate trust beneficiary interests in the three properties as

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announced in "Notice of Acquisition of Assets and Lease Contract with New Tenants" on November 27, 2014. For the details of the properties to be acquired, please refer to the above "Notice of Acquisition of Assets and Lease Contract with New Tenants".

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

(1) Amount of funds to be raised
A total of 16.3 billion yen
(2) Specific use of funds to be raised
Funds will be used for part of the acquisition price and related expenses of Shiodome Building and Market Square Sagamihara among the real estate trust beneficiary interests in the three properties as announced in "Notice of Acquisition of Assets and Lease Contract with New Tenants" on November 27, 2014.
(3) Time of disbursement
January 9, 2015

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 December 10, 2014) | After the borrowing (As of January 9, 2015) | Change |
|---|---|---|---|
| Short-term borrowings payable (Note) | 0 | 4,000 | 4,000 |
| Long-term borrowings to be repaid within a year | 18,000 | 18,000 | 0 |
| Long-term borrowings payable (Note) | 88,800 | 101,100 | 12,300 |
| Total borrowings payable | 106,800 | 123,100 | 16,300 |
| Investment corporation bonds | 4,000 | 4,000 | 0 |
| Total borrowings payable and investment corporation bonds | 110,800 | 127,100 | 16,300 |
| Other interest-bearing debt | 0 | 0 | 0 |
| Total interest-bearing debt | 110,800 | 127,100 | 16,300 |

(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 December 10, 2014) | After the borrowing (As of January 9, 2015) | Change (point) |
|---|---|---|---|
| Long-term borrowing ratio (Note 1) (Note 4) | 100.0% | 96.9% | -3.1% |
| Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4) | 83.8% | 82.7% | -1.1% |
| Fixed interest ratio (Note 3) (Note 4) | 77.4% | 77.2% | -0.3% |

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(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 and investment corporation bonds to the total of outstanding interest-bearing debt.

(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) and investment corporation bonds to the total of outstanding interest-bearing debt.

(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 "(2) Risk on the Investment Corporation's Organization and Scheme/(A)Risk on the Investment Corporation's Operation of Organization/b. Risk on the Investment Corporation's Financing Risk" stated on the "Investment Risk" section of the securities registration statement submitted on November 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

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