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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

Activia Properties Inc. ("API") announced today that it has decided to borrow funds (the "Borrowing"). Details are as follows:

Ⅰ. Borrowing①

1. Borrowing of Funds

< Long-term borrowing >

Lender	Loan amount	Interest rate	Drawdown date (plan)	Due date (Note 1)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Banking Corporation	6 billion yen	To be determined (fixed rate) (Note 2)	December 13, 2016	June 12, 2026	Borrowing based on a borrowing agreement with the lender 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) Interest rate of the fixed rate borrowings will be announced upon the determination.

2. Reasons for the Borrowing

API will use the Borrowing to redeem a long-term borrowing of 6 billion yen with a due date of December 13, 2016 (the "Existing Long-term Borrowing①"). For the details of the Existing Long-term Borrowing①, please refer to the "Notice Concerning Borrowing of Funds" announced on May 29, 2014.

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.

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

(1) Total amount
6 billion yen in total
(2) Specific purpose of use
Redemption of the Existing Long-term Borrowing①
(3) Scheduled date of disbursement
December 13, 2016

Ⅱ. Borrowings②

1. Borrowing of Funds < Short-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 Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd.	2.4 billion yen	0.13% + Base rate (Note 2)	December 26, 2016	May 31, 2017	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 first interest payment will be made on the last day of December 2016 and the last day of each month thereafter as well as on the due date of the principal. (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.) The base rate applicable to the period for the calculation of the interest payable on interest payment dates 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. (For the first interest payment, it will be 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 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/).

2. Reasons for the Borrowings

API will use the Borrowing to redeem a long-term borrowing of 2.4 billion yen with a due date of December 26, 2016 (the "Existing Long-term Borrowing②"). For the details of the Existing Long-term Borrowing②, please refer to the "Notice Concerning Borrowing of Funds" announced on September 25, 2015.

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

(1) Total amount
2.4 billion yen in total
(2) Specific purpose of use
Redemption of the Existing Long-term Borrowing②
(3) Scheduled date of disbursement
December 26, 2016

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

(1) Interest-bearing debt balance after the Borrowing

(In millions of yen)

	Before the Borrowing (As of November 21, 2016)	After the Borrowing (As of December 26, 2016)	Change
Short-term borrowings (Note)	5,400	7,800	2,400
Long-term borrowings due within one year	26,400	18,000	△8,400
Long-term borrowings (Note)	135,350	141,350	6,000
Total amount of borrowings	167,150	167,150	0
Investment corporation bonds	10,000	10,000	0
Total amount of borrowings and investment corporation bonds	177,150	177,150	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	177,150	177,150	0

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

(2) Basic financing information after the Borrowing

	Before the Borrowing (As of November 21, 2016)	After the Borrowing (As of December 26, 2016)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	97.0%	95.6%	△1.4
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	82.0%	85.4%	3.4
Fixed interest ratio (Note 3) (Note 4)	86.5%	89.9%	3.4

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings (including the long-term borrowings due within one year) and investment corporation bonds to the total of outstanding interest-bearing debt.

(Note 2) Long-term borrowing ratio (excluding the long-term borrowings due within one year) is the ratio of the outstanding long-term borrowings (excluding the long-term borrowings due within one 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 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 4) Figures are rounded to one decimal place.

5. Other

Regarding the risks related to the repayment of the Borrowing, there are no significant changes in the "Investment Risk" section of the securities registration statement submitted on November 14, 2016.

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*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 API: http://www.activia-reit.co.jp/english

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