Activia Properties Inc.

March 10, 2017

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 "Borrowings"). Details are as follows:

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.	5 billion yen	0.13% + Base rate (Note 2)	March 16, 2017	September 29, 2017	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd.	5 billion yen	0.13% + Base rate (Note 2)	March 16, 2017	March 16, 2018	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 March 2017, and subsequent interest payment dates will be the last day of each month as well as 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/).

< 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 Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	9 billion yen	To be determined (fixed rate) (Note 2, 3)	March 16, 2017	September 16, 2025	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) Interest rate of the fixed rate borrowings will be announced upon the determination.
(Note 3) The first interest payment will be made on the last day of September 2017, and subsequent interest payment dates will be the last day of March and September annually, and 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.)

2. Reasons for the Borrowings

API will use the Borrowings for a part of the acquisition cost of the real estate trust beneficiary interests in A-PLACE Shinagawa Higashi and the related expenses. For the details of the property, please refer to the "Notice of Acquisition of Asset (A-PLACE Shinagawa Higashi)" as of March 10, 2017.
(Note) The current name of the property is "DBC Shinagawa Tokyu Building". "A-PLACE Shinagawa Higashi" is the administrative name which API will use after the acquisition.

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

(1) Total amount
19.0 billion yen in total
(2) Specific purpose of use
A part of the acquisition cost of the real estate trust beneficiary interests in the property and the related expenses
(3) Scheduled date of disbursement
March 16, 2017

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4. Status of borrowings, etc. after the Borrowings

(1) Interest-bearing debt balance after the Borrowings

(In millions of yen)

	Before the Borrowings (As of March 10, 2017)	After the Borrowings (As of March 16, 2017)	Change
Short-term borrowings (Note)	1,800	11,800	10,000
Long-term borrowings due within one year	26,000	26,000	0
Long-term borrowings (Note)	133,350	142,350	9,000
Total amount of borrowings	161,150	180,150	19,000
Investment corporation bonds	16,000	16,000	0
Total amount of borrowings and investment corporation bonds	177,150	196,150	19,000
Other interest-bearing debt	0	0	0
Total interest-bearing debt	177,150	196,150	19,000

(Note) 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 Borrowings

	Before the Borrowings (As of March 10, 2017)	After the Borrowings (As of March 16, 2017)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	99.0%	94.0%	△5.0
Long-term borrowing ratio (excluding long-term borrowings due within one year) (Note 2) (Note 4)	84.3%	80.7%	△3.6
Fixed interest ratio (Note 3) (Note 4)	93.3%	88.8%	△4.4

(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 Borrowings, there are no significant changes in the "Investment Risk" section of the securities report submitted on February 23, 2017.

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